

31 October 2018

ASX Announcement

## SEPTEMBER 2018 QUARTERLY REPORT

# Positive discussions define timetable for Epanko

German plant results support **EcoGraF** development strategy to produce battery graphite for use in lithium-ion batteries as a stand-alone business

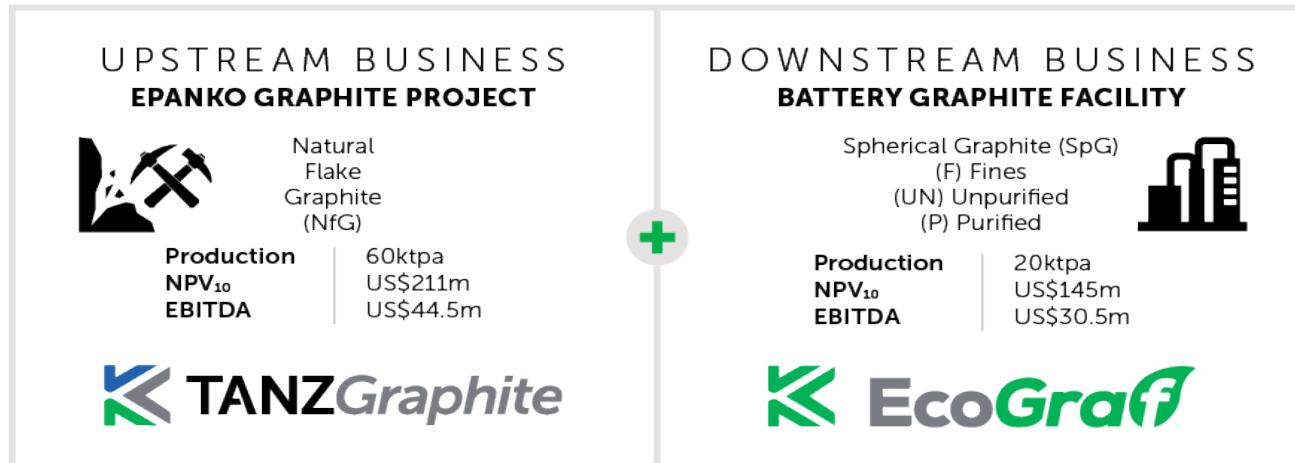
Kibaran Resources Limited (Kibaran or the Company) (ASX: KNL), is pleased to release its activities and cash flow report for the three months ended 30 September 2018.

## HIGHLIGHTS

- Tanzanian Government supports Epanko debt financing by confirming intention to renew Mining Licence
- Positive progress on finalising Epanko regulatory arrangements to facilitate project debt financing
- Completion of optimisation study in Germany using Kibaran's proprietary **EcoGraF** non-hydrofluoric purification process to produce battery (spherical) graphite for lithium-ion batteries
- Optimisation study delivers positive results to support a new stand-alone downstream graphite business:
  - reduction in consumables usage and processing time relative to the 2017 feasibility study;
  - spherical graphite and fines bi-product purified from Epanko feedstock up to 99.98% carbon;
  - spherical graphite from 10 global sources produced at up to 99.98% carbon; and
  - spherical graphite from 7 large flake natural graphite samples produced carbon levels above 99.95%.
- Updating of the 2017 downstream processing feasibility study commenced to support discussions with potential strategic investors
- Agreement finalised for long-term supply of standard grade graphite (minus 100 mesh at 94% carbon) to be used as feedstock to support stand-alone downstream business
- European product qualification program attracting significant interest and discussions in progress with several groups about collaboration and partnership on **EcoGraF** business
- EU Commission reports the German led Battery Alliance forecasts significant European battery mineral demand as German Government announces plans to develop a lithium-ion battery production facility in Germany
- Benchmark Mineral Intelligence reports graphite pricing continues to increase with +50 mesh breaking through US\$2,000/t over the past 12 months (up 60%) and battery (spherical) graphite increasing 20% over the past 6 months

