



Sacgasco Limited

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Announcement to ASX

29 July 2022

JUNE 2022 QUARTERLY ACTIVITY REPORT

HIGHLIGHTS

- **Philippines - Exploration and Development**
 - One year since Acquired Nido Assets in Philippines
 - Nido and Sacgasco over 22 years of exploring and producing Oil and Gas
 - JVs simplified and Farmouts implemented
 - Nido (Sacgasco) Appointed Technical Operator of Cadlao
 - Capital raised to purchase well equipment for 2 wells Nandino and Cadlao
 - Long Lead Items for drilling secured
 - Production Alliance agreed with Asian-based production and testing specialists
 - Cadlao Extended Well Test (EWT) planning underway
 - 6.2 million barrels oil Cadlao 2C Contingent Resources Certified (100%)
 - 27 million Barrels of recoverable oil in Nandino Mean Prospective Resources Certified (100%) from 75 million barrels of mean oil in place.
 - Nido Limestone Reservoir Studies coming to Conclusion
 - 85% of costs of drilling Nandino Prospect Covered by TG World (Blue Sky) Farmout
 - Drillship procured for Philippines Drilling
 - New venture opportunities identified and being pursued

- **North America - Producing Properties and Development**
 - Producing properties funding normal exploration activity and G&A for the quarter
 - Total net production from Canadian assets (before royalty) of 41,892 BOE, a 12% increase from the previous quarter
 - Net production receipts of A\$1.67 million (after production costs), an increase of 46% from the previous quarter
 - Three Development wells drilled in Alberta, All Producing
 - Drilling program funded by Canadian cashflow
 - SGC current share of Production in Canada is 453 BOEPD- over 50 shut in wells to be reactivated with a goal of an additional 180 BOPD net to Sacgasco.
 - Gas flow optimisation including search for alternatives to monetise Borba gas
 - High oil and gas prices supporting cash flow

- **Corporate**

- 2021 Annual Report released 1 April 2022
- Mr William (Bill) Ashby joined the Board as a Non-Executive Director 7 April 2022.
- AGM held on 31 May 2022; all resolutions were passed by shareholders.
- Gary Jeffery presented a webinar on 4 May 2022 providing shareholders a Philippines update
- Philippines Elections on 8 May 2022 resulted in oil and gas industry supportive government
- Gary Jeffery presented to the Australia Philippines Business Council in Perth in July 2022

Sacgasco Limited (ASX: SGC) (“Sacgasco”, “SGC” or “the Company”) is pleased to provide the Quarterly Activities Report for the calendar quarter ending 30 June 2022. References to SGC or Sacgasco include its wholly owned subsidiaries Nido Petroleum, Sacgasco AB and Sacgasco CA.

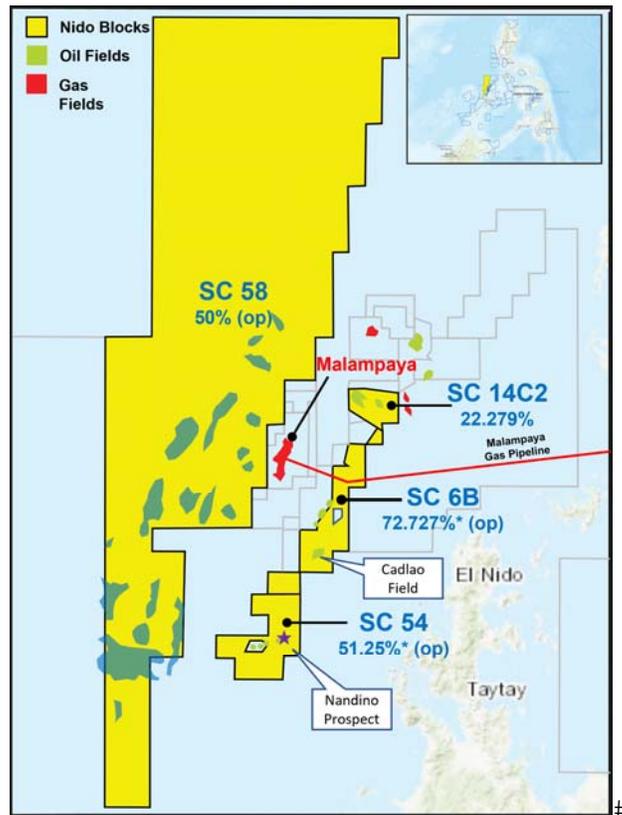
The June 2022 quarter and subsequent events referred to in this report represent continuing significant development of the Company into an Exploration & Production (E&P) Company with forward cashflows expected to underpin production and development projects in Canada and California, and maturing development and exploration projects in the world class offshore Palawan Basin in the Philippines.

