

# Q3/21 Quarterly Report

## Comments from Managing Director & CEO Stuart Nicholls:

*“Strike has had another busy quarter as it concluded its CY20/21 West Erregulla drilling and testing campaign and completed the pre-FEED on Project Haber.*

*“At the end of the reporting period Strike announced its maiden Perth Basin gas reserve at West Erregulla. This report from certifier NSAI reflects a point in time of the resource maturation and is based on only 3 well penetrations for the field. Importantly, the reserves booking is sufficient to progress towards the FID of the West Erregulla Phase 1 development, which is a positive outcome and provides a pathway to Strike’s first cashflows.*

*“In the coming months the Company will drill the Walyering and South Erregulla exploration wells, where positive outcomes have the potential to create significant value.”*

## Highlights

### West Erregulla

- Netherland, Sewell & Associates, Inc. (NSAI) has certified 300 PJ 2P and 372 PJ 3P gross gas Reserves at the West Erregulla gas field in the Kingia Sandstone alone.<sup>1</sup>
- Considerable upside has been identified by NSAI in the West Erregulla gas field with a further 128 PJ of gross 2C Resources and 198 PJ of gross 2U Resources<sup>2</sup>.
- The NSAI Reserve certification supports progression of the West Erregulla Project into its Phase 1 of development.

### South Erregulla & Permian Gas Fairway

- As part of the West Erregulla Reserve certification, NSAI has delineated a continuous gas resource to the southern boundary of the permit supporting Strike’s high degree of confidence in the potential of the 100% owned South Erregulla prospect.
- South Erregulla 140km Maior 2D seismic program completed.
- Non-binding and indicative MOU for gas supply from South Erregulla entered into with a Goldfields downstream developer for 15-20 TJ/d for 5 years starting in 2024.

### Walyering

- Civils completed with rig mobilisation expected in late October for spud in November.

<sup>1</sup> Refer STX ASX Announcement dated 11 October 2021 entitled ‘Strike delivers maiden Perth Basin gas reserve’. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 11 October 2021 and that all the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

<sup>2</sup> Refer above. Cautionary Statement: Prospective (2U) resources are unrisks and the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

## Project Haber: Mid-West Fertiliser Development

- Strike completed 7-month pre-FEED with Technip Energies.
- Technip Energies capital estimates decreased 6% on a like for like basis from feasibility study estimates. Adoption of Haldor Topsoe's SynCOR Autothermal Reformer technology resulting in a 24% reduction in carbon intensity from previous estimates.
- Round 2 of Project Haber's 1.4mtpa urea offtake process closed heavily oversubscribed with 4.75mtpa of firm proposals. Offers received were up to 15 years in length which can support future bankability of the proposed development. Shortlisted offtakers are now in negotiations to enter binding term sheets.

## Mid-West Geothermal Power

- 5-month heat needle survey has been completed and data retrieved.
- Submission to convert geothermal acreage to full exploration permit underway.
- Strike was awarded Exploration Incentive Scheme grant to execute seismic inversion modelling with leading geophysics consultancy, Delft Inversion.
- Independent inferred resource assessment has commenced.

## Corporate

- Entry into the ASX300 following the September rebalance.

# Domestic Gas Business

## West Erregulla

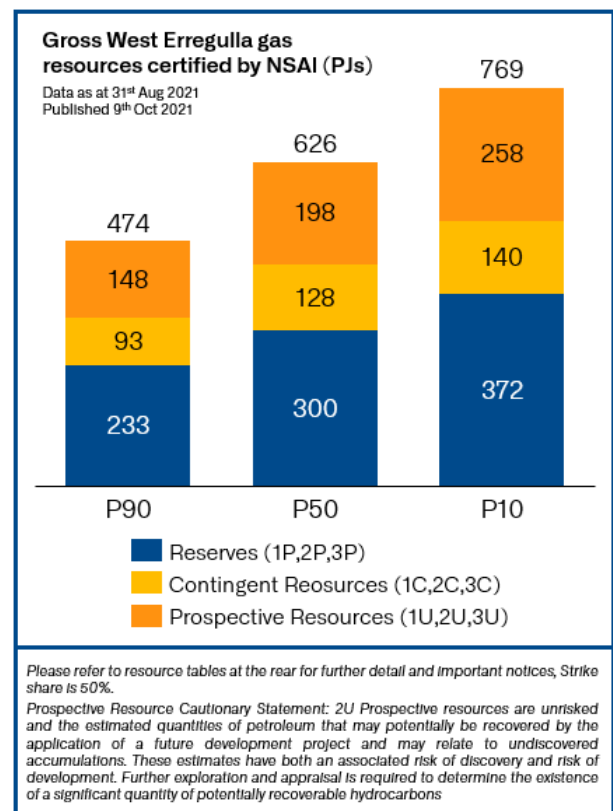
During the quarter Strike's field operations centred on the production testing at WE5 and suspending the other WE wells readying them for production operations in 2023.

