



NEWS RELEASE | 31 July 2020

JUNE 2020 QUARTERLY REPORT

Highlights during, and subsequent to the quarter end,

- Prairie secured A\$18 million litigation funding to pursue its damages claim against the Polish government
 - Prairie signed a Litigation Funding Agreement (**LFA**) with a subsidiary of London listed Litigation Capital Management Limited to pursue international arbitration claims against the Republic of Poland for breaches of its obligations under the Australia-Poland Bilateral Investment Treaty and Energy Charter Treaty (**Claim**)
 - The LFA facility is available for immediate draw down and provides funding to cover legal, tribunal and external expert costs and defined operating expenses associated with the Claim
 - A\$18 million was provided as a limited recourse facility, being repayable in the event that the damages award is recovered from the Republic of Poland
- Prairie and its legal counsel LALIVE are preparing for arbitration claims to be submitted in the coming weeks
 - The Claim will allege that the Republic of Poland has breached its obligations under both domestic law and relevant international treaties
 - Prairie's claim for damages may include, but is not limited to, lost profits for both the Jan Karski and Debiensko mines as well as the value of Prairie's historic expenditure in developing both mines plus interest and costs
 - LALIVE is a Swiss based specialist international disputes firm with substantial expertise in investor state arbitration concerning natural resources
- In July 2020, Prairie announced a Share Purchase Plan
 - The Plan provides Eligible Shareholders the opportunity to apply for up to A\$30,000 worth of New Shares at issue price of A\$0.25 (PLN0.69) for each New Share without incurring brokerage or transaction costs
 - Prairie intends to raise A\$4 million and intends to use the proceeds for working capital requirements and business development opportunities
- During the quarter, Prairie continued to identify and assess other suitable business opportunities in the resources sector

Enquiries

Prairie Mining Limited

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This announcement has been authorised for release by the Company's Chief Executive Officer, Mr Ben Stoikovich.

DISPUTE WITH POLISH GOVERNMENT

On 1 July 2020, Prairie Mining Limited (**Prairie** or **Company**) announced it had executed a LFA for A\$18m (US\$12.3m) with LCM Funding UK Limited (a subsidiary of Litigation Capital Management Limited (**LCM**) – a firm listed on the London Stock Exchange). The facility is available for immediate draw down for Prairie to pursue damages claims in relation to the investment dispute between Prairie and the Polish Government that has arisen out of certain measures taken by Poland in breach of the Energy Charter Treaty and the Australia–Poland Bilateral Investment Treaty (**BIT**).

Prairie served a Notice of Dispute on the Government of Poland on 6 February 2019 requesting that the Government engage formally with Prairie to find an amicable resolution regarding the development, construction and operation of the Projects. To the disappointment of the Company and its shareholders, the Polish Government never meaningfully engaged with the Company in respect of the notice. Prairie will therefore take the necessary actions to enforce the Company's rights and to recover full value for shareholders, and notes that other foreign natural resources companies have pursued international arbitration claims against the Republic of Poland as a result of discriminatory treatment faced by them in Poland.

The substantial litigation funding secured from LCM is testament to the strength of Prairie's Claim. The A\$18 million facility is non-dilutive to Prairie shareholders, will cover the full legal budget as well as partially cover a portion of Prairie's operating expenses, while being repayable if a damages award is paid out.

Prairie and its legal counsel LALIVE, are preparing for arbitration claims to be submitted in the coming weeks. We note that other natural resources companies have successfully enforced their rights through international arbitration and received substantial sums for damages. In 2012, US company Occidental Petroleum Corporation was paid ~US\$1 billion by the government of Ecuador following a World Bank Centre for Settlement of Investment Disputes (**ICSID**) Tribunal award against Ecuador for terminating Occidental's 30-year participation contract for an oil block.

In 2016, another World Bank ICSID tribunal awarded gold junior Crystallex International Corporation damages of US\$1.4 billion (including interest) due to Venezuela's unfair and inequitable treatment, and unlawful expropriation of Crystallex's investment in the Las Cristinas gold mining project. Crystallex's claim was financed by a third-party litigation funder. In 2019, the World Bank ICSID tribunal also made a US\$5.8 billion award to Barrick/ Antofagasta regarding Pakistan's unlawful denial of a mining lease for the Reko Diq copper project, which proceeded under the Australia-Pakistan Bilateral Investment Treaty.

