



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

27 July 2020

JUNE 2020 QUARTERLY REPORT

HIGHLIGHTS

- **Enhanced Fort Cady Borate Mine DFS completed delivering the following highlights:**
 - Targeted production of 408ktpa of boric acid and 363ktpa of SOP
 - Post tax, unlevered NPV₈ of US\$1.97 bn (A\$3.078 bn*)
 - Post tax, unlevered IRR of 39.4%
 - EBITDA of US\$438.4m (A\$685.0 m*) in first year of full production
 - Targeted C3 opex in full production of negative US\$19.96 per tonne of boric acid
 - Multiple revenue streams with revenue split in full production estimated to be:
 - 54.0% boric acid;
 - 43.2% SOP; and
 - 2.8% gypsum
- **Potential upside with respect to specialty fertiliser blend of SOP and boron with crop trials continuing**
- **Operation expected to employ around 250 people in full production**
- **Placement completed raising A\$31.8m at A\$0.60 per share**
- **Binding Term Sheet signed for US\$30m convertible note with drawdown subject to receipt of final main operational permit and shareholder approval**
- **With existing cash at bank, the Company is now fully financed for construction of Phase 1A of Fort Cady Borate Mine (capex is estimated at US\$50.3m – refer 16 April 2020 ASX release)**
- **Substantive construction activities commenced**
- **A\$38.7m cash at bank as at 30 June 2020**

* Exchange Rate assumed of 0.64USD:1.00AUD (as at 15 April 2020)

COMPANY DIRECTORS

Harold (Roy) Shipes – Non-Executive Chairman
Michael X. Schlumpberger - Managing Director & CEO
Anthony Hall - Executive Director
Stephen Hunt - Non-Executive Director
John McKinney – Non-Executive Director



ISSUED CAPITAL

310.8 million shares
63.4 million options

REGISTERED OFFICE

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77 St Georges Terrace, Perth
WA, 6000, Australia

US OFFICE

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American Pacific Borates Limited (ASX:ABR) ("ABR" or the "Company") is pleased to provide an update on activities at its For Cady Borate Mine located in Southern California for the period ending 30 June 2020.

Enhanced Fort Cady Borate Mine DFS

The initial DFS completed in December 2018 for the Project contemplated a three phase Project which, in full production, would produce 408ktpa boric acid ("BA") and 109ktpa sulphate of potash ("SOP").

The Company subsequently modified the Project in January 2019 by allowing for a low capex starter project, that split the previously announced phase 1 into phases 1A and 1B, which provided a lower upfront capital requirement to assist financing flexibility. Full production metrics remained unchanged from the initial DFS.

The Enhanced DFS which was completed in April 2020 built on the starter project as announced in January 2019, by incorporating further engineering work completed, as well as value engineering that had seen a substantial increase in proposed SOP production. SOP production (in full production) increased to 363ktpa from 109ktpa, an increase of 233%. Boric acid production remained unchanged at 408ktpa in full production, but importantly phase 1A production increased by 50 percent to 8.2ktpa from 5.4ktpa

The starter project remained by splitting Phase 1 into Phase 1A and Phase 1B. Phase 1A (starter project) targets the production of 40ktpa of SOP and 9ktpa of boric acid. Phase 1B will then increase boric acid production to 90ktpa and SOP production to 80ktpa.

Key changes from January 2019 to the April 2020 enhanced DFS are:

Table 1 | Key changes from the 2019 Modified DFS

	Enhanced DFS (April 2020)	Modified DFS (January 2019)	Change
BA Production (in full production)	408,233 tonnes/year	408,233 tonnes/year	No change →
SOP Production (in full production)	362,874 tonnes/year	108,862 tonnes/year	254,012 ↑ tonnes/year
BA Price	US\$750/tonne	US\$800/tonne	US\$50/tonne ↓
SOP Price	US\$675/tonne	US\$725/tonne	US\$50/tonne ↓
Capex	US\$737.9 million	US\$526.2 million	US\$211.7m ↑
NPV ₈	US\$1.965 billion	US\$1.428 billion	US\$537m ↑
IRR	39.4%	40.5%	1.1% ↓
EBITDA in first year full production	US\$438.4 million	US\$345.4 million	US\$98.0m ↑



