

Kingsgate Consolidated Limited

Quarterly Report

For the period ending 30 September 2020

KEY ISSUES

CORPORATE

- ▶ Kingsgate's subsidiary, Akara Resources, was granted permission by the Thai Government to refine and sell the high value gold and silver "sludge," which was secured at the Chatree Gold Mine. Akara Resources has agreed terms with a Thai refinery to process the sludge pursuant to new legislation requiring gold mined in Thailand to be refined in Thailand.
- ▶ The sludge refers to material cleaned from the tanks and processing plant following the closure of the Chatree Gold Mine on 31 December 2016, and has always been, and acknowledged to be, the property of Akara Resources.
- ▶ The sludge has contained gold of approximately 4,750 ounces plus 34,800 ounces of silver. As at 30 September 2020, a total of 1,790 ounces of the sludge had been refined and sold at an average price of US\$1,951/oz. The proceeds from the sale have been received by Akara Resources. The remaining sludge has now been transported to the refinery and is expected to be refined and sold during the coming week.
- ▶ The arbitral hearings under the Thailand - Australia Free Trade Agreement (that relate to the Thai Government's premature closure of the Chatree Gold Mine in 2016) were heard in full in Singapore, from 3 to 12 February 2020.
- ▶ As previously stated, the TAFTA Tribunal has ordered that the proceedings are to be kept confidential, except where disclosure is required to fulfil a legal duty.
- ▶ Following the completion of the arbitral hearings, the Kingsgate Board maintains that the Company has excellent prospects for a successful outcome.
- ▶ The arbitral panel is not required to make a decision on the claim by a prescribed date in the future; rather they have now retired to consider the matter and will render a decision in their own time.
- ▶ Kingsgate remains open to seeking a negotiated settlement of the matter with the Thai Government.

CHILE

- ▶ The sustained rise in commodity prices has seen renewed interest in Kingsgate's Nueva Esperanza Gold/Silver Project in Chile.
- ▶ While there is no deadline for a decision, Kingsgate is methodically working its way through all the options available for Nueva Esperanza to maximise the outcome for shareholders.

FINANCIAL

- ▶ **Kingsgate remains corporate debt free.**
- ▶ Cash at 30 September 2020 totalled A\$15.5 million.

CHATREE GOLD MINE, Thailand

Care and Maintenance

Akara Resources Public Company Limited (“Akara”), a subsidiary of Kingsgate, ceased operating the Chatree Gold Mine on 31 December 2016 in accordance with the closure order by the Thai Government. Chatree was placed on Care and Maintenance effective 1 January 2017. Approximately 31 full time staff remain at the Chatree Gold Mine to manage the ongoing Care and Maintenance and rehabilitation works.

Kingsgate remains open to a negotiated settlement with the Thai Government. The recent approval given to Akara Resources to monetise the gold and silver sludge is viewed by Kingsgate as a small but positive step, and seemingly as an act of good faith, indicating a new willingness by the Thai Government to pursue a negotiated settlement between the two parties.

Thai Media Comments

On 15 October 2020, several Thai media outlets published a story alleging that Akara Resources had contravened forestry laws over the period that the Chatree Gold Mine was operating. Akara can advise that it has not received any official notification from the Thai Forestry Department or Natural Resources and Environmental Crime Suppression Division concerning the allegations reported by news outlets.

Akara believes the allegations as reported are baseless and without merit as:

Prior to mining leases being issued, the Department of Primary Industries and Mines (DPIM) surveyed and checked land boundaries to verify that Akara had obtained valid permission from all land owners including forestry and public use areas to apply for mining leases;

Since the Chatree Gold Mine commenced operations in 2001, the DPIM and other relevant authorities have conducted quarterly inspections without any accusation of illegally destroying roads or using public areas, mining outside permitted areas or illegally obtaining land documents;

There were also other inspections carried out by various governmental authorities from time to time, including forestry officers over the years, with the most recent inspection taking place on 15 June 2020, that resulted in no accusations of a similar nature against Akara;

Valid licenses for use of forestry land have been approved and consistently renewed by the Forestry Department so it is incorrect to state that Akara did not obtain permission; and

Presently, there are a number of applications that are pending governmental approval which further demonstrates Akara’s commitment to complying with relevant regulations.

