

Mining Exploration Entity Quarterly Activities Report and Appendix 5B

June Quarter 2023

ASX: WEC | OTC: WECFF
whiteenergyco.com



White Energy Company Limited is a global business creating growth opportunities through two business divisions, coal technology and mining exploration

Highlights

- Acquisition of Fiddler's Creek Mining Company Pty Ltd completed, the owner of the Tindal and Maranoa projects in Australia
- Research Agreements concluded with INRS, an applied research university in Quebec, Canada
- River Energy is pursuing opportunities for BCB projects in South Africa
- Hearing of appeal against costs order for the litigation proceedings against Bayan Resources Tbk set for 4 September 2023 by the Singapore Court of Appeal

A summary of the major activities for White Energy Company Limited (“White Energy”, “WEC” or the “Company”) during the quarter ended **30 June 2023** is outlined below.

1. AUSTRALIA

Fiddler’s Creek Projects Acquired

Ownership 100% | Northern Territory and Queensland

The acquisition of Fiddler’s Creek Mining Company Pty Ltd (“Fiddler’s Creek”) completed on 31 May 2023 (see Section 3 for more information). The projects acquired comprise the Tindal copper zinc IOCG project near Katherine in the Northern Territory, and the Maranoa copper gold cobalt project near Texas in Queensland. Both projects exhibit the key structural attributes required for mineral systems hosting new economy minerals.

This transaction represents a significant transaction for White Energy, aligned with the Company’s continuing interest in projects that include potential to host iron oxide-copper-gold mineralisation, such as the 100% owned Robin Rise Project in South Australia, with a broader focus on the burgeoning new economy minerals space. Major supply demand imbalances for these commodities have already become, and are forecast to be, critical over the coming years.

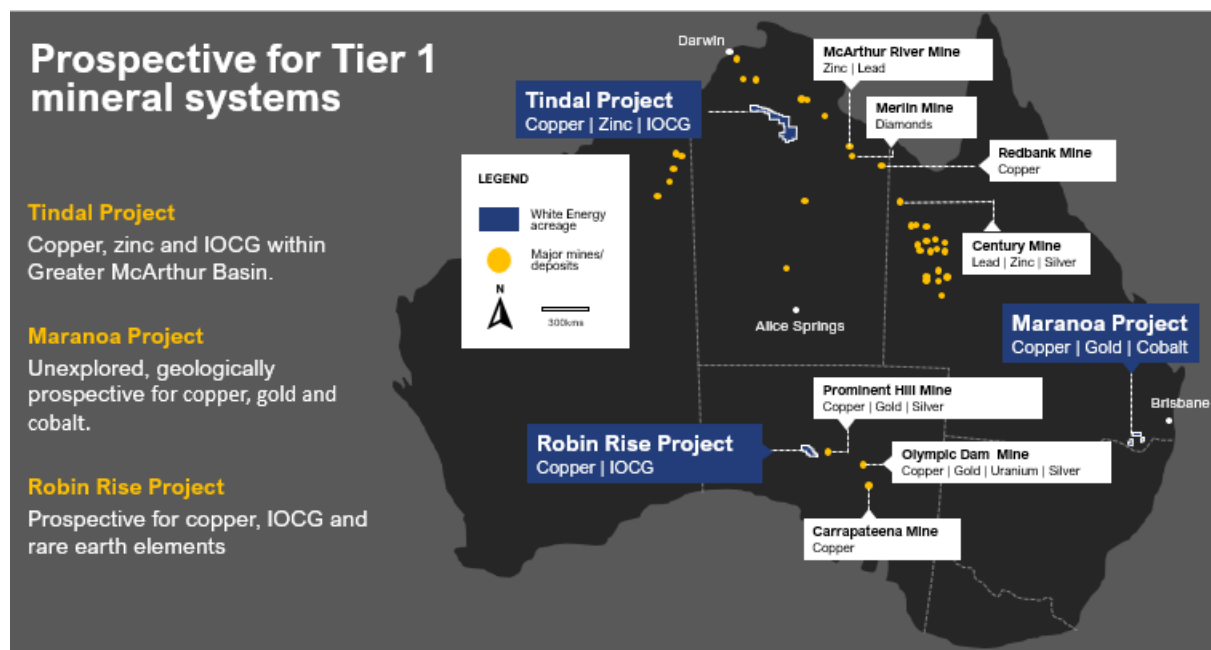


Figure 1: Location of Tindal, Maranoa and Robin Rise projects.