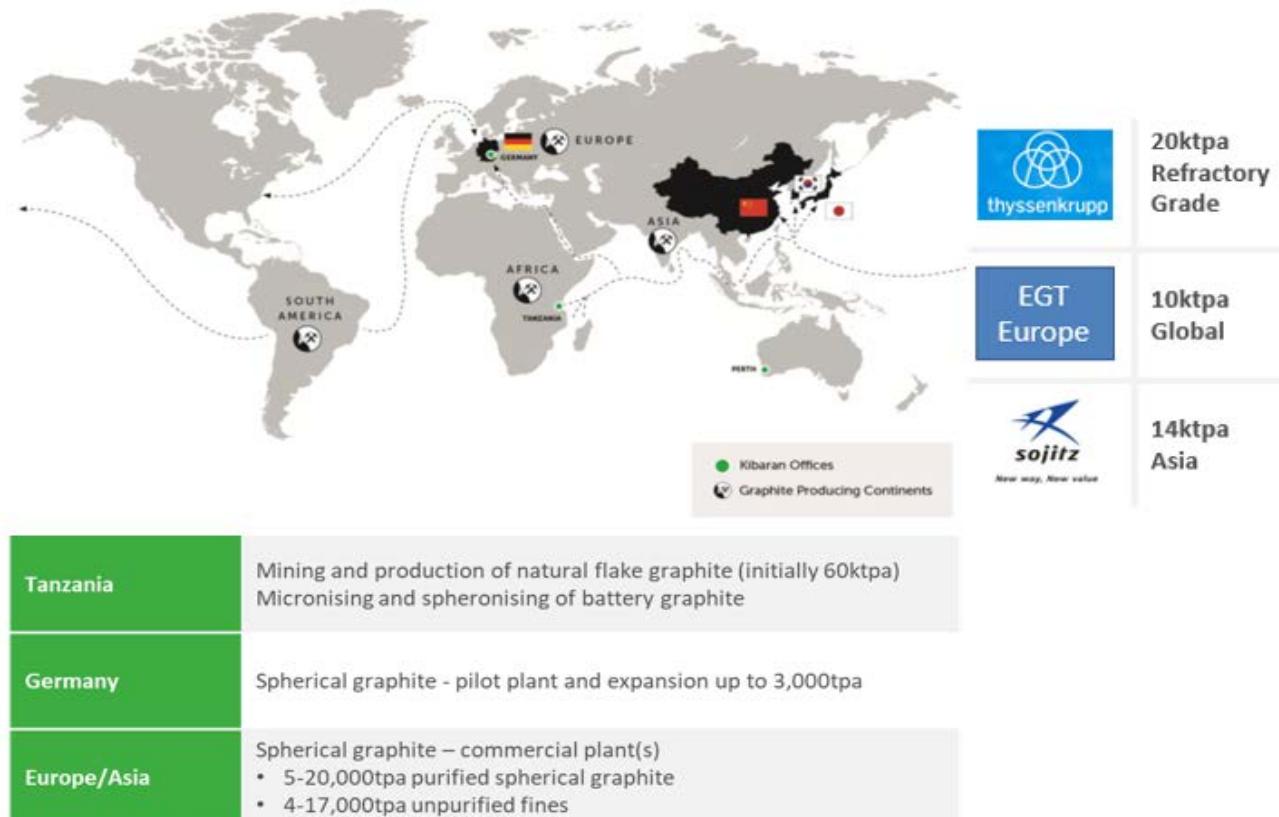
## BUSINESS STRATEGY

Kibaran's aim is to be a preferred partner for the long-term supply of eco-friendly natural flake and spherical graphite products to customers in both established (refractory, carburiser, lubricant) and emerging (lithium-ion battery) global markets. It holds 100% interests in a combination of attractive upstream and downstream graphite businesses that are poised for development, highly profitable and scalable.



The **TANZGraphite** Epanko Graphite Project development arrangements are expected to be finalised with the Government of Tanzania in coming months. In parallel, the **EcoGraff** German pilot plant program is advancing positively and planning has commenced for its commercial expansion.

Once established, Kibaran will operate a diversified graphite portfolio, supplying high quality East African natural flake graphite products to established markets in Asia and Europe, together with eco-friendly purified spherical graphite products from manufacturing facilities in each of those regions.