The results of the appraisal campaign to date support the engineering and development work done for the Phase 1 development and underpins sufficient reserves to service the existing gas offtake agreements. Consequently, Strike is preparing to move the asset into construction and proceed to first company cashflows post a Final Investment Decision.

Additional near term planned and funded drilling and seismic activities at West Erregulla have the potential, on success, to grow the reserve and resource base to support a second phase of development at the asset.

## West Erregulla – Certified Reserves & Resources

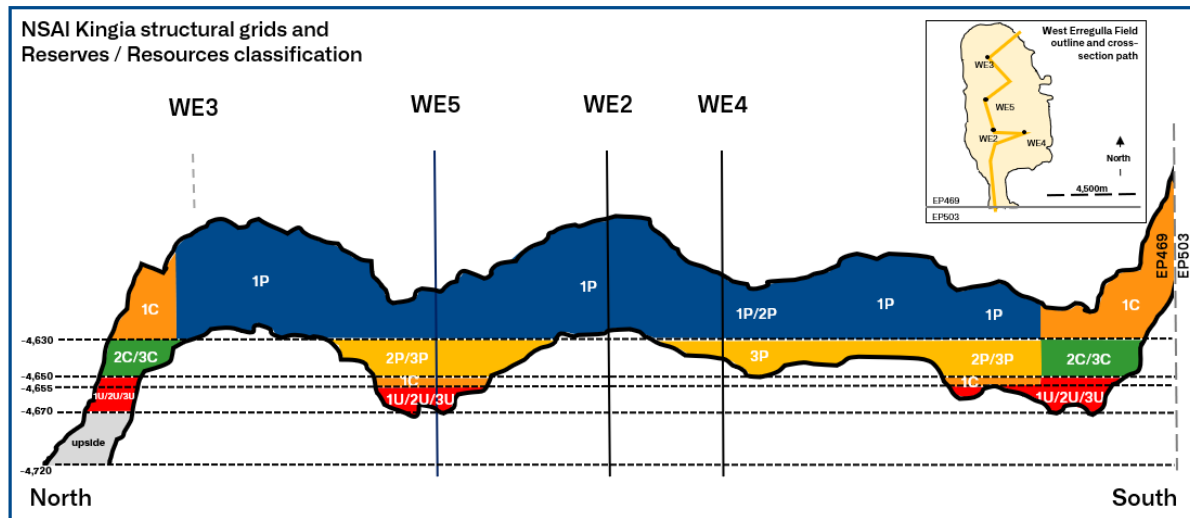
At the end of the reporting period Strike released NSAI's estimates and report for the West Erregulla reserves and resources. This report was based on the exploration and appraisal data from the field as at August 2021. The full dataset for West Erregulla is yet to be compiled with additional appraisal activities at West Erregulla currently planned to take place in 1H/22. However, based on this limited dataset NSAI has certified a gross 2P gas reserve of 300 PJ (150



PJ net to Strike) which is sufficient to satisfy the existing offtake arrangements and proceed into development of the field.<sup>3</sup>

NSAI has recognised substantial growth potential in the West Erregulla gas field with a further 128 PJ of gross 2C Contingent Resources (64 PJ net to Strike) and 198 PJ of gross 2U Prospective Resources (99 PJ net to Strike) in the Kingia, High Cliff and Wagina/Dongara Sandstones.<sup>4</sup>

The NSAI Reserves and Resources report was based on the drilling, coring, log, seismic and production testing data from the various strata and exploration and appraisal wells drilled throughout the field.



Strike still retains a strong upside view of the potential in West Erregulla and there are several other areas where Strike assesses and observes upside in the fields recoverable resource potential versus that of NSAI. These include:

