



Altech Chemicals
Limited

QUARTERLY REPORT

June 2021

R&D LABORATORY TO EXPEDITE HPA BATTERY MATERIALS COATING TECHNOLOGY

- Research and Development laboratory established in Perth, Western Australia
- Customised facility to advance development of Altech's battery materials coating technology
- Test and development work can proceed unhindered

BATTERY MATERIALS PRE-FEASIBILITY STUDY PROGRESSING WELL AND ON TRACK

- Process design completed
- Pricing of equipment and construction packages has commenced
- Environmental due diligence and permitting plan finalised
- Accessing 100% renewable power
- Graphite market report completed
- MOU with leading European graphite supplier in place

OPENING OF BATTERY MATERIALS SITE WITH SUPPORT OF SAXONY STATE GOVERNMENT

- Opening of site office and R&D workshop, Saxony, Germany
- Attendance by Saxony State and Local Government officials
- Update project briefing provided
- Strong support by Saxony State Government

COLLABORATION AGREEMENT WITH SGL CARBON, GERMANY

- Collaboration agreement with leading German based graphite producer
- Alumina coated graphite for lithium-ion battery industry
- Applying Altech's HPA and coating technology
- Altech now at the forefront of graphite HPA coating technology

PATENT SUBMISSION FOR ALUMINA COATING OF BATTERY MATERIALS

- Successful lodgement of patent for alumina coating technology
- New product development for use in lithium-ion battery anode
- Potential improvements to lithium-ion battery life, capacity and cyclability

JOHOR HPA PLANT SITE

- Site remains under care and maintenance
- Initial construction work has significantly de-risked project
- No further work planned until all project financing is completed
- Running start for construction when project finance finalised

ALTECH ADVANCED MATERIALS AG (AAM)

- AAM raised a total of €3.07 million as part of its rights issue and private placement program
- Funds to be used for working capital, PFS costs, due payments for its purchase of 25% of Altech Industries Germany GmbH
- Altech has agreed with AAM to defer the first €1.58 million instalment for the sale of 25% of AIG

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R&D LABORATORY TO EXPEDITE HPA BATTERY MATERIALS COATING TECHNOLOGY

During the quarter, Altech announced that it had established its own research and development laboratory in Perth, Western Australia. The laboratory, which was previously occupied by an environmental consulting business, was easily converted to meet Altech's requirements.