Sacgasco now hold a suite of assets with large upside in three stable jurisdictions.

EXPLORATION AND PRODUCTION ACTIVITIES

OFFSHORE PHILIPPINES

Sacgasco, through its 100% owned Nido Petroleum, has interests in 4 Service Contracts offshore Palawan. Nido is Operator for two of the Service Contracts (SC 54 and SC 58) and Technical Operator for another (SC 6B).



Sacgasco's Acreage in the Northwest Palawan Basin, Philippines

Nido, which has been active in the Philippines for over 22 years, was acquired by Sacgasco one year ago and during the year the participants interests in the various Service contracts have been consolidated and simplified by farmouts.

Sacgasco successfully raised approximately \$2.917 million towards Philippines drilling equipment for a two-well drilling program including an exploration / appraisal well, Nandino in SC54 and an Early Production Phase (Extended Well Test (EWT)) at the Cadlao Oil Field in SC6B in 2022 / 2023.

A very successful drilling and Well Test planning Workshop was held in Singapore in late May. Attendees to the workshop included experts from Production Solutions Asia, Saba Drilling Services, Grander Energy, and drilling engineering consultants.

Many of the operational and support team at the workshop have been involved in many Early Production Facilities including MOPU's, FPSOs and rig-based Production facilities over the past 30+ years in the Asia Pacific region. EPFs can be used for small reserves that would be financially risky or uneconomical to produce with a permanent production facility.

The Geological and Geophysical Studies ("**G&G**") focused on Carbonate Facies Modelling to assist the decision to select the optimum location for drilling the Nandino Prospect and drilling other oil exploration and development wells is nearing conclusion.

Nido has acquired key drilling Long Lead Items ("**LLI**") including conductor, casing, liner hangers, casing accessories, wellheads, and bits for the drilling of Nandino and Cadlao.

Total Consideration for the LLI is US\$2.9M. The Payment Structure for the acquisition of the LLI is:

Initial consideration US\$1.4M to be paid in the manner below:

- i. US\$0.4M has been paid;
- ii. US\$0.5M to be paid within ninety (90) days after Agreement Date; and
- iii. US\$0.5M to be paid within one hundred and twenty (120) days after Agreement Date.

Secondary Consideration of US\$1.5M to be paid on the earlier of a date that is immediately prior to the mobilization of the equipment to drill site or 12 months after Agreement Date.

The payment structure allows the acquisition to be funded from a combination of the Company's recent capital raise and projected cashflow from the Company's North American operations. (Refer: ASX: SGC release 'Capital Raise to Buy Well Equipment for Philippine Drilling' dated 26 April 2022)

