

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

Emerald Resources NL

ABN

72 009 795 046

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,657)	(3,215)
(b) development	-	-
(c) production	-	-
(d) staff costs	(127)	(251)
(e) administration and corporate costs	(250)	(437)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	19
1.5 Interest and other costs of finance paid	(52)	(52)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Transaction costs relating to acquisition of subsidiary	-	-
1.9 Net cash from / (used in) operating activities	(2,071)	(3,936)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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) 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	125	125
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash acquired on acquisition of subsidiary	-	-
2.6	Net cash from / (used in) investing activities	125	125

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	27,930	27,930
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	(841)	(841)
3.5	Proceeds from borrowings	-	2,000
3.6	Repayment of borrowings	(2,000)	(2,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	25,089	27,089

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,313	1,178
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,071)	(3,936)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	125	125
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25,089	27,089
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	24,456	24,456

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	8,386	1,243
5.2 Call deposits	16,070	70
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)	24,456¹	1,313¹

¹ Note that cash and cash equivalents does not include a \$112k prepayment for future drilling.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	106
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	

Directors Fees (\$106k)

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	20
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	

Rental outgoing payments made to a related entity of Ross Stanley for the office occupied at 1110 Hay Street West Perth (\$20k)

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

On 9 July 2018, entities associated with certain Company Directors have agreed to provide unsecured, loans to the Company up to a total of \$3,000,000 with a term of 12 months. Funds are to be utilised for working capital purposes whilst the Company continues working on the financing for the Okvau Gold Project. Interest under the loans is at an interest rate of 6.5% plus RBA Cash Target Rate capitalising quarterly. At the end of the prior quarter, the loan was drawn down to \$2,000,000. During the current quarter the \$2,000,000 drawn under the facility plus capitalised interest of \$52,281 has been repaid in line with the use of funds as outlined for the A\$28 million placement completed in December 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	972
9.2 Development	3,893
9.3 Production	-
9.4 Staff costs	212
9.5 Administration and corporate costs	143
9.6 Other	-
9.7 Total estimated cash outflows	5,220

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

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.

Mark Clements

Company Secretary

31 January 2019

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.