Akara firmly believes it has complied with all relevant laws and regulations, and will take all necessary action to ensure ongoing compliance with such. Akara also reserves the right to take legal action against the Forestry Department Director-General and other persons.



Bagged gold-silver sludge being sent to Thai refiners.

September Quarter Review

NUEVA ESPERANZA PROJECT, Chile

Nueva Esperanza is a feasibility-stage development project with a resource base (inclusive of ore reserves) of approximately 0.49 million ounces of gold and 83.4 million ounces of silver. (See ASX:KCN release titled “Kingsgate Mineral Resources and Ore Reserves 2016” dated 7 October 2016).

In July 2020, Kingsgate advised that its 100% owned Laguna Resources Chile entity (“LRC”) has been granted an Environmental Impact Assessment (“RCA-64/20”) approval for the Nueva Esperanza Gold/Silver Project. (See ASX:KCN release titled “Nueva Esperanza Project – EIA Approved”).

This approval will enable the development of the project (subject to compliance with local mining laws/regulations) and follows a public consultation period that resulted in no objections being lodged against the project, and is the successful culmination of 18 months of detailed work that saw Kingsgate working closely with environmental consultants, local indigenous communities and the Chilean Government.

In addition, Kingsgate is currently in the process of finalising an agreement with Anglo American that will see a deferral of fees for both the water rights and project royalty payments until 2025, with an approximate value of US\$3.4 million. These factors combined, have afforded Kingsgate the opportunity to carefully consider its options with respect to Nueva Esperanza, and the recent rise in commodity prices has seen renewed interest in the project. Kingsgate has made all non-essential staff redundant to reduce ongoing holding costs of the project.

Exploration

There were no exploration activities undertaken at Nueva Esperanza during the quarter.

CORPORATE & FINANCE

At the end of September 2020, Kingsgate’s Group Cash totalled A\$15.5 million.

Kingsgate continues to review expenditure across the Group.



Vicuña, a species native to the Andes mountain, closely related to the guanaco, graze around Nueva Esperanza

Corporate Directory

Board of Directors / Senior Staff

| | |
|------------------------|------------------------|
| Ross Smyth-Kirk | Executive Chairman |
| Peter Alexander | Non-Executive Director |
| Peter Warren | Non-Executive Director |
| Ross Coyle | Company Secretary |

Principal and Registered Office

Suite 2, Level 23, 20 Bond Street,
Sydney, NSW, 2000, Australia.
Tel: +61 2 8256 4800
Email: info@kingsgate.com.au