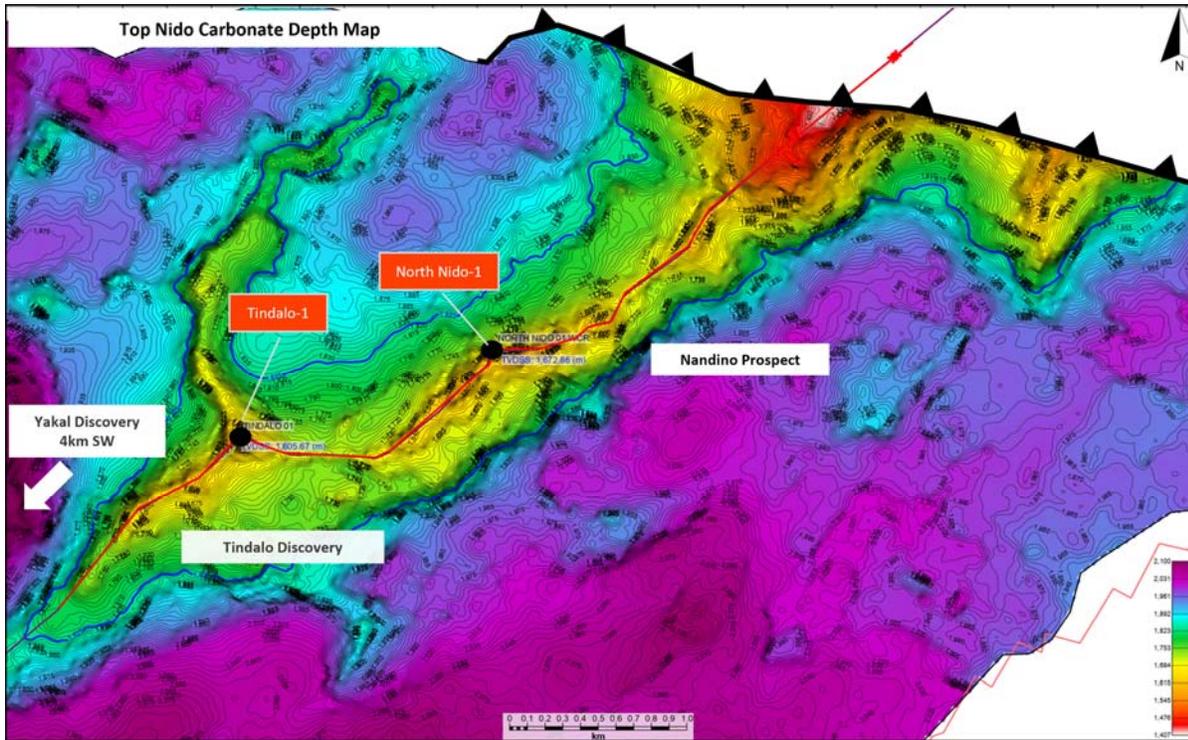


Part of LLI purchased for Drilling in the Palawan Basin

SC54 (SGC (Nido) Operator)

Sacgasco’s wholly owned subsidiary, Nido Petroleum Philippines Pty Ltd. (“**Nido**”), is the Operator of SC54. An additional 15% interest was acquired from the receiver appointed to handle the default of participant Halo BV SC54 (“**Halo**”) in SC54. Nido paid US\$126,624 to remedy the default and henceforth have unencumbered title to an additional 15% interest in SC54, which includes the Nandino Oil Prospect and Nido Limestone hosted oil discoveries at Tindalo, Nido 1X and Yakal.

Currently the most attractive Prospect in SC54 is the Nandino Oil Prospect. Nandino lies updip and on-trend with 4 oil discoveries within SC54. A total of over 119 metres of oil column and strong oil shows are interpreted in two previous tests of the greater Nandino structure.



Nido Carbonate Depth Map

Prospective Resources in the Nandino Prospect have been endorsed by RISC Advisory (**RISC**). (Refer ASX announcement dated 3 March 2022)

Nandino Prospective Resources (100%)	Oil in Place (100%)	Recoverable Oil (100%)
P90 (million barrels)	24.2	6.6
P50 (million barrels)	75.3	21.9
P10 (million barrels)	175.0	54.2
Mean (million barrels)	91.0	27.3

Note 1: The estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

Nido and its JV Participants elected to proceed to Sub-Phase 7 will be for a period of 1 year from August 2022 and includes a commitment to drill one well. TG World (Blue Sky) has elected to pay 85% of the costs of the planned Nandino well to earn an additional 36.25% participating interest from Nido.

Subject to DOE approval, the resulting working interests in SC54 are:

Joint Venture Participants	“Pre-Halo default” # Participating Interest	Current Interest	Nandino Well Paying Interest	Post-farmin* Interests
Nido and Yilgarn (100% owned Sargasco subsidiaries,) - Operator	72.5%	87.5%	15%	51.25%
TG World (Blue Sky Resources Subsidiary)	12.5%	12.5%	85%	48.75%
Halo Oil	15%	0	0	0
TOTAL	100%	100%	100%	100%
* Subject to DOE approval and completion of Nandino drilling				
# Halo SC54A BV (“Halo”), previous holder and owner of a participating interest in SC 54, defaulted on its obligations in SC 54 by failing to pay, despite repeated demands, its share in joint expenses. As a result of Halo’s default, its previous participating interest is now held by Nido (a Sargasco subsidiary). Refer SGC ASX Announcement “Philippines Acquisition and Update” dated 14 June 2022.				

SC 6B Cadlao (SGC (Nido) Technical Operator)

The Philippines Department of Environment and Natural Resources (DENR) delivered a certificate of Non-Coverage (“CNC”) dated 11 May 2022, for Service Contract No (“SC”) 6B Cadlao Field Appraisal Project, and Work Program and Budget approval for SC 54 (Nandino Area).