As many of these mineral deposits are under cover with no outcrop, these projects will be explored through the application of technologically advanced lithospheric-scale structural geophysical analysis integrated with ionic geochemistry. The Company is confident exploration outcomes will be improved by utilising state-of-the-art geophysical techniques and expertise for analysing the structure of the deep crust and upper mantle to define areas with enhanced potential to host large mineral systems. These mineral fairways can then be targeted using advanced interpretation of ionic geochemistry samples to identify subtle indicators of the circulation of hydrothermal, mineralising fluids together with other geophysical and geological techniques in order to define compelling drill targets. An

investor presentation will be announced to the market on 1 August 2023 that covers all of White Energy's exploration activities.

During the quarter, White Energy signed two Research Agreements with INRS (the National Institute for Scientific Research), an applied research university in Quebec, Canada. White Energy is funding research to establish the lithospheric-scale architecture of tenements and surrounds and its controls on mineralisation and the analysis of geochemical data.

Tindall Project

Northern Territory

The Tindal project comprises 20 contiguous tenements totalling 10,780 km² approximately 80 km south of Katherine in the Northern Territory. Over time some of the tenements may be released in accordance with the State Government's regulations and as exploration narrows down target areas. It is in close proximity to Encounter Resources' (ASX: ENR) Elliott copper project, the focus for BHP's Australian farm-in deal with the ASX explorer. Tindal lies along the regionally significant Mallapunyah and Daly Waters Fault Zones within the under explored central area of the McArthur Basin, an intracratonic to back-arc basin locally covered by Cambrian sedimentary-volcanic sequences and shallow Phanerozoic sediments, overlying a metamorphic and igneous basement. The area has good sediment hosted base metal mineralisation potential, where conceivably mineralised McArthur Basin units are economically accessible at regional-scale structural highs along the Mallapunyah and Daly Waters fault zones. Located within and adjacent to the Beetaloo Sub-basin, a major petroleum province, are historic drillholes that have intersected base metal sulphides (Zn and Cu) in Tindal's project area. Using the extensive petroleum seismic lines that traverse the project area the mineralisation in these drillholes appears to be stratigraphically correlated.

The Tindal tenements are considered to be a strategic exploration acquisition as they have key features required for major metal discoveries. Crustal faults (+40 Km deep) provide a plumbing system for mantle sourced mineral enriched fluids from upper mantle and deep crustal sources, into faults which control deposition into McArthur Basin marine sediments that provide traps in the upper crust. Recent studies by numerous academic and research institutions, of sediment-hosted metal system distribution have identified a strong link to significant changes in lithospheric thickness, where more than 85% of the world's sediment-hosted base metals occur within 200km of these key zones. It is believed that edge driven convection at the Lithospheric-Asthenosphereic Boundary ("LAB"), drives lithospheric thickness variations and mineral fertility. The Tindal tenements sit within such a zone of abrupt lithospheric thickness change. Such a zone of thinned lithosphere underlies McArthur River, Redbank, Century and Prominent Hill mines.

Within the tenement area historically limited exploration has yielded anomalous metal intercepts for copper and zinc from mineral, petroleum exploration and groundwater drilling. The location of these anomalies shows structural relationships that confirm the seismic interpretation. The initial sign that the area had mineralisation potential was the recognition of Cu and Zn mineralisation in the Sever 1 petroleum well. Overlooked at the time the hole was drilled, the mineralisation occurs in the black shale middle Velkerri Formation which has been intruded by the laterally extensive Derim Derim Dolerite Sill.

