

## 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

PO VALLEY ENERGY LIMITED

### ABN

33 087 741 571

### Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter €000	Year to date (12 months) €000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(39)	(271)
(b) development	-	-
(c) production	-	-
(d) staff costs	(69)	(295)
(e) administration and corporate costs	(119)	(530)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(62)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – business development expenditure	(129)	(274)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(356)</b>	<b>(1,432)</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 €000</b>	<b>Year to date (12 months) €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	-	-
<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	310	877
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(3)	(8)
3.5	Proceeds from borrowings	-	93
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – share applications received in previous quarter in advance of issue now included in 3.1 above.	(81)	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>226</b>	<b>962</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	176	516
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(356)	(1,432)
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)	226	962
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>46</b>	<b>46</b>

5. <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	Current quarter €000	Previous quarter €000
5.1 Bank balances	46	176
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>46</b>	<b>176</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter €000
17
-

Payments of CEO fees are included in 6.1

**7. Payments to related entities of the entity and their associates**

- 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

Current quarter €000
-
-

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end €000</b>	<b>Amount drawn at quarter end €000</b>
8.1 Loan facilities	1,272	1,272*
8.2 Credit standby arrangements	-	-
8.3 Other – Convertible notes	1,563	1,563
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.		

8.1: Loan facility is provided by entities related to directors of the Company. The loans are unsecured, repayable in 18 months with an interest rate of 10%p.a.

During the quarter €62k of the loan facility was settled by issue of placement shares to Directors as approved by at the general meeting on 15 October 2019. Subsequent to the quarter end, the directors have extended the above facility by an additional €150k.

8.2: 2,500,000 (AU)\$1 Convertible Notes: Term of 3 years and interest rate of 8%p.a. Conversion price of (AU)\$0.042 per share. €-value above is at spot rate on 31 December 2019.

<b>9. Estimated cash outflows for next quarter</b>	<b>€000</b>
9.1 Exploration and evaluation	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs	110
9.5 Administration and corporate costs	45
9.6 Other – Interest payments on convertible notes	35
<b>9.7 Total estimated cash outflows</b>	<b>230*</b>

\*The Company is cognisant of the fact that additional funding will be required to meet short and medium term working capital requirements. Estimated outflows are dependent on available cash resources. The Directors are currently reviewing a range of financing options which may include the further issue of new equity. The directors reasonably expect that they will be able to raise sufficient funds to meet its exploration and working capital requirements to continue its operations and to meet its business objectives. Subsequent to the quarter end the directors loan facility in 8.1 was extended by an additional €150k.

<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	No changes			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	No changes			

**Compliance statement**

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

Sign here:

  
Director

Date: 31 January 2020

Print name: Michael Masterman

**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.