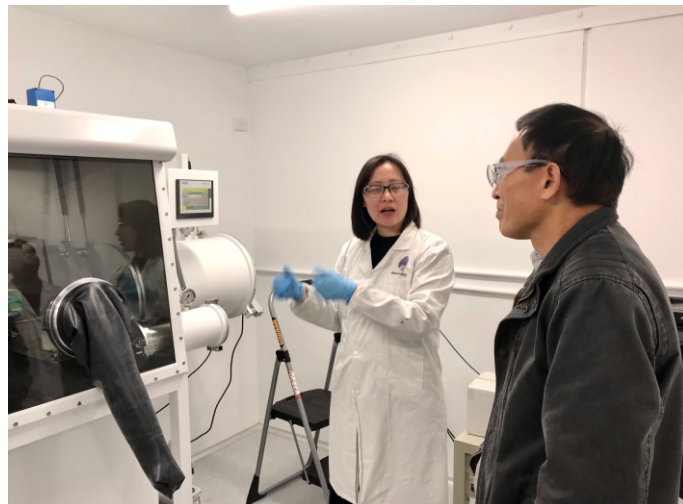
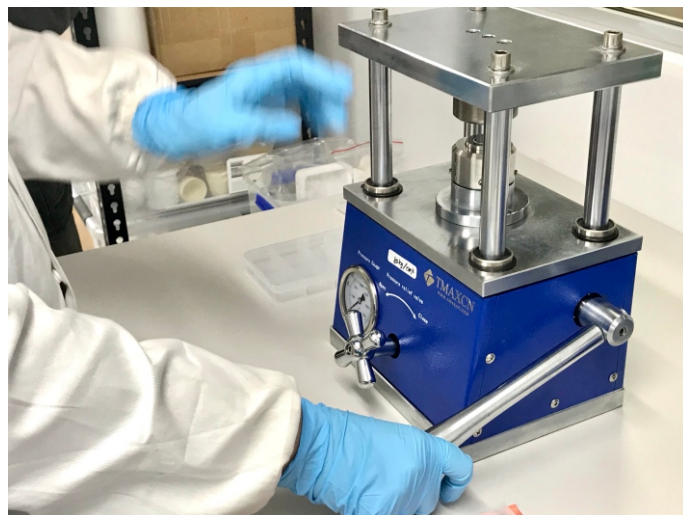
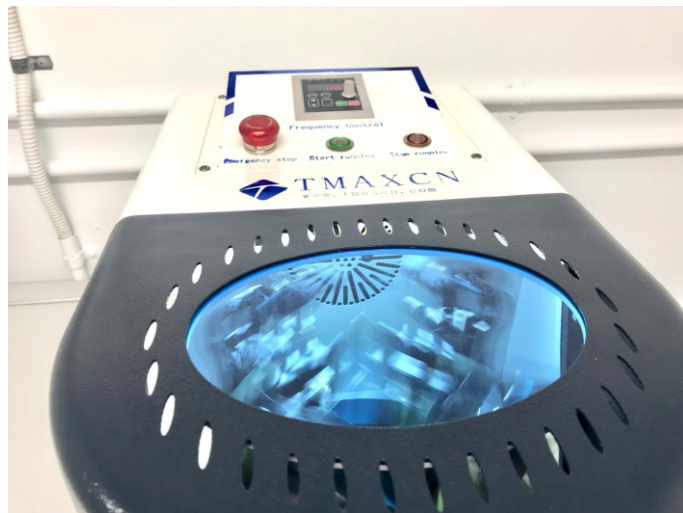
The laboratory had been in a commissioning phase since May 2021. Commissioning was finalised in mid-July 2021 and the facility is now operational. With its own laboratory, Altech can now conduct a full range of research, development and test work (including battery tests) to refine its graphite and silicon particle battery materials HPA coating technology, unhindered. Previously this work was being conducted at Curtin University (WA) and needed to be scheduled around laboratory availability, which did not always align with Altech's requirements.

Altech staff and a part-time consultant that were previously located at its Subiaco office in Perth are manning the laboratory, plus a casual laboratory assistant has been engaged. The first samples of battery materials arrived at the laboratory during June, and various rounds of development tests commenced. Another round of half-cell battery performance tests is also planned – to further test the performance of graphite and silicon particles that have been coated with alumina, using Altech's proprietary technology.

Dr. Jingyuan Liu supervising test work



Latest test equipment



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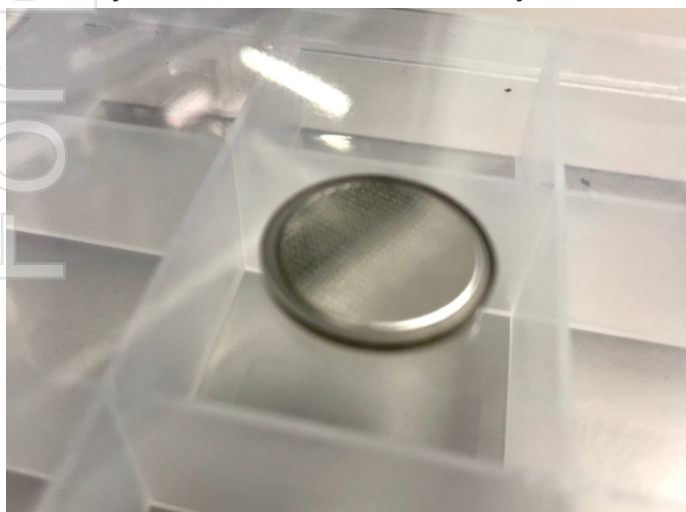
Controlled atmosphere for cell making



Alumina coating technology



Test battery - manufactured in the Altech laboratory



BATTERY MATERIALS PRE-FEASIBILITY STUDY PROGRESSING WELL AND ON TRACK

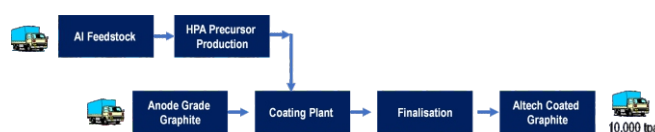
During the quarter, the Company provided an update on the pre-feasibility study for the construction of a battery materials high purity alumina (HPA) coating plant in Saxony, Germany. The PFS is being undertaken by Altech's 75% owned German subsidiary, Altech Industries Germany GmbH (AIG).