## QUARTERLY ACTIVITY UPDATE

### EPANKO GRAPHITE PROJECT

Epanko is a high quality development ready East African natural flake graphite project. Key milestones achieved to date include:

- Bankable Feasibility Study (BFS) completed by GR Engineering;
- Bank appointed Independent Engineer's Review completed by SRK Consulting (UK), confirming that the BFS adequately addresses all technical aspects of the proposed development and that the social and environmental planning aspects satisfy IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines;
- Offtake commitments for the planned production secured in Asia (Sojitz Corporation) and Europe (Thyssen Krupp and European Trader);
- Resettlement Action Plan approved by the Tanzanian Government;
- Granted Mining Licence; and
- Letter of Intent signed with GR Engineering for early works program and EPC construction contract.

The remaining milestone is to finalise debt and equity funding arrangements to enable construction to proceed in 2019. The proposed funding consists of long term, limited recourse debt financing from international financiers, complemented with equity from strategic and financial investors.

Since the Tanzanian Government introduced amendments to the mining legislation that adversely impacted international financing arrangements, Kibaran has made substantial progress towards resolving the uncertainty and impacts arising from those legislative changes. For the last year, the Company has worked extensively with its proposed lenders, legal advisors (internationally and in-country), customers and the Governments of Tanzania, Australia and Germany to develop a regulatory framework for the Epanko development that is consistent with international financing standards.

All stakeholders are united in their desire to achieve a successful outcome that will enable construction to proceed for the benefit of all parties and in particular, to ensure the significant and inter-generational social and economic benefits flow to the Tanzanian people as soon as possible, including:

**US\$1.01 billion in direct contribution to the economy over the first 20 years through local procurement of goods and services, employment, royalties, taxes and inspection fees**

**Direct employment of approximately 300 Tanzanians (over 95% of all staff) for 40+ years**  
**4,500 indirect jobs + new industry**

**Community development via new housing, school, Church, medical dispensary, health insurance, training and positive engagement to build lasting social partnerships**

Progress in recent months has been encouraging, resulting in the engagement of GR Engineering in readiness for early works activities and recommencement of the debt financing program. A key meeting is planned in Tanzania in coming weeks to advance discussions on a proposed solution to enable project funding to be finalised over the next few months.

During the quarter, positive progress was achieved in a number of important areas:

- In late July the Company submitted its inaugural Local Content Plan and Integrity Pledge to the Mining Commission in Tanzania, demonstrating the extensive social and environmental planning that has been undertaken and the capacity of the Company to fully comply with all Corporate Social Responsibility aspects of the new mineral legislation.

- In August, Managing Director Andrew Spinks, Executive Director Grant Pierce, Commercial Manager Nassor Said and Community Relations advisor Sauda Simba met with Tanzanian Mining Commission Chairman Prof Idris Kikula, Chief Executive Officer Prof Shukrani Manya and Ministry of Minerals legal advisor Salome Makange to discuss the Epanko development and Mining Licence renewal arrangements. Following the meeting, the Mining Commission issued a letter to the Company stating that it will renew the Mining Licence for an additional 10 years upon its expiry in 2025, providing that the requirements of Section 53 of the Mining Act 2010 are fulfilled. This aligns the Mining Licence to the term of senior debt facilities proposed for the Project.



*Photographs 1 & 2: Meeting held with the newly formed Mining Commission Chairman Prof. Idris Kikula and CEO Prof. Shukrani Manya to present the Epanko development case.*

The Mining Licence was issued by the then Minister of Energy and Minerals, Hon. George Simbachawene (MP) on 13 July 2015. The letter is an important demonstration of Government support for the Project and forms part of broader discussions that are currently taking place to agree Epanko development conditions under the new Tanzanian mining legislation that will enable the proposed international debt financing arrangements to be finalised.

- Subsequently in August, Chairman Robert Pett and Kibaran consultant Marshall Hestelow met with the Deputy Minister of Minerals, Hon. Stanslaus Nyongo (MP) during the Africa DownUnder Conference in Perth, where the Deputy Minister and Kibaran Chairman presented updates on the Tanzanian mining sector and Kibaran's developing graphite businesses.



*Photograph 3: Meeting held with the Tanzanian Deputy Minister of Minerals Hon. Stanslaus Nyongo (MP) during the Africa DownUnder conference in Perth*

- Meetings and discussions were held with proposed debt financiers, including KfW IPEX-Bank, about the recent positive developments in Tanzania, the program to finalise regulatory arrangements and the debt financing process. The German Government and German financial institutions and industrial organisations are increasingly active in Tanzania and Kibaran held discussions with several German companies about potential partnering arrangements in its graphite businesses. This resulted in a subsequent visit to Germany during September to hold further meetings and also discussions in New York, following the recent 121 Mining Conference earlier this month.