Background to the claim

In February 2019, Prairie formally notified the Polish Government that there exists an investment dispute between Prairie and the Polish Government. Prairie's notification called for prompt negotiations with the Government to amicably resolve the dispute and indicated Prairie's right to submit the dispute to international arbitration in the event of the dispute not being resolved amicably. The dispute arises out of certain measures taken by Poland in breach of the Energy Charter Treaty and the BIT. The Company remains open to resolving the dispute with the Polish Government amicably. However, as of the date of this announcement, no amicable resolution of the dispute has occurred, since the Polish Government has declined to participate in discussions related to the dispute.

Prairie remains focused on trying to bring a swift settlement to the current dispute with the Polish Government and remains open to resolving the dispute amicably per the Notice of Dispute served on Poland in February 2019. However, in the absence of any meaningful engagement in relation to this matter from the Government, the Company has advanced preparations to commence its Claims to Arbitration over the coming weeks.

The quantum of any Claim for compensation may include, but will not be limited to:

- the value of Prairie's historic expenditure in developing both the Jan Karski and Debiensko mines;
- Lost profits and damages that the Company has suffered as a result of Poland's acts and omissions which have resulted in the expropriation of both the Jan Karski of Debiensko mines, which is linked to the considerable Net Present Value of both mines at the time of Poland's international treaty breaches; and

- Accrued interest related to any damages award and all costs associated with pursuing the Claims to Arbitration.

The Company is not able to make any further comment in relation to the potential quantum of any claim for compensation at this point.

Please refer to ASX announcements dated 26 April 2018, 28 May 2018, 18 January 2019, 13 February 2019, 4 April 2019 and 31 December 2019 for further details regarding the Company's dispute with the Republic of Poland.

Prairie's investment dispute with the Republic of Poland is not unique, with international media widely reporting that the political environment and investment climate in Poland has deteriorated since the change in Government in 2015. As a result, there are a significant number of International Arbitration claims being brought against Poland in the natural resources and energy sectors with damages claims ranging from US\$120 million to over US\$1.3 billion and includes Bluegas NRG Holding (Gas), Lumina Copper (Copper) and Invenenergy (wind farms).

Background to the Jan Karski Mine

The Jan Karski Mine (**Jan Karski**) is a large scale semi-soft coking coal project located in the Lublin Coal Basin in south east Poland. The Lublin Coal Basin is an established coal producing province which is well serviced by modern and highly efficient infrastructure, offering the potential for low capital intensity mine development. Jan Karski is situated adjacent to the Bogdanka coal mine which has been in commercial production since 1982 and is the lowest cost hard coal producer in Europe.

Key benefits for the local community and the Lublin and Chelm regions associated with the development, construction and operation of Jan Karski have been recognised as the following:

- creation of 2,000 direct employment positions and 10,000 indirect jobs for the region once operational;
- increasing skills of the workforce through the implementation of International Standard training programmes;
- stimulating the development of education, health services and communications within the region; and
- building a mine that creates new employment for generations to come and career paths for families to remain in the region.

In March 2016, Prairie released the results of a JORC compliant Pre-Feasibility Study (**PFS**) for Jan Karski prepared by independent international mining consultancies Golder Associates and Royal HaskoningDHV. The PFS demonstrated the technical viability and robust economics of Jan Karski to be developed as a large-scale long life strategic coal supplier. Further details about the PFS are contained in the Company's announcement dated 8 March 2016.

Background to the Debiensko Mine

The Debiensko Mine (**Debiensko**), is a hard coking coal project located in the Upper Silesian Coal Basin in the south west of the Republic of Poland. It is approximately 40 km from the city of Katowice and 40 km from the Czech Republic.

Debiensko is bordered by the Knurów-Szczygłowice Mine in the north west and the Budryk Mine in the north east, both owned and operated by Jastrzębska Spółka Węglowa SA, Europe's leading producer of hard coking coal.

