



30 July 2021

## ACTIVITIES REPORT FOR THE QUARTER ENDING 30 JUNE 2021

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### HIGHLIGHTS

- Mining commences at New Elk.
  - Four 70,000 metric tonnes of New Elk Blue seam sold to Asia for delivery September, October, November and December.
  - New Elk swaps its Alabama blending coal, the Pratt coal, with two other higher quality Alabama coals the Nickel Plate and #1 American.
  - Allegiance to acquire Black Warrior Minerals Inc.
  - Allegiance completes A\$30M placement.
  - Tenas EA application filing date delayed to Q4 21.
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Allegiance Coal Limited (**Allegiance** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2021.

### Mining commences at New Elk

During the quarter, the major activity revolved around continuing rehabilitation of the underground and above ground equipment, plant and infrastructure and the all-important task of recruiting production staff and support teams with the staff complement presently at 87 full time positions.

Coal production commenced in the Blue Seam at the New Elk Mine Friday, 21 May 2021, with the first production unit. Commencement was delayed by three weeks against the Company's target start date due to delays in obtaining approvals to mine operational plans from Mine Safety and Health Administration, a US Federal Government department tasked with regulating the safety of mining operations in the US (**MSHA**). The delay was due primarily to the impact of COVID on MSHA with the closure its office in Colorado coupled with key staff away on leave. There were no material issues in relation to any of the Mine's operational plans.

Production in this start-up phase is progressing at expected levels with the first production unit beginning to achieve consistency and progressing towards hitting production targets. Actual run of mine production during the quarter was ~15,000t.

The second production unit previously planned to commence November 2021 will commence first week of August with a day shift only, and a night shift to be added later in the month once it is fully manned. Similarly, the wash plant has had sufficient tonnes processed at various gravities to test its performance, and to give Management an indication as to what ash product can be achieved at various gravities and at what yields.

Management anticipate the start-up mine plan production figures should be recovered and exceeded by early September.

There were zero lost time injuries (LTI) recorded during the quarter and no confirmed or suspected cases of COVID-19 at the Company's sites. The Company is committed to the promotion of a positive health, safety and environmental protection culture, including safety programs and procedures that encourage job safety analysis and planning as well as active incident reporting for the purpose of continual improvement of the health, safety and well-being of all employees, contractors, visitors and members of the community.

The first train was loaded late July for delivery of coal to the Port of Guaymas, Mexico.

The Company held its first New Elk Open House event during the quarter attended by more than 100 people. Copies of the Story Boards used to engage with attendees can be found on New Elk's website, link follows <https://www.newelkcoal.com/site/responsible-mining1/community-open-house-poster-boards>

### **New Elk Coal Sales**

Around 1,500 tons of coal was sold FOB the mine gate to a local cement plant. A request for up to 10,000 tons per month has been received from that plant which New Elk will consider once it reaches sustained production.

Four 70,000 tonne cargoes of Blue Seam have been sold to Asian steel mill customers for delivery August, October, November and December 2021, respectively. The August delivery date has been extended to September due to the delayed start-up and teething issues in the start-up.

Request for a 20,000 tonne trial shipment to another Asian steel mill customer has been received and again, New Elk will look to commit to that once it reaches sustained production.

Supply of drum samples to other steel mills is expected to occur in the September 2021 quarter.

### **Pratt blending coal replaced for the Nickel Plate and #1 American coals**

Mays Mining, New Elk's Alabama coal off-take supplier, has agreed to swap supply of its Pratt coal with the Nickel Plate and American #1 coals owned by a related company to Mays Mining.

Allegiance previously announced a four year off-take contract with Mays Mining to acquire 30,000 tonnes per month of Pratt seam coal increasing to 60,000 tonnes per month, to blend with New Elk's Blue seam coal at a ratio of ~53% Blue to 47% Pratt.

Following CSR tests undertaken on the Pratt, lower than expected results were received reducing the status and value of the Blue Pratt blend – the calculated CSR was 50 against a CSR test result of <40. Mays Mining could not therefore deliver the CSR specification of 50 under the terms of the off-take contract.