- Improved time depth conversion of the seismic and inclusion of the existing 2D seismic could add back up to 130 PJ of P50 recoverable volume. This will also be supported by the planned and funded Natta 3D seismic program which may start in Q1/22 subject obtaining the required regulatory approvals.
- Defining and reducing the size of the perched water zone. This area is limited by only a single data point on the eastern flank of the field where additional well penetrations or even longer-term production data from WE4 could inform the areal extent of the lens. This could add back some of the 180 PJ of P50 recoverable gas that has been risked out due to the conservative position taken on the size of the perched water zone.
- Deeper gas in the Kingia Sandstones where core analysis, seismic amplitude anomalies and gas gradients indicate further potential for gas prone reservoir. These possible volumes could add up to 155 PJ of P50 recoverable resource but would require a well penetration into this deeper rock or a production test of the High Cliff in WE2 in order to provide confidence that is externally certifiable.
- Recovery factors used by NSAI were inherently conservative, where a P50 recovery factor of 70% was applied due to the depth of the field and the lack of extended production data from any equivalent deep penetration in the Basin. P50 recovery factors of 75% or more have commonly been used for the Permian gas discoveries of the Perth Basin, which may be possible at West Erregulla once additional production data is available. An increase in recovery to 75% would see a P50 incremental recovery of 30 PJ.

<sup>3</sup> Refer to West Erregulla Reserve and Resource Tables included in STX ASX Announcement dated 11 October 2021 entitled 'Strike delivers maiden Perth Basin gas reserve'.

<sup>4</sup> Refer to resource tables at end of this release and to Prospective Resource cautionary note on page 1 of this release.

During the quarter Strike continued funding its share of the security required for the AGIG procurement of the gas plant long lead items required for the proposed 87 TJ/d Phase 1 gas processing plant. Security now totals ~\$3m Strike share with a total expected commitment of up





to \$16m prior to AGIG making their construction undertaking and then taking the procurement processes onto their balance sheet.

### West Erregulla - Finance

At the end of the quarter Strike had fully drawn its \$12.5 million pre-development debt facility with Macquarie Bank. The finalisation of the West Erregulla reserves allows Strike to proceed to enter mandates with the selected banking institutions and engage in formal due diligence for the proposed project financing for the West Erregulla Phase 1 development project.

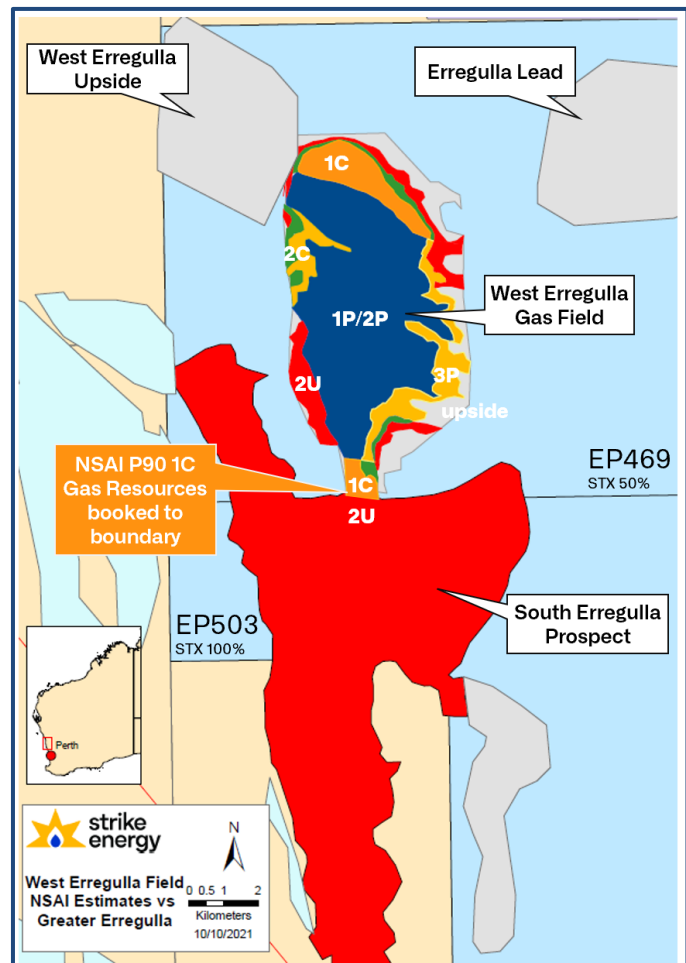
### South Erregulla

South Erregulla-1 is scheduled to spud using the Ensign 970 rig after completion of the Walyering-5 appraisal well.

NSAI's West Erregulla resource report identified 1C (P90) Contingent Resources to the far south down to the permit boundary of EP469. EP469 borders EP503, Strike's 100% owned and operated permit that contains the South Erregulla prospect.<sup>5</sup>

Strike's interpretation that West Erregulla is connected to South Erregulla<sup>6</sup> is further supported by NSAI's work. NSAI's booking of P90 high confidence resource to this arbitrary point bodes well for the probability of success in the South Erregulla-1 well and, as a result, Strike has sought approval from the regulator to add a second South Erregulla well into its Environmental Permit to facilitate timely appraisal and faster reserves conversion on success.

