

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

ADX Energy Ltd

ABN

50 009 058 646

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers – Reimbursements from JVs	215	415
1.2 Payments for		
(a) exploration & evaluation	(1,698)	(2,629)
(b) development	-	-
(c) production	-	-
(d) staff costs	(107)	(281)
(e) administration and corporate costs, including marketing for projects	(382)	(736)
(f) Payments on behalf of JVs	(255)	(446)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material) – VAT/GST	-	4
1.9 Net cash from / (used in) operating activities	(2,228)	(3,674)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets – Deposit Austria acquisition	(789)	(789)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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) –Funding – 3D seismic	296	296
2.6 Net cash from / (used in) investing activities	(493)	(493)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	1,205	1,205
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.9	Other (provide details if material) – Proceeds from issue of shares in Subsidiary to Others	430	1,125
3.10	Net cash from / (used in) financing activities	1,635	2,330

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,635	3,299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,228)	(3,674)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(493)	(493)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,635	2,330
4.5	Effect of movement in exchange rates on cash held	74	161
4.6	Cash and cash equivalents at end of period	1,623	1,623

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	1,623	2,635
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)	1,623	2,635

Cash includes \$0.8 million held by 42% owned subsidiary Danube Petroleum Limited and its' Romanian subsidiary ADX Energy Panonia srl.

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	210
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of director fees and consulting fees.

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	1,130	1,130
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.	

Convertible Loan Facilities of \$1,205,000 were finalised in July 2019 (refer ASX announcement 16/7/19). Unsecured and for a term of 6 months to 12 January 2019. Interest at 10% payable at termination. Conversion to shares at no less than \$0.007 per share. During the quarter \$75,000 of the loan facilities were converted into shares.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	3,910
9.2	Development	-
9.3	Production	-
9.4	Staff costs	100
9.5	Administration and corporate costs (excl staff costs, including marketing costs for projects)	250
9.6	Other (provide details if material) Deposit and legal costs for Austrian Asset Acquisition ^{Note 1}	3,300
9.7	Total estimated cash outflows	7,560

Note 1: ADX has secured loan notes of \$3.5 million and completed a placement of \$2 million in October 2019 (refer ASX announcement 14 October 2019). In addition, on 1 October Reabold Resources Plc (LSE AIM:RBD) subscribed to 572,973 shares in partly owned subsidiary, Danube Petroleum Limited at an issue price of £1.00 per share (refer ASX announcement 17 September 2019). Currently ADX has a Share Purchase Plan offered to Shareholders to close on 15 November 2019 to raise up to \$1.5 million.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		None		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		None		

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.



Sign here:
Director

Date: 31 October 2019

Print name: IAN TCHACOS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.