Additional copper anomalies occur within the Reward Dolomite which conformably overlies the Fraynes Formation, considered equivalent to the Barney Formation, which hosts the world-class McArthur River mine in a Pyritic Shale Member; current thinking is that some of the mineralisation within the Beetaloo Sub-basin is associated with dolomitisation due to hydrothermal fluid alteration. Fiddler's Creek has conducted initial geochemical sampling across the projected Mid-Velkerri sub-crop and Mallapunyah Fault Zone which demonstrated key, significantly anomalous geochemical responses that report as zoned, multi-element signatures for base, precious and other critical minerals, in turn

supported by spatially adjacent pathfinder element associations, typical of metal zoning seen in large mineral systems hosting major metal deposits.

Similarly, the Daly Waters fault zone is as a basement horst (tilted fault block) overlain by a veneer of McArthur Group and younger rocks that separate the two basinal extents of the Beetaloo Sub-basin. Within the Daly Waters fault zone ("DWFZ") numerous regional-scale reactivations of normal faulting may have provided fluid foci to enrich susceptible units (Kyalla Formation, Velkerri Formation, Fraynes Formation which are equivalent to mineralised units at McArthur River mine to the east). Evidence of metal sulphidation (elevated S, Cu, Pb, Zn, As, Mn) has been recognised in shallow drillholes (102 m depth) proximal to the DWFZ in water bore drilling. Seismic interpretation shows potential metal-bearing middle Proterozoic McArthur Basin units could be as shallow as 100-200 m along the hinge of the Daly Arch. In the southern part of the Daly Waters Fault zone initial geochemical sampling indicated significant multi-element zonation, a characteristic of major mineral systems, on the flanks of the Daly Arch. These results suggest migration of metalliferous fluids with selective spatial concentrating processes.

The relationship of the Derim Derim Sill to potential mineralisation has been recognised by research from the University of Adelaide in conjunction with the Northern Territory Geological Survey which suggests that the Derim Derim Dolerite is part of a new Large Igneous Province ("LIP"). Geochemistry and innovative geochronology work has dated Derim Derim samples to a single magmatic event between 1330 and 1295 million years ago, with the source/centre further north in the Gulf of Carpentaria. Critically these ages match that of the Yanliao LIP in the North China Craton, in which granite and carbonatite intrusions provide the source of China's dominant reserves of rare earths. The research considers there were contemporaneous extrusions of these dolerites from melts associated with a single mantle plume event, occurring when the Northern Australian and China cratons were adjacent as part of the Nuna Supercontinent in the Mesoproterozoic Era.

In summary, the Tindal project over the Beetaloo Sub-basin has deep basinal depressions that host significant thicknesses of hydrocarbon/organic/sulphide/metal rich sediments, e.g. the Mid-Valkyrie Formation of the Roper Group – all key ingredients in other global Tier 1 base metal deposit/critical mineral systems. High heat flow attributed to uplift of asthenospheric mantle during rifting resulted in bimodal magmatism (evidenced by granite intercepted in water bores and the extensive Derim Derim Sill) likely drove hydrothermal fluid flow systems in the sub-basin. Major structural features including the Mallapunyah Fault system, the DWFZ and Daly Arch provide linkages to deep plumbing systems and sources of heat, along with mechanisms to concentrate, mobilise and deliver metal rich products to nearer surface depositional sites.

Work has already commenced to analyse the lithospheric-scale architecture of Tindal tenements using seismic tomographic and other geophysical data to precisely map Precambrian lithospheric boundaries to identify geophysical targets for ionic sampling programs that will commence in the September quarter. Subsequent analysis will use advanced interpretation of the ionic geochemistry samples integrated with geophysical data to define compelling drill targets for each area of interest.

Capitalised exploration expenditure related to Tindal exploration activities of \$43,000 was incurred during June 2023.

Maranoa Project

Queensland

The Maranoa project is located near Texas in South East Queensland, an area with a number of historical mines and many commodity metal occurrences that has had very limited modern exploration. Along with a number of new economy mineral occurrences, the Texas area is very

Quarterly Activities Report June Quarter 2023

structurally complex, with recent company research suggesting it is prospective for porphyry-style copper-gold mineralisation and other new economy metals mineralisation.