Exchange Details

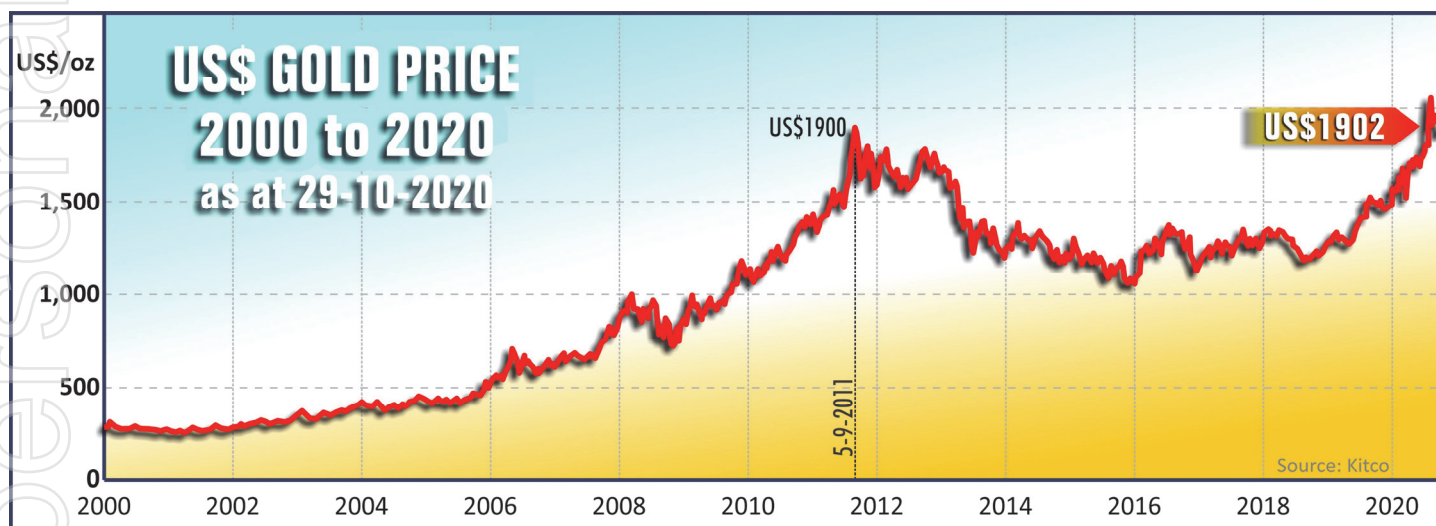
ASX Code: KCN
OTC Code: KSKGY

Share Registry

Link Market Services Limited
Level 12, 680 George Street,
Sydney, NSW, 2000, Australia.
Postal address: Locked Bag A14,
Sydney South, NSW, 1235, Australia.
Tel: +61 1300 554 474
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

Share Details

As at 30 September 2020, there were 221,853,852 ordinary shares on issue.



Forward Looking Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements. Forward looking statements in these materials speak only at the date of issue, subject to any continuing obligations under applicable law or any relevant stock exchange.

Competent Persons Statement:

The information in this report that relate to the resources of the Nueva Esperanza Project in Chile, is based on information compiled by Ron James, who was previously an employee of the Kingsgate Group. Ron James is now a consultant geologist to Kingsgate, a member of The Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person. Mr James has sufficient experience that is relevant to the style of mineralisation being reported herein as a resource, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves." Mr James has consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

Chatree, Thailand

Mining Leases, Mining Lease Applications and Special Prospecting Licence applications for Akara Resources Public Company Limited as at September 2020.

MINING LICENCES

| No. | ML/MLA | Province | Issue Date | Expiry Date | Rai | Application date |
|-----|--------------------------|------------|------------|-------------|----------|------------------|
| 1 | 26917/15804 | Phichit | 21/7/2008 | 20/7/2028 | 252-3-06 | - |
| 2 | 26922/15805 | Phichit | 21/7/2008 | 20/7/2028 | 283-1-65 | - |
| 3 | 26921/15806 | Phichit | 21/7/2008 | 20/7/2028 | 275-2-54 | - |
| 4 | 26920/15807 | Phichit | 21/7/2008 | 20/7/2028 | 293-2-02 | - |
| 5 | 26923/15808 | Phichit | 21/7/2008 | 20/7/2028 | 204-1-26 | - |
| 6 | 32529/15809 | Phetchabun | 21/7/2008 | 20/7/2028 | 283-1-49 | - |
| 7 | 32530/15810 | Phetchabun | 21/7/2008 | 20/7/2028 | 299-1-60 | - |
| 8 | 32531/15811 | Phetchabun | 21/7/2008 | 20/7/2028 | 279-1-79 | - |
| 9 | 32532/15812 | Phetchabun | 21/7/2008 | 20/7/2028 | 294-1-28 | - |
| 10 | MLA 2/2554 (25528/14714) | Phetchabun | - | - | 93-1-77 | 20/01/2011 |
| 11 | MLA 1/2562 (26910/15365) | Phichit | 19/6/2000 | 18/6/2020 | 297-0-84 | 13/12/2019 |
| 12 | MLA 2/2562 (26911/15366) | Phichit | 19/6/2000 | 18/6/2020 | 275-1-81 | 13/12/2019 |
| 13 | MLA 3/2562 (26912/15367) | Phichit | 19/6/2000 | 18/6/2020 | 294-0-37 | 13/12/2019 |
| 14 | MLA 4/2562 (25618/15368) | Phetchabun | 19/6/2000 | 18/6/2020 | 299-1-92 | 11/12/2019 |
| 15 | MLA 6/2556 | Phetchabun | - | - | 58-0-0 | 16/07/2013 |
| 16 | MLA 1/2559 | Phichit | - | - | 194-2-36 | 25/03/2016 |
| 17 | MLA 2/2559 | Phichit | - | - | 51-0-28 | 25/03/2016 |

