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ALLEGIANCE COAL
LIMITED

29 October 2021

ACTIVITIES REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2021

HIGHLIGHTS

- New Elk recommenced production late May 2021 and achieved 115,000 run-of-mine (**ROM**) tonnes in the start-up period delivering 50,000 saleable tonnes by the end of the September quarter, all of which is allocated to the first of four 70,000 tonne coking coal cargoes sold to Asian steel mills.

- New Elk's first 70,000 tonne vessel is loading and will ship next week from the Port of Guaymas, northwest Mexico.

- Two highly successful acquisitions and related capital raisings completing a diversified portfolio of premium coking coal assets. This provides Allegiance with immediate and sustainable growth:

    - The Black Warrior Mine, Alabama, an existing operation producing a high-vol A coking coal coupled with a A$30 million placement; and

    - The Short Creek Mine, Alabama, a world class near term development project comprising mid-vol Blue Creek coal, a premium CSR hard coking coal recognised as one of the best coking coals on the seaborne market (planned production H2 2023), coupled again with a A$30 million two tranche placement.

- Black Warrior (acquired 3 August 2021) produced 48,000 ROM tonnes for the months of August and September with 25,500 tonnes allocated to higher margin export coking coal for December 2021 quarter sale.

- Tenas EA application on schedule to be lodged early December 2021.

Comments from Chairman and CEO Mark Gray:

"The September quarter was transformational for Allegiance with the start-up of New Elk and the acquisition of a producing mine, Black Warrior, along with the acquisition of a world class development project, Short Creek. It was very much a quarter focussed on building a foundation to achieve significant production and cashflow in the December quarter, into 2022, and beyond".

Much of the hard work has been done at New Elk with the establishment of an experienced core workforce in our #1 Production Unit, the re-commissioning of mine equipment, wash-plant and mine infrastructure, and bringing the logistics chain together moving coal to port. With an unrivalled platform of premium coking coal assets, our focus now is to leverage the portfolio to optimise shareholder value."

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"Black Warrior was a timely and seamless acquisition taking over an existing operation adding immediately to production and sales. We are strongly positioned to transition from a 200,000 tonne to a 600,000 tonne per annum mine redirecting most of the production to the high value seaborne met coal market".

"And Short Creek is simply world class, rounding out our portfolio with a mix of high-vol A and B, and a premium CSR mid-vol. Blue Creek is one of the most recognised brands on the seaborne market commanding a premium price. Substantial deposits of this coal are extremely rare".

"We are on the cusp of a significant transition. Next week we ship our first cargo setting in motion a flow of export cargos for many years to come. I would like to thank our hard-working employees for their efforts, and our shareholders for their support, in helping Allegiance reach this milestone."

Production Totals

Metric tonnes	Prior Quarter Jun 2021	Quarter Ended Sep 2021	FY22 YTD
ROM coal production	17,067	146,024	146,024
Saleable coal production	9,300	89,325	89,325
Coal purchased	-	-	-
Total coal sales	1,300	22,500	22,500
Coal stocks at end of period	8,000	74,825	74,825

Sales and pricing

		Prior Quarter Jun 2021	Quarter Ended Sep 2021	FY22 YTD
Total coal sales				
Own coal sales	tonnes	1,300	22,500	22,500
Purchased coal	tonnes	-	-	-
Coal sales mix				
High-vol A	%	-	-	-
High-vol B	%	-	-	-
Thermal	%	100%	100%	100%
Average pricing				
Platts high-vol A	US$/t	169	249	249
Platts high-vol B	US$/t	151	202	202
US domestic thermal	US$/t	-	-	-
Average price achieved				
High-vol A FOBT	US$/t	-	-	-
High-vol B FOBT	US$/t	-	-	-
Thermal FOBR	US$/t	51	77	77
Total revenue	**US$**	**66,300**	**1,732,500**	**1,732,500**