AIG is continuing to make solid progress with the PFS. The PFS work has now progressed to engineering design for a 10,000 tpa battery materials coating plant, that is being assessed in the study. The plant would be constructed at the ~14 hectare industrial site that AIG has an option to purchase at the Schwarze Pumpe Industrial Park, municipality of Spreetal in Saxony, Germany.

PFS work is now focussed on completion of the preliminary process design criteria, and the sizing of the mechanical equipment required for each of the process steps. An evaluation process of potential engineering and construction companies in the region has been completed, which is important for the project if it progresses to a definitive feasibility study. Enquiries have also commenced with suppliers for all major equipment packages for pricing purposes, and discussions with potential contractors for major works packages are underway.

The battery material coating process design has also now been completed. The process consists of four stages (see Figure 1). Stage 1 is a HPA precursor production step using an alternative aluminium feedstock. Stage 2 of the process is the receipt of the anode battery material (graphite) in bulk bags or drums. The next step is the HPA nano layer coating process which will take place in the coating section of the plant – this is the proprietary technology that Altech has developed. The last stage in the process is finalisation of the coated material, which is then packaged in either bulk bags or drums for shipment to end users.

Figure 1: Battery materials coating plant train block flow diagram



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As previously identified, the plant design shall integrate equipment which utilise 100% renewable energy from the European electricity market. Detailed discussions on options for supply and pricing of such green electricity have now been completed with local energy retailers for input to plant operating cost estimates.

A local environmental consultant has previously been engaged to complete an assessment of the site conditions and review of historical land use to identify any potential contamination or site remediation works which may be required prior to plant construction. No issues were identified. The consultant has also provided a plan and preliminary schedule for obtaining all necessary environmental and planning permits. The plant and equipment shall be designed in accordance with the local, federal and international environmental regulations in line with these permitting requirements.

The plant layout is being modelled on the Schwarze Pumpe site, and capital and operating cost estimates are being collected for financial modelling of the project. Key operating costs including electricity, water, natural gas, labour and transport have all been sourced.

A market report by Roskill has been completed for the electric vehicle (EV) industry, focussed on the growth of this industry in Europe. A forecast for graphite demand in the lithium-ion battery industry has also been completed for the pre-feasibility study. The global market for graphite anode materials is set to expand rapidly with estimates for planned battery gigafactories in Europe (data from Roskill and Roland Zenn) between 280,000 and 350,000tpa by 2025, and between 600,000 and 800,000tpa by 2030.

To assist in the commercialising of its battery materials coating technology, Altech has executed collaboration agreements with SGL Carbon SE of Germany, Europe's leading graphite producer.



OPENING OF BATTERY MATERIALS SITE WITH SUPPORT OF SAXONY STATE GOVERNMENT

The Company and its 75% owned subsidiary, Altech Industries Germany GmbH (AIG) announced the official opening of an office and research and development (R&D) workshop at the DOCK3 Industrial Development Centre (DOCK3 IDC), Schwarze Pumpe Industrial Park, Saxony Germany.

The official opening was conducted by Mr Roland Peine, managing director of ASG Spremberg GmbH (a services business that promotes and facilitates new businesses for DOCK3 IDC), in the presence of the head state district officer Mr Michael Harig. Also present were the mayor of Spreetal Mr Manfred Peine and the mayoress of Spremberg Ms Christine Herntier from the states Saxony and Brandenburg respectively, together with many other high level state government and industry representatives, and senior management from the Fraunhofer Institute IKTS.

In May 2021, AIG secured via a 3-year lease, office space including 2 bays within a 12 bay workshop/ warehouse complex at DOCK3 IDC, where it intends to establish an advanced battery materials research and development facility with a focus on the coating of nano coated anode materials. The DOCK3 IDC is located immediately next to a ~14 hectare site at Schwarze Pumpe that AIG has an option to acquire.