SPECIAL PROSPECTING LICENCE APPLICATIONS

| No. | App No | Province | Area (Rai) | No. | App No | Province | Area (Rai) | No. | App No | Province | Area (Rai) |
|-----|---------|------------|------------|-----|---------|------------|------------|-----|---------|-------------|------------|
| 1 | 6/2555 | Chantaburi | 9320 | 40 | 32/2546 | Phetchabun | 10000 | 79 | 7/2554 | Phichit | 8725 |
| 2 | 8/2549 | Chantaburi | 5360 | 41 | 40/2546 | Phetchabun | 10000 | 80 | 8/2554 | Phichit | 10000 |
| 3 | 9/2549 | Chantaburi | 9290 | 42 | 35/2546 | Phetchabun | 9976 | 81 | 9/2554 | Phichit | 10000 |
| 4 | 2/2550 | Lop Buri | 9923 | 43 | 48/2546 | Phetchabun | 10000 | 82 | 10/2554 | Phichit | 10000 |
| 5 | 3/2550 | Lop Buri | 9967 | 44 | 49/2546 | Phetchabun | 6238 | 83 | 11/2554 | Phichit | 10000 |
| 6 | 4/2550 | Lop Buri | 10000 | 45 | 50/2546 | Phetchabun | 9375 | 84 | 12/2554 | Phichit | 10000 |
| 7 | 5/2550 | Lop Buri | 8504 | 46 | 51/2546 | Phetchabun | 8125 | 85 | 13/2554 | Phichit | 9500 |
| 8 | 6/2550 | Lop Buri | 10000 | 47 | 52/2546 | Phetchabun | 10000 | 86 | 14/2554 | Phichit | 10000 |
| 9 | 7/2550 | Lop Buri | 6711 | 48 | 53/2546 | Phetchabun | 8750 | 87 | 15/2554 | Phichit | 9500 |
| 10 | 8/2550 | Lop Buri | 9597 | 49 | 54/2546 | Phetchabun | 9588 | 88 | 16/2554 | Phichit | 9760 |
| 11 | 9/2550 | Lop Buri | 9255 | 50 | 55/2546 | Phetchabun | 8709 | 89 | 1/2550 | Phitsanulok | 130 |
| 12 | 10/2550 | Lop Buri | 9347 | 51 | 56/2546 | Phetchabun | 10000 | 90 | 2/2550 | Phitsanulok | 1050 |
| 13 | 11/2550 | Lop Buri | 9426 | 52 | 57/2546 | Phetchabun | 8750 | 91 | 10/2554 | Phitsanulok | 2170 |
| 14 | 12/2550 | Lop Buri | 9493 | 53 | 59/2546 | Phetchabun | 9005 | 92 | 11/2554 | Phitsanulok | 8695 |
| 15 | 13/2550 | Lop Buri | 10000 | 54 | 67/2546 | Phetchabun | 2237 | 93 | 12/2554 | Phitsanulok | 1300 |
| 16 | 14/2550 | Lop Buri | 7948 | 55 | 1/2548 | Phetchabun | 9352 | 94 | 13/2554 | Phitsanulok | 9868 |
| 17 | 15/2550 | Lop Buri | 10000 | 56 | 2/2548 | Phetchabun | 9604 | 95 | 14/2554 | Phitsanulok | 9909 |
| 18 | 16/2550 | Lop Buri | 10000 | 57 | 3/2548 | Phetchabun | 10000 | 96 | 15/2554 | Phitsanulok | 8973 |