The Tanzanian Government has reaffirmed its desire to attract new mining investment and the Company has worked with its proposed financiers and legal advisors to develop solutions to issues raised by the legislative changes so that an acceptable outcome can be achieved as soon as possible.

Subject to the agreement of all stakeholders, it is expected that debt financing approval could be achieved during the first quarter of 2019, enabling commencement of construction shortly thereafter and first Epanko production from mid-2020.

### BATTERY (SPHERICAL) GRAPHITE

The Company has developed a phased commercialisation strategy to produce battery graphite for use in lithium-ion batteries. The work to date has focussed on product qualification aimed at meeting the major anode manufacturers' specifications, with a staged development matched to market demand. Given the delay in commencing the Company's Epanko upstream business and the increasing demand for battery graphite, the Company is developing the downstream business in parallel and as a stand-alone development, with a final investment decision expected by mid-2019.

The downstream business took a major step forward this quarter as a result of finalising the optimisation study in Germany and the agreement reached to secure graphite feedstock, so that the downstream business is no longer dependent on Epanko graphite supply.

#### Pilot Plant - Optimisation Study Completed

An optimisation study conducted in the German pilot plant was completed during the quarter confirming Kibaran's proprietary **EcoGraf** non-hydrofluoric acid purification process is highly effective in processing graphite into a form suitable for use in lithium-ion batteries. It represents significant progress in the Company's strategy to establish a standalone downstream graphite processing business to supply the lithium-ion battery industry.

The optimisation study showed:

- a reduction in consumables and processing time compared to the feasibility study, and
- that the process can be used to purify graphite from a wide range of sources, including:
  - spherical graphite and fines bi-product purified from Epanko feedstock up to 99.98% carbon;
  - spherical graphite from 10 global sources produced at up to 99.98% carbon; and
  - spherical graphite from 7 large flake natural graphite samples produced carbon levels above 99.95%.

The Company has engaged GR Engineering to update the 2017 downstream processing feasibility study to incorporate the pilot plant optimisation results and evaluate the establishment of commercial scale spherical graphite manufacturing facilities in Europe and Asia. The GR Engineering report is expected to be completed by the end of 2018.



*Photographs 4, 5 & 6: Christoph Frey outside the Pilot Plant and inspecting samples in the office in Untergriesbach, Germany*

## Phased Commercialisation Strategy Update

Product samples manufactured using the **EcoGraf** purification method have met leading anode manufacturers' specifications and the **EcoGraf** market positioning is supported by being ecologically sustainable ("green"), hydrofluoric acid (HF) free and cost competitive with existing HF supplies (refer figure 1). This competitive advantage is enhanced by the ability to also successfully purify the fines, which is usually a low value spherical graphite bi-product.

*Figure 1: EcoGraf production comparison – battery (spherical) graphite*

	EcoGraf	Existing Supply
<b>Purification grade</b>	>99.98%	>99.95%
<b>Purification of fines (by-product)</b>	Yes	No
<b>Excludes toxic hydrofluoric acids</b>	Yes	No
<b>Ethical and environmentally friendly</b>	Yes	No

The results of the optimisation test work using Kibaran's proprietary **EcoGraf** purification process supports the development of a stage 1 plant producing 3,000tpa of both unpurified battery (spherical) graphite and fines, as a stand-alone facility. The stage 1 plant is designed to provide larger volumes of battery (spherical) graphite as a precursor to securing offtake commitments to support the stage 2 development.

*Figure 2: Phased commercialisation strategy to produce purified battery graphite*

Phase	Battery (Spherical) Graphite	Capex	Feedstock (tpa)	2018	2019	2020	2021
<b>Stage 1</b>	3,000tpa (unpurified) customer trials and sales	US\$4m	6,000				
<b>Stage 2</b>	5,000tpa (purified)	US\$25m	10,000				
<b>Stage 3</b>	20,000tpa (purified)	US\$41m	40,000				

The indicative timetable for first production, designed to secure 25% of the market outside of existing supply, is as follows:

- **Stage 1 (mid-2019)**  
Plant to produce 3,000tpa of battery graphite for global battery market qualification process.
- **Stage 2 (early-2020)**  
Plant to produce 5,000tpa commercial scale product for global battery market to assess within their production lines.
- **Stage 3 (early to mid-2021)**  
Plant to produce 20,000tpa of battery graphite.