The Debiensko mine was historically operated by various Polish mining companies until 2000 when mining operations were terminated due to a major government led restructuring of the coal sector caused by a downturn in global coal prices. In early 2006 New World Resources Plc acquired Debiensko and commenced planning for Debiensko to comply with Polish mining standards, with the aim of accessing and mining hard coking coal seams. In 2008, the Polish Ministry of Environment (**MoE**) granted a 50-year mine license for Debiensko.

In October 2016, Prairie acquired Debiensko with a view that a revised development approach would potentially allow for the early mining of profitable premium hard coking coal seams, whilst minimising upfront capital costs.

In March 2017, Prairie released the results of a JORC compliant Scoping Study prepared by independent international mining consultancy Royal HaskoningDHV. The Scoping Study demonstrated the technical viability and robust economics for the fully permitted Debiensko mine to be a large scale, lowest cost and long life premium hard coking coal supplier. Further details of the Scoping Study are contained in the Company's announcement dated 16 March 2017.

SHARE PURCHASE PLAN

In July 2020, Prairie announced it is providing Eligible Shareholders the opportunity to participate in the Company's share purchase plan (**Offer**). The Offer will give Eligible Shareholders the opportunity to apply for up to A\$30,000 worth of New Shares at an issue price of A\$0.25 (PLN0.69) for each New Share (**Issue Price**) without incurring brokerage or other transaction costs. Prairie confirms that that Polish residents may participate in the Offer using Polish złoty (**PLN**).

The Issue Price represents a discount of 25% to the closing price of Shares on ASX immediately prior to 21 July 2020 (being the date on which the Company announced the Offer).

The Company intends to raise A\$4 million (approximately €2.5 million) from Eligible Shareholders and intends to use the proceeds of the Offer for working capital requirements and business development opportunities.

The Company reserves absolute discretion regarding the final amount raised under the Offer. If the Company receives applications in excess of A\$4 million, the Company reserves the right to accept oversubscriptions (subject to compliance with ASX Listing Rules and the Corporations Act) in its absolute and sole discretion. However, the Offer to investors in the European Union will not be increased in excess of €2.5 million. The Company also reserves the right to close the Offer early and scale back applications in its absolute and sole discretion.

The Offer closes at 5:00pm (Perth time) on 14 August 2020 and the Company encourages shareholders eligible to participate in the Offer to lodge their application forms and/or remit their application monies **as soon as possible** as the Company will not accept any late applications and reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the closing date without prior notice, including closing the SPP early.

Participation in the Offer is optional. The issue of New Shares is expected to take place on or around 21 August 2020.

Further details of the Offer are contained in the Company's announcements dated 21 and 29 July 2020.

COVID-19 UPDATE

The Company continues to actively evaluate the situation for all risks to employees and general operational safety and will make any required adjustments as the situation evolves, or as required by governments. Following the introduction of COVID-19 pandemic working/travel restrictions, the Company's activities in Poland have been limited, however relevant meetings have been able to take place, primarily via electronic means.

Forward Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on Prairie's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Prairie, which could cause actual results to differ materially from such statements. Prairie makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

APPENDIX 1 - EXPLORATION TENEMENT INFORMATION

As at 30 June 2020, the Company has an interest in the following tenements:

Location	Tenement	Percentage Interest	Status	Tenement Type
Jan Karski, Poland	Jan Karski Mine Plan Area (K-4-5, K6-7, K-8 and K-9) ¹	100	In dispute ¹	Exclusive Right to apply for a mining concession
Debiensko, Poland	Debiensko 1	100	Granted ²	Mining
Debiensko, Poland	Kaczyce 1	100	Granted	Mining & Exploration (includes gas rights)

Notes:

¹ In July 2015, Prairie announced that it had secured the Exclusive Right to apply for a Mining Concession for Jan Karski as a result of its Geological Documentation for the Jan Karski deposit being approved by Poland's MoE. The approved Geological Documentation covers areas of all four original Exploration Concessions granted to Prairie (K-4-5, K6-7, K-8 and K-9) and includes the full extent of the targeted resources within the mine plan for Jan Karski. The K-4-5, K-8 and K-9 Exploration Concessions expired in November 2018 but these were separate to and had no bearing on the Company's access to land and the Exclusive Right (tenure) to apply for a mining concession at Jan Karski, however as noted below, this position is the subject of Prairie's Mining Usufruct Agreement proceedings in front of the Civil Court and the award of a mining concession of K6-7 to Bogdanka. As a result of the Exclusive Right, Prairie was the only entity with a legal right to lodge a Mining Concession application over Jan Karski for the period up and until 2 April 2018.