Allegiance and Mays have therefore agreed to replace Pratt coal with NPA coal owned by a related company, Yellowhammer Energy Solutions, LLC., on generally the same terms and conditions except the fixed price component increased by around 20% reflecting the significantly better coal quality, off-set in part by an increase in the bonus payment threshold from >US\$110 per tonne to >US\$115 per tonne.

The Nickel Plate and American #1 coal seams (**NPA**) geologically sit immediately below the Pratt coal seam and are typically mined together.

The NPA coal seams are ultra-low ash, ultra-low phosphorous, have lower sulphur than the Pratt seam but still relatively high, and exhibit higher coke strength characteristics that will materially improve the quality and value of the blended product.

### **Purchase of Black Warrior Minerals**

As was announced earlier today, Allegiance, via its wholly owned subsidiary Allegiance Coal USA Limited, has unconditionally agreed to acquire all the shares in Black Warrior Minerals Inc., a family owned company that owns and has mined the BWM Mine located 40 miles northeast of Birmingham Alabama for more than a decade. Completion is expected to take place the week commencing 2 August 2021.

The BWM Mine comprises 9.6M tons of in-place coal and currently produces around 220,000 tonnes per annum of high CSR coking coal including globally recognized brands Blue Creek and Mary Lee (**BCML**), operating just five ten hour day shifts per week. Production is sold as a thermal coal, run-of-mine, to the Alabama power market.

The purchase price is:

- US\$4M in cash; and
- US\$5.3M to replace the reclamation bond.

The purchase price is intended to be funded by:

- US\$6.21M of Allegiance cash;
- US\$3.18M insurance bond (60% of the reclamation bond).

Allegiance will continue to supply the power market in the near term during which time it will convert the BWM mine into a met coal producer and focus in particular on the following:

- Trading the current equipment fleet for larger machinery;
- Highwall mining higher ratio coal to drive down the average cost of coal recovery;
- Spreading the workforce over 5 day and night shifts pw to more than double production;
- Building a CHPP to deliver a washed product to be blended with New Elk Blue and NPA;
- Presenting an on-spec high vol A coking coal for sale on the seaborne market thus ending supply to the power market.

### **Tenas Project environmental assessment certificate application**

Current progress indicates the EA application will now be lodged Q4 2021, the outstanding section being Part C which relates to First Nations considerations.

### **Expenditure on mining exploration activities**

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the June 2021 quarter totalled \$3,131k for operating activities (included at Item 1.2(a) of the Appendix 5B) and \$1,888k 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 \$775k for working capital items, \$1,363k of pre-production and production operating costs, \$841k in relation to drilling work and \$152k for various engineering and consulting services. \$364k 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.

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 \$270k 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, following shareholder approval, the Company completed a \$10 million placement to sophisticated and professional investors, which was driven by significant European institutional investor demand, including from Deutsche Balaton AG. In addition, also following shareholder approval, the Company completed a \$15 million placement principally to Golden Energy and Resources Limited (GEAR).

As was announced earlier today, the Company this week completed a \$30 million placement at \$0.67 per share (**Placement**).

Funds raised from the Placement will be applied towards the 100% acquisition of the BWM operating coal mine in Alabama, USA, owned by Black Warrior Minerals, Inc, purchase of a wash plant & larger equipment at the BWM mine and working capital.

Petra Capital Pty Limited acted as sole lead manager and sole bookrunner to the Placement.

The Placement price of \$0.67 per share represents a 6.9% discount to the last close price, a 7.1% discount to the 5 day VWAP and a 6.3% discount to the 15 day VWAP (both calculated over the period ending 27 July 2021). The offering was made to both institutional investors pursuant to section 708(11) of the Corporations Act 2001 (Cth) (Act), and sophisticated investors pursuant to section 708(8) of the Act.

Placement shares are intended to be issued on 5 August 2021, consisting of 16,374,127 shares utilising Allegiance's placement capacity under ASX Listing Rules 7.1 and 28,401,992 shares utilising Allegiance's placement capacity under ASX Listing Rules 7.1A. The Company will also issue 1,343,283 broker options utilising Allegiance's placement capacity under ASX Listing Rule 7.1 (exercisable at \$0.8375 each, on or before 5 August 2024).