Sargasco’s wholly owned subsidiary, Nido Petroleum Philippines Pty Ltd. (“Nido”), is the designated Technical Operator of SC 6B. Receipt of the CNC will allow Nido to conduct surveys, drill exploration and appraisal wells and extended well test(s) in SC 6B which covers the Cadlao Oilfield and the east Cadlao Oil Prospect. Application is being made for ancillary approvals required for other aspects of the drilling program.

The Cadlao Field previously produced 11.1 million barrels of oil between 1981 and 1991 and at the time production ceased the field was still producing 950 bopd (separated from 5,900 barrels of produced liquid per day) from 2 subsea wells. Initial production from the discovery well, Cadlao-1A, was over 6,000 bopd.

A proposal to drill a new well aimed to recover oil updip from the prolific Cadlao 1 well and to then conduct an Extended Well Test (“EWT”) to maximize reservoir knowledge and reduce risks associated with redevelopment of the field, as well as provide early cashflow has been approved by Joint Venture participants and is awaiting the DOE approval.



Crates of LLI for Drilling Nandino and Cadlao

Given its proximity to Cadlao, there is also the opportunity to drill the East Cadlao Prospect from a Cadlao EWT location, subject to further maturing of the prospect to drill ready status.

The Farmin Agreement for Cadlao (ASX release: “Farmin to Cadlao Oil Development” 4 March 2022) includes Nido taking Operatorship of the Cadlao development and is designed to both accelerate and increase Saggasco’s exposure to cashflow from the anticipated development of the proven oil in the field. Under the FIA, Nido will fund the cost of the EWT and any subsequent development costs 100% up to the date of a Declaration of Commerciality on Cadlao. Nido will receive preferential cost recovery during this period.

The working interest changes in the JV following the FIA are as follows:

Joint Venture Party	Working Interests	
	Pre-FIA	Post-FIA
Nido – Operator	9.090%	72.727%
Philodrill – pre-FIA Operator	58.182%	17.4546%
Oriental	16.364%	4.09092%
Alcorn	8.182%	2.4546%
Forum	8.182%	2.4546%
Note 1: FIA and transfer of Operatorship are subject to DOE approval		

The results of an independent Contingent Resources estimate for the Cadlao Oilfield were released (ASX release: “Cadlao Contingent Resources Certified” 13 April 2022).

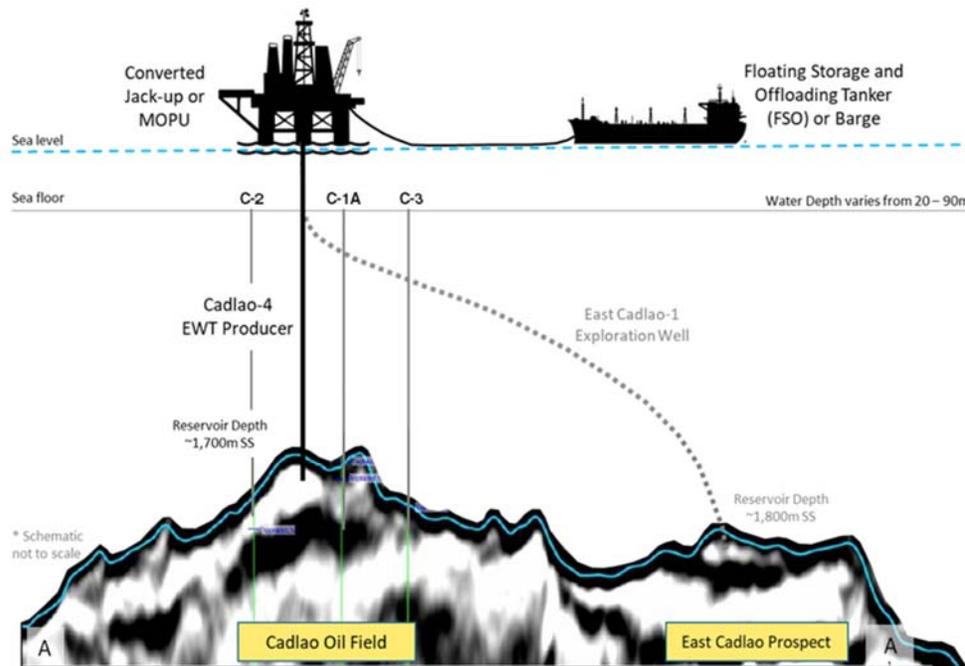
The Contingent Resources estimate, undertaken by RISC Advisory (“**RISC**”) are summarized in the table below. The Contingent Resources are for the Cadlao Field Redevelopment only and **do not include** any additional Contingent and Prospective Resources identified in SC 6B, e.g., Cadlao East Prospect and other nearby leads identified on 3D seismic.

