



30 October 2020

QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Thred Limited (**ASX: THD**) announced during the quarter that it had entered into a binding agreement to acquire all of the securities in PVW Resources NL ACN 624 170 074 (**PVW**) (**Proposed Acquisition**).

Overview of PVW

1. PVW was incorporated as a no liability company on 1 February 2018.
2. Since incorporation, PVW has acquired interests in a number of exploration licences or mineral rights in Western Australia, with a focus on gold, and has made application for additional tenure surrounding its Project areas.
3. PVW has three projects, being:
 - (a) the Kalgoorlie project, comprised of 11 granted tenements covering 95.6 km², wholly-owned by PVW subsidiary PVW Kalgoorlie Pty Ltd;
 - (b) the Leonora project, comprised of 3 granted and 2 pending tenements covering 195.6 km², wholly-owned by PVW subsidiary PVW Leonora Pty Ltd; and
 - (c) the Tanami project, comprised of 12 granted and 1 pending tenements covering 866 km², wholly-owned by PVW subsidiary PVW Tanami Pty Ltd.





4. As at the date of the announcement, PVW had 69 shareholders. As a consequence of the Proposed Acquisition, if approved, the PVW Vendors will collectively own approximately 39.7% of Thred's issued capital.

The key terms of the terms sheet governing the Proposed Acquisition (as varied – see THD announcement of 29 October 2020) (**Terms Sheet**) are as follows:

1. **Conditions Precedent:** Completion of the Proposed Acquisition is subject to and conditional upon a number of conditions precedent, including:
 - (a) satisfaction of all necessary due diligence investigations by the parties;
 - (b) THD successfully completing the Proposed Acquisition by way of a takeover of PVW in accordance with Chapter 6D of the Corporations Act or a scheme of arrangement under Pt 5.1 of the Corporations Act;
 - (c) THD receiving conditional approval by ASX to reinstate its securities and those conditions being satisfied to the reasonable satisfaction of THD and PVW;
 - (d) if required in order to re-comply with Chapters 1 and 2 of the Listing Rules, THD undertaking a consolidation of its issued share capital on a ratio to be determined by THD in its reasonable discretion – THD has now determined that the consolidation should be on a 1-for-75 basis;
 - (e) THD undertaking a public offer of 12,500,000 shares at an issue price of \$0.20 to raise \$2.5 million; and
 - (f) THD holding a meeting of shareholders to obtain all approvals under the Corporations Act and the Listing Rules that are required to give effect to the transactions contemplated by the Terms Sheet.
2. **Consideration:** At completion, subject to satisfaction of the conditions precedent, THD will issue 24,242,424 THD Shares (on a post-Consolidation basis) to the PVW shareholders.
3. **Other issues of securities:** THD will also issue:
 - (a) 484,848 THD Shares and 4.8 million options in fees to the parties' corporate advisors; and
 - (b) 2.4 million options and 3.2 million performance rights to the Company's current and proposed directors.
4. **Change of name:** Following successful completion of the Proposed Acquisition, THD will change its name to "PVW Resources Limited".
5. **Formal documents:** The parties have agree to negotiate in good faith formal binding agreements to be entered into by THD, PVW and each of the PVW shareholders on terms consistent with the Terms Sheet or as otherwise agreed between the parties.



The Terms Sheet otherwise contains clauses typical for binding agreements of this nature.

The Company notes that ASX is currently reviewing the notice for Thred's 2020 annual general meeting at which Shareholders will consider the resolutions to put the Proposed Acquisition into effect. At this stage, the Company expects to hold the AGM in mid-December.

Financial Snapshot

The Company's net cashflow used in operations for the quarter was \$111K. The operational expenses mainly comprise of Administration and Corporate Costs (\$110K)

The Company's cash position at the end of the quarter is \$2.167m in current cash holdings and continues to maintain a low cost operational structure.

Listing Rule 4.7C.3

In Item 6 of the attached Appendix 4c of the cash flow report for the quarter, payments to related parties of approximately \$43K comprised of Directors Fees, Company Secretarial Fees and Office Rental charges.

6.1 – \$31,000 - salaries and consulting fees paid to directors and their related parties.

\$9,000– Company Secretary fees paid to directors' related entity.

\$3,000– Rent paid to directors' related entity.

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The Company will update shareholders in due course in relation to the progress of the proposed transaction with PVW Resources NL.

Joe Graziano
Company Secretary



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

THRED LIMITED (ASX:THD)

ABN

36 124 541 466

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(12)	(12)
(f) administration and corporate costs	(110)	(110)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	8	8
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(111)	(111)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) 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)	-	-
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)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(10)	(10)
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	(10)	(10)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,288	2,288
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(111)	(111)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(10)	(10)
4.6	Cash and cash equivalents at end of period	2,167	2,167

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	167	288
5.2	Call deposits	2,000	2,000
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)	2,167	2,288

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	43
6.2	Aggregate amount 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>		
<p>6.1 – \$31,000 - salaries and consulting fees paid to directors and their related parties. \$9,000– Company Secretary fees paid to directors' related entity. \$3,000– Rent paid to directors' related entity.</p>		



7. Financing facilities	Total facility amount 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	19	19
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
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.		
Unsecured loan of \$32,065 has been borrowed from iQumulate Premium Funding to fund the payment of insurance premiums at 7.1530% flat rate, 10 instalments payable at \$3,436 and fully repayable by 31 March 2021.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(111)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,167
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,167
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	19.5
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
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	
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	
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	



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 October 2020

Authorised by:Joe Graziano

(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 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 standard applies 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.