Base line flora and fauna studies for the proposed Minjiny 3D seismic campaign are also underway where Strike will look to execute the survey off the back of a successful South Erregulla-1 well.



### Eneabba Deep

During the quarter Strike submitted for approval its permits to progress the Eneabba Deep 2D seismic campaign in EP506. These submissions were not referred to the EPA as the campaign has been designed using Strike's methodology of 'new data sooner' utilising only roads, firebreaks, gaps in paddocks and previously cleared land to constrain the 2D source lines. Strike expects feedback on the approvals process in the coming quarter.

Eneabba Deep is a Permian aged structure sitting adjacent to the Eneabba mineral sands mine and location of the proposed Iluka rare earths refinery. Strike will look to progress the exploration program of Eneabba Deep with a view to identifying a rig slot in FY23.

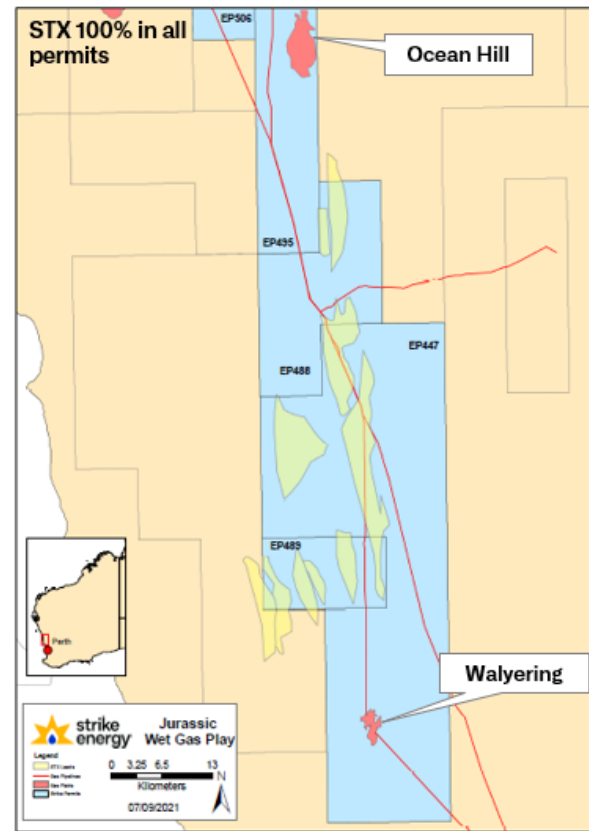
<sup>5</sup> Refer STX ASX Announcement dated 11 October 2021 entitled 'Strike delivers maiden Perth Basin gas reserve'.

<sup>6</sup> Refer to ASX announcement titled "Exploration Portfolio Update" released on 17th February 2020. Strike confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply.

## Walyering

Strike is preparing to spud the Walyering-5 appraisal well upon receipt of the Ensign 970 rig from the Lockyer Deep joint venture. Based on current estimates mobilisation will occur towards the end of October and spud is now likely to occur in November of this year. Strike and Talon Energy Limited (**Talon**) will share the first \$9 million of costs on a one-third (Strike) two-thirds (Talon) basis under the terms of the Farmin Agreement in which Talon earns a 45% interest in EP447. The drilling pad and all civils works are complete and awaiting the arrival of the rig. The additional time prior to commencement of operations has been used for drilling rehearsals and improving procurement and supply chain readiness for the upcoming campaign.

Walyering is an excellent test-case for the geotechnical work Strike has carried out across the Jurassic Wet Gas Play in the Cattamarra sequence resultant from the 3D seismic acquired in December 2019. Should the appraisal drilling prove up a commercial development, then Strike expects this will be a catalyst for a material uplift in valuation of its 1,853 km<sup>2</sup> acreage position across the play, which includes the large Ocean Hill structure where a significant contingent resource has been booked. As such the Ocean Hill 3D seismic program has been submitted to the Federal and State regulators for environmental impact assessment before commencing formal approvals processes.



