



**EUROPEAN METALS**

**European Metals  
Holdings Limited**

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**Directors &  
Management**

David Reeves  
Non-Executive Chairman

Keith Coughlan  
Managing Director

Richard Pavlik  
Executive Director

Kiran Morzaria  
Non-Executive Director

Julia Beckett  
Company Secretary

**Corporate Information**

ASX: EMH

AIM: EMH

Frankfurt: E861.F

CDIs on Issue: 153.7M

**30 April 2020**

**QUARTERLY ACTIVITIES REPORT – MARCH 2020**

European Metals Holdings Limited (“**European Metals**” or the “**Company**”) is pleased to provide an update on its activities during the three-month period ending 30 March 2020 which highlights the continued progress in the development of the globally significant Cinovec Lithium / Tin Project (“**the project**” or “**Cinovec**”) in the Czech Republic.

**HIGHLIGHTS:**

- **Final agreement reached with CEZ on significant project investment**
- **Completion of capital raising**

**POST QUARTER**

- **Successful completion of CEZ transaction – EUR 29.1m received by Geomet**
- **Covid-19 update**
- **Grant of Preliminary Mining Permit**

**Final agreement reached with CEZ on significant Project investment**

On 27 March 2020 the Company announced that it had reached final agreement with CEZ regarding a strategic partnership and significant investment into the Cinovec Project. The agreement was subject only to the approval of EMH shareholders, which has now been granted.

CEZ through its wholly-owned subsidiary SDAS, has acquired 51% of Geomet s.r.o. the Company’s previously wholly owned Czech subsidiary and the holder of the Cinovec licences for EUR 29.1 million. These funds have now been received into the Geomet bank account.

CEZ’s core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. As one of the leading Central European power companies, CEZ intends to develop energy storage projects in the Czech Republic and in Central Europe which include energy storage and charging infrastructure and electricity supply, for users of electric vehicles.

With the completion of the agreement with CEZ, Geomet will now immediately commence the Definitive Feasibility Study (“DFS”) and Front-End Engineering Design (“FEED”) programmes of work.

## Completion of capital raising

The Company completed a capital raising in early January and raised gross proceeds of GBP 350,000 via a share placing to UK investors. A total of 2,295,080 new ordinary shares of no par value were issued to new and existing investors by way of the issue of depositary interests representing Placing Shares.

