

Pilot Energy Ltd

ABN 86 115229 984

Level 12, 225 George

Street Sydney, NSW

2000, Australia

T: +61 2 8016 2819

www.pilotenergy.com.au



Announcement to ASX

29 April 2021

MARCH 2021 QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

HIGHLIGHTS

- Finalising arrangements for the Mid-West Wind and Solar feasibility study with proposals received from an experienced team of international experts to assist with the study
- Grant funding application submitted for funding under the Commonwealth Government's Carbon Capture, Use and Storage Development Fund to accelerate two Western Australian CCS projects
- Contingent and prospective resources confirmed, 2C Contingent Resources of 1.07 MMbbls net to Royal Energy (Cliff head joint venture projects) and 2C Contingent Resources of 1.3 MMbbls oil and 8.8 BCF gas attributable to oil and gas discoveries in WA-481-P
- Royal Energy transaction Notice of Meeting issued to shareholders 27 April 2021. Meeting scheduled for 28 May 2021 and transaction forecast to complete by early June 2021

Pilot Energy Limited (ASX: PGY) ('Pilot' or 'the Company') is pleased to provide the following update on its operational and corporate activity for the quarter ended 31 March 2021.

OPERATIONAL UPDATE

Commonwealth Carbon Capture, Use and Storage Development fund

In March 2021, the Company submitted two separate applications to the Commonwealth Government's Carbon Capture, Use and Storage Development Fund. A total of \$50 million in grants is available under the program with a minimum grant of \$0.5 million up to a maximum of \$25 million to cover up to 100% of eligible project expenditure¹.

The Company submitted two applications relating to the proposed Cliff Head Carbon Capture, Use and Storage ("**CCUS**") and the proposed South West Hub Carbon Capture and Storage ("**CCS**") and Blue hydrogen projects. RISC Advisory Pty Ltd ("**RISC**") assisted the Company with the technical aspects of the Cliff Head application and identified that a potential CCUS project which leverages existing assets and infrastructure could store CO₂ at a cost that was consistent with the Commonwealth Government's

¹ <https://www.business.gov.au/grants-and-programs/carbon-capture-use-and-storage-development-fund>

target of ~\$20 per tonne of stored CO₂². The South West application involved Pilot's existing petroleum exploration tenements EP416/EP480 which overlay the Harvey CCS project (also known as the South West Hub CCS project). Led by the Western Australian Department of Mines, Industry, Resources and Safety, four wells and seismic surveys have been completed since 2011 at the South West Hub CCS project, with extensive reservoir modelling demonstrating that the 1,500 metre-thick Wonnerup sandstone represents a major storage resource that is perfectly placed due to its proximity to local industry and infrastructure, and an absence of the regional aquifer. Pilot's grant applications targeted funding support to accelerate the projects with feasibility the next step for Cliff Head and a regulatory review the near term focus for the South West CCS project.

Mid-West Wind and Solar Feasibility

On 4 September 2020, the Company announced a feasibility study into the Mid-West Wind and Solar project. During the quarter, the company received proposals from a group of internationally experienced consultants and experts to assist with the feasibility study. This experienced team has recent and relevant experience in the assessment and development offshore/onshore wind, solar and renewable hydrogen projects. The initial phase of the study is expected to commence in June 2021 and be completed over a six (6) month period. The Study is focusing on the following key modules:

- Energy Generation
- Energy and Hydrogen Commercialization Pathways
- Renewable Hydrogen Market & Production
- Project Infrastructure
- Project Integration and reporting

On 10 February 2021, the Company entered into a period of voluntary suspension whilst it conferred with the ASX on the potential impact that various transactions may have on the Mid-West Feasibility Study Reporting Condition (refer to Annexure 1) and in relation to Listing Rule 12.2. Those discussion continued throughout the quarter.

Cliff Head project

The Cliff Head Joint Venture ("**CHJV**") continued to produce and deliver crude oil to BP Refinery (Kwinana) Pty Ltd ("**BP Kwinana**") during the quarter. Production operations were not impacted by the proposed closure of the BP Kwinana refinery with crude oil sales made in January and February 2021 to BP.