Kibaran is in discussion with a number of potential partners within the battery supply chain in regard to co-investment and looks forward to updating the market at the appropriate time.

The Company is currently also assessing possible locations for its proposed Tanzanian downstream processing business as part of discussions with potential partners in Tanzania in relation to commercial collaboration. Subject to the results of this assessment, it is expected that an application for the preferred operating site will be submitted to the Tanzanian Export Processing Zone Authority.

#### [Agreement Secured to Source Feedstock to Produce Battery Graphite](#)

Kibaran has executed a supply agreement to secure feedstock for the stage 1 and 2 phased commercialisation programs, that is based on forecast demand requirements provided by several leading anode manufacturers (refer figure 2). The feedstock material is standard grade graphite (minus 100 mesh at 94% carbon) currently produced by several natural flake graphite suppliers. Feedstock costs will be based on prevailing global market prices for equivalent graphite products, with annual tonnage requirements of 6,000 tonnes in 2019 and 10,000 tonnes in 2020.

#### [German led European Battery Alliance to Drive New Demand](#)

EU Battery Alliance now forecasts significant European battery mineral demand in the near term (refer [http://europa.eu/rapid/press-release\\_IP-18-6114\\_en.htm](http://europa.eu/rapid/press-release_IP-18-6114_en.htm)), following the German Government announcement on 18 September confirming the development of a lithium-ion battery production facility in Germany. The German led EU battery alliance development is in addition to previously announced battery manufacturing expansion plans in Asia. It is expected to accelerate forecast European demand for sustainably produced, high quality battery minerals and diversify battery graphite supply arrangements from the current reliance on anode material produced using highly toxic hydrofluoric acid in China. These developments have resulted in an increased urgency from Germany to secure battery minerals, an example of which is BASF announcing its first location for battery materials production in Europe (refer <https://www.bASF.com/en/company/news-and-media/news-releases/2018/10/p-18-336.html>).

During the quarter Christoph Frey hosted an Australian institutional investor visit to the German electric vehicle factories of BMW, Volkswagen and Mercedes Benz, providing a first-hand insight into the status of EV manufacturing in Germany.



*Figure 3: Electric vehicle car manufacturing by Volkswagen in Dresden, Germany (Source: www.volksWagenag.com)*

## GRAPHITE MARKET AND PRICING

The Company attended and presented at the Benchmark Mineral Intelligence Conference in Newport Beach, California where Benchmark provided significant commentary supporting the continued price increases for natural flake and battery graphite. These price increases are very favourable to the Company's products and will be used as the basis to update its financial models.

Natural flake graphite products +50 mesh and +80 mesh (96-97% C) have both increased over the past 12 months, with +50 mesh now increasing over 60% and breaking through US\$2,000/t. Pricing premiums of up to 40% received for high carbon concentrate, compared to lower carbon grades of 90-93% continues to be positive for the Epanko 95-97% carbon grade products.