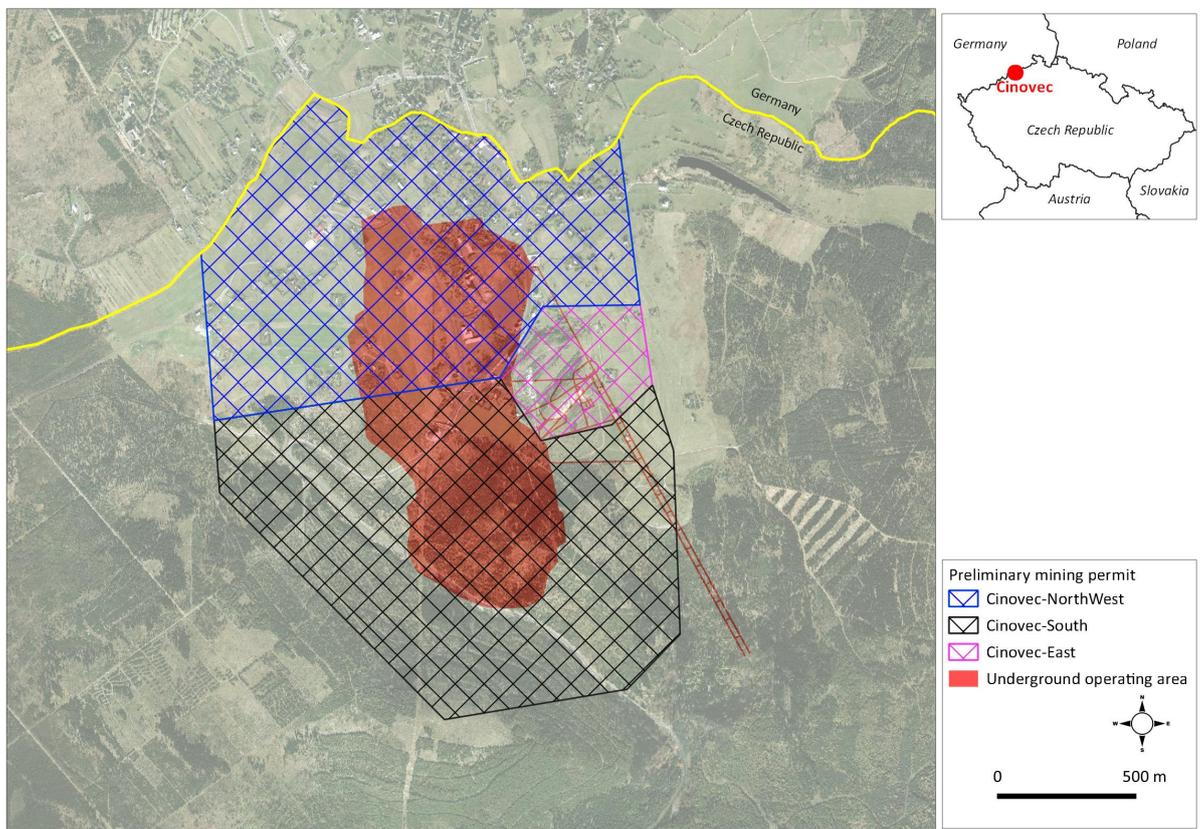
## POST QUARTER

### Successful conclusion of CEZ transaction

On 28 April 2020 the Company announced that the investment of EUR 29.1 million by CEZ a.s. for a 51% equity interest in Geomet, the Company's Czech subsidiary and holder of the Cinovec licenses had completed. The payment of EUR 29.1 million will see the Cinovec project fully funded to the decision to construct, paving the way for Cinovec to become the first European Union producer of battery grade lithium compounds from a local lithium resource.

### Preliminary Mining Permit at Cinovec granted

On 30 April 2020 the Company advised that the Czech Ministry of the Environment had granted Geomet with the Preliminary Mining Permit related to the Northwestern part of the Cinovec deposit. The preliminary approval for the Northwestern part of the deposit covers an area of 1.27 km<sup>2</sup> and, together with the existing Preliminary Mining Permit for the Southern part, now encompasses the entire Cinovec ore reserve. This permit significantly strengthens Geomet's position as the only possible miner and paves the way for obtaining the remaining permits to start construction, mining, and processing activities.



**Figure 1: Preliminary Mining Permit – Cinovec Project**

## Covid-19 update

Also on 24 April 2020 the Company provided the market with an update regarding its operations and Covid-19.

With the completion of the agreement with CEZ, work will commence on the Definitive Feasibility Study (“DFS”) and Front-End Engineering Design (“FEED”) programmes of work. The funds contributed by CEZ will fully finance Geomet and Cinovec through the period to construction permitting and commencement of construction. The principal components of the next phase of work on Cinovec are the availability of management and staff, ore samples for test work and laboratory staff and time.

It was reported that all management and staff of both EMH and Geomet are unaffected by COVID-19 and the current restrictions on travel and meetings are not expected to have any impact for the foreseeable future; all staff are able and continue to work remotely. To-date, the Cinovec Project has drilled in excess of 13,800m of diamond drilling under the management of EMH. Extensive sample quantities are available from the resulting drill core as well as material recovered from historic adit drives into the ore body. Significant quantities of ore sample are held at our laboratory partners in Germany and at the project office in the Czech Republic. European Metals and Geomet have confirmed with our laboratory and engineering partners in Germany and Australia that staff and laboratories involved in the DFS and FEED programmes over the next 3 months are ready and open for work on an immediate basis.