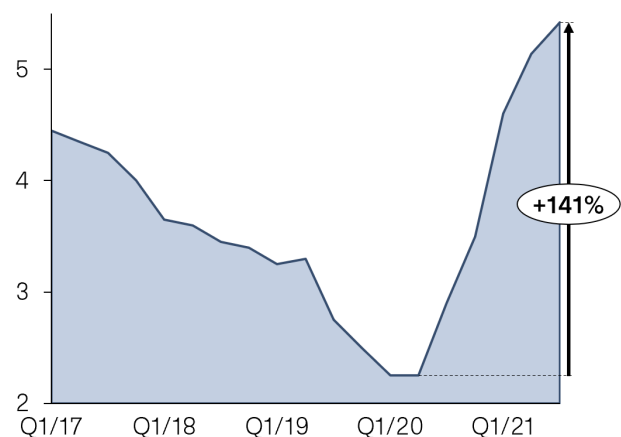
\* On completion of the farm-in by Talon, Strike will retain a 55% operating interest in Walyering

## WA Gas Market

During the quarter WA spot gas prices continued their strong rise to the mid \$5.00/GJ range. Spot market volumes trended sharply downward reflecting seasonal drawing on gas and further tightening of supply and demand conditions.

The lack of gas market supply replacement was reflected in a net 2.7 PJ of gas withdrawals from the State's two major gas storage hubs for the quarter. Again, this indicated strong demand for gas that could not be sourced from the market. Material withdrawals from gas storage has now become an ongoing structural trend since mid-2020, evidencing that the required supply to balance the market is not becoming available as demand is maintained or increases.

### WA Spot Gas Price (\$/GJ)



Source: Compiled using information from GasTrading Spot Market – Forecast v Actual: <http://www.gastrading.com.au/spot-market/historical-prices-and-volume>

Changes in the WA domestic market dynamics were dwarfed by the activities of a significant tightening in international (LNG and European) gas markets. LNG spot market prices firmed in

the US\$30/mmbtu range, as WA domestic gas LNG netback prices reached \$25/GJ. Whilst international markets reached new highs, significant WA domestic gas and LNG plant processing ullage remained unutilised. Strike anticipates that the price incentives offered by international markets may lure more gas supply to LNG over domgas backfill for producers that have the optionality. This may then provide significant upwards momentum for WA domestic gas prices as we enter into 2022. These market dynamics bode well for robust market demand as Strike looks to monetise some early gas from its high impact well, South Erregulla, expected to spud late Q4 2021.

In WA downstream markets, ACIL Allen issued their *WA Gas and Downstream Opportunities* report to the Department of Jobs, Tourism, Science and Innovation, noting that downstream processing of Western Australia's natural resources has been a long-held ambition of successive governments looking to support the development of new industries and diversify the State's economy. The report also indicated that gas suppliers who support and enable downstream development may be considered for exemptions to the domgas policy and allowed to access LNG export capacity. On top of downstream proponents can expect that the Government will facilitate downstream investment via building of critical infrastructure and streamlining approvals through the allocation of funds for industrial land development (\$50m) and investment attraction and new industries (\$100m). Strike's Project Haber fertiliser development is well placed to capture this opportunity and benefit for Strike as it looks to support downstream processing, regional job creation, agricultural decarbonisation, improved competitiveness and supply chain resilience for the State's broadacre farmers.

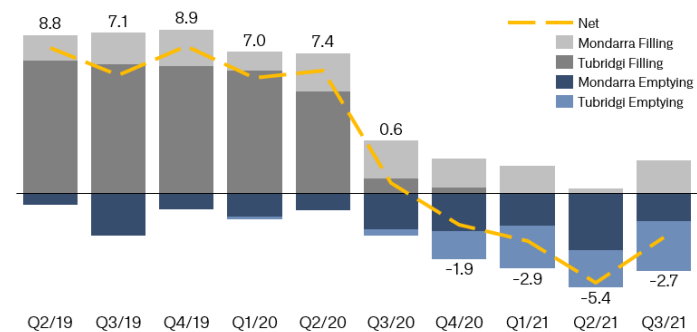
## Project Haber

### Pre-FEED Completed

Engineering firm Technip Energies completed the base scope Pre-FEED during the quarter for the 1.4 mtpa ammonia to urea production facility to be located in Narngulu Industrial Area of Geraldton, Western Australia.

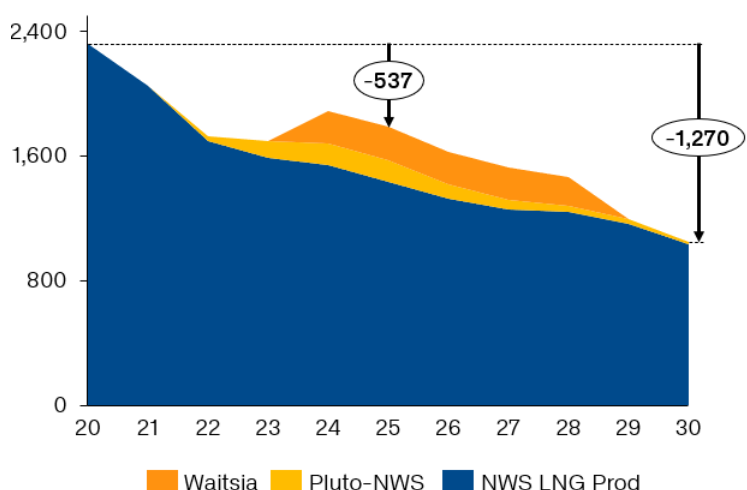
The Pre-FEED study has delivered a 6% reduction on the expected capital cost compared to the original Technip Energies feasibility report completed in January 2021<sup>7</sup>. Pre-FEED capital estimates represents a base cost estimate of US\$1.64 billion, which includes

