

## European Metals Holdings Limited

ARBN 154 618 989

Suite 12, Level 1  
11 Ventnor Avenue  
West Perth WA 6005  
PO Box 1240  
West Perth WA 6872  
Phone + 61 8 6245 2050  
Fax + 61 6245 2055  
Website:  
www.europeanmet.com

### Directors & Management

David Reeves  
Non-Executive Chairman

Keith Coughlan  
Managing Director

Mr Richard Pavlik  
Executive Director

Kiran Morzaria  
Non-Executive Director

Julia Beckett  
Company Secretary

### Corporate Information

ASX: EMH

AIM: EMH

Frankfurt: E861.F

CDIs on Issue: 146.6M



# EUROPEAN METALS

31 July 2019

## QUARTERLY ACTIVITIES REPORT – JUNE 2019

European Metals Holdings Limited (“**European Metals**” or “**the Company**”) is pleased to provide an update on its activities during the three-month period ending June 2019 which highlights the continued progress in the development of the globally significant Cinovec Lithium / Tin Project (“**the project**” or “**Cinovec**”) in Czech Republic.

### HIGHLIGHTS:

- **Prefeasibility Update Confirms Potential Low-Cost LiOH.H<sub>2</sub>O Production**
- **Funding Arrangements and Potential Partnership with CEZ Group**

### PRELIMINARY FEASIBILITY STUDY UPDATE

On 17 June 2019 the Company announced the results from the successful update of the process flowsheet previously developed to enable the production of lithium hydroxide (“LiOH.H<sub>2</sub>O”). This work was completed in conjunction with test-work confirming the production of battery grade lithium hydroxide from Cinovec ore.

### Highlights:

- Net estimated overall cost of production post credits: \$3,435 / tonne LiOH.H<sub>2</sub>O;
- Project Net Present Value (“NPV”) increases 105% to: \$1.108B (post tax, 8%);
- Internal Rate of Return (“IRR”) increased 37% to 28.8% (post tax);
- Total Capital Cost: \$482.6M;
- Annual production of Battery Grade Lithium Hydroxide: 25,267 tonnes;
- Studies are based on only 9.3% of reported Indicated Mineral Resource and a mine life of 21 years processing an average of 1.68 Mtpa ore;
- The process used to produce lithium hydroxide allows for the staging of lithium carbonate and then lithium hydroxide production to minimize capital and startup risk and enables the production of either battery grade lithium hydroxide or battery grade lithium carbonate as markets demand.

The Cinovec Project remains a potential low operating cost, hard rock lithium producer, due to a number of key advantages:

- By-product credits from the recovery of tin, tungsten, potash and sodium sulphate;
- The ore is amenable to single-stage crushing and single-stage coarse SAG milling, reducing capital and operating costs and complexity;

- Paramagnetic properties of zinnwaldite allow the use of low cost wet magnetic processing to produce a lithium concentrate for further processing at relatively high recoveries, resulting in an increase in lithium grade in the concentrate to approximately 2.7% Li<sub>2</sub>O;
- Relatively low temperature roasting at atmospheric pressure utilizing conventional technologies, reagent recycling and the use of waste gypsum; and
- Low cost access to extensive existing infrastructure and grid power.

## FUNDING ARRANGEMENT AND POTENTIAL STRATEGIC PARTNERSHIP

Post quarter, on 16 July 2019, the Company was pleased to announce that CEZ Group (“CEZ”), one of Central and Eastern Europe’s largest power utilities, had conditionally agreed to provide a EUR 2 million finance facility by way of a convertible loan. CEZ is currently conducting due diligence on the Company and Project. The successful outcome of the due diligence process could see CEZ become European Metals’ largest shareholder and co-development partner for the Cinovec Lithium/Tin Project through conversion of the convertible note and subsequent additional investment.

CEZ’s core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. As one of the leading Central European power companies, CEZ intends to develop energy storage projects in the Czech Republic and in Central Europe which include energy storage and charging infrastructure and electricity supply, for users of electric vehicles.

## CORPORATE

### PERFORMANCE SHARES

As at 30 June 2019 the issued performance shares including the terms and conditions were as follows:

| Number                 | Description  | Summary Terms & Conversion Hurdles   |
|------------------------|--|--|
| 1,000,000<br>1,000,000 | A Class Performance Shares<br>B Class Performance Shares | Convert into Shares and an equivalent number of CDIs upon the Company’s Mineral Resource at Cinovec South and Cinovec Main being entered in the State Balance. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to the date the Mineral Resource is entered. |
| 1,000,000<br>1,000,000 | A Class Performance Shares<br>B Class Performance Shares | Convert into Shares and an equivalent number of CDIs upon the issuance of the preliminary mining licenses relating to the Cinovec Project. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to the date the final preliminary mining license is issued.      |
| 3,000,000<br>3,000,000 | A Class Performance Shares<br>B Class Performance Shares | Convert into Shares and an equivalent number of CDIs upon the completion of a definitive feasibility study (DFS). For clarity, the DFS must be: (i) of a standard suitable to be   |