| 19 | 1/2551 | Lop Buri | 10000 | 58 | 5/2548 | Phetchabun | 10000 | 97 | 16/2554 | Phitsanulok | 10000 |
| 20 | 3/2546 | Phetchabun | 9375 | 59 | 6/2548 | Phetchabun | 10000 | 98 | 17/2554 | Phitsanulok | 9460 |
| 21 | 4/2546 | Phetchabun | 9672 | 60 | 12/2548 | Phetchabun | 8900 | 99 | 18/2554 | Phitsanulok | 10000 |
| 22 | 5/2546 | Phetchabun | 9107 | 61 | 13/2548 | Phetchabun | 7985 | 100 | 19/2554 | Phitsanulok | 9635 |
| 23 | 6/2546 | Phetchabun | 7382 | 62 | 14/2548 | Phetchabun | 9350 | 101 | 20/2554 | Phitsanulok | 10000 |
| 24 | 7/2546 | Phetchabun | 9798 | 63 | 15/2548 | Phetchabun | 1378 | 102 | 21/2554 | Phitsanulok | 10000 |
| 25 | 16/2546 | Phetchabun | 9501 | 64 | 1/2550 | Phetchabun | 9019 | 103 | 22/2554 | Phitsanulok | 10000 |
| 26 | 17/2546 | Phetchabun | 10000 | 65 | 2/2550 | Phetchabun | 9992 | 104 | 23/2554 | Phitsanulok | 10000 |
| 27 | 18/2546 | Phetchabun | 10000 | 66 | 3/2550 | Phetchabun | 10000 | 105 | 24/2554 | Phitsanulok | 4072 |
| 28 | 19/2546 | Phetchabun | 10000 | 67 | 4/2550 | Phetchabun | 586 | 106 | 25/2554 | Phitsanulok | 3869 |
| 29 | 20/2546 | Phetchabun | 10000 | 68 | 3/2553 | Phetchabun | 9576 | 107 | 26/2554 | Phitsanulok | 9393 |
| 30 | 21/2546 | Phetchabun | 9009 | 69 | 4/2553 | Phetchabun | 10000 | 108 | 27/2554 | Phitsanulok | 8700 |
| 31 | 22/2546 | Phetchabun | 9997 | 70 | 1/2549 | Phichit | 10000 | 109 | 1/2549 | Rayong | 7300 |
| 32 | 23/2546 | Phetchabun | 9716 | 71 | 1/2550 | Phichit | 9812 | 110 | 4/2554 | Saraburi | 9381 |
| 33 | 24/2546 | Phetchabun | 9858 | 72 | 2/2550 | Phichit | 10000 | 111 | 5/2554 | Saraburi | 9500 |
| 34 | 25/2546 | Phetchabun | 9599 | 73 | 3/2550 | Phichit | 10000 | 112 | 6/2554 | Saraburi | 9460 |
| 35 | 26/2546 | Phetchabun | 8916 | 74 | 4/2550 | Phichit | 10000 | 113 | 7/2554 | Saraburi | 7106 |
| 36 | 27/2546 | Phetchabun | 9069 | 75 | 3/2554 | Phichit | 9850 | 114 | 8/2554 | Saraburi | 9656 |
| 37 | 28/2546 | Phetchabun | 9375 | 76 | 4/2554 | Phichit | 9375 | 115 | 9/2554 | Saraburi | 9921 |
| 38 | 30/2546 | Phetchabun | 10000 | 77 | 5/2554 | Phichit | 9440 | 116 | 10/2554 | Saraburi | 10000 |
| 39 | 31/2546 | Phetchabun | 10000 | 78 | 6/2554 | Phichit | 9900 | | | | |