**Table 2 | Key Financial Metrics for the Fort Cady Borate Mine on a Phase by Phase Basis
(refer ASX release dated 16 April 2020¹)**

Fort Cady Project (Boric Acid and SOP Production)	
Phase 1A Only	
Capex	US\$50.3 million
NPV ₈	US\$224.3 million
IRR	35.9%
EBITDA in first full year of production	US\$19.6 million
Phase 1A & 1B Only	
Capex (Phase 1B only)	US\$156.0 million
NPV ₈	US\$773.8 million
IRR	32.4%
EBITDA in first full year of production	US\$73.2 million
Phase 1 & 2 Only	
Capex (Phase 2 only)	US\$268.3 million
NPV ₈	US\$1.709 billion
IRR	37.8%
EBITDA in first full year of production	US\$242.2 million
Full Project (Phases 1, 2, & 3)	
Capex (Phase 3 only)	US\$263.2 million
NPV₈	US\$1.965 billion
IRR	39.4%
EBITDA in first full year of production	US\$438.4 million

The Project is forecast to directly employ around 250 people in full production. The direct employment and indirect employment is expected to be meaningful to the local area.

The strength of standalone Phase 1A financial metrics means the Company can finance this project in isolation. It also creates a modest starting point for development of the Project through the phases, with the ultimate goal of reaching full production and the forecast EBITDA for the first full year of production of US\$438.4 million. The table below presents a summary of the production targets by each Phase of construction.

Table 3 | Summary of Production by Phase for the Fort Cady Borate Mine

	Enhanced DFS (April 2020)			Modified DFS (January 2019)		
	Capex (US\$m)	Boric Acid (metric tonnes)	SOP (metric tonnes)	Capex (US\$m)	Boric Acid (metric tonnes)	SOP (metric tonnes)
Phase 1A	50.3	8,165	36,287	36.8	5,443	36,287
Phase 1B	156.0	73,482	36,287	111.4	76,204	-
Phase 2	268.3	163,293	145,150	191.4	163,293	36,287
Phase 3	263.2	163,293	145,150	186.6	163,293	36,287
Total (3 Phases)	737.9	408,233	362,874	526.2	408,233	108,862

¹ ABR confirms all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.



A\$31.8m Placement Completed

In June 2020, ABR completed an A\$31.8m placement to institutional, professional and sophisticated investors. The issue price of A\$0.60 per share represented:

- A 17% discount to the last closing price of ABR shares on 27 May 2020 of A\$0.70 per share; and
- A 0.5% premium to the 5-day volume weighted average price of ABR shares to 27 May 2020 of A\$0.603 per share

Funds raised will be used towards progressing construction related activities at the Fort Cady Borate Mine.

US\$30m Convertible Note

On 1 June 2020, the Company announced it had signed a binding Term Sheet for a US\$30m convertible note to enable it to fully finance the construction of Phase 1A of the Fort Cady Borate Mine (capex is estimated at US\$50.3m – refer 16 April 2020 ASX release). Key terms of the Binding Term Sheet were included in the ASX release of 1 June 2020.

Construction Activities

During the Quarter substantive construction activities commenced at the Fort Cady Borate Mine. The initial focus has been on essential site infrastructure including fencing, site access and water supply. These necessary activities are a pre cursor to broader construction activities scheduled to commence in Q3, CY2020.

As previously reported, the Company is expecting to employ up to 140 people on site during construction and then up to 250 people in full production.



Figure 1 | Fin Fan Cooler Being Delivered to Site on 12 June 2020 at Fort Cady Borate Mine



Figure 2 | Photo of the Fort Cady Borate Mine Site Showing Fencing, Water Well and Water Storage (delivered to site on 12 June 2020) to Facilitate Construction and Production

With the completion of the fundraising, final engineering is now being fast tracked. The Company continues to work with US based consultants and contractors and is expecting engineering to be completed to preserve critical path activities designed to see initial commissioning in Q2, CY2021 with initial production in 2H, CY2021.

Borate / SOP Fertiliser Crop Trials

Crop trials on key Californian crops of tomatoes and broccolis have commenced (California is a major US producer of both tomatoes and broccolis grown in the United States with over 90% and 92% respectively (<https://www.ctga.org/> and <https://www.agmrc.org/commodities-products/vegetables/broccoli>)).