The approval of Prairie's Geological Documentation in 2015 also conferred upon Prairie the legal right to apply for a Mining Usufruct Agreement over Jan Karski for an additional 12-month period beyond April 2018, which should have precluded any other parties being granted any licence/concession over all or part of the Jan Karski concessions. Under Polish law, the MoE is strictly obligated, within three months of Prairie making an application for a Mining Usufruct Agreement, to grant the agreement. It should be noted that the MoE confirmed Prairie's priority right in two written statements (i.e. in a final administrative decision dated 11 February 2016 and in a formal letter dated 13 April 2016). Prairie applied to the MoE for a Mining Usufruct Agreement over Jan Karski in late December 2017. As of the date of this report the MoE has still not made available to Prairie a Mining Usufruct Agreement for Jan Karski, therefore breaching the three-month obligatory period for the agreement to be concluded. Advice provided to Prairie concludes that failure of the MoE to grant Prairie the Mining Usufruct Agreement is a breach of Polish law. Accordingly, the Company commenced legal proceedings, which remain ongoing, against the MoE through the Polish courts in order to protect the Company's security of tenure over the Jan Karski concessions. Since the MoE has not provided a decision within three months regarding Prairie's Mining Usufruct Agreement application, the Polish civil court has the power to enforce conclusion of a Usufruct Agreement in place of the MoE. In the event that a Mining Usufruct Agreement is not made available to the Company on acceptable terms or the Company does not enter into a Mining Usufruct Agreement for any other reason, other parties may be able to apply for exploration or mining rights for all or part of the Jan Karski concession area.

In April 2018, the Civil Court approved Prairie's motion for an injunction against the MoE, which prevented them from entering into a usufruct agreement or a concession with any other party besides Prairie. A decision by an Appeal Court in Warsaw has since overturned the injunction in place against the MoE. Prairie believes that the Appeal Court's decision is fundamentally flawed. Prairie has now received official notification from the Polish government that the K6-7 deposit, which forms an integral part of Prairie's Jan Karski project, has been granted to Bogdanka. Despite multiple applications by Prairie to the MoE to be admitted as a party of interest to Bogdanka's K6-7 mining concession proceedings, the MoE has denied Prairie the status of party of interest which effectively prevents Prairie from appealing the award of the K6-7 mining concession to Bogdanka. These events provide further evidence of the unfair and inequitable treatment faced by Prairie as a foreign investor in Poland and these and other measures directed against Prairie by the Polish government, with respect to the Company's permitting process and licenses, have entirely blocked Prairie's pathway to any future production from Jan Karski. Prairie has formally notified the Polish government that there exists an investment dispute between Prairie and the Polish Government. The dispute arises out of certain measures taken by Poland in breach of the Energy Charter Treaty and the Australia-Poland Bilateral Investment Treaty as discussed above. Prairie's notification calls for prompt negotiations with the government to amicably resolve the dispute, and indicates Prairie's right to submit the dispute and lodge a claim to international arbitration in the event the dispute is not resolved amicably. Prairie will continue to take relevant actions to pursue its legal rights regarding Jan Karski. Prairie is currently working with its lawyers (including international arbitration legal experts) to prepare Notices of Arbitration for commencement of international arbitration claim(s) against Poland in the coming weeks.