Key operational statistics for the quarter (100% basis):

- CHJV oil produced and sold for January and February 2021 (2 months): 44,730 bbls
- CHJV oil sales revenue for January and February 2021 (2 months): AU\$3.24 million
- Average oil price: US\$56.14 (A\$72.43)
- CHJV production for March 2021: 21,690 bbls

² Source: <https://www.industry.gov.au/sites/default/files/September%202020/document/first-low-emissions-technology-statement-2020.pdf>

- CHJV quarterly average barrels produced and sold: 758 bopd

From 1 March 2021, crude oil delivered to BP Kwinana will be recorded as crude oil inventory until the offtake arrangements are concluded. Cliff Head financials improved this March 2021 quarter compared to previous period ending December 2020. The key drivers of the improved performance are the increase in crude oil price and the additional production from Cliff Head 7 well (“**CH7**”). Operating costs continue to be in line with budget estimates.

As previously announced, the CH6 and CH7 wells were shut in since June 2020. The CH7 well returned to production on 28 November 2020. CH6 well continues to be offline. Planning has continued during the quarter, to complete the workover and return the CH6 well to production during the next quarter.

During the quarter the Company notes the announcement by Triangle Energy (Global) Limited (“**Triangle**”) dated 22 March 2021, which confirmed a further variation of the termination date of the BP Crude Oil Supply Agreement through to 22 April 2021. Subsequent to the end of the quarter, on 22 April 2021 Triangle announced that Triangle Energy (Operations) Pty Ltd (operator of Cliff Head project) had entered into a binding agreement with BP Kwinana in relation to the storage of crude oil produced at the Cliff Head project. Triangle has also agreed terms with BP Singapore Pte Ltd (BP Singapore) in a non-binding term sheet for a related offtake agreement.

In connection with the likely change in the Cliff Head oil storage and offtake arrangements with BP, the Company and Triangle Energy (Operations) Pty Ltd are evaluating the future working capital requirements of the project.

During the quarter, the CHJV has continued with a farmout campaign, to seek interested parties to participate in the drilling of West High, Mentelle and/or SE Nose development opportunities and prospects. A number of companies are still evaluating the opportunity. The CHJV has also continued well planning for these opportunities targeting a drilling campaign during the first half of 2022. Well planning activities are moving into the detailed design phase to meet a 2022 drilling timetable.

CORPORATE UPDATE

Royal Energy Transaction Update

In support of the Royal Energy acquisition and the General Meeting to approve the transaction, Pilot was required to commission an independent expert to assess the impact of the transaction on, and provide a report to, the Company’s shareholders. The Company has engaged Grant Thornton Corporate Finance Pty Ltd (“**Grant Thornton**”) as the Independent Expert and RISC Advisory Pty Ltd (“**RISC**”) was engaged by Grant Thornton as the Independent Technical Specialist to provide these reports. The independent expert reports are attached to the Notice of Meeting which was released to the ASX on 26 April 2021.

Both Grant Thornton and RISC completed these reports towards the end of February 2021 and were subsequently issued to ASIC and ASX for review along with the proposed Notice of Meeting. The finalisation of the RISC Independent Technical Specialist Report has been complicated by the announcement by BP to close the Kwinana Refinery after the binding terms of the Royal Energy acquisition were agreed and announced. The result of the BP announcement has required the reclassification of most of Royal Energy’s share of Cliff Head oil reserves as contingent resources although production from the Cliff Head oil field and sales of crude oil to the BP Kwinana Refinery has continued on an uninterrupted basis.

The General meeting is scheduled for 28 May 2021, and subject to Shareholders approving the resolution, the Company expects to complete the Royal Transaction within the week following the meeting.

WA-481P Transaction Update

During the quarter, the Company and Triangle continued to progress the WA-481-P and the Cliff Head Wind and Solar Joint Venture agreements and the Cliff Head and Arrowsmith Facilities Access Deed and Cliff Head Wind and Solar Access and Co-ordination Deeds. Once finalised, the remaining condition precedent relates to the Approval and Registration of the transfer of Key's 40% registered interest to Pilot.