Cadlao Contingent Resources Summary (oil, MMstb)			
	1C	2C	3C
Gross Contingent Resources	4.5	6.2	8.2
SGC Net Contingent Resources (72.727%)	3.3	4.5	6.0
<p>Note 1: These are unrisksed contingent resources that have not been risksed for the chance of development, and that there is no certainty that at the time of project approval it will be economically viable to produce any portion of the contingent resources.</p> <p>Note 2: Nido’s net entitlement to future production proceeds is dependent on approval of the FIA which includes preferential cost recovery and an approved EWT agreement by the DOE</p> <p>Note 3: The contingent resource estimate assumes an economic cutoff of 750 barrels of oil per day</p>			

The Cadlao Field resources are classified as Contingent Resources rather than reserves. Phase-1 of the development (EWT) will initially be approved and progressed. Resources associated with the EWT can be transferred to undeveloped reserves once this project is approved. RISC has reviewed and in general support the field re-development plans for Cadlao.

Cadlao drilling and EWT is planned for 2022 in a 2-well drilling program with the Nandino Prospect in Service Contract 54 (ASX Announcement “Philippines Drilling Update” 30 May 2022); subject to DOE and JV approvals.

In the event of a successful EWT at Cadlao and depending upon the field data obtained, a full field development may include extra wells with a dedicated oil production facility. The East Cadlao Prospect, which is only 3km away, may also be drilled, tested and produced from any Cadlao development.



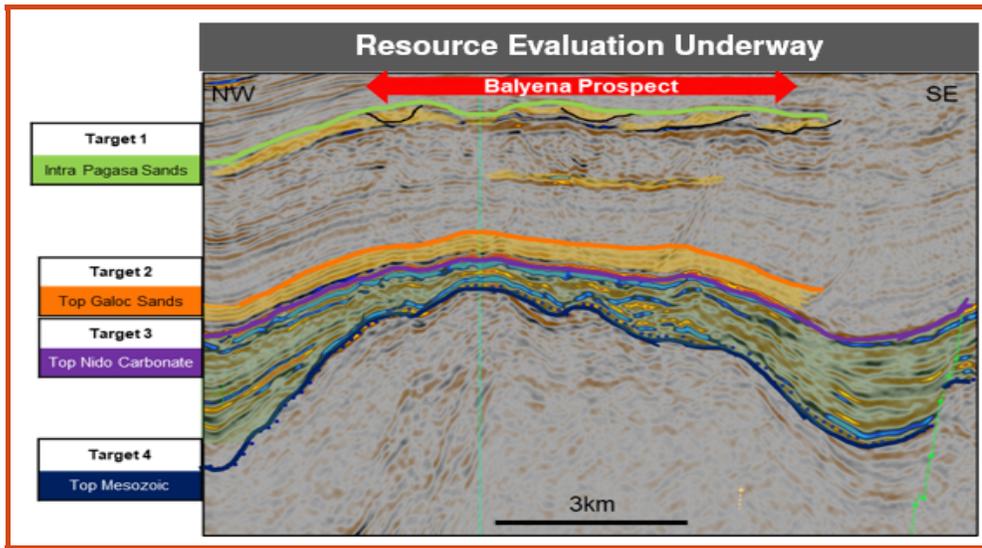
A Cadlao Field development Scenario

SC58 (SGC 50%, Operator)

In November 2021, Nido secured an extension of Service Contract 58 (“SC 58”) from the Department of Energy of the Philippines primarily for reasons related to COVID-19.

Service Contract 58 is Nido operated with a 50% participating interest. Nido is paying 100% of all Sub-Phase 3 costs under the Service Contract. SC 58 covers 13,440 square kilometres and Nido has mapped more than 10 prospects on 3D and 2D seismic.

Balyena Prospect is a highly prospective example with multiple stacked targets accessible in a single exploration well located outboard of the 3.2 Tcf Malampaya Gas Field which is connected by underutilized pipeline to energy hungry Manila.