**WA gas storage facility injections and withdrawals (PJ per quarter)**



Source: AEMO Quarterly Energy Dynamics Q3 2021

**North West Shelf LNG production and sanctioned backfill (TJ/d, year)**



Source: Pystad Energy GasMarketCube, Ucube and Strike estimates

<sup>7</sup> Refer ASX announcement released 11 January 2021 titled "Greater Erregulla to drive development of Project Haber for Mid-West Fertilisers".

the engineering, procurement and construction of the Haber plant delivered on site in Narngulu<sup>8</sup>.

### Urea Market Pricing and Offtake Process

Strike concluded the second round of its urea offtake process in July of this year. This process attracted 4.75 mtpa of firm proposals with attractive pricing formulas for Project Haber's planned annual production of 1.4 mtpa of urea. The offers received were for up to 15 years in length which can support future bankability of the proposed development.

Strike subsequently short-listed parties to proceed with negotiation of binding agreements and Strike is currently continuing negotiations with its shortlisted offtake partners and expects to progress and formalise a binding term sheet for the entire production volume (1.4 mtpa) in the coming months.

International urea pricing is now at 12-year highs with global energy prices, in particular gas, now reaching record levels as supply issues dominate markets and the world accelerates out of the COVID-19 pandemic.

In Europe, record high gas prices has forced several plants to either close or reduce output. While production in the United States is still feeling the effects from shutdowns due to Hurricane Ida in conjunction with similarly rising US Henry Hub prices, rapidly increasing the cost of feedstock. China, fearing a global supply crunch, has continued to increase restrictions of fertiliser exports from key manufacturing provinces driving further tightness in supply.

These global conditions are now reaching breaking point for the fertiliser market, with dramatic effects being felt on the cost and availability of nitrogen for broadacre farming in Australia. Australian farmers are now having to lock in supply with international nitrogen suppliers for 2022 deliveries well ahead of their respective growing season.

With urea reaching up to US\$800/t and the cost of shipping from the Arab Gulf to Western Australia costing more than ~US\$70 /t, the landed cost of urea into WA currently sits at around ~\$1,200/t. This is a 220% rise in prices and a >400% rise in the cost of shipping since Q1/20 on pre COVID levels and is evidence the tightening global energy market conditions, the renewed national investments in food security and the strategic importance of domestic supply chains of critical commodities.

### Equity & Debt Processes

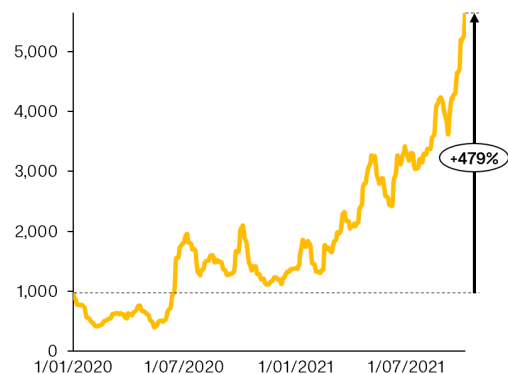
Strike, together with its advisors Azure Capital and ANZ, has recently completed a Strategic Road Map to clearly define Project Haber's structuring and financing options to maximise the projects commercial outcomes. Once binding offtake agreements are in place, Strike will then move to

Urea FOB Arab Gulf (USD/tonne)



Source: The Market 07/10/2021 Published by ICIS [www.icis.com/fertilizers](http://www.icis.com/fertilizers)

Baltic Dry Shipping Index



The BDI is a composite of the Capesize, Panamax and Supramax Timecharter Averages. It is reported around the world as a proxy for dry bulk shipping stocks as well as a general shipping market bellwether. Source: <https://seekingalpha.com/symbol/BDI:IND/historical-price-quotes>

<sup>8</sup> Pre-FEED cost estimates target overall accuracy of ±25%



market and sell down equity in the project. Project Haber has continued to attract significant unsolicited interest for both equity and debt participation.

