

## ASX RELEASE

### The Manager

### Company Announcements Office

### Australian Stock Exchange

## White Energy completes acquisition of Fiddler's Creek Mining Company and Company updates

**31 May 2023 - White Energy Company Limited (ASX: WEC, OTC: WECFF) ("White Energy" or "the Company") has completed the acquisition of Fiddler's Creek Mining Company Pty Ltd and its two subsidiaries ("Fiddler's Creek") under the Share Sale and Purchase Agreement ("SSPA") entered into on 12 December 2022. Fiddler's Creek is the owner of the Tindal and Maranoa Projects in Australia. The total consideration for this acquisition comprises the issue of 4 million ordinary WEC shares (of which 3.6 million shares will be escrowed for between 1 and 2 years commencing 31 May 2023), plus future milestone payments up to \$4 million<sup>1</sup>.**

### Fiddler's Creek Acquisition

The acquisition of Fiddler's Creek by White Energy was announced to the market on 12 December 2022. The sale agreement included a number of conditions which Fiddler's Creek were required to complete prior to completion of the sale. The most important of these was a research agreement with Canadian research university, Institut National De La Recherche Scientifique ("INRS") based in Quebec to provide access to specialist data processing of geophysical data by a team lead by Professor Lyal Harris. Professor Harris has a background in structural geology and has over many years worked with and developed processing techniques to use geophysical data including gravity, magnetics, magnetotellurics and Seismic Tomography to identify the deep structural features in the Upper Mantle/Lower Crust which are critical for controlling the formation of major mineral deposits. Last week, White Energy and INRS entered into a research agreement titled: "The Controls of Upper Mantle and Deep Crustal Structures on Mineralisation in Australasia". The project summary notes that "This collaborative research project will apply, evaluate and add to the accumulated geoscientific methods and expertise in Upper Mantle/Lower Crustal structure developed at INRS, specifically for critical minerals exploration, over controlled study areas within Australasia representing differing geological, structural, age and commodity scenarios." Initial work under the project will focus on two areas, the Greater McArthur basin in the Northern Territory and the Gawler Craton in South Australia.

The Palaeo-Neoproterozoic Greater McArthur Sedimentary Basin represents a major mineralised province in the Northern Territory, Australia hosting Tier 1 deposits. It is largely under cover and the deep structural architecture beneath the sedimentary basin, along with its relationship to the mineralising systems within



the metal rich sedimentary sequences is poorly understood, although attracting renewed attention through ongoing work by Geoscience Australia, NT Government and mining companies. Fiddler's Creek have granted tenements and applications over an area in excess of 10,000 Km<sup>2</sup> along the Mallapunyah Fault and the Daly Arch within and adjoining the Beetaloo sub-basin within the McArthur Basin

In conjunction, data assessment will start over a project area in the Gawler Craton of South Australia, host to numerous Tier 1 Cu-U-Au-Ag-REE IOCG deposits. This mineral setting is typically a deep tectonic hydrothermal breccia complex which has already attracted significant research successfully reinforcing the relationship between deep structural controls on mineral system emplacement. White Energy has its Robins Rise project located within the portion of the Gawler Craton which hosts Prominent Hill, Olympic Dam, Carrapateena and other mineral deposits.

The agreement envisages that further projects will be developed over other areas of interest including SE Queensland where Fiddler's Creek have a number of granted tenements and tenement applications. In addition, White Energy is finalising a second research agreement with INRS to apply Machine Learning and Artificial Intelligence techniques developed at the University to large multi-dimensional datasets derived from mineral exploration. This work will build on the research project discussed above and will extend work developed in the Canadian context to Australasia and add information from additional data types to further focus mineralised areas. The agreements provide for exclusive access to work over Australasia of the two research teams.

The SSPA agreement with Fiddler's Creek also provides for exclusive access to data processing techniques developed by Mr Russell Birrell who, with others was a key developer of modern partial leach geochemistry techniques. Partial leach geochemistry techniques measure free ionic metal species in the soil horizon which are sourced from and reflect active geochemical processes at depth. The relationships between observed metal ions of different elements at surface provides information on buried mineral systems and vectors to mineralisation. It is believed this technology will provide further focus to target areas identified through the work of INRS.

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<sup>1</sup>. Future performance cash bonuses of \$4 million – Based on the milestones set out below:

- a. JORC Pre-Feasibility Study – On the completion of a Pre-Feasibility Study for a project, the Sellers of Fiddler's Creek are paid a \$2 million cash bonus within 30 days of this milestone being achieved; and
- b. JORC Definitive Feasibility Study – On the completion of a Definitive Feasibility Study for a project, the Sellers of Fiddler's Creek are paid a further \$2 million cash bonus within 30 days of this milestone being achieved.