An initial site visit to plan a stream sediment sampling program over the tenement areas took place in late March 2023 and follow up stream sediment sampling to be analysed using the very sensitive ionic analysis method took place in June 2023, and results are anticipated during the September quarter. During the initial investigation of the area, the Company's attention was drawn to an adjacent area which had recently been investigated for manganese potential. While this potential appeared to be limited, work had shown that there were strong cobalt anomalies which appeared to be correlated with major structures in the area. As the area was not under licence, an application has been made by Fiddler's Creek for an exploration licence, EPM28794, over the area.

Capitalised exploration expenditure related to Maranoa exploration activities of \$37,000 was incurred during June 2023.

Robin Rise Project

EL6566/PELA674 | South Australia

Robin Rise is a copper IOCG project in South Australia which lies midway between the Prominent Hill mine and Challenger mine.

Baseline surveys were carried out in December 2021 for iron oxide-copper-gold styles of mineralisation that targeted a new zone of interest in the magnetic corridors of the Hilga Mineral Field and historical anomalies from calcrete sampling programs completed in 2012 - 2013 and 2018. Further surveys were carried out in May 2022 that targeted areas with historical anomalies identified from calcrete sampling programs completed in 2013 - 2014. The geochemical analysis using biochemical (predominately leaf), calcrete and soil sampling was completed during the September 2022 quarter.

During the quarter, several pilot ionic geochemical surveys were completed to provide baseline data over both historical geophysical targets and existing calcrete and biochemical survey results. One ionic survey (24 samples) was undertaken to compare against apparent anomalous biochemical results in the magnetic corridor of the Hilga Mineral Field and initial results appear encouraging for iron oxide-copper-gold styles of mineralisation. More work will be undertaken to better understand the significance of the results given the limited number of samples and establishment of reliable background geochemical information. Ionic sampling programs will continue to further define areas of interest and assess the geochemical response of additional geophysical targets and to finalise inconclusive calcrete results in the wider EL6566 tenement.

In addition, during the quarter, work continued on examining coal gasification and emerging hydrogen opportunities from the coal rights within EL6566.

Capitalised exploration expenditure related to Robin Rise exploration activities of \$34,000 was incurred during the quarter.

Binderless Coal Briquetting ("BCB") Technology

White Energy is the exclusive worldwide licensee of the patented BCB technology that upgrades coal and coal fines through a relatively simple thermal drying process followed by physical and chemical stabilisation via a novel binderless briquetting process. The BCB technology has been developed over 20 years, by a consortia led by the CSIRO.

Quarterly Activities Report June Quarter 2023

The binderless briquettes are held together by the natural bonding mechanisms of coal and do not require any binders that are normally used to briquette coals.

The upgraded coal is able to be used interchangeably with other high ranking, low moisture coals and does not require any technical or engineering alterations at the power stations to allow for coal combustion.

There are opportunities to use this technology to recover material from coal tailings facilities, in turn reducing rehabilitation and waste treatment costs and providing additional efficiencies for coal resources such as mine yield.

The inter-changeability of White Energy's BCB coal at the power station allows White Energy to take advantage of the significant opportunity for enhanced value created by the low cost of briquetted feedstock compared to the market price for bituminous coal.

White Energy's BCB technology has been shown to be operationally superior to competing processes and enables the commercial exploitation of a large number of low quality and high moisture coal deposits. White Energy's BCB coal upgrading process provides coal fired power stations and other industrial applications with an opportunity to burn a cleaner and more efficient fuel.

BCB Demonstration Plant

White Energy operates demonstration and pilot plants at Cessnock, NSW, as a key testing and training facility. Coal samples from mines in Australia, South Africa, North America and China have been processed at the Cessnock facility to test for their responsiveness to the BCB process.

Please refer to the Africa section below for BCB commercial activities in South Africa.

Two of WEC's wholly owned subsidiaries are engaged in legal proceedings in Singapore against PT Bayan Resources Tbk and Bayan International Pte Ltd ("Bayan") in connection with the company PT Kaltim Supacoal, which was jointly owned by WEC's subsidiary BCBC Singapore Pte Ltd and Bayan, and which built and operated the commercial scale Tabang BCB coal upgrade plant located in East Kalimantan, Indonesia. Please refer to the General Corporate section for more information.