At the official opening ceremony, Mr Uwe Ahrens managing director of AIG briefed Saxony State Government officials on the progress of the current preliminary feasibility study (PFS) of a battery materials HPA coating plant at Schwarze Pumpe. The PFS is advancing quickly and has assumed a phase 1 coating plant designed with a capacity to coat 10,000tpa (35tpd) of anode grade graphite.



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Saxony State Government officials welcomed AIG's vision of using Altech's alumina coating technology to produce battery material composites aimed to be used by the lithium-ion battery manufacturing industry. Saxony is the state which hosts production sites for Volkswagen, BMW, Porsche and Daimler, and the region is a leading engineering training ground and has excellent research facilities like the Fraunhofer Institute for Ceramics Technologies and Systems IKTS, a world leading institute in the science of battery materials. The Schwarze Pumpe Industrial Park is well serviced by existing infrastructure including reticulated electricity and natural gas, rail and roads, and is only 120 km from Berlin and 78 km from Dresden.

AIG's proposed research and development centre aims to further refine the effectiveness of Altech's battery materials alumina coating technology and would ultimately seek to produce material for leading end users in Europe to test in their products. The ultimate aim of AIG is to fast-track full scale commercialisation of Altech's battery materials coating technology in Germany.

Saxony State Government and industry representatives at opening ceremony



Location of office and warehouse bays



COLLABORATION AGREEMENT WITH SGL CARBON, GERMANY

In April 2021, the Company through its 75% owned German subsidiary, Altech Industries Germany GmbH (AIG), signed a collaboration agreement with SGL Carbon GmbH (SGL Carbon), a wholly-owned subsidiary of SGL Carbon SE of Germany. The agreement is to collaborate and support Altech's development of high purity alumina coated graphite materials specifically targeted for use by the lithium-ion battery industry. SGL Carbon SE is a world leader in the development and production of carbon-based solutions and reported sales of 919 million Euros in 2020.

Also, Altech and SGL Carbon have renewed a memorandum of understanding for engineering support covering design, production and supply of HCl treatment systems to be used in Altech's HPA project in Malaysia, and potentially in Germany.

The Company believes that Altech's coating technology can be successfully employed to coat SGL Carbon's various battery graphite powders with a uniform nano-layer of alumina. Under this collaboration agreement, Altech and SGL Carbon will test the application of Altech's technology to coat SGL Carbon's specifically designed graphite particles with high purity alumina (HPA). Both companies will fund the test work and retain their respective intellectual property.



PATENT SUBMISSION FOR ALUMINA COATING OF BATTERY MATERIALS

During the quarter, the Company lodged a patent with IP Australia, for its invention of methods for coating anode active materials with alumina. The patent covers the alumina-containing coating which serves as an artificial solid electrolyte interface (SEI), and is expected to reduce lithium losses during each battery charge and discharge cycle, and also retard degradation of battery capacity throughout battery life.

On 12 September 2020, Altech announced that as a result of its ground-breaking research and development work, it was proceeding to an independent verification phase of its method for the alumina coating of graphite particles. These first phase coating trials resulted in a very uniform and consistent nano-metre scale alumina coating layers on graphite anode particles. The particles were examined at the University of Western Australia under an electron microscope, where a thin continuous, regular coating of alumina was observed. Thin layers of alumina coating are critical for battery weight.

A successful first round of battery testing of Altech's alumina coated graphite has also been completed. For this test, a batch of battery electrodes were produced using non-coated standard anode grade graphite particles (the control), and a separate batch was produced that contained anode grade graphite particles coated with HPA using the Company's technology. One hundred cycles of cell charge and discharge were completed and results for the coated graphite anodes compared to the non-coated anodes were positive and encouraging.

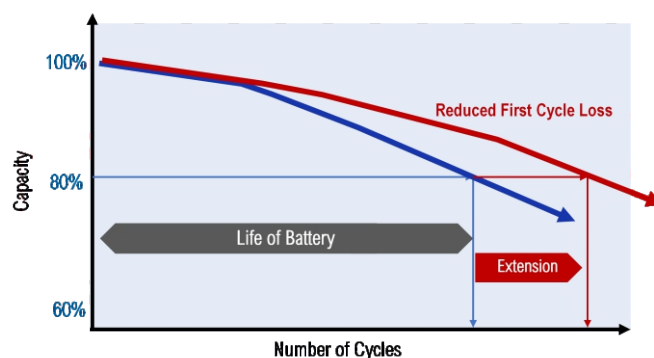
Background

HPA is commonly applied as a coating on the separator sheets used within a lithium-ion battery, as alumina coated separators improve battery performance, durability and overall safety. However, there is an evolving use for alumina within the anode component of the lithium-ion battery because of the positive impacts that alumina coated graphite particles have on battery life and performance.