The objectives are to:

1. Evaluate growth and yield of tomato and broccoli with four different rates of boron-enriched SOP fertilisers compared to conventional fertilisers; and
2. Estimate the difference in cost of production of tomato and broccoli using boron-enriched SOP vs. conventional fertilisers.

The expected outcomes are:

1. The university will determine the optimum rate of boron in SOP for tomato and broccoli production; and
2. The university will demonstrate that growth and yield of tomato and broccoli will be greater using new boron-enriched SOP fertiliser compared to conventional fertilisers.

Initial results are expected in Q3 2020.

Corporate

Cash at bank at the end of the Quarter was A\$38.7m.

- ENDS -

Authorised for release by: Michael X. Schlumpberger, Managing Director.

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About American Pacific Borates Limited

American Pacific Borates Limited is focused on advancing its 100% owned Fort Cady Borate Mine Project located in Southern California, USA. Fort Cady is a highly rare and large colemanite deposit and is the largest known contained borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The JORC compliant Mineral Resource Estimate and Reserve is presented below. Importantly, it comprises 13.93Mt of contained boric acid. In excess of US\$60m has been spent at Fort Cady, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial small-scale commercial operations and test works.

A Definitive Feasibility Study ("DFS") was completed in December 2018 (ASX release dated 17 December 2018). An enhanced DFS was completed in April 2020 (ASX release dated 16 April 2020²). The enhanced DFS increased production of SOP to 363ktpa in full production. This complemented boric acid production of 409ktpa.

The enhanced DFS delivered exceptional financial metrics, including an unlevered post tax NPV₈ of US\$1.97bn, an unlevered post tax IRR of 39% and an EBITDA in the first full year of production of US\$438m.

JORC compliant Mineral Resource Estimate and Reserve (ASX release dated 3 December 2018³)

JORC compliant Mineral Resource Estimate and Reserve						
Reserves	MMT	B₂O₃ %	H₃BO₃ %	Li ppm	B₂O₃ MT	H₃BO₃ MT
Proven	27.21	6.70	11.91	379	1.82	3.24
Probable	13.80	6.40	11.36	343	0.88	1.57
Total Reserves	41.01	6.60	11.72	367	2.71	4.81
Resources						
Measured	38.87	6.70	11.91	379	2.61	4.63
Indicated	19.72	6.40	11.36	343	1.26	2.24
Total M&I	58.59	6.60	11.72	367	3.87	6.87
Inferred	61.85	6.43	11.42	322	3.98	7.07
Total M,I&I	120.44	6.51	11.57	344	7.84	13.93

In 1994 the Plan of Operations (mining permit) was authorised along with the Mining and Land Reclamation Plan. These permits are in good standing and contain a full Environmental Impact Report and water rights for initial operations of 82ktpa of boric acid. The Company is currently working through a permitting process to gain the final permit required to commence operations.

In addition to the flagship Fort Cady Project, the Company also has an earn in agreement to acquire a 100% interest in the Salt Wells North and Salt Wells South Projects in Nevada, USA on the incurrence of US\$3m of Project expenditures. The Projects cover an area of 36km² and are considered prospective for borates and lithium in the sediments and lithium in the brines within the project area. Surface salt samples from the Salt Wells North project area were assayed in April 2018 and showed elevated levels of both lithium and boron with several results of over 500ppm lithium and over 1% boron.

² ABR confirms all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.

³ ABR confirms all material assumptions and technical parameters underpinning the Resource Estimate and Reserve continue to apply and have not materially changed as per Listing Rule 5.23.2



Figure 3 | Location of the Fort Cady and Salt Wells Projects in the USA

Forward Looking Statements

This announcement contains ‘forward-looking information’ that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company’s business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘potential’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.