Balyena Prospect Stacked Targets

Nido will undertake development concept and screening studies to assess the potential economic value of a notional gas discovery in SC 58, including the opportunity to access the Philippine energy market via the Malampaya pipeline to Luzon.

SC14C2 West Linapacan (SGC 22.28%, Non-Operator)

The West Linapacan Field previously produced 8.5 mmstb and was shut in in 1996 due to facility constraints and a corresponding low oil price environment. Saccgasco is considering development and funding options for the redevelopment of the West Linapacan Field.

New Ventures (SGC 100%)

Nido has identified New Venture Opportunities in the Philippines and is actively pursuing them. These include Natural Gas opportunities.

SACGASCO PHILIPPINES TENEMENT TABLE (30 June 2022)

Service Contract	Fields / Discoveries	% Working Interest	Operator
SC 54	Tindalo, Yakal, Nido 1X1, Nandino Prospect	85% (reducing to 51.25% when Farmout terms are satisfied, and DOE approved)	NIDO (SGC)
SC 14C2	West Linapacan A Field; West Linapacan B	22.28%	Philodrill
SC 58	Palawan Basin big hit Exploration	50%	NIDO (SGC)
SC 6B	Cadlao, near field Exploration	9.09% (Increasing to 72.727% when Farmin terms are satisfied, and DOE approved)	Philodrill - NIDO (SGC) Technical Operator

Service Contracts in the Philippines are granted by the government for defined periods of times that vary from contract to contract.

ONSHORE CANADA (Non-Operated)

After the end of the Quarter, Saggasco participated in a program to drill three oil development wells in the Alberta Plains Assets, Canada, where the Company has a 20% working interest. The wells were drilled on time and under budget. Saggasco funded its share of the drilling program from the Company's net operating cashflow. The wells have been connected for production and have contributed to the 12 % increase in production for the quarter.

Current SGC net before royalty production rate is approximately 453 BOEPD. The Operator has identified over 50 shut in wells that can be reactivated with a goal of an additional 180 BOPD of oil production net to Saggasco. Other optimisation and production increase opportunities are being pursued across the Canadian assets.



Alberta Plains development wells

Canada Oil and Gas Production (BOE) ¹	June 2022 Quarter	March 2022 Quarter
SGC Production	41,892	37,248
SGC Production after Royalty	36,508	32,461
Note 1: Gas converted to BOE using 6:1 ratio		

SAGGASCO CANADA TENEMENT TABLE (30 June 2022)

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
Red Earth Assets (Canada)	Oil and gas Mineral Leases and wells and associated Infrastructure	Production	30%

Alberta Plains Assets (Canada)	Oil and gas Mineral Leases and wells and associated Infrastructure	Production	20%
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ONSHORE CALIFORNIA (Majority Operated)

The Company continued to maintain leases in the Sacramento Basin during the quarter. Sacgasco has a working interest (WI) of between 10% and 100% in oil and gas leases which cover natural gas prospects ranging in size from 5-20 Bcf to Tcf recoverable prospective resources of Natural Gas.

Reference Natural Gas prices for Sacgasco Gas Sales in the Sacramento Basin are currently close to US\$9.50 /mcf (AUD\$14 /mcf) around 11% above the US Henry Hub benchmark gas price.

California Gas Production (mcf) ¹	June 2022 Quarter	March 2022 Quarter
Gross Production	42,053	42,412
SGC Production after Royalty	23,461	24,163
<i>Note 1: mcf = Thousand Cubic feet gas</i>		

Production optimization and sales opportunities are being continually pursued.

SACGASCO CALIFORNIA TENEMENT TABLE (30 June 2022)

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
Dempsey Area Project	Rancho Capay, Rice Creek, East Gas Fields - HBP Leases. Oil and Gas Mineral Leases	Gas Flow, Exploration, Appraisal and Rework	40-60%
Borba Project	Oil and Gas Mineral Leases	Commercialization of Gas Discovery	66.67%
Los Medanos Project	Los Medanos Gas Field HBP Leases	Gas Flow, and Rework	90%
Malton Project	Malton Gas Field HBP Leases and Oil and Gas Mineral Leases	Gas Flow, Exploration, Appraisal and Rework	45-70%
Dutch Slough Gas Project	Dutch Slough Gas Field HBP Leases	Exploration, Appraisal and Rework	70%
Rio Vista Gas Project	Rio Vista Field Wells HBP Leases	Gas flow, Development and Rework	100%
Willows Gas Field (Non-operated)	Willows Gas Fields HBP Leases	Gas flow and Rework	10%
Alvares Project	Oil and Gas Mineral Leases. Alvares 1 well (P&A Re-entry)	Exploration, Appraisal	50%

* Approximate WI across the referenced Project

Sacgasco is the Operator of all but one of its WI wells and related tenements in California.