² Under the terms of the Debiensko Mining Concession issued in 2008 by the MoE (which is valid for 50 years from grant date), commencement of production was to occur by 1 January 2018. In December 2016, following the acquisition of Debiensko, Prairie applied to the MoE to amend the 50 year Debiensko Mining Concession. The purpose of the concession amendment was to extend the time stipulated in the Mining Concession for first production of coal from 2018 to 2025. In 2018 Prairie received a final "second instance" decision from the MoE that denied the Company's amendment application. Prairie appealed this MoE decision to Poland's Administrative Court and in November 2019 the Administrative court ruled in Prairie's favour confirming that Prairie's concession amendment application fulfilled all formal requirements under Polish law and that the MoE was obliged to grant Prairie the requested concession amendment. The court verdict indicated that the MoE had not established legal grounds justifying rejection of Prairie's amendment application. The MoE has now appealed this decision to Poland's Supreme Administrative Court. Nevertheless, Prairie also holds a valid environmental consent decision and continues to have valid tenure and ownership of land at Debiensko. Not meeting the production timeframe stipulated in the concession does not automatically infringe on the validity and expiry date of the Debiensko mining concession, which is June 2058. However, the concession authority now has the right to request the concession holder to remove any infringements related to non-compliance with the conditions of the mining concession and determine a reasonable date for removal of the infringements. Nevertheless, the actions of the Polish government have effectively blocked any pathway to production for Prairie at Debiensko therefore making it impossible for the Company to continue with development at Debiensko. The Company will consider any actions necessary to pursue its legal rights regarding Debiensko. For this and other reasons, Prairie has formally notified the Polish government that there exists an investment dispute between Prairie and the Polish Government. The dispute arises out of certain measures taken by Poland in breach of the Energy Charter Treaty and the BIT. As noted above, Prairie is currently working with its lawyers (including international arbitration legal experts) to prepare Notices of Arbitration for commencement of international arbitration claim(s) against Poland in the coming weeks.

APPENDIX 2: RELATED PARTY PAYMENTS

During the quarter ended 30 June 2020, the Company made payments of \$219,966 to related parties and their associates. These payments relate to existing remuneration arrangements (director fees, consulting fees and superannuation of \$164,966) and the provision of a serviced office and company secretarial and administration services (\$55,000).

Appendix 5B

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

Name of entity

Prairie Mining Limited

ABN

23 008 677 852

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	(472)	(2,222)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(273)	(1,001)
	(e) administration and corporate costs	(158)	(953)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	80
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	(a) Business Development	(25)	(78)
	(b) Property rental and gas sales	171	431
	(c) Arbitration related expenses	(41)	(280)
1.9	Net cash from / (used in) operating activities	(789)	(4,023)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(3)
	(d) exploration & evaluation	-	-
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
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	-	(3)

3.	Cash flows from financing activities		
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(32)	(32)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(32)	(32)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,384	6,620
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(789)	(4,023)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(32)	(32)

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	(1)	-
4.6	Cash and cash equivalents at end of period	2,562	2,562

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	1,062	1,384
5.2	Call deposits	1,500	2,000
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)	2,562	3,384

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	(220)
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.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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>		
7.1	Loan facilities	17,800	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	17,800	-
7.5	Unused financing facilities available at quarter end		17,800
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.		
	During the quarter, the Company executed a Litigation Funding Agreement (LFA) for A\$17.8m (US\$12.3m) with LCM Funding UK Limited a subsidiary of Litigation Capital Management Limited (LCM), to pursue damages claims in relation to the investment dispute between Prairie and the Polish Government that has arisen out of certain measures taken by Poland in breach of the Energy Charter Treaty and the Australia – Poland Bilateral Investment Treaty (BIT). LCM will provide up to US\$12.3m (A\$17.8m), denominated in US\$, in limited recourse financing which is repayable to LCM in the event of a successful Claim or settlement of the Dispute that results in the recovery of any monies. If there is no settlement or award, then LCM is not entitled to any repayment of the financing facility. In return for providing the financing facility, LCM shall be entitled to receive repayment of any funds drawn plus an amount equal to between two and five times the total of any funds drawn from the funding facility during the first five years, depending on the time frame over which funds have remained drawn, and then a 30% interest rate after the fifth year until receipt of damages payments.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(789)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(789)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,562
8.5	Unused finance facilities available at quarter end (item 7.5)	17,800
8.6	Total available funding (item 8.4 + item 8.5)	20,362
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	26
	<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: Not applicable	

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

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: Not applicable

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: Not applicable

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: 31 July 2020

Authorised by: 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.