## Company Updates

A summary of updates for the Company's operations is outlined below.

### **Binderless Coal Briquetting ("BCB") Technology**

#### **Africa – River Energy Joint Venture - WEC 51%**

White Energy is assisting Proterra in the design of a small demonstration plant to facilitate a commercial scale trial for a South African Power producer and other BCB trials in South Africa. A South African coal producer has agreed to provide coal fines from one of their mines for briquetting trials at the plant when built.

To facilitate this work, White Energy and Proterra have agreed to terms that amend the joint venture agreement for River Energy's BCB business in South Africa. The amendments permit Proterra's River Energy South Africa Pty Ltd to undertake BCB projects in South Africa using their own funding arrangements in return for royalties payable to the River Energy Joint Venture. White Energy retains the ability to participate in the funding of future BCB opportunities in South Africa.

#### **PT Kaltim Supacoal ("KSC") – WEC 51%**

The Company's subsidiaries BCBC Singapore Pte Ltd ("BCBCS") and Binderless Coal Briquetting Company Pty Limited ("BCBC") are engaged in legal proceedings in the Singapore International Commercial Court ("SICC") against PT Bayan Resources Tbk and Bayan International Pte Ltd (collectively, "Bayan") in connection with the KSC joint venture.

The final judgement was delivered on 10 February 2023 that dismissed BCBCS' appeal in the damages proceedings.

BCBCS and BCBC are seeking to appeal the decision of the SICC in relation to the costs determination for the damages proceedings issued on 19 December 2022. The SICC held that Bayan are entitled to recover from the Plaintiffs' costs of S\$2,761,787 and disbursements of S\$1,932,846, totaling S\$4,694,633. The SICC noted that the Plaintiffs had succeeded on practically all issues of liability while Bayan only prevailed at the end due to narrow points of causation of loss and quantum. BCBCS filed a notice to appeal the cost order on 28 March 2023. The appellant's case is to be filed on 20 June 2023, with the defendant's case to be filed on 18 July 2023 and the appellants to reply on 1 August 2023. The Singapore Court of Appeal has set the date for the hearing as 4 September 2023.

The Supreme Court of Western Australia has made orders discharging the freezing orders in favour of BCBCS in respect of Bayan's 56% shareholding in Kangaroo Resources Limited, and for the \$2 million security undertaking paid by BCBCS to remain in place with Bayan to file any application for an inquiry as to damages on the undertaking within six weeks of resolution of the Singapore costs appeal. Bayan may attempt to pursue BCBCS for damages in connection with the proceedings in Western Australia.

Bayan is required to outline the basis of any damages claim by 7 June 2023. We believe there would be no merit in any claim should they file one.

On 23 January 2023, Bayan filed a summons in the Supreme Court in Western Australia seeking costs in relation to the freezing orders proceedings. Following the parties' submissions, the Court has ordered that



special costs should be awarded to Bayan, with the quantum to be determined by taxation, if not agreed by the parties.

### **Capital Raise**

The Company intends to raise additional equity funds for its ongoing activities as announced in the Company's Appendix 5B on 28 April 2023. The Company is presently finalising its capital raising plans in the near term. This is envisaged to be by way of a renounceable pro rata entitlement offer to shareholders in Australia, New Zealand and to certain institutional shareholders in the United Kingdom.

*This release has been authorised by Brian Flannery, Chairman and Chief Executive Officer.*

### **For Further Information Call:**

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### **Forward Looking Statements**

This press release contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. In some cases, you may identify forward-looking statements by words such as "may," "should," "plan," "intend," "potential," "continue," "believe," "expect," "predict," "anticipate" and "estimate," the negative of these words or other comparable words. These statements are only predictions. One should not place undue reliance on these forward-looking statements. The forward-looking statements are qualified by their terms and/or important factors, many of which are outside the Company's control, involve a number of risks, uncertainties and other factors that could cause actual results and events to differ materially from the statements made. The forward-looking statements are based on the Company's beliefs, assumptions and expectations of our future performance, taking into account information currently available to the Company. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company. Neither the Company nor any other person assumes responsibility for the accuracy or completeness of these statements. The Company will update the information in this press release only to the extent required under applicable securities laws. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the aforementioned forward-looking statements.