Appendix 5B

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

For personal use only

Name of entity	
Emerald Resources NL	
ABN	**Quarter ended ("current quarter")**
72 009 795 046	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(723)	(723)
	(b) development	(371)	(371)
	(c) production	-	-
	(d) staff costs	(228)	(228)
	(e) administration, corporate costs and insurances	(281)	(281)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	38	38
1.8	Other (provide details if material)	2	2
1.9	**Net cash from / (used in) operating activities**	**(1,560)**	**(1,560)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(14)	(14)
	(d) exploration & evaluation	-	-
	mine development expenditure:		
	- mine development	(20,264)	(20,264)
	- capitalised interest	(758)	(758)

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) investments	(92)	(92)
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	135	135
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(20,993)**	**(20,993)**

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	275	275
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(6)	(6)
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**269**	**269**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	136,175	136,175
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,560)	(1,560)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20,993)	(20,993)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	269	269
4.5	Effect of movement in exchange rates on cash held	(4,488)	(4,488)
4.6	**Cash and cash equivalents at end of period**	**109,403**	**109,403**

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	104,333	136,175
5.2	Call deposits	5,070	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**109,403**	**136,175**

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	244
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

- Directors fees, salaries and superannuation ($179k); and
- Rental payments to a Director related party for the Company premises ($50k); and
- Payments to a Director for the provision of Company secretarial services ($15k).

For personal use only

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	88,494	88,494
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	88,494	88,494

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.

[1]Credit Agreement with Sprott Private Resource Lending II ("Sprott") for US$60 million. The financial close of the Sprott facility occurred on 27 April 2020 (refer to ASX announcement dated 28 April 2020).

Terms – 5 years

Interest - 6.5% pa plus the greater of (i) USD 3 month LIBOR, and (ii) 2.50% pa, payable monthly with 75% of the interest capitalised during construction

Gold Price Participation Agreement – Commencing on or about first forecast gold production, a gold price participation payment on 1,449oz per month to a total of 62,307oz. Payment is calculated based on the differential between the average LBMA Gold Price for the month subject to a minimum gold price of US$1,127/oz, and a gold reference price of US$1,100/oz

Security – Sprott to have first ranking security over all undertakings, properties and assets of Emerald including the Okvau Gold Project, to be released upon full repayment of all obligations

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	1,560
8.2	(Payments for exploration & evaluation classified as investing activities and mine development expenditure) (item 2.1(d))	21,022
8.3	Total relevant outgoings (item 8.1 + item 8.2)	22,486
8.4	Cash and cash equivalents at quarter end (item 4.6)	109,403
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	109,403
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.9

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.

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: n/a

For personal use only

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: n/a	
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: n/a	
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.

Authorised by the Emerald Board

Mark Clements
Company Secretary
30 October 2020

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.

For personal use only