Contingent and Prospective resources

The independent technical reports prepared by RISC in support of the Royal Energy acquisition, have been updated on the Contingent and Prospective Resources associated with the Company's upstream oil and gas assets and the Cliff Head Joint Venture, pending completion of the Royal Energy acquisition. The following information was previously presented to the market in the Company's ASX Announcement "Resources Update" dated 23 April 2021.

The Contingent and Prospective Resource estimates are based on (1) the Cliff Head independent reserve report prepared by RISC dated 16 April 2021, (2) an Independent Technical Specialist Report prepared by RISC dated 31 January 2021 relating to the Company's Australian exploration assets and (3) Contingent and Prospective resource estimates prepared by Triangle. The Company's Competent Person has reviewed this information and compiled these estimates for the purposes of this report.

Subject to the approval of the Company's shareholders approving the acquisition of Royal Energy, the Contingent and Prospective Resources net to Royal Energy's interest reflected in this announcement will become Contingent and Prospective Resources of the Company.

Cliff Head Oil Contingent and Prospective Resources (oil producing project)

The Cliff Head Oil Field is located in WA-31-L permit. The RISC report only considered the Contingent Resources associated with the main area of the Cliff Head Oil Field and did not consider the offset areas of the Cliff Head Oil Field or other locations in the WA-31-L permit. The Contingent Resources associated with the Cliff Head Oil Field producing assets, as set out in the RISC report attached to the Independent Expert Report, are set out in the table below.

Contingent Resources (MMstb) Net to Royal Energy as of 31 March 2021			
	1C	2C	3C
Total Crude Oil	0.125	0.272	0.383

Source: RISC: Cliff Head Independent reserves report; Royal Energy Pty Ltd 16 April 2021

The Contingent Resources in the above table were previously classified as Reserves by RISC in the 15 October 2020 Cliff Head independent reserves report provided to Triangle and have since been

reclassified as Contingent Resources with BPs announcement to close the Kwinana Refinery, which has been the export route for the Cliff Head oil production.

In the independent expert's report prepared in connection with the Royal Energy acquisition, RISC has indicated that (1) the only contingency relating to classifying the above volumes as Contingent Resources is the CHJV securing a new export route for the Cliff Head oil production once the Kwinana Refinery closes and (2) subject to refreshing the commercial terms for the new export route for the Cliff Head oil production, the above Contingent Resource volumes would be reclassified as Reserves.

Additional Cliff Head Joint Venture Contingent and Prospective Resources (exploration and appraisal projects)

The WA-31-L permit area contains additional Contingent and Prospective Resources in addition to the main area of the Cliff Head Oil Field. The table below sets out the additional Contingent and Prospective Resources associated with offset areas of the Cliff Head Oil Field or other locations in the WA-31-L permit. The resources are presented in the table on a Gross (100% basis) and Net to Royal (21.25% basis).

Cliff Head / WA-31-L Contingent & Prospective Resources (MMstb) as of 31 March 2021						
Contingent Resources	1C		2C		3C	
	Gross	Net	Gross	Net	Gross	Net
SE Nose	0.49	0.10	0.81	0.17	1.25	0.26
West High			1.06	0.22	1.94	0.41
West Flank			0.79	0.17		
Far North			0.41	0.09		
CH Life Extension			0.70	0.15		
Total	0.49	0.10	3.77	0.80	3.19	0.67
Prospective Resources	Low		Best		High	
	Gross	Net	Gross	Net	Gross	Net
Mentelle Updip	1.98	0.42	5.44	1.15	9.96	2.11

Catts	0.35	0.07	0.83	0.17	1.42	0.30
South Cliff Head			3.00	0.63		
Total	2.33	0.49	9.27	1.97	11.38	2.42

Sources: Triangle ASX Release "Cliff Head Reserves Update and Commencement of Farmout Campaign" 29 October 2020

WA-481-P Contingent Resources

Pilot added Contingent Resources to its portfolio when it acquired WA-481-P from Murphy Oil in July 2016. Two discoveries have been made in the permit; the Dunsborough oil discovery and the Frankland gas discovery, neither are currently commercially viable on a standalone basis. Pilot has estimated the gas and oil Contingent Resources using probabilistic methods. RISC has reviewed Pilot's methods and considers the estimates reasonable. The Contingent Resources associated with the existing discoveries in WA-481-P set out in the RISC Independent Technical Specialist Report are set out in the table below.