|  |  |  |
|--|--|--|
|  |  | submitted to a financial institution as the basis for lending of funds for the development and operation of mining activities contemplated in the study; (ii) capable of supporting a decision to mine on the Permits; and (iii) completed to an accuracy of +/- 15% with respect to operating and capital costs and display a pre-tax net present value of not less than US\$250,000,000. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 3,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to date of receipt of the completed DFS. |
|--|--|--|

(Together the **Milestones** and each a **Milestone**. For the avoidance of doubt, the number of Shares and equivalent number of CDIs which will be issued on conversion of the A Class Performance Shares and B Class Performance Shares will not exceed a ratio of 1 for 1.)

If the Milestone is not achieved or the Change of Control Event does not occur by the required date, then each A Class Performance Share and B Class Performance Share held by a Holder will be automatically redeemed by the Company for the sum of \$0.000001 within 10 ASX trading days of non-satisfaction of the Milestone.

#### TENEMENT SCHEDULE

| Permit                    | Code        | Deposit       | Interest at beginning of Quarter | Acquired / Disposed | Interest at end of Quarter |
|---------------------------|-------------|---------------|----------------------------------|---------------------|----------------------------|
| Exploration Area          | Cinovec     | N/A           | 100%                             | N/A                 | 100%                       |
|                           | Cinovec II  |               | 100%                             | N/A                 | 100%                       |
|                           | Cinovec III |               | 100%                             | N/A                 | 100%                       |
|                           | Cinovec IV  |               | 100%                             | N/A                 | 100%                       |
| Preliminary Mining Permit | Cinovec I   | Cinovec East  | 100%                             | N/A                 | 100%                       |
|                           | Cinovec II  | Cinovec South | 100%                             | N/A                 | 100%                       |

## BACKGROUND INFORMATION ON CINOVEC

### PROJECT OVERVIEW

#### Cinovec Lithium/Tin Project

European Metals, through its wholly owned subsidiary, Geomet s.r.o., controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li<sub>2</sub>O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li<sub>2</sub>O and 0.04% Sn containing a combined 7.18 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017 (**Further Increase in Indicated Resource at Cinovec South**). An initial Probable Ore Reserve of 34.5Mt at 0.65% Li<sub>2</sub>O and 0.09% Sn reported 4 July 2017 (**Cinovec Maiden Ore Reserve – Further Information**) has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate reported 11 July 2018 (**Cinovec Production Modelled to Increase to 22,500tpa of Lithium Carbonate**).

This makes Cinovec the largest lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

In June 2019 EMH completed an updated Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD1.108B and an IRR of 28.8% and confirmed that the Cinovec Project is a potential low operating cost, producer of battery grade lithium hydroxide or battery grade lithium carbonate as markets demand. It confirmed the deposit is amenable to bulk underground mining. Metallurgical test-work has produced both battery grade lithium hydroxide and battery grade lithium carbonate in addition to high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

There are no other material changes to the original information and all the material assumptions continue to apply to the forecasts.

## **CONTACT**

For further information on this update or the Company generally, please visit our website at [www.http://europeanmet.com](http://www.europeanmet.com) or contact:

**Mr. Keith Coughlan**  
**Managing Director**

## **COMPETENT PERSON**

Information in this release that relates to exploration results is based on information compiled by Dr Pavel Reichl. Dr Reichl is a Certified Professional Geologist (certified by the American Institute of Professional Geologists), a member of the American Institute of Professional Geologists, a Fellow of the Society of Economic Geologists and is a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009. Dr Reichl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. Dr Reichl holds CDIs in European Metals.

The information in this release that relates to Mineral Resources and Exploration Targets has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

## CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

## LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide ( $\text{Li}_2\text{O}$ ) content or percent lithium carbonate ( $\text{Li}_2\text{CO}_3$ ) content.