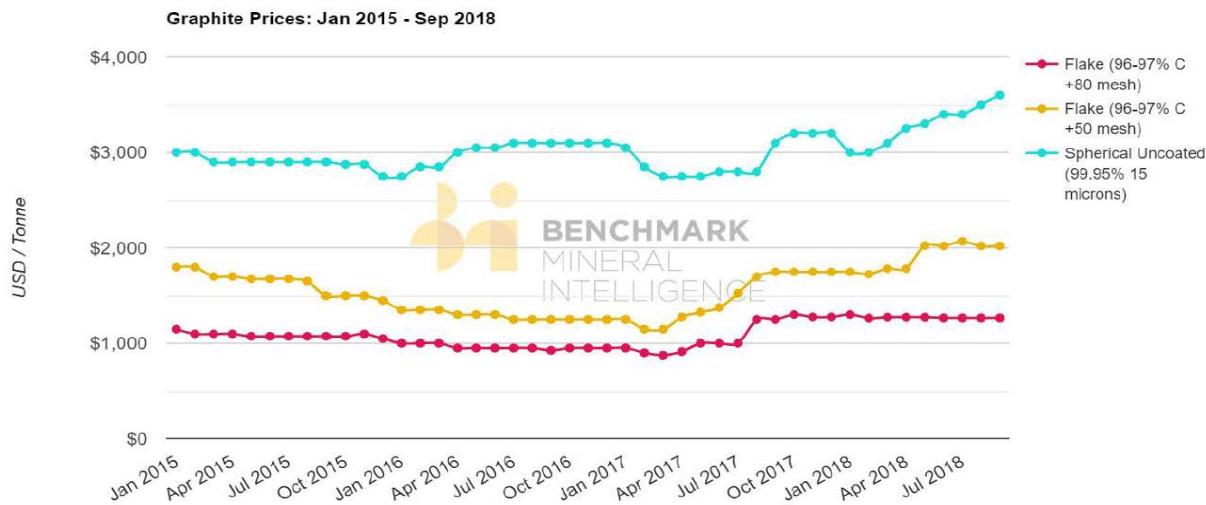


Figure 4: Graphite prices for flake graphite (+50 and +80 mesh) and spherical graphite - D15 (Source: Benchmark Mineral Intelligence)

Benchmark have reported battery (spherical) graphite for D15 grade has increased 20% in the last six months, with D10 grade now reaching levels close to US\$4,400/t.

The outlook for further increases is positive given the battery (spherical) graphite market supply is tight, combined with the increasing emphasis for ethical sourcing and increasing global adoption of EVs.

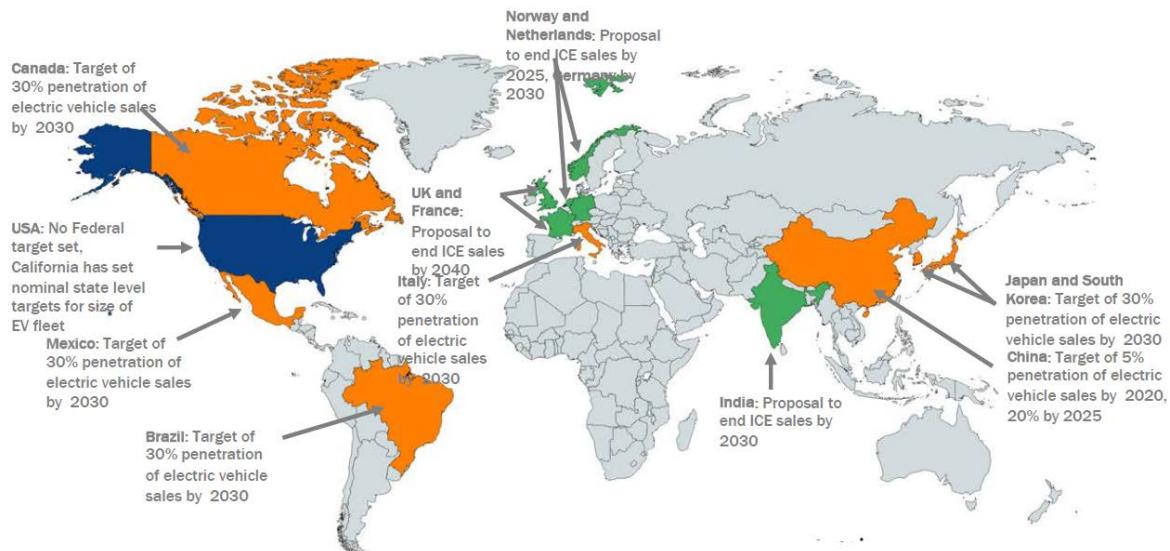


Figure 5: Global policy statements by governments supporting EV adoption (Source: Benchmark Mineral Intelligence)

## CORPORATE

### Cash

Cash at 30 September 2018 was A\$1.86m and cash flow details are contained in the attached ASX Appendix 5B.

### Share Capital

Issued fully paid ordinary shares: 264,180,967

Issued fully paid ordinary shares subject to escrow: 11,500,000

Unlisted options:

Number	Exercise price	Expiry
1,000,000	30 cents	31 December 2018
1,000,000	22.82 cents	2 June 2019
1,050,000	23 cents	6 March 2020

At the end of the quarter the Company's advisors received a query from the Australian Taxation Office (ATO) about certain claims made in respect of research and development programs during the period 1 July 2015 to 30 June 2017.