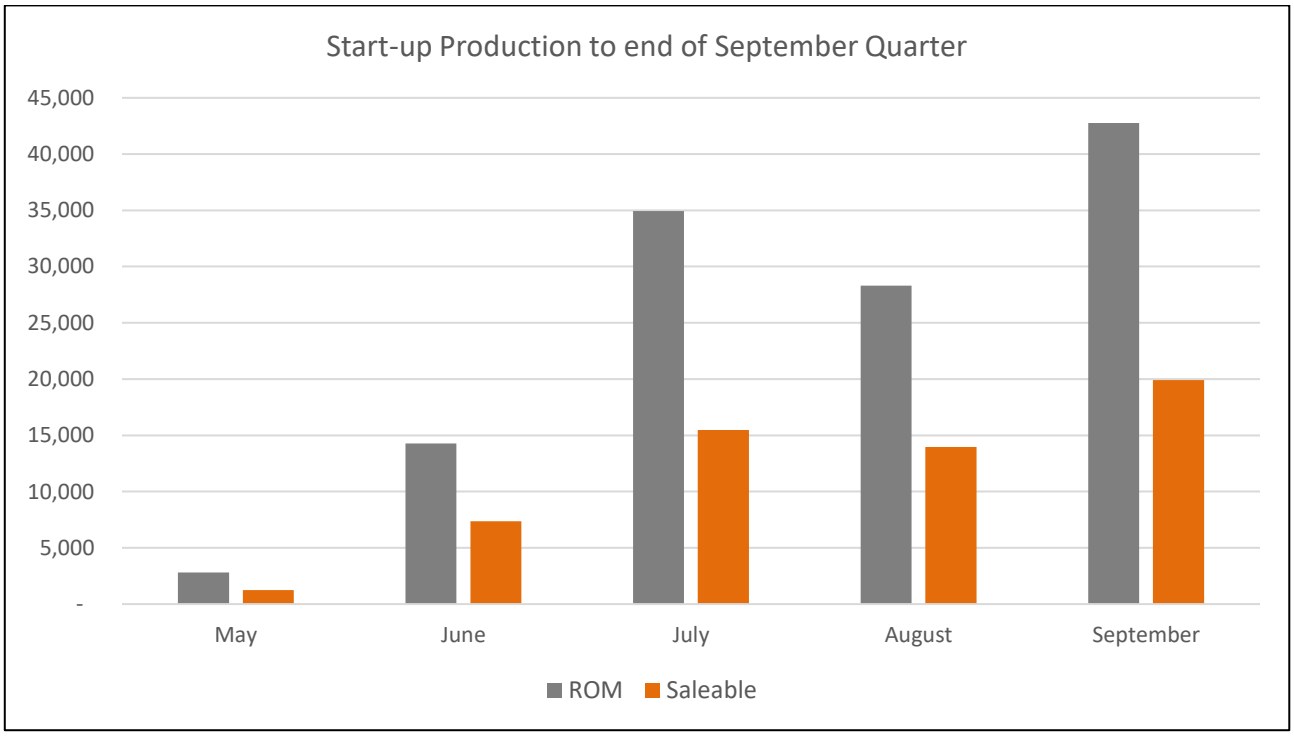
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New Elk Update

Production

After sitting dormant for almost a decade, the New Elk Mine returned to production in the last week of May 2021. Despite some initial challenges due to workforce constraints and COVID 19 we have seen noticeable improvements in production.

The graph below highlights the gradual improvement in production from start-up to the end of September quarter with a single production unit achieving 75% of target production with continuing improvements in October.



We expect a single production unit in the current mining conditions to achieve around 30,000 to 35,000 metric tonnes per month of saleable coal.

No lost time incidents occurred in this start-up period.

August production dropped due to 25% of monthly production lost from #1 Production Unit day shift isolating for two weeks following two positive COVID 19 results in that crew at the same time. Other than that the linear progression reinforces the steady growth seen again in October.