WA-481-P Contingent Oil Resources (MMbbl) as of 31 March 2021				
Accumulation		1C	2C	3C
Dunsborough	Gross	3.3	6.0	9.8
	Pilot Net (21.25%)	0.7	1.3	2.1
WA-481-P Contingent Gas Resources (Bcf) as of 31 March 2021				
Accumulation		1C	2C	3C
Frankland	Gross	29.4	41.6	58.9
	Pilot Net (21.25%)	6.2	8.8	12.5

The Contingent Resources net to Pilot shown in the table above has been calculated on the basis of Pilot's net working interest in the WA-481-P permit area upon the completion of the sale of a 78.75% working interest in the WA-481-P permit to Triangle, previously announced by the Company on 9 November 2020.

Payments to Related Parties of the Entity and their Associates

The payments to related parties and their associates as disclosed in the Appendix 5B relate to consulting fees and directors' fees.

Feasibility Study Reporting

During the Mid-West Integrated renewables feasibility period (through to September 2022), the Company is required to provide the following additional information on the allocation of expenditure between its oil and gas and Mid-West feasibility activities.

Expenditure Category	Quarterly Expenditure	Proportion of total expenditure
Oil & Gas exploration and evaluation	\$30,000	5.9%
Mid-West Wind and Solar	\$7,200	1.4%
Corporate	\$472,439	92.7%
Total	\$509,639	100.0%

Note: Refer to March 2021 Appendix 5B section 1.2 (a)

ASX Listing Rule 5.3.3: Tenement Details

Tenement reference	Tenement Location	Interest at beginning of quarter	Interest at end of quarter
WA-481-P*	Western Australia – Offshore Commonwealth Waters	100%	100%
EP416	Western Australia – Onshore	100%	100%
EP480	Western Australia – Onshore	100%	100%
EP437**	Western Australia – Onshore	13.058%	13.058%
WA-503-P***	Western Australia – Offshore Commonwealth Waters	80%	80%
* Subject to the completion of the sale of an interest to Triangle, the Company will hold a 21.25% non operated interest			
**The operator of the permit has applied for a suspension of the current Year 3 work programme. Under the terms of the acquisition of Key Petroleum's interest in WA-481-P, the Company has no further obligations for current or future work programme commitments.			
*** Company was advised on 9 April 2021 by the Joint Authority of its decision to cancel WA-503-P. The Company's application for a Good Standing Agreement associated with the cancelation remained under assessment.			

Cautionary Statement:

Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Competent Person Statement:

This announcement contains information on conventional petroleum resources which is based on and fairly represents information and supporting documentation reviewed by Dr Xingjin Wang, a Petroleum Engineer with over 30 years' experience and a Master in Petroleum Engineering from the University of New South Wales and a PhD in applied Geology from the University of New South Wales. Dr Wang is an active member of the SPE and PESA and is qualified in accordance with ASX listing rule 5.1. He is a former Director of Pilot Energy Ltd and has consented to the inclusion of this information in the form and context to which it appears.

This announcement has been authorised for release to ASX by Bradley Lingo and Michael Lonergan on behalf of the Board of Directors of Pilot Energy Limited.

Enquiries

Cate Friedlander, Company Secretary, email: cfriedlander@pilotenergy.com.au

About Pilot Energy: Pilot Energy Ltd is a junior oil and gas exploration company that is aggressively pursuing the transition from oil and gas exploration and production to the development of integrated renewable energy, hydrogen and carbon management projects leveraging existing oil and gas assets to cornerstone these developments. The Company's focus on the energy transition has resulted in the company undertaking the acquisition of Royal Energy Pty Ltd as the holder of a 50% interest in the operator of the Cliff Head Oil Field and commencing detailed feasibility studies for the development of the Mid-West Wind and Solar Project and the South West Blue Hydrogen and CCS Project. The Company holds material working interests in WA-481-P and EP416/480 exploration permits, located offshore and onshore Western Australia, which form foundation assets for the potential development of the Mid-West Wind and Solar and the South West Blue Hydrogen and CCS Projects.