Borba Gas

Evaluations to monetise the previously reported Borba gas discovery continued with review of alternatives for the Borba gas discovery. These include electricity production for an onsite data centre,

hydrolysis of natural gas for Hydrogen generation for the local transport market or other means of transporting the gas molecules to local markets. Permitting of onsite facilities is being pursued.

CORPORATE

Sacgasco Limited (ASX: SGC) (“SGC”, “Sacgasco” or “the Company”), has successfully placed 116,700,000 Common Shares to Sophisticated Investors to raise approximately \$2.917 million before broker costs of approximately 5%.

Gary Jeffery presented a webinar on 4 May 2022 providing shareholders on Philippines update.

Gary Jeffery also presented to the Australia Philippines Business Council in Perth on 26 July 2022. During the presentation attention was drawn to the overt support of the recently (May 2022) elected Marcos Government for the upstream oil and gas projects particularly in the offshore Palawan around the Malampaya Gas field which supplies natural gas to the Manila region. Gas supply is reported to be declining, hence the necessity for both upstream and midstream (LNG import) initiatives. Support for sovereignty over Philippines territory was clearly stated. This is encouraging for the potential for exploration activity in SC 58.

SEPTEMBER QUARTER OBJECTIVES

Progress and facilitate strategic plans for exploration and development of the Philippines Service Contracts including optimizing working interests, accelerating cash flow from existing oil discoveries, and pursuing significant exploration prospects.

Increasing production, revenues and cashflow from oil and gas producing properties in North America including the reactivation of numerous shut-in oil production wells in Canada and permitting of facilities for monetization of the natural gas from the Borba 1-7 well discovery.

Ongoing review of potential conventional oil and natural gas projects including Hydrogen and Helium that have a strategic fit with Sacgasco’s current assets and strategy.

SACGASCO CAPITAL STRUCTURE

Sacgasco Common shares are listed on the Australian Stock Exchange-**Ticker: SGC**.

Sacgasco Common shares are also traded on the OTCQB market in North America- **Ticker: SGCSF**

ISSUED CAPITAL at 30 June 2022	
Ordinary Shares (ASX: SGC) *	607,706,062
Unlisted Options exercisable @ 6 cents by 31 December 2022	18,000,000
Unlisted Options exercisable @ 45 cents by 31 December 2024	27,240,000
<i>On 21 April 2022, 2,884,698 shares were issued as part payment of Director’s fees</i>	
<i>On 29 April 2022, 116,700,000 shares were issued as a result of a placement to Sophisticated Investors.</i>	
<i>On the 8th of July 2022, the Company issued 1,352,727 fully paid ordinary shares to Directors in lieu of cash payments for Directors fees for the June 2022 quarter, as approved by shareholders at the May 2022 AGM. The Company also issued 1,206,250 fully paid ordinary shares to Consultants as partial extinguishment of amounts owed for services provided.</i>	

APPENDIX 5B DISCLOSURES

ASX Listing Rule 5.4.1: Exploration expenditure during the quarter totalled \$1,305k in respect of exploration activities in the Philippines. This includes \$600k for initial payment of purchased Long Lead items for future drilling.

ASX Listing Rule 5.4.2: Production expenditure payments for gas flow optimisation and related activities in California during the quarter were \$284k.

ASX Listing Rule 5.4.3: Tenement schedule included in the activities report.

ASX Listing Rule 5.4.4: n/a

ASX Listing Rule 5.4.5: Payments to related parties totalled \$134k. These were in respect of Directors' fees, director loan interest and office lease to a director related entity.

For and on behalf of the Board of Sacgasco Limited.

**Gary Jeffery
Managing Director
+61 8 9388 2654**

About Sacgasco Limited (ASX: SGC)

Sacgasco Limited (ASX: SGC) is an Australian-based energy company focused on under-explored, recently over-looked, world class oil and gas opportunities near under-supplied markets. Sacgasco's Natural Gas activities include Hydrogen and Helium.