In July 2020, the Company 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):

- A\$2M of which was drawn in the September 2020 quarter (tranche 1 and 2);
- \$1M in October 2020 (first tranche 3 instalment);
- \$2M in January 2021 (second tranche 3 instalment); and
- With further amounts to be drawn at the discretion of the parties' subject to any required shareholder approval.

In January 2021, following receipt of the second tranche 3 funds from the Fund, secured notes with a face value of \$2.3M maturing 20 January 2022 were issued to the Fund, bringing the total face value of notes issued to \$5.8M.

The notes are convertible at the Fund's election into ordinary shares on the following terms:

- For the tranche 1 and 2 notes, the conversion price is the lesser of \$0.50, or 92% 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; and
- For the tranche 3 notes, 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.

Any notes not converted, will be repaid on maturity at their issued face value. By 30 June 2021, the Fund had converted \$3,083k of the notes to ordinary shares, with a further \$1,000k converted in July 2021.

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

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For more information, please contact:

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**About Allegiance Coal**

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company based in Vancouver, BC Canada, and is focussed on developing and mining metallurgical coal projects in North America and Western Canada. The Company is developing the Tenas metallurgical coal project, located in northwest British Columbia, in partnership with Itochu Corporation. The Tenas Project has a completed definitive feasibility study and is now in the permitting process targeting H2 2022 for the commencement of production. In October 2020, the Company acquired the New Elk coking coal mine, a fully permitted and constructed mine located in southeast Colorado, US, returning the mine to production in 2021.

**BWM Coal Resources**

The BWM coal resources referred to in this announcement were first reported in the Company's release of its BWM Mine acquisition announcement on 30 July 2021, (the 30 July 2021 Announcement). The Company confirms that it is not aware of any new information or data that materially affects the information included in the 30 July 2021 Announcement, and that all material assumptions and technical parameters underpinning the estimates in the 30 July 2021 Announcement continue to apply and have not materially changed.

## Tenement Summary

Tenure Number	Owner	Project	Tenure Type	Area (ha)
<b>British Columbia Canada</b>				
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
<b>Queensland Australia</b>				
1298	Mineral & Coal Investments PL	Kilmain	Exploration Permit	2800
1917	Mineral & Coal Investments PL	Kilmain	Exploration Permit	2800
<b>Colorado United States</b>				
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

## Appendix 5B

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

Name of entity

Allegiance Coal Limited

ABN

47 149 490 353

Quarter ended ("current quarter")

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12.months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(3,131)	(5,887)
(b) development		
(c) production		
(d) staff costs	(1,877)	(4,341)
(e) administration and corporate costs	(207)	(889)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(510)	(795)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,725)</b>	<b>(11,912)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(7,516)	(12,854)
(d) exploration & evaluation	(1,888)	(5,599)
(e) investments		
(f) other non-current assets	(613)	(613)

## 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)		
	Net recovery of reclamation bond	-	4,653
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(10,017)</b>	<b>(14,413)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	27,508	60,033
3.2	Proceeds from issue of convertible debt securities	-	5,000
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,239)	(3,032)
3.5	Proceeds from borrowings	-	42
3.6	Repayment of borrowings	(2,008)	(17,846)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid		
3.9	Other (provide details if material)		
	Itochu advances to TCL	-	345
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>24,261</b>	<b>44,542</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	10,170	442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,725)	(11,912)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,017)	(14,413)
	Cash in subsidiary on acquisition	-	30



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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12.months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24,261	44,542
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>18,689</b>	<b>18,689</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7,938	6,419
5.2	Call deposits	10,751	3,751
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,689</b>	<b>10,170</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	270
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

## 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	45,468	45,468
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		0
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>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 June 2021, the Fund had converted \$3,083,333 of the notes to ordinary shares.</p> <p>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.</p> <p>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.</p>		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,725)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,888)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(7,613)
8.4 Cash and cash equivalents at quarter end (item 4.6)	18,689
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	18,689
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.45
<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: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<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: 30 July 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.