Appendix 1: Schedule of Tenements

Tenement Name	Country	Status	Grant Date	Expiry	Area	Ownership Rights		
				Date	km ²	Surface	Mineral	Lessee
Fort Cady Borate and Lithium Project								
Parcel 0529-251-01 Parcel 0529-251-03	USA	Granted	8/05/2010	N/A	0.65 0.32	FCCC	FCCC	N/A
Parcel 0529-251-04	USA	Granted	8/05/2010	N/A	1.09	FCCC	State of California	N/A
Company 1 Group Litigation 1 Group Litigation 4 Group Litigation 5 Group Litigation 2 Litigation 3 Litigation 6 Litigation 11 Geyser View 1 Company 4	USA	Granted	Various 12/09/1991 Various Various 29/07/1937 29/07/1937 29/07/1937 29/07/1937 18/11/1934 15/12/1931	N/A	0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.28 0.65	Elementis	Elementis	FCCC
HEC #124 - #127, HEC #129, HEC #131, HEC #343, HEC #344, HEC #365, HEC #369, HEC #371, HEC #372, HEC #374 - #376	USA	Granted	Various	N/A	1.21	Elementis	Elementis	FCCC
HEC #19; HEC #21; HEC# 23; HEC#25; HEC #34 - #41; HEC #43 - #67; HEC #70 - #82; HEC #85 - #93; HEC #182; HEC #184; HEC #288; HEC #290; HEC #292; HEC #294; HEC #296 - #297; HEC #299 - #350	USA	Granted	Various	N/A	9.63	FCCC	FCCC	N/A
Salt Wells South Borate and Lithium Project								
The Salt Wells South includes the following claims: SW 165, 167, 169, 171, 173, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 251, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 299, 300, 301, 302, 303, 304	USA	Earn in to acquire a 100% interest	23/05/18	N/A	8.5	Great Basin Resources Inc	Great Basin Resources Inc	Great Basin Resources Inc



Tenement Name	Country	Status	Grant Date	Expiry Date	Area km ²	Ownership Rights Surface	Tenement Name	Country
Salt Wells North Borate and Lithium Project								
The Salt Wells North includes the following claims: SW 1, 2, 3, 4, 5, 6, 27, 29, 31, 32, 33, 34, 35, 36, 54, 56, 58, 59, 60, 61, 62, 63, 78, 81, 82, 84, 85, 86, 87, 88, 89, 104, 106, 108, 109, 110, 111, 112, 113, 114, 115, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 147, 149, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, , 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555	USA	Earn in to acquire a 100% interest	23/05/2018	N/A	13.8	Great Basin Resources Inc	Great Basin Resources Inc	Great Basin Resources Inc

FCCC - Fort Cady (California) Corporation, Elementis - Elementis Specialties, Inc., km² – Square Kilometres

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

Appendix 2: Payments to Related Parties of the Entity and their Associates

Item	Current Quarter (A\$)	Previous Quarter (A\$)
Directors' Remuneration		
Managing Director's Fees and Superannuation	95,859	103,868
Non-Executive Chairman's Fees	19,306	18,555
Executive Director Fees	29,333	58,667
Non-Executive Director Fees	19,500	16,250
Total payments to related parties of the entity and their associates	163,998	197,340

Appendix 5B

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

Name of entity

AMERICAN PACIFIC BORATES LIMITED

ABN

68 615 606 114

Quarter ended ("current quarter")

30 June 2020

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	-	-
	(c) production	-	-
	(d) staff costs	(248)	(1,047)
	(e) administration and corporate costs	(193)	(1,436)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	11
1.5	Interest and other costs of finance paid	-	(349)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	142	197
1.9	Net cash from / (used in) operating activities	(297)	(2,624)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(744)	(982)
	(d) exploration & evaluation	(1,056)	(4,621)
	(e) investments	-	-
	(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 (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	(1,800)	(5,603)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	31,800	41,650
3.2	Proceeds from issue of convertible debt securities	-	2,935
3.3	Proceeds from exercise of options	3,297	3,678
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(841)	(1,411)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(193)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Repayment of convertible debt securities	-	(2,471)
3.10	Net cash from / (used in) financing activities	34,256	44,188

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,678	2,894
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	(2,624)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,800)	(5,603)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	34,256	44,188

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(94)	(112)
4.6	Cash and cash equivalents at end of period	38,743	38,743

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	38,743	6,678
5.2	Call deposits	-	-
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)	38,743	6,678

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	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	96
<p><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></p> <p>- Payment of Directors Fees and Remuneration - \$164k</p>		

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(297)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,056)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,353)
8.4	Cash and cash equivalents at quarter end (item 4.6)	38,743
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	38,743
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	29
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		
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.

Date: 27 July 2020

Authorised by: Aaron Bertolatti – 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.