Lithium-ion battery anodes are typically composed of graphite. In a lithium-ion battery, lithium ion losses initially present as inactive layers of lithium ions that form during the very first battery charge cycle, the losses then compound with each subsequent battery usage cycle. Typically, around 8-10% of lithium ions are lost during the very first battery charge cycle. This "first cycle capacity loss" or "first-cycle irreversibility" is a long recognised but as, yet poorly resolved limitation that has plagued rechargeable lithium-ion batteries. Figure 2 shows the potential increase in battery life if the first cycle capacity loss can be reduced or eliminated, thereby allowing more lithium ions to participate in ongoing operation of the battery.

First cycle capacity loss in a lithium-ion battery is because of the deposition of lithium ions onto the anode graphite particles within the battery during the initial battery charging cycle. This forms a layer of material on the anode termed a "solid electrolyte interphase" (SEI). Currently the graphite particles used in lithium-ion battery anodes are uncoated, however manufacturers are now seeking to coat anode graphite particles with very thin layers of alumina. Tests have demonstrated that alumina coated graphite particles have the potential to reduce first cycle capacity loss. In turn, this innovation can measurably increase battery energy retention, extend battery life and improve overall battery performance.

Figure 2: Potential impact of reduced "first cycle capacity loss"



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JOHOR HPA PLANT SITE

The Johor HPA plant construction site remains on care and maintenance following the successful completion of stage-2 early works in June 2020, which were on time and within budget. An objective of commencing construction at Johor prior to full project finance close, was to de-risk the site, as on a construction site there are always risks associated with attaining the required environmental and works approvals; construction permits; site and ground conditions; contractor selection and performance; and general site access. By self-funding and successfully completing the first two stages of early works, the Company has significantly de-risked the recommencement of construction.

LISTED GREEN BONDS

On 28 July 2021 the Company provided an update on the preparation phase for its proposed listed green bond offering of US\$144m, to provide additional funding for its Malaysian HPA project.

Extensive due diligence has been completed, including financial, legal and environmental social governance, and the bond issue process is expected to shortly move from the preparation phase to marketing and final initiation.

As is customary with these types of offerings, it is anticipated that subscriptions for the bonds will be received in several tranches over a period of months, rather than a single tranche and closing for the entire US\$144m offering amount.

SCHEDULE OF TENEMENTS

As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 30 June 2021:

| Tenement ID | Registered Holder | Location | Project | Grant Date | Interest end of quarter |
|-------------|--------------------------|--------------|-----------|------------|-------------------------|
| E70/4718-I | Canning Coal Pty Ltd | WA Australia | Kerrigan | 01/12/2015 | 100% |
| M70/1334 | Altech Meckering Pty Ltd | WA Australia | Meckering | 19/05/2016 | 100% |

There were no exploration activities undertaken by the Company during the quarter ended 30 June 2021, due to Altech focussing on securing the balance of project finance, which would enable the recommencement of construction activities at its Malaysian HPA plant site.

RELATED PARTY TRANSACTIONS (APPENDIX 5B – ITEM 6.1)

The amount shown in the item is for the payment of directors fees (inclusive of superannuation, where applicable), to the Company's managing director, non-executive directors and alternate director, during the quarter.

ALTECH ADVANCED MATERIALS AG

Altech Advanced Materials AG (AAM) completed a capital raise of €3.07 million during the quarter as part of its right issue and private placement program. The funds will be used for working capital, for funding its portion of the pre-feasibility study costs of battery materials coating plant, and to fund the deferred consideration payable to Altech for AAM's purchase of 25% of Altech Industries Germany GmbH (AIG). The fund raising was conducted at an issue price of €1.00 per share. Major AAM shareholders, Altech Chemicals Limited and Deutsche Balaton Aktiengesellschaft subscribed to 1.075 million and 0.644 million shares respectively.