Total (Rai) : 1,026,420

Total (Km²) : 1,642.27

Nueva Esperanza, Chile

Tenements for Laguna Resources Chile Limitada, (a wholly owned subsidiary of Kingsgate Consolidated Limited)

| NUEVA ESPERANZA PROJECT | | | | | |
|----------------------------------|--------------|------------------|-------|-------------|-------------|
| ID | ID File | Name | Owner | Area (Ha) | Observation |
| 1 | 03102-1192-3 | CANARIAS 1/414 | LRC | 1066 | Constituted |
| 2 | 03102-1151-6 | FLOR 1/20 | LRC | 100 | Constituted |
| 3 | 03102-3646-2 | NEGRA 1/1003 | LRC | 4545 | Constituted |
| 4 | 03102-1193-1 | PASCUA 1/328 | LRC | 1131 | Constituted |
| 5 | 03102-2897-7 | PASCUA I 1/20 | LRC | 200 | Constituted |
| 6 | 03102-2894-K | PASCUA II 1/30 | LRC | 300 | Constituted |
| 7 | 03102-2895-8 | PASCUA III 1/30 | LRC | 300 | Constituted |
| 8 | 03102-2896-6 | PASCUA IV 1/20 | LRC | 200 | Constituted |
| 9 | 03102-1169-5 | PEÑA 1/181 | LRC | 905 | Constituted |
| 10 | 03102-1296-2 | ROBINSON 1/14 | LRC | 94 | Constituted |
| 11 | 03102-2998-9 | REEMPLAZO A 1/10 | LRC | 10 | Constituted |
| 12 | 03102-2999-7 | REEMPLAZO B 1/5 | LRC | 5 | Constituted |
| 13 | 03102-2318-2 | NEGRA 1/1003 | LRC | 100 | Constituted |
| 14 | 03102-1152-4 | NEGRA 1/1003 | LRC | 370 | Constituted |
| | | | | 9326 | |
| TENEMENTS IN PROGRESS NO MEASURE | | | | | |
| ID | ID File | Name | Owner | Area (Ha) | Observation |
| 15 | V-2513-2019 | GATON 1B | LRC | 200 | In Progress |
| 16 | V-2571-2019 | CRISTAL 54B | LRC | 200 | In Progress |
| 3 | V-2512-2019 | GASTON 1 1/40 | LRC | 200 | In Progress |
| 4 | V-2570-2019 | CRISTAL 54A 1/40 | LRC | 200 | In Progress |
| NUEVA ESPERANZA PROJECT | | | | | |
| ID | ID File | Name | Owner | Area (Ha) | Observation |
| 17 | 03201C776-3 | PACITA 1A 1/40 | LRC | 200 | Constituted |
| 18 | 03201C777-1 | PACITA 2A 1/40 | LRC | 200 | Constituted |
| 19 | 03201C778-K | PACITA 3A 1/40 | LRC | 200 | Constituted |
| 20 | 03201C779-8 | PACITA 4A 1/40 | LRC | 200 | Constituted |
| 21 | 03201C780-1 | PACITA 5A 1/40 | LRC | 200 | Constituted |
| 22 | | PACITA 6A 1/40 | LRC | 100 | Constituted |
| 23 | 03201C781-K | PACITA 7A 1/40 | LRC | 200 | Constituted |
| 24 | 03201C782-8 | PACITA 8A 1/40 | LRC | 200 | Constituted |
| 25 | 03201C783-6 | PACITA 9A 1/40 | LRC | 200 | Constituted |
| 26 | 03201C784-4 | PACITA 10A 1/40 | LRC | 200 | Constituted |
| 27 | 03201C785-2 | PACITA 11A 1/40 | LRC | 200 | Constituted |
| 28 | 03201C786-0 | PACITA 12A 1/40 | LRC | 200 | Constituted |
| 29 | 03201C787-9 | PACITA 13A 1/40 | LRC | 200 | Constituted |
| 30 | 03201C788-7 | PACITA 14A 1/40 | LRC | 100 | Constituted |
| 31 | 03201C790-9 | PACITA 16A 1/40 | LRC | 144 | Constituted |
| 32 | 03201C791-7 | PACITA 17A 1/40 | LRC | 80 | Constituted |
| 33 | S/R | PACITA 6C | LRC | 200 | Constituted |
| 34 | S/R | PACITA 19C | LRC | 200 | Constituted |
| 35 | S/R | PACITA 20C | LRC | 300 | Constituted |
| 36 | S/R | PACITA 21C | LRC | 200 | Constituted |
| 37 | S/R | PACITA 22C | LRC | 200 | Constituted |
| 38 | S/R | PACITA 23C | LRC | 200 | Constituted |
| 39 | S/R | PACITA 24C | LRC | 200 | Constituted |