## CORPORATE

### Payments to Related Parties

As outlined in the attached Appendix 5B (section 6.1), during the quarter approximately \$86K in payments were made to directors and their associates as director remuneration. Amounts paid to Wild West Enterprises Pty Ltd are related entities of David Reeves, Managing Director, for rent (\$3k).

### Performance Shares

As at 31 March 2020 the issued performance shares including the terms and conditions were as follows:

Number	Description	Summary Terms & Conversion Hurdles
1,000,000	A Class Performance Shares	Convert into Shares and an equivalent number of CDIs upon the issuance of the preliminary mining licenses relating to the Cinovec Project. The A Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to the date the final preliminary mining license is issued.  Class A Performance Shares expire on 18 December 2021.
3,000,000	A Class Performance Shares	Convert into Shares and an equivalent number of CDIs upon the completion of a definitive feasibility study (DFS). For clarity, the DFS must be: (i) of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of mining activities contemplated in the study; (ii) capable of

		<p>supporting a decision to mine on the Permits; and (iii) completed to an accuracy of +/- 15% with respect to operating and capital costs and display a pre-tax net present value of not less than US\$250,000,000. The A Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 3,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to date of receipt of the completed DFS.</p> <p>Class A Performance Shares expire on 18 December 2021.</p>
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(Together the **Milestones** and each a **Milestone**. For the avoidance of doubt, the number of Shares and equivalent number of CDIs which will be issued on conversion of the A Class Performance Shares and B Class Performance Shares will not exceed a ratio of 1 for 1.)

The Company advises that 4,000,000 B Class Performance Shares expired pre quarter.

## TENEMENT SCHEDULE

Permit	Code	Deposit	Interest at beginning of the quarter	Acquired/ Disposed	Interest at end of the quarter
Exploration Area	Cinovec	n.a.	100%	N/A	100%
	Cinovec II		100%	N/A	100%
	Cinovec III		100%	N/A	100%
	Cinovec IV		100%	N/A	100%
Preliminary Mining Permit	Cinovec III	Cinovec South	100%	N/A	100%
	Cinovec IV	Cinovec NW	100%	N/A	100%
PMP Extension under Application	Cinovec II	Cinovec East	100%	N/A	100%

## BACKGROUND INFORMATION ON CINOVEC

### PROJECT OVERVIEW

#### Cinovec Lithium/Tin Project

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Geomet s.r.o. is owned 49% by European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li<sub>2</sub>O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li<sub>2</sub>O and 0.04% Sn containing a combined 7.22 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017 (**Further Increase in Indicated Resource at Cinovec South**). An initial Probable Ore Reserve of 34.5Mt at 0.65% Li<sub>2</sub>O and 0.09% Sn reported 4 July 2017 (**Cinovec Maiden Ore Reserve – Further Information**) has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate reported 11 July 2018 (**Cinovec Production Modelled to Increase to 22,500tpa of Lithium Carbonate**).

This makes Cinovec the largest hard rock lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

In June 2019 EMH completed an updated Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD1.108B and an IRR of 28.8% and confirmed that the Cinovec Project is a potential low operating cost, producer of battery grade lithium hydroxide or battery grade lithium carbonate as markets demand. It confirmed the deposit is amenable to bulk underground mining. Metallurgical test-work has produced both battery grade lithium hydroxide and battery grade lithium carbonate in addition to high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

There are no other material changes to the original information and all the material assumptions continue to apply to the forecasts.

## **BACKGROUND INFORMATION ON CEZ**

Headquartered in the Czech Republic, CEZ a.s. is an established, integrated energy group with operations in a number of Central and Southeastern European countries and Turkey. CEZ's core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. CEZ Group has 33,000 employees and annual revenue of approximately EUR 7.24 billion.

The largest shareholder of its parent company, CEZ a.s., is the Czech Republic with a stake of approximately 70%. The shares of CEZ a.s. are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices. CEZ's market capitalization is approximately EUR 10.08 billion.

As one of the leading Central European power companies, CEZ intends to develop several projects in areas of energy storage and battery manufacturing in the Czech Republic and in Central Europe.