The Company is currently focused on conventional oil and gas exploration and production in the Sacramento Basin, onshore California, Alberta Canada and offshore Philippines.

Sacgasco has an extensive portfolio of natural gas and oil producing wells and discoveries and prospects at various appraisal and exploration stages. The Company is targeting supply to the local Californian and Canadian oil and gas markets and burgeoning Asian market.

Sacgasco is in the process of evaluation for acquisition additional undervalued oil and gas producing and exploration assets.

www.sacgasco.com

Twitter: @SacGasCo

Leases:

US and Canadian exploration is conducted on leases granted by Mineral Right owners, including the respective Governments and private individuals or groups. Leases can vary in size from very small parcels (part of an acre) to large landholdings (covering a few square miles). Leases generally are for 5 years and rentals are paid annually. There are no firm work commitments associated with the leases. Some leases are 'Held By Production' (HBP) and royalties are paid to mineral right owners in lieu of rentals. SGC has not listed all its leases as it is impractical and not meaningful for potential project value assessment in a conventional natural gas play. A detailed listing of leases may also lead to a loss of competitive advantage and consequent reduced value to SGC shareholders.

Philippine leases are issued by the Government of Philippines as Service Contracts with defined conditions that may be varied from time to time.

Competent Persons

This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr Gary Jeffery, Managing Director of Sacgasco Limited. He is a qualified geophysicist with almost 50 years technical, commercial and management experience in exploration

for, appraisal and development, and transportation of oil and gas. He is a member of The American Association of Petroleum Geologists. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.

The timing of future events is subject to the normal industry vagrancies of operational matters and equipment availability which are outside the control of Sacgasco and its suppliers. Facilities depicted in images on the Sacgasco website are not necessarily assets of Sacgasco. Some of the images used represent aspects of the oil and gas industry in which Sacgasco is involved or images of equipment owned by companies providing services to Sacgasco.

Before investing it is recommended that investors conduct their own due diligence and consult financial and technical advisors and form their own opinions on future events and implications.

Appendix 5B

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

Name of entity

Sacgasco Limited

ABN

83 114 061 433

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(6 months)
		\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,665	3,050
1.2 Payments for		
(a) exploration & evaluation	(1,305)	(1,417)
(b) development	-	-
(c) production	(284)	(901)
(d) staff costs	(63)	(71)
(e) administration and corporate costs	(463)	(751)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(66)	(66)
1.6 Income taxes paid *	(560)	(560)
1.7 Government grants and tax incentives	-	-
1.8 Other (JV receipts)	23	133
1.9 Net cash from / (used in) operating activities	(1,053)	(583)

* Includes \$369k accrued at 31 December 2021 but not paid until April 2022. The balance are monthly instalments as required under federal and provincial Canadian tax law.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	-	-
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)	2,918	2,918
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	(152)	(152)
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 (repayment of JV partner loan)	-	-
3.10 Net cash from / (used in) financing activities	2,766	2,766

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,723	1,288
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,053)	(583)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

Appendix 5B

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 (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,766	2,766
4.5	Effect of movement in exchange rates on cash held	183	148
4.6	Cash and cash equivalents at end of period	3,619	3,619

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	1,723
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)	3,619

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1
6.2	Aggregate amounts of payments to related parties and their associates included in item 2
<p><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></p>	

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

7.	Financing facilities	Total facility amounts 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	800	800
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	800	800
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.		
	<p>Three unsecured loan facilities earning interest at 10% pa, repayable within six months unless extended by mutual agreement:</p> <ul style="list-style-type: none"> - Unsecured facility with Dungay Resources Pty Ltd, a company associated with Gary Jeffery, dated 1 November 2021 for \$250,000, extended until 1 November 2022, - Unsecured facility with Dungay Resources Pty Ltd, dated 4 May 2021 for \$300,000, extended until 4 November 2022, and - Unsecured facility with Dungay Resources Pty Ltd, dated 17 May 2021 for \$250,000, extended until 17 November 2022. 		
8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,053)	
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)	(1,053)	
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,619	
8.5	Unused finance facilities available at quarter end (item 7.5)	-	
8.6	Total available funding (item 8.4 + item 8.5)	3,619	
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	N/A	
	<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>		

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

8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: 29 July 2022

Authorised by: Gary Jeffery – Managing Director
(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.