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KINGSGATE CONSOLIDATED LIMITED

ABN

42 000 837 472

Quarter ended ("current quarter")

30 SEPTEMBER 2020

| Consolidated statement of cash flows | Current quarter (3 months) \$A'000 | Year to date (3 months) \$A'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 5,232 | 5,232 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | - | - |
| (c) production (Thai Govt Royalties) | (1,594) | (1,594) |
| (d) staff costs | (565) | (565) |
| (e) administration and corporate costs | (2,445) | (2,445) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 18 | 18 |
| 1.5 Interest and other costs of finance paid | (356) | (356) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| Payments for Nueva Esperanza Project in Chile regarding holding costs, water rights, advanced royalties, and Environmental Impact Assessment costs | (200) | (200) |
| 1.9 Net cash from / (used in) operating activities | 90 | 90 |

2. Cash flows from investing activities

2.1 Payments to acquire or for:

(a) entities

-

-

(b) tenements

-

-

(c) property, plant and equipment

-

-

(d) exploration & evaluation

-

-

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Appendix 5B continued

| Consolidated statement of cash flows | Current quarter (3 months) \$A'000 | Year to date (3 months) \$A'000 |
|------------------------------------------------------------------|------------------------------------------|---------------------------------------|
| (e) investments | - | - |
| (f) other non-current assets | (1) | (1) |
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | (1) | (1) |
| 2.6 Net cash from / (used in) investing activities | (2) | (2) |

| | | |
|---------------------------------------------------------------------------------------------|-------------|-------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | | |
| Payments for share buy-backs | - | - |
| Transaction costs related to share buy-backs | - | - |
| Other | (22) | (22) |
| 3.10 Net cash from / (used in) financing activities | (22) | (22) |

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Appendix 5B continued

| Consolidated statement of cash flows | | Current quarter (3 months) \$A'000 | Year to date (3 months) \$A'000 |
|---------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | 66 | 66 |
| 4.1 | Cash and cash equivalents at beginning of period | 15,569 | 15,569 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 90 | 90 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (2) | (2) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (22) | (22) |
| 4.5 | Effect of movement in exchange rates on cash held | (99) | (99) |
| 4.6 | Cash and cash equivalents at end of period | 15,536 | 15,536 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 10,248 | 5,299 |
| 5.2 | Call deposits | 5,280 | 10,263 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| | Petty cash | 8 | 7 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 15,536 | 15,569 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | - |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

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Appendix 5B continued

| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | 90 |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | 90 |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 15,536 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 15,536 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | N/A |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | |

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Appendix 5B continued

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2020

Authorised by: BOARD OF DIRECTORS
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.