2. AFRICA – RIVER ENERGY JOINT VENTURE - WEC 51%

BCB Commercial Activities

White Energy's 51%-owned subsidiary, River Energy JV Limited, through Proterra Investment Partners ("Proterra"; 49%), is in discussion with a number of South African coal miners interested in the Group's Binderless Coal Briquetting ("BCB") technology.

Extensive testing by River Energy, including successful briquetting and combustion trials, has previously demonstrated that a saleable export grade coal product can be produced from South African reject tailings. Proterra is pursuing opportunities, from their offices in Johannesburg, on mine sites in South Africa to secure access to fine coal to support BCB projects.

Using the BCB process, a briquetted 6 tonne sample of fines from a mine in the Middelburg region has been successfully tested by a South African power producer. A further bulk sample of up to 50 kt was requested to carry out a commercial scale trial and a proposal was submitted. However, prior to this trial the power producer have advised that they no longer wished to proceed with the trial.

White Energy is assisting Proterra with a small BCB pilot plant in Johannesburg to facilitate trials in South Africa by providing a briquetting machine and engineering supervision. A South African coal producer has agreed to provide coal fines from one of their mines for briquetting trials at the plant when built.

Quarterly Activities Report June Quarter 2023

White Energy is also assisting Proterra in the design of a small commercial scale demonstration plant to facilitate trials in South Africa.

The BCB process provides an attractive solution for coal producers seeking to maximise mine yield together with addressing the environmental challenges posed by reject coal fines. In South Africa alone, it is estimated that there are over 1 billion tonnes of discarded coal in tailings facilities, much of which may eventually need to be reclaimed.

White Energy and Proterra have amended the joint venture agreement for River Energy's BCB business in South Africa. The amendments allow entities nominated by Proterra to be granted BCB sub licences by River Energy, and are given the exclusive first right to develop BCB projects in South Africa. River Energy will receive additional royalties in return for this arrangement, and will continue to provide their exclusive know-how to support Proterra.

On 20 June 2023, Proterra entered into arrangements with other joint venture partners to sell down their 100% interest in their BCB company River Energy South Africa Pty Ltd. This was done to introduce a South African Black Economic Empowerment company and two other investors. This transaction is subject to regulatory approvals in South Africa.

3. GENERAL CORPORATE ACTIVITIES

Fiddler's Creek Acquired

On 31 May 2023, the acquisition of Fiddlers Creek Mining Company Pty Ltd by White Energy completed. Fiddler's Creek is the owner of the Tindal and Maranoa projects in Australia.

A summary of the transaction is set out below:

1. Purchase Price – White Energy acquired 100% of Fiddler's Creek and its two subsidiaries by issuing the Sellers 3 million ordinary shares in the capital of WEC and may pay the future cash bonuses set out in 3 below;
2. White Energy also issued 1 million ordinary shares in the capital of WEC in settlement of certain liabilities assumed in the transaction for \$320,000;
3. Fiddler's Creek had no other significant liabilities on completion of the transaction;
4. Exclusive use within Australia of ionic geochemical data processing and the deep crustal mapping approach, along with the corresponding expertise for its integration and interpretation for a five plus-five-year period;
5. Future 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;
6. Prior to completion of the transaction, advances totalling \$342,000 were paid to the Sellers and the advances were on-advanced to Fiddler's Creek for the costs of maintaining this company's assets, such as tenement expenditure and administrative costs. The advances are interest free,

Quarterly Activities Report June Quarter 2023

and are repayable to the Company by way of offset against the first future cash bonus of \$2 million.

7. Escrow – Some shares issued are escrowed for periods of one (1,455,690 shares) and two (2,144,310 shares) years;
8. Board Appointment – Fiddler’s Creek Director, Keith Whitehouse, was appointed to the Board of White Energy as a non-executive director, effective 12 December, 2022; and
9. The assets of Fiddler’s Creek primarily comprise exploration applications and licences/permits within the Tindal and Maranoa. The tenements acquired are owned 100% by Fiddler’s Creek and are located in Australia.