Kibaran has previously received Australian and Overseas Advance Findings confirming the eligibility of its programs and is presently engaging with the ATO to address the query and remains confident of its position.

## SCHEDULE OF TENEMENTS

Licence	Ownership interest	Acquired/disposed during the quarter	Area (km <sup>2</sup> )	Location
ML 548/2015	100%	No change	9.62	Mahenge, Tanzania
PL 7906/2012	100%	No change	59.24	Merelani-Arusha, Tanzania
PL 7907/2012	100%	No change	26.42	Merelani-Arusha, Tanzania
PL 7915/2012	100%	No change	41.47	Merelani-Arusha, Tanzania
PL 9306/2013	100%	No change	35.31	Mahenge, Tanzania
PL 9331/2013	100%	No change	2.76	Mahenge, Tanzania
PL 9537/2014	100%	No change	42.00	Tanga, Tanzania
PL 10090/2014	100%	No change	44.88	Merelani-Arusha, Tanzania
PL 10091/2014	100%	No change	114.22	Merelani-Arusha, Tanzania
PL 10092/2014	100%	No change	23.23	Merelani-Arusha, Tanzania
PL 10388/2014	100%	No change	2.57	Mahenge, Tanzania
PL 10390/2014	100%	No change	2.81	Mahenge, Tanzania
PL 10394/2014	100%	No change	9.74	Mahenge, Tanzania
PL 10752/2016	100%	No change	23.45	Mahenge, Tanzania
PL 10868/2016	100%	No change	72.82	Merelani-Arusha, Tanzania
PL 10869/2016	100%	No change	29.95	Merelani-Arusha, Tanzania
PL 10872/2016	100%	No change	2.60	Merelani-Arusha, Tanzania

PL 10972/2016	100%	No change	3.83	Mahenge, Tanzania
PL 11081/2017	100%	No change	2.08	Merelani-Arusha, Tanzania
PL 11082/2017	100%	No change	20.77	Merelani-Arusha, Tanzania
PL 11083/2017	100%	No change	50.73	Merelani-Arusha, Tanzania
PL 11143/2017	100%	No change	2.62	Merelani-Arusha, Tanzania
PL 11511/2016	100%	No change	46.72	Merelani-Arusha, Tanzania
PL 11254/2016	100%	No change	6.73	Merelani-Arusha, Tanzania

**For further information, please contact:**

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The production targets and forecast financial information referred to in this ASX announcement were originally reported to the ASX by the Company on 21 June 2017 and on 5 December 2017. All material assumptions underpinning the production targets and forecast financial information reported in those ASX announcements continue to apply and have not materially changed.

Various statements in this announcement constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward-looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

+Rule 5.5

## **Appendix 5B**

### **Mining exploration entity and oil and gas exploration entity quarterly report**

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Kibaran Resources Limited

**ABN**

15 117 330 757

**Quarter ended (“current quarter”)**

30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(604)	(604)
(b) development	-	-
(c) production	-	-
(d) staff costs	(152)	(152)
(e) administration and corporate costs	(407)	(407)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,161)</b>	<b>(1,161)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	135	135
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(22)	(22)
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>113</b>	<b>113</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	2,904	2,904
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,161)	(1,161)
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)	113	113
4.5	Effect of movement in exchange rates on cash held	1	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,857</b>	<b>1,857</b>

<b>5. 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	1,778	2,825
5.2	Call deposits	79	79
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>1,857</b>	<b>2,904</b>

<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	362
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
<ul style="list-style-type: none"> <li>• Directors' remuneration</li> <li>• German pilot plant testwork costs paid to ProGraphite GmbH (a company of which Christoph Frey is a director and shareholder)</li> </ul>		

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

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1 Exploration and evaluation		(400)
9.2 Development		-
9.3 Production		-
9.4 Staff costs		(150)
9.5 Administration and corporate costs		(300)
9.6 Other (provide details if material)		-
<b>9.7 Total estimated cash outflows</b>		<b>(850)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

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



Sign here: \_\_\_\_\_  
Company secretary

Date: 31 October 2018

Print name: Howard Rae

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.