### Green Hydrogen & Carbon Benefits

During the quarter the Company announced that in parallel to the Pre-FEED study, it has progressed additional engineering by Technip Energies to incorporate Haldor Topsoe's SynCOR™ Autothermal Reforming (ATR) technology for ammonia production. This state-of-the-art technology is reported to have the following production advantages compared to the traditional and widely used steam methane reforming<sup>9</sup>:

- Up to 30% reduction in Carbon Dioxide (CO<sub>2</sub>) emissions
- More than 50% reduction in Nitrous Oxides (N<sub>2</sub>O) emissions
- Up to 50% reduction in water consumption

The adoption of ATR technology is estimated to also reduce gas feedstock requirements of the plant by ~7% from 86 to 80 TJ/d with only 552 PJ now required to underwrite the first 20 years of operations.

Once operational, Project Haber via its ATR technology, lower carbon Perth Basin gas, shorter supply chains and green hydrogen inputs, will be able to produce some of the lowest carbon urea in the market at 0.37t CO<sub>2</sub>e per ton of urea initially and reducing overtime as green hydrogen imports increase. Strike estimates Project Haber's urea will drastically reduce the carbon intensity (compared to current imports) of the agriculture industry it services by approximately 780-885k CO<sub>2</sub>e tonnes per annum or 60% from 2019 imported baselines.

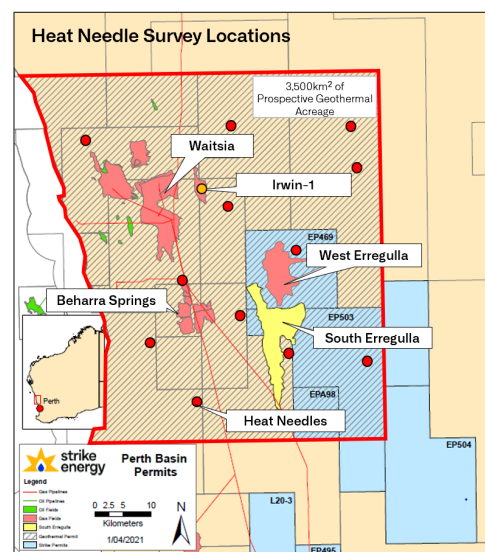
### Environmental Approvals

Environmental baseline survey, technical studies and environmental impact assessment for the Haber processing facility progressed during the quarter and are scheduled for completion at the end of 2021. Drafting of the Haber processing facility primary approvals commenced towards the end of the quarter with submission to the regulator scheduled for Q2 CY 22.

Strike engaged pipeline engineering company OSD Pipelines to complete a Pre-FEED study for a raw gas pipeline to feed the Haber processing facility. The study included an overarching strategy and master plan identifying the most efficient approvals pathway and supporting studies required to deliver the raw gas pipeline regulatory approvals. Strategen JBS&G has been engaged to commence desktop assessments and reconnaissance surveys for flora, vegetation and fauna for the raw gas pipeline which are scheduled to commence in Q4 2021.

## Mid-West Geothermal Power Project

During the quarter Strike completed the deployment of 12 heat needles across Strike's geothermal acreage in the Perth Basin to map surface thermal gradients. These heat needles have been retrieved and the data recovered is currently being processed by Dr Graeme Beardsmore at Hot Dry Rocks Ltd.



<sup>9</sup> S. E. Nielsen, M. K. Hoffman, & P. J. Dahl, "Rethinking economy of scale – a new ammonia plant concept", Nitrogen + Syngas 2018 International Conference & Exhibition (Gothenburg 26 February-1 March 2018).

With the completion of the heat needle survey, Strike has the right to apply for a Geothermal Exploration Permit (GEP) over up to 50% of the 3,500 km<sup>2</sup> Geothermal Special Prospecting Authority (GSPA) area, equating to up to 1,750 km<sup>2</sup>. Strike will use its basin modelling and once booked, Inferred Resource (due CY 22) in order to identify and select the highest quality areas that best support the subsurface conditions required to generate the most electrical power and in turn the preferred GEP area. Strike intends to make application for the GEP during Q4/21 and, subject to grant of the GEP, will be in a position to consider future commercial opportunities for potential partners to participate in the proposed testing and development.

## Corporate

During the quarter Strike's expenditure focused on payables from the appraisal drilling and testing program for the West Erregulla gas resources, progressing its various seismic and exploration drilling programs, executing strategic transactions and pre-development activities at Project Haber. Strike finished the quarter with \$52.1m of cash on hand, \$16m in liquid investments and \$3m of secured long lead items for the proposed Phase 1 gas plant.