Since the COVID 19 incident, the Mine has, in agreement with the local Regional Health Board, implemented weekly on-site COVID 19 testing. As a result, in the event a positive COVID 19 result is returned, the production crew (other than the affected person) is not required to quarantine thus no disruption to production. In addition, the Company has encouraged the vaccination of staff and has funded this activity.

The Company is proactively working through accommodation and workforce sourcing issues in the December quarter to run the second production unit that was re-introduced in October.

We have multiple initiatives underway to remedy this including:

- Sourcing available properties and subleasing to workers (estimated 50 leased properties by the end of the year);
- Purchasing available lots and arranging property development to lease or sell to our workers; and
- Purchasing available properties for sale and on-selling them to workers.

As expected, the wash-plant yield is currently at 45% due to mining around 2 foot of unconsolidated roof before reaching solid sandstone. The out-of-seam dilution does not impact our advance rates and most importantly the target 'clean tonnes per metre of advance', which is the key performance indicator that we work to in bord and pillar mining.

The current in-seam mining height is 4.5 to 5 foot before out-of-seam dilution. Wash-plant recovery analysis by Sedgmen calculated the in-seam coal yield to be around 70% which is consistent with the historical coal quality data that we have.

Sales

As has been previously announced, in May 2021 while high-vol B was trading around US$150 per tonne, the Mine contracted to supply 280,000 tonnes of coal to an Asian customer. A price of US$118.75 per tonne was achieved for these sales at a 20% discount to high-vol B due to the untested status of the coal.

Initial drum samples of New Elk coal have been taken and are due for delivery to six prioritised steel mill customers: two to Japan; two to Europe; and one to South Korea and South America, respectively.

It is anticipated these samples will result in either trial shipments and or index linked supply contracts for New Elk for 2022 cargos once the current saes contract is fulfilled.

The first cargo will be shipped next week from the Port of Guaymas (Mexico), with the following three cargoes targeted to be delivered in December, January and February. The laycan periods for these sales are yet to be re-set.

Black Warrior Update

Production

As was previously announced, we completed the acquisition of the Black Warrior Mine on 3 August 2021 which includes premium Blue Creek and Mary Lee coking coals. Upon completion of the transaction, the Company acquired an interest in six land leases covering an area of 32 hectares and two coal leases relating to the mineral rights under the land leases.

The acquisition added instant production and sales but most importantly provided an instant opportunity to more than double production at largely the same cost by:

- Replacing existing mining equipment with larger machinery; and
- Spreading the existing workforce across day and night shifts.

In addition, further value could be achieved by increasing net revenue by exporting a premium hard coking coal which had hitherto been sold into the Alabama domestic power market as a thermal coal.

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During the quarter, operations and production remained at the same historical rates for the months of August and September while plans for transitioning the operation in the December quarter progressed. In that regard, key milestones completed in the quarter to achieve that include:

- Acquiring and commissioning a 3600 Hitachi excavator for waste rock removal replacing the 1200 Hitachi excavator;
- Acquiring four x 200t Hitachi dump trucks to replace 10 x 50t dump trucks for waste rock removal (to be delivered in November 2021); and
- Swapping four x 50t Black Warrior dump trucks for 4 x 100t Yellowhammer Energy dump trucks to support the 200t dump trucks in waste rock removal (to be deployed early November 2021).

Black Warrior's existing three 1200 Hitachi excavators have been moved to coal recovery and pre-stripping while the remaining fleet of 50t dump trucks will continue with coal recovery.

The workforce will be split from day to day and night in November.

A highwall miner has been contracted and will be mobilised to the Mine next week adding to production week commencing 8 November.

Waste removal has already increased significantly with the large excavator now operating and once the larger dump trucks are commissioned, we expect a 3-fold increase in waste removal and a similar increase in coal recovery.

Sales

Around 22,500 tonnes of sales were delivered to the Alabama Power Co-operative in August and September following which the Mine began to stock-pile production for its first sale of a 80,000 tonne high value coking coal export cargo to occur in the December 2021 quarter.