Financial Activities

The Company has no significant secured corporate debt. Limited-recourse shareholder loans provided to the Group’s 51% owned operations in the UK and Mauritius by both White Energy and the minority shareholders in proportion to their ownership interests are repayable in January 2025.

The Company raised proceeds of \$2.4 million (before costs) from the Entitlement Offer undertaken in July 2023. The proceeds are for the Company’s ongoing legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd, repayment on 20 July 2023 of the unsecured loans of \$0.5 million made to the Company by the Chairman and Chief Executive Officer’s private company, Ilwella Pty Ltd, for general corporate purposes and additional working capital, and to pay the costs of the Entitlement Offer. The Directors reserve their right to exercise their discretion to issue the shortfall of 20,732,400 ordinary shares within 3 months of the closing date of 14 July 2023 in accordance with the *Corporations Act* and ASX Listing Rules.

Proceeds from the Group’s sale of its interest in Mountainside Coal Company (“MCC”) are being progressively received. Further instalments of \$2.6 million are due and payable now. These payments have been delayed due to the new owner completing their finance arrangements. The Company has been in negotiation with the new owner to enter into a new payment plan. Should this not eventuate, the Company has been contemplating the option to issue a default notice and commence foreclosure proceeding in a Kentucky court as permitted by a mortgage the Group has over certain MCC assets. This would also trigger a guarantee the Group has from the new owner’s parent company.

As outlined in Section 6.1 of the Appendix 5B, directors’ fees and salaries including superannuation paid during the quarter to Directors and their associates totalled \$59,000. Additionally, lease interest of \$1,000 was paid during the quarter to KTQ Developments Pty Ltd, the private company of Mr Brian Flannery, the Chairman and Chief Executive Officer of White Energy, for the lease of commercial office space for the Company’s Brisbane office, and the reimbursement of office outgoings of \$4,000. The associated lease principal of \$19,000 was paid during the quarter (not included in Section 6 of the Appendix 5B). This arrangement is based on normal commercial terms and conditions and at the prevailing market rate.

As outlined in Section 6.2 of the Appendix 5B, advances to director, Mr Keith Whitehouse, paid during the quarter to him as a Seller of Fiddler’s Creek Mining Company Pty Ltd (“FCMC”) totalled \$24,000 (25% of advances to all Sellers of \$96,000). Such funds are required by the Share Sale and Purchase Agreement (“SSPA”) to be on-advanced to FCMC for the costs of maintaining this company’s assets such as tenement expenditure and administration costs between the date the SSPA was signed and its completion date. The advances are interest free, and are repayable to White Energy by way of offset against the first future cash bonus of \$2 million (refer Fiddler’s Creek acquisition above). The terms for these advances are the same as for the other non-related party Sellers and are on an arm’s length basis.

Board Changes

Non-Executive Director, Mr Mike Chapman, joined the board of the Company on 1 June 2023. He was also appointed to the Audit and Risk Committee and the Remuneration Committee.

Chairman and Chief Executive Officer, Mr Brian Flannery, resigned from the Audit and Risk Committee and the Remuneration Committee on 1 June 2023.

PT Kaltim Supacoal ("KSC") – WEC 51%

The Company's wholly owned subsidiaries, BCBC Singapore Pte Ltd ("BCBCS") and Binderless Coal Briquetting Company Pty Limited ("BCBC") are involved in ongoing 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.

As a result of the SICC dismissing Bayan's counterclaim against BCBCS and BCBC in April 2016, there is no longer any damages claim against the White Energy Group in these proceedings.

The trial for the third tranche of the proceedings was concluded in January 2021, with the only issues remaining to be determined by the SICC relating to the damages which may be payable to BCBCS.

The claim for damages comprised of the following:

- (i) BCBCS claimed for wasted expenditure, being expenses incurred by BCBCS which were rendered futile by reason of Bayan's breach and repudiation of the joint venture;
- (ii) Further, BCBCS claimed for loss of the chance of expanding the capacity of the joint venture to at least 3 million tonnes per annum; and
- (iii) Interest on damages award and legal costs.