As noted above, during the quarter Strike increased its economic interest in the West Erregulla gas project to ~54% via acquisition of ~8% of Warrego Energy Limited. Strike is Warrego's largest independent shareholder as a result of acquiring the shares and looks forward to progressing the field through to construction and first production.

Also of note during the quarter, Strike divested its interest in Cooper Basin permit PEL96 (Klebb & Jaws) to Greenflame Energy Pty Ltd (**Greenflame**), majority owned by ASX listed Talon Energy Limited (by way of the sale of all the shares in Strike Energy 96 Pty Ltd to Greenflame). Subject to satisfaction of certain conditions, Strike is proceeding to complete this transaction in the coming weeks.

As outlined in the attached Appendix 5B (section 6.1) \$144,000 in payments were made to related parties for director fees.

### Petroleum Tenements Held at the End of the Quarter

Permit	Basin	Play	Operator (parent)	STX Interest	Gross Area (acres)	STX Net Area (acres)
EP469 (West Erregulla)	Perth Basin	Permian Gas	Strike	50%	55,500	27,750
EP503	Perth Basin	Permian Gas	Strike	100%	138,626	138,626
EP504	Perth Basin	Permian Gas	Strike	100%	92,170	92,170
EP505	Perth Basin	Permian Gas	Strike	100%	18,533	18,533
EP506	Perth Basin	Permian Gas	Strike	100%	37,066	37,066
EP447 (Walyering)	Perth Basin	Jurassic Wet Gas	Strike	55%	274,287	150,857
EP488	Perth Basin	Jurassic Wet Gas	Strike	100%	73,390	73,390
EP489	Perth Basin	Jurassic Wet Gas	Strike	100%	36,572	36,572
EP495	Perth Basin	Jurassic Wet Gas	Strike	100%	73,637	73,637
PEL 94	Cooper Basin	Deep Coal	Beach	35%	222,963	78,037
PEL 95	Cooper Basin	Deep Coal	Beach	50%	316,418	158,209
PEL 96 (Jaws)	Cooper Basin	Deep Coal	Strike	67%	668,098	444,953
PELA640	Cooper Basin	Deep Coal	Strike	100%	821,056	821,056
PEL 515	Cooper Basin	Western Flank	Strike	100%	750,483	750,483
PPL210 (Aldinga)	Cooper Basin	Shallow Oil	Beach	50%	988	494

## Project Haber Studies

This announcement is authorised for release by the Managing Director and Chief Executive Officer in accordance with the Company's Continuous Disclosure Policy.

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## Appendix 5B

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

Name of entity

STRIKE ENERGY LIMITED

ABN

59 078 012 745

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(1,715)	(1,715)
	(e) administration and corporate costs	(679)	(679)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	18	18
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	22	22
1.8	Other (cost recoveries from JVs)	616	616
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,742)</b>	<b>(1,742)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(225)	(225)
	(d) exploration & evaluation	(9,490)	(9,490)
	(e) investments	(11,759)	(11,759)
	(f) other non-current assets	-	-



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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 (Deposits)	(2,408)	(2,408)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(23,882)</b>	<b>(23,882)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	(3)
3.5	Proceeds from borrowings	3,000	3,000
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)	33	33
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,030</b>	<b>3,030</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	74,724	74,724
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,742)	(1,742)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23,882)	(23,882)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,030	3,030

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	38	38
4.6	<b>Cash and cash equivalents at end of period</b>	<b>52,168</b>	<b>52,168</b>

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	50,969	18,519
5.2	Call deposits	167	55,000
5.3	Bank overdrafts	-	-
5.4	Other (share of JV bank accounts)	1,032	1,205
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>52,168</b>	<b>74,724</b>

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	144
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>		

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

7.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	13,000	12,445
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	13,000	12,445
7.5	<b>Unused financing facilities available at quarter end</b>		555
7.6	<p>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.</p> <p>Macquarie Bank Limited Facility - \$13 million Interest rate – 11% + bank bill swap rate Maturity Date – 12 November 2022 Secured facility</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,742)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(9,490)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(11,232)
8.4	Cash and cash equivalents at quarter end (item 4.6)	52,168
8.5	Unused finance facilities available at quarter end (item 7.5)	555
8.6	Total available funding (item 8.4 + item 8.5)	52,723
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.7
	<p><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></p>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer:</p> <p>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?</p> <p>Answer:</p>	

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

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: ...22 October 2021.....

Authorised by: Justin Ferravant  
CFO & Company Secretary  
.....  
(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.