Commercial terms have been agreed with documentation currently being finalised. Once documentation is signed, more details of the sale will be announced.

The sale has been priced against high-vol B as it includes a blend of Black Warrior and New Elk coals and is untested. Index pricing for high-vol B at the time the sale was agreed was above US$200 tonne.

We are currently undertaking coke tests on the Blue Creek and Mary Lee coals with drum samples being delivered to a pilot oven at DMT in Germany. Initial small oven coke tests have been completed indicating good CSR results in the mid-50s which is expected for high-vol A coking coals. Pilot ovens typically provide a better indication of coke strength particularly for high-vol coking coals and we are hopeful results will be nearer our calculated CSRs.

Marketing for the second sale of Black Warrior coal (blended with off-take Nickel Plate and #1 American coal), and positioned to be sold as a high-vol A product, will commence in November.

Tenas Project environmental assessment certificate application

The EA application is on track to be lodged early December 2021.

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Expenditure on mining exploration activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the September 2021 quarter totalled $972k for operating activities (included at Item 1.2(a) of the Appendix 5B) and $455k for investing activities (included at Item 2.1(d) of the Appendix 5B).

Operating activities payments relates to costs associated with the New Elk Project and include $811k in relation to drilling work and $161k for various engineering and consulting services. $89k of the investing activities payments relates to geotechnical drilling at Tenas with the balance of payments relating principally to various environmental and engineering consulting services related to progressing the Application for Information Requirements document and preparing for submission of the Environmental Assessment Certificate documentation for the Tenas project.

In accordance with ASX Listing Rule 5.3.2, the Company advises its mining development activities expenditure during the September 2021 quarter totalled $nil for operating activities (included at Item 1.2(b) of the Appendix 5B).

In accordance with ASX Listing Rule 5.3.2, the Company advises its mining production activities expenditure during the September 2021 quarter totalled $7,567k for operating activities (included at Item 1.2(c) of the Appendix 5B). $5,119k of the expenditure relates to the New Elk Mine and $2,537k of the expenditure relates to the Black Warrior Mine.

Activities conducted during the quarter are described in further detail in sections above.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled $288k and related to remuneration to executive and non-executive directors. Refer to the Remuneration Report in the Annual Report for further details on director remuneration. These amounts are included at Item 6.1 of the Appendix 5B.

Corporate

During the quarter we completed a $30 million placement at $0.67 per share to sophisticated and professional investors. Funds raised from the placement have been applied towards the acquisition of the Black Warrior operating coal mine in Alabama, USA, purchase of larger equipment for the Black Warrior mine and to working capital.

On 21 October 2021 we announced the completion of a $30 million placement at $0.50 per share. Funds raised from the placement will be applied towards the acquisition of the Short Creek mine in Alabama, USA, to advance the Short Creek Mine into development and to working capital.

In July 2020, we secured up to $8M of funding by way of a secured convertible note issued to Mercer Street Global Opportunity Fund LLC, a New York based investment fund (Fund). The Company has drawn three tranches, with only tranche 3 notes with A$1.7 million face value remaining. Any notes not converted, will be repaid on maturity, being 20 January 2022, at their issued face value.

The remaining notes are convertible at the Fund's election into ordinary shares. The conversion price is the lesser of $0.75, or 90% of the lowest daily VWAP of Allegiance shares selected by the Fund for the 10 trading days on which Allegiance shares are traded in the ordinary course of business on the ASX ending on the date immediately prior to a conversion notice.

Authorised for release by Chairman and Managing Director, Mark Gray.

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About Allegiance Coal

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company focused on the development, operation and supply of steel making coal to the seaborne market. With operating mines in southeast Colorado, central Alabama, as well as a development project in northwest British Columbia, Allegiance is well placed to supply steel making coal to both the Pacific and Atlantic markets.