The SICC released its decision on 7 February 2022 in relation to the third tranche of the proceedings. The SICC found in favour of BCBCS on the majority of the issues for determination. The SICC found in BCBCS' favour on all of the preliminary legal issues including in relation to remoteness and reflective loss.

The SICC also concluded that the technology underlying the BCB process would have worked and that the Tabang Plant would have achieved nameplate capacity of 1 million tonnes per annum by June 2012, and that the upgraded coal produced at Tabang would have been a saleable product.

Notwithstanding the above findings, the SICC dismissed BCBCS' claim for damages for wasted expenditure. The SICC concluded that Bayan would have been able to take steps to put KSC into liquidation, thereby bringing the joint venture to an end before the joint venture would have had sufficient cash flows from which BCBCS could recoup its wasted expenditure.

In relation to BCBCS' claim for loss of chance to expand the project, the SICC took the view that there did not exist a real and substantial chance that Bayan would have agreed to expand the capacity of the Tabang project.

On 7 March 2022, BCBCS filed a notice of appeal in the Singapore Court of Appeal ("the Court") in order to appeal certain of the findings made by the SICC in the third tranche of the proceedings. The appeal hearing was held on 17 October 2022.

The Court delivered its judgement on 10 February 2023 and dismissed the appeal. The Court held that Bayan would have been able to call upon its shareholder loans as an unpaid creditor to bring the joint venture to an end, even in circumstances where it had clearly breached the agreement.

The Court noted that BCBCS was successful in the first and second tranches of the proceedings, in establishing that Bayan acted in breach of its coal supply obligations under the joint venture deed. The Court found that BCBCS was not able to prove that it suffered substantial damages as a consequence.

Quarterly Activities Report June Quarter 2023

The Court further found that this did not detract from BCBCS' success in establishing Bayan's liability for breach of contract and the Court awarded BCBCS S\$1,000 in nominal damages.

In relation to the costs of the appeal, the Court decided on 4 April 2023 that S\$131,120 was payable by BCBCS based on submissions made by the parties.

On 19 December 2022, the SICC issued its judgement in relation to the costs to be awarded following the three tranches of the proceedings. 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. 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, totalling S\$4,694,633.

On 3 January 2023, BCBCS filed an application for leave to appeal the decision of the SICC in relation to the costs determination for tranches one to three. On 17 January 2023, Bayan filed its reply submissions. BCBCS filed further submissions on 17 February 2023 and Bayan filed its response on 24 February 2023. On 14 March 2023, the Court made its decision in relation to the application for leave and granted leave to BCBCS to appeal against the SICC's costs order. BCBCS filed a notice to appeal on 28 March 2023. The Appellant's case was filed on 20 June 2023, the Respondent's case was filed on 18 July 2023 and the Appellants are to reply on 1 August 2023. The Court has set the date for the hearing as 4 September 2023.

In 2012, the Supreme Court of Western Australia ("Supreme Court") made freezing orders in favour of BCBCS in respect of Bayan's 56% shareholding in Kangaroo Resources Limited, a publicly listed Australian company ("freezing order"). The Supreme Court has made orders discharging the freezing order 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 6 weeks of resolution of the Singapore costs appeal.

Bayan has filed a summons in the Supreme Court seeking costs in relation to the freezing order proceedings. At a directions hearing on 27 May 2022, the Supreme Court has ordered that parties file submissions in relation to costs following the SICC's determination in relation to costs.

On 23 January 2023, Bayan filed submissions seeking costs in relation to the freezing order proceedings in Western Australia. BCBCS filed its reply submissions on 30 January 2023. Further submissions were made by Bayan in relation to special costs on 13 February 2023 and BCBCS filed its response on 27 February 2023. Following the parties' submissions, the Supreme Court has ordered that special costs should be awarded to Bayan, with the quantum of costs to be determined by taxation, if not agreed by the parties.