Annexure 1 Feasibility Study Reporting Conditions

1. The Company must continue to spend funds on its existing and proposed oil and gas projects.
2. The Company must disclose in each quarterly activities report until September 2022, the proportion of expenditure incurred in relation to exploration and evaluation on the oil and gas projects and the Mid West Wind and Solar Project.
3. The Company must disclose as separate line items in each quarterly activities report until September 2022, expenditure incurred in relation to exploration and evaluation on the oil and gas projects and the Mid West Wind and Solar Project.
4. Proceeding beyond the feasibility study stage of the Project (or incurring expenditure in excess of the budgeted feasibility expenditure in relation to the Project) constitutes a change in the nature and scale of the Company's activities in terms of Listing Rule 11.1 and as such the Company will be required to comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds beyond the feasibility study or incurs expenditures in excess of the budgeted feasibility expenditure on the Project.

Appendix 5B

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

Name of entity

PILOT ENERGY LIMITED

ABN

86 115 229 984

Quarter ended ("current quarter")

31 Mar 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(510)	(878)
(b) development	-	-
(c) production	-	-
(d) staff costs	(248)	(415)
(e) administration and corporate costs	(227)	(922)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Joint Venture receipts received for prior exploration payments.)	-	21
1.9 Net cash from / (used in) operating activities	(985)	(2,195)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(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 (12months) \$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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	192	3,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(177)	(240)
3.5	Proceeds from borrowings	11	48
3.6	Repayment of borrowings	-	(30)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	26	2,778

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,549	7
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(985)	(2,195)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	26	2,778

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 (12months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	590	590

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	590	1,549
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)	590	1,549

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

249

-

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

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	-	-
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)	(985)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(985)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	590
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	590
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	-
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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: Yes. Note a significant portion of costs incurred in the March 2021 Quarter relate to transaction related expenses working towards the completion of the Royal Energy acquisition and the sale of a majority interest in WA-481-P to Triangle Energy. These transactions are anticipated to be completed prior to the end of the June 2021 Quarter. Completion of the Royal Energy acquisition is forecast to increase the company's cash and liquid assets position by approximately \$0.85 million. Completion of the Triangle Energy WA-481-P sale is expected to increase the Company's cash position by approximately \$300,000 and to provide the company with a long-term work programme carry (through Permit Year 3 – August 2023) amounting to approximately \$1.2 million. With the completion of these transactions, the Company anticipates similar costs of this nature will significantly decline. The Company has no other work programme commitments and Pilot has also commenced discussions with the WA Department of Mines, Industry and Safety regarding a variation to the work program associated with EP 416/EP 480. During the March 2021 Quarter, the company incurred \$7200 of initial activities associated with the Mid West Wind & Solar Project feasibility study. In connection with the likely change in the Cliff Head oil storage and offtake arrangements with BP as noted in Triangle Energy (Global) Limited's (ASX:TEG) ASX announcement on 22 April 2021, the Company and Cliff Head Oil field Operator (Triangle Energy (Operations) Pty Ltd) are evaluating the future working capital requirements of the project.

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: Yes. Completion of the Royal Energy acquisition is forecast to increase the company's cash and liquid assets position by approximately \$0.85 million. Completion of the Triangle Energy WA-481-P sale is expected to increase the Company's cash position by approximately \$300,000 and to provide the company with a long-term work programme carry (through Permit Year 3 – August 2023) amounting to approximately \$1.2 million. These transactions are anticipated to be completed prior to the end of the June 2021 Quarter. In connection with the likely change in the Cliff Head oil storage and offtake arrangements with BP as noted in Triangle Energy (Global) Limited's (ASX:TEG) ASX announcement on 22 April 2021, the Company and Cliff Head Oil field Operator (Triangle Energy (Operations) Pty Ltd) are evaluating the future working capital requirements of the project.

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: Yes. See the responses to 8.8.1 and 8.8.2 above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 April 2021.....

Authorised by:By the Board
(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.