Also, prior to the commencement of the AAM capital raise, Altech agreed with AAM that in the event of funding constraints the due date for AAM to pay the first €1,583,333 instalment for its acquisition of 25% of AIG (due in December 2021), could be extended until April 2023. Also, Altech agreed that each quarterly interest payment payable by AAM in relation to the deferred settlement amounts due to Altech from its 25% purchase of AIG could also be deferred. Altech currently anticipates that following AAM's €3.07 million capital raise, that some or all of the first payment instalment and the quarterly interest payments will be made to Altech, when due.



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Limited

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Company Snapshot

Altech Chemicals Limited (ASX:ATC) (FRA:A3Y)
ABN 45 125 301 206

FINANCIAL INFORMATION

(as at 30 June 2021)

| | |
|----------------------|-------------|
| Share Price: | \$0.04 |
| Shares: | 1,286.5m |
| Options: | 181,667,319 |
| Performance Rights:* | 27.7m |
| Market Cap: | \$55m |
| Cash: | \$6.6m |

DIRECTORS

| | |
|----------------------|------------------------|
| Luke Atkins | Non-executive Chairman |
| Iggy Tan | Managing Director |
| Peter Bailey | Non-executive Director |
| Dan Tenardi | Non-executive Director |
| Tunku Yaacob Khyra | Non-executive Director |
| Uwe Ahrens | Alternate Director |
| Hansjoerg Plaggemars | Non-executive Director |

COMPANY SECRETARY/CFO

Shane Volk

HEAD OFFICE

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*subject to vesting conditions

ABOUT ALTECH CHEMICALS LTD (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (Al_2O_3) through the construction and operation of a 4,500tpa high purity alumina (HPA) processing plant at Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia and shipped to Malaysia.

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. Increasingly HPA is used by lithium-ion battery manufacturers as the coating on the battery's separator, which improves performance, longevity and safety of the battery. With global HPA demand approximately 19,000t (2018), it is estimated that this demand will grow at a compound annual growth rate (CAGR) of 30% (2018-2028); by 2028 HPA market demand will be approximately 272,000t, driven by the increasing adoption of LEDs worldwide as well as the demand for HPA by lithium-ion battery manufacturers to serve the surging electric vehicle market.

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

Appendix 5B

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

Name of entity

ALTECH CHEMICAL LTD

ABN

25 125 301 206

Quarter ended ("current quarter")

June 2021

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | (322) | (1,289) |
| | (c) production | - | - |
| | (d) staff costs | (305) | (1,247) |
| | (e) administration and corporate costs | (218) | (1,178) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | 61 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (845) | (3,653) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities (deferred consideration for purchase of AAM AG shares) | - | (2,028) |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (28) | (167) |
| | (d) exploration & evaluation | (6) | (37) |
| | (e) Sale of 25% of Altech Industries Germany GmbH | - | 404 |
| | (f) Malaysian HPA Plant (work in progress) | - | (5,151) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (34) | (6,979) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,252 | 18,023 |
| 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 | - | (870) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | KfW-IPEX Bank Facility Fee | - | (246) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (Bond structuring & debt advisory) | (458) | (458) |
| 3.10 | Net cash from / (used in) financing activities | 1,794 | 16,449 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | 915 | 5,817 |
| 4.1 | Cash and cash equivalents at beginning of period | 5,735 | 833 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (845) | (3,653) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (34) | (6,979) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,794 | 16,449 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 6,650 | 6,650 |

| 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 | 6,620 | 5,705 |
| 5.2 | Call deposits | 30 | 30 |
| 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) | 6,650 | 5,735 |

| 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 (Directors fees) | 232 |
| 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> | | |

| 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. | | |
| | | | |

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

| 8. | Estimated cash available for future operating activities | \$A'000 |
|---|--|--------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (845) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (6) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (851) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 6,650 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 6,650 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 7.81 |
| <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? | |
| | - | |
| 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: | |
| 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: | |
| <i>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.</i> | | |

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.

30 July 2021

Date:

SHANE VOLK – Company Secretary

 Authorised by:
 (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.

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