Lithium carbonate equivalent (“LCE”) is the industry standard terminology for, and is equivalent to,  $\text{Li}_2\text{CO}_3$ . Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent  $\text{Li}_2\text{CO}_3$  value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of  $\text{Li}_2\text{CO}_3$  from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

**Table: Conversion Factors for Lithium Compounds and Minerals**

| <b>Convert from</b> |                                 | <b>Convert to Li</b> | <b>Convert to Li<sub>2</sub>O</b> | <b>Convert to Li<sub>2</sub>CO<sub>3</sub></b> |
|---------------------|---------------------------------|----------------------|-----------------------------------|--|
| Lithium             | Li                              | <b>1.000</b>         | 2.153                             | 5.324  |
| Lithium Oxide       | Li <sub>2</sub> O               | 0.464                | <b>1.000</b>                      | 2.473  |
| Lithium Carbonate   | Li <sub>2</sub> CO <sub>3</sub> | 0.188                | 0.404                             | <b>1.000</b>                                   |
| Lithium Hydroxide   | LiOH.H <sub>2</sub> O           | 0.167                | 0.357                             | <b>1.135</b>                                   |

**WEBSITE**

A copy of this announcement is available from the Company’s website at [www.europeanmet.com](http://www.europeanmet.com).

**ENQUIRIES:**

**European Metals Holdings Limited**

Keith Coughlan, Managing Director

Tel: +61 (0) 419 996 333

Email: keith@europeanmet.com

Kiran Morzaria, Non-Executive Director

Tel: +44 (0) 20 7440 0647

Julia Beckett, Company Secretary

Tel: +61 (0) 8 6245 2057

Email: julia@europeanmet.com

**Beaumont Cornish (Nomad & Broker)**

Michael Cornish

Tel: +44 (0) 20 7628 3396

Email: corpfin@b-cornish.co.uk

Roland Cornish

**Shard Capital (Joint Broker)**

Damon Health

Tel: +44 (0) 20 7186 9950

Erik Woolgar

**Blytheweigh (Financial PR)**

Tim Blythe

Tel: +44 (0) 20 7138 3222

Megan Ray

The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release. The person who arranged for the release of this announcement on behalf of the Company was Keith Coughlan, Managing Director.

## 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

European Metals Holdings Limited (ASX: EMH)

### ABN

55 154 618 989

### Quarter ended ("current quarter")

30 June 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|----------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                            |  |
| 1.1 Receipts from customers                               |                            |  |
| 1.2 Payments for  |                            |  |
| (a) exploration & evaluation                              | (329)                      | (1,431)                                |
| (b) development   | -                          | -                                      |
| (c) production  | -                          | -                                      |
| (d) staff costs   | (128)                      | (663)                                  |
| (e) administration and corporate costs                    | (436)                      | (1,404)                                |
| 1.3 Dividends received (see note 3)                       | -                          | -                                      |
| 1.4 Interest received                                     | -                          | 1                                      |
| 1.5 Interest and other costs of finance paid              | -                          | -                                      |
| 1.6 Income taxes paid                                     | -                          | -                                      |
| 1.7 Research and development refunds                      | -                          | -                                      |
| 1.8 Other (legal costs)                                   | -                          | -                                      |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(893)</b>               | <b>(3,497)</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                   | - | - |

| Consolidated statement of cash flows  | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$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                                     | -                          | -                                      |
| 2.4 Dividends received (see note 3)   | -                          | -                                      |
| 2.5 Other (provide details if material)   | -                          | -                                      |
| <b>2.6 Net cash from / (used in) investing activities</b>                       | <b>-</b>                   | <b>-</b>                               |
| <b>3. Cash flows from financing activities</b>                                  |                            |  |
| 3.1 Proceeds from issues of shares  | -                          | 1,817                                  |
| 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 | -                          | (127)                                  |
| 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 Net cash from / (used in) financing activities</b>                      | <b>-</b>                   | <b>1,690</b>                           |
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |                            |  |
| 4.1 Cash and cash equivalents at beginning of period                            | 1,319                      | 2,223                                  |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (893)                      | (3,497)                                |
| 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)            | -                          | 1,690                                  |
| 4.5 Effect of movement in exchange rates on cash held                           | -                          | 10                                     |
| <b>4.6 Cash and cash equivalents at end of period</b>                           | <b>426</b>                 | <b>426</b>                             |



| <b>5. Reconciliation of cash and cash equivalents</b><br>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<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 426                                | 1,319                               |
| 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>426</b>                         | <b>1,319</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  
\$A'000**

163

Amounts paid to directors and their associates as director remuneration and reimbursement expenses (117k). Amounts paid to Wilgus Investments Pty Ltd a related entity of David Reeves for Rent (\$5k).

**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  
\$A'000**

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

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

|  |
|--|
|  |
|--|

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | 190            |
| 9.2 Development                                    |                |
| 9.3 Production                                     |                |
| 9.4 Staff costs                                    | 191            |
| 9.5 Administration and corporate costs             | 257            |
| 9.6 Other (provide details if material)            |                |
| <b>9.7 Total estimated cash outflows</b>           | <b>638</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 | 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.

Sign here:

  
\_\_\_\_\_  
(Company secretary)

Date: 31 July 2019

Print name: Julia Beckett

### 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.