CEZ is also a market leader for E-mobility in the region and has installed and operates a network of EV charging stations throughout Czech Republic. The automotive industry in Czech is a significant contributor to GDP and the number of EV's in the country is expected to grow significantly in coming years.

## **CONTACT**

For further information on this update or the Company generally, please visit our website at [www.europeanmet.com](http://www.europeanmet.com) or see full contact details at the end of this release.

## **COMPETENT PERSON**

Information in this release that relates to exploration results is based on information compiled by Dr Pavel Reichl. Dr Reichl is a Certified Professional Geologist (certified by the American Institute of Professional Geologists), a member of the American Institute of Professional Geologists, a Fellow of the Society of Economic Geologists and is a Competent Person as defined in the 2012 edition of the

Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009. Dr Reichl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. Dr Reichl holds CDIs in European Metals.

The information in this release that relates to Mineral Resources and Exploration Targets has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

### **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

### **LITHIUM CLASSIFICATION AND CONVERSION FACTORS**

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits

are also expressed as lithium compounds in percentages, for example as a percent lithium oxide (Li<sub>2</sub>O) content or percent lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) content.

Lithium carbonate equivalent (“LCE”) is the industry standard terminology for, and is equivalent to, Li<sub>2</sub>CO<sub>3</sub>. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent Li<sub>2</sub>CO<sub>3</sub> value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li<sub>2</sub>CO<sub>3</sub> from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

**Table: Conversion Factors for Lithium Compounds and Minerals**

Convert from		Convert to Li	Convert to Li <sub>2</sub> O	Convert to Li <sub>2</sub> CO <sub>3</sub>
Lithium	Li	<b>1.000</b>	2.153	5.324
Lithium Oxide	Li <sub>2</sub> O	0.464	<b>1.000</b>	2.473
Lithium Carbonate	Li <sub>2</sub> CO <sub>3</sub>	0.188	0.404	<b>1.000</b>
Lithium Hydroxide	LiOH.H <sub>2</sub> O	0.165	0.356	<b>0.880</b>

## WEBSITE

A copy of this announcement is available from the Company’s website at [www.europeanmet.com](http://www.europeanmet.com).

## ENQUIRIES:

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The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release. The person who authorised for the release of this announcement on behalf of the Company was Keith Coughlan, Managing Director.

## Appendix 5B

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

Name of entity

European Metals Holding Limited (ASX:EMH)

ABN

55 154 618 989

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(151)	(412)
(e) administration and corporate costs	(178)	(653)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Cinovec associated costs)	(32)	(549)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(361)</b>	<b>(1,614)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(127)	(503)
(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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(127)</b>	<b>(503)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	675	2,025
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	(41)	(151)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>634</b>	<b>1,874</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	82	426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(361)	(1,615)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(127)	(503)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	634	1,874

Appendix 5B

**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 (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(32)	13
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>196</b>	<b>196</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	196	82
5.2	Call deposits	-	-
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>196</b>	<b>82</b>

**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**

86

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

Amounts paid to directors and their associates as director remuneration. Amounts paid to Wild West Enterprises Pty Ltd are related entities of David Reeves for Rent (3k).

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
7.1 Loan facilities		
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>		
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.		

<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)	(361)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(127)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(488)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	196
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	196
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	0.40

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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: No. The Company has signed final agreement with CEZ Group regarding its investment in Cinovec Project on 27 March 2020. CEZ has paid ~AUD 50 million into the Czech subsidiary, Geomet to fund the Project. This will reduce the Company's holding in Geomet to 49%. On completion of the final agreement, the Company will cease to consolidate Geomet's results within the Company's consolidated accounts. It also means that European Metals will no longer fund Geomet expenses, thereby significantly reducing costs. In addition, the Company has been appointed to provide management services to Geomet and will be remunerated for doing so.

- 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: No. Not required at this juncture.

- 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. There is sufficient cash available to continue meeting the current business objective.

### 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 April 2020.....

Authorised 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.