Forward-looking statements

This announcement contains forward-looking statements. Wherever possible, words such as “forecast”, “expects”, “scheduled”, “estimates”, “anticipates”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify these forward-looking statements. Although forward-looking statements contained in this announcement reflect Allegiance management's current beliefs based upon information currently available and based upon what management believes to be reasonable assumptions, Allegiance cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the outcomes expressed or implied in the forward-looking statements. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this announcement, and Allegiance assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

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Tenement Summary

Tenure Number	Owner	Project	Tenure Type	Area (ha)
British Columbia Canada				
DL 230; PID - 014-958-724	Telkwa Coal Ltd	Telkwa	Freehold	259
DL 237; PID - 014-958-732	Telkwa Coal Ltd	Telkwa	Freehold	259
DL 389; PID - 014-965-666	Telkwa Coal Ltd	Telkwa	Freehold	262
DL 391; PID - 014-965-674	Telkwa Coal Ltd	Telkwa	Freehold	262
DL 401; PID - 014-965-682	Telkwa Coal Ltd	Telkwa	Freehold	259
353440	Telkwa Coal Ltd	Telkwa	Coal License	259
334059	Telkwa Coal Ltd	Telkwa	Coal License	269
327972	Telkwa Coal Ltd	Telkwa	Coal License	259
327836	Buckley Valley Coal Ltd	Telkwa	Coal License	259
327837	Buckley Valley Coal Ltd	Telkwa	Coal License	259
327838	Buckley Valley Coal Ltd	Telkwa	Coal License	259
327839	Buckley Valley Coal Ltd	Telkwa	Coal License	259
327845	Buckley Valley Coal Ltd	Telkwa	Coal License	259
328672	Buckley Valley Coal Ltd	Telkwa	Coal License	259
327834	Telkwa Coal Ltd	Telkwa	Coal License	130
327840	Telkwa Coal Ltd	Telkwa	Coal License	259
327865	Telkwa Coal Ltd	Telkwa	Coal License	259
327866	Telkwa Coal Ltd	Telkwa	Coal License	259
327936	Telkwa Coal Ltd	Telkwa	Coal License	259
327944	Telkwa Coal Ltd	Telkwa	Coal License	259
327951	Telkwa Coal Ltd	Telkwa	Coal License	259
327952	Telkwa Coal Ltd	Telkwa	Coal License	259
327953	Telkwa Coal Ltd	Telkwa	Coal License	259
327954	Telkwa Coal Ltd	Telkwa	Coal License	259
327964	Telkwa Coal Ltd	Telkwa	Coal License	259
327965	Telkwa Coal Ltd	Telkwa	Coal License	259
Queensland Australia				
1298	Mineral & Coal Investments PL	Kilmain	Exploration Permit	2800
1917	Mineral & Coal Investments PL	Kilmain	Exploration Permit	2800
Colorado United States				
607075	New Elk Coal Company LLC	Lorencito	Coal Lease	7228
635047	New Elk Coal Company LLC	New Elk	Coal Lease	12,116
635047	New Elk Coal Company LLC	New Elk	Coal Lease	729
635047	New Elk Coal Company LLC	New Elk	Freehold	477
635047	New Elk Coal Company LLC	New Elk	Freehold	101
Alabama United States				
Privately owned	Black Warrior Minerals, Inc	Black Warrior	2 Coal Leases	32
Privately owned	Black Warrior Minerals, Inc	Black Warrior	6 Land Leases	32

Appendix 5B

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

Name of entity

Allegiance Coal Limited

ABN	Quarter ended ("current quarter")
47 149 490 353	30 September 2021

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	1,357	1,357
1.2	Payments for		
	(a) exploration & evaluation	(972)	(972)
	(b) development		
	(c) production	(7,657)	(7,657)
	(d) staff costs	(5,082)	(5,082)
	(e) administration and corporate costs	(171)	(171)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(144)	(144)
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**	**(12,669)**	**(12,669)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(15,089)	(15,089)
	(d) exploration & evaluation	(455)	(455)
	(e) investments		
	(f) other non-current assets	(8,370)	(8,370)

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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 (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(23,914)**	**(23,914)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	31,000	31,000
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	(2,151)	(2,151)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,051)	(1,051)
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**	**27,798**	**27,798**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	18,689	18,689
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,669)	(12,669)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23,914)	(23,914)
	Cash in subsidiary on acquisition	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	27,798	27,798

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		
4.6	**Cash and cash equivalents at end of period**	**9,904**	**9,904**

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	4,903	7,938
5.2	Call deposits	5,001	10,751
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)**	**9,904**	**18,689**

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	288
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' remuneration

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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	43,997	43,997
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	0

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.

In July 2020, the Company secured up to $8 million of funding by way of a secured convertible note issued to Mercer Street Global Opportunity Fund LLC (Mercer), a New York based investment fund; $662,000 of which was drawn in August 2020; $1,338,000 of which was drawn in September 2020; $1,000,000 of which was drawn in October 2020; and $2,000,000 of which was drawn in January 2021; and with further amounts to be drawn at the discretion of the parties subject to any required shareholder approval. In August 2020, following receipt of the tranche 1 funds, notes with a face value of $772,105 maturing 5 August 2021 were issued. In September 2020, following receipt of the tranche 2 funds, notes with a face value of $1,561,228 maturing 24 September 2021 were issued. In October 2020, following receipt of the first tranche 3 funds, notes with a face value of $1,150,000 maturing 30 October 2021 were issued. In January 2021, following receipt of the second tranche 3 funds, notes with a face value of $2,300,000 maturing 20 January 2022 were issued. The notes are convertible at Mercer's election into ordinary shares on the following terms : for the tranche 1 and 2 notes, the conversion price is the lesser of A$0.50, or 92% of the lowest daily VWAP of Allegiance shares selected by Mercer for the 10 trading days on which Allegiance shares are traded in the ordinary course of business on the ASX ending on the date immediately prior to a conversion notice; and for the tranche 3 notes, the conversion price is the lesser of A$0.75, or 90% of the lowest daily VWAP of Allegiance shares selected by Mercer for the 10 trading days on which Allegiance shares are traded in the ordinary course of business on the ASX ending on the date immediately prior to a conversion notice. If the note is not converted, it will be repaid on maturity at its issued face value. By 30 September 2021, the Fund had converted $4,083,333 of the notes to ordinary shares.

In October 2020, in connection with the acquisition of New Elk Coal Company LLC (New Elk), the Group has assumed a note, maturing 1 July 2030, in favour of Cline Mining Corporation. The note is interest free and secured against the assets of New Elk, but subordinated to up to US$40 million of project debt. The face value of the note, net of US$4 million of Allegiance shares issued on closing, is US$35.12 million. US$3 million of the note was repaid in January 2021 from funds held by the Colorado government as security for rehabilitation bonds, which was released upon replacement with an insurance surety bond. A further initial debt repayment of US$6 million is payable on the earlier of the date New Elk commences commercial production (as defined) and 1 December 2021. The balance of the note is repayable in quarterly instalments from 60% of New Elk's net cash flow after providing for preferred debt payments and for sustaining and working capital requirements.

In September 2020, the Group received a C$40,000 loan from the Canadian government as part of its response to Covid-19. The loan is unsecured, interest free and repayable on or before 31 December 2022.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(12,669)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(455)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(13,124)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,904
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	9,904
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.75

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: As the Company commences sales of coal to the seaborne market in the December 2021 quarter, it is anticipated that the current levels of net operating cash flows will not persist.

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: On 21 October 2021 the Company announced it has completed a 2 tranche $30 million placing, in conjunction with the acquisition of the Short Creek Mine assets, which placing is expected to complete in the December 2021 quarter.

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: Having carefully assessed the likely future operating and financing cash flows (as set out in the answer to question 1 and 2 above), the Directors believe that the Company will be able to continue its operations and meet its business objectives for the foreseeable future.

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.

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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 2021

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.

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