4. INTERESTS IN MINING TENEMENTS

Below is a listing of White Energy's interest in mining tenements for each project, where they are situated, the licensed entity, tenement status and the percentage interest held in each. The Company acquired the Fiddler's Creek Mining Company Pty Ltd tenements during the quarter.

Project and Tenement	Location	Licensee	Status	Interest
Robin Rise Project and Lake Phillipson Coal Project				
EL6566	Lake Phillipson, South Australia	South Australian Coal Pty Ltd	Granted	100%

Quarterly Activities Report June Quarter 2023

RL104	Lake Phillipson, South Australia	South Australian Coal Pty Ltd	Granted. Renewal pending	100%
PELA674	Lake Phillipson, South Australia	White Energy Company Limited	Application	100%
Tindal Project				
EL31574	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL31575	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32020	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32748	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32749	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%
EL32750	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32751	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32752	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32805	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL32806	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%
EL32831	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL33066	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%
EL33067	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%
EL33068	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%
EL33069	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL33070	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL33071	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL33072	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%

Quarterly Activities Report June Quarter 2023

EL33073	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EL33074	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
Maranoa Project				
EPM27546	Texas, Queensland	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EPM27547	Texas, Queensland	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EPM28974	Texas, Queensland	Fiddler's Creek Mining Company Pty Ltd	Application	100%

5. COMPANY PROFILE

White Energy Company Limited is a global business organised around two business divisions:

1. Coal technology - White Energy is the exclusive worldwide licensee of a patented technology which upgrades high moisture, low value sub-bituminous and lignite coals into more valuable, higher energy briquettes. The technology, which can also be used to agglomerate coal fines, uses a low-cost process of dehydration and compaction developed by a consortium lead by the CSIRO.

2. Mining Exploration - White Energy creates growth opportunities through a pipeline of minerals exploration projects in Australia with Tier 1 potential across copper, zinc, gold, and rare earth elements. The Company's point of difference acquired with Fiddler's Creek is its breakthrough integration of advanced exploration sciences - deep structural analysis coupled with ionic geochemistry to identify and explore its projects; a 21st century approach to minerals exploration. The Company's Robin Rise project is located in central South Australia and is positioned within the same structural corridor which hosts Prominent Hill, Carrapateena and Olympic Dam IOCG deposits, and the Company is applying the advanced exploration approach used by Fiddler's Creek in this project area. The Robin Rise project is located in the same tenement as the Lake Phillipson coal project (EL6566).

6. DISCLAIMERS

Competent Person's Statement

The information which relates to Exploration Results, Mineral Resources or Ore Reserves from the Tindal and Maranoa projects, is based on information compiled by Keith Whitehouse, who is a member of the Australasian Institute of Mining and Metallurgy. Keith Whitehouse is a Director of White Energy Company Limited and Fiddlers Creek Mining Company Pty Ltd. He has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Keith Whitehouse consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This 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,"

Quarterly Activities Report June Quarter 2023

"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 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

White Energy Company Limited

ABN

62 071 527 083

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	39	103
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(28)	(136)
(c) production	-	-
(d) staff costs	(396)	(1,579)
(e) administration and corporate costs (*)	(479)	(2,310)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	43
1.5 Interest and other costs of finance paid	(1)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	51	125
1.9 Net cash from / (used in) operating activities	(806)	(3,766)

(*) Includes legal fees incurred in respect of KSC dispute.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	2	2
(b) tenements	-	-
(c) property, plant and equipment	(6)	(6)
(d) exploration & evaluation	(86)	(183)
(e) investments	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets (**)	(96)	(342)
2.2	Proceeds from the disposal of:		
	(a) entities	-	46
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(186)	(483)

(**) Amount represents funds advanced to Fiddler's Creek Mining Company Pty Ltd via the Sellers for the costs of maintaining this company's tenements and administration costs between the date the Share Sale and Purchase Agreement was signed and its pending completion date (refer section 3 of the Summary of Activity).

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,425
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	(15)	(105)
3.5	Proceeds from borrowings (***)	522	833
3.6	Repayment of borrowings (****)	-	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(19)	(73)
3.10	Net cash from / (used in) financing activities	488	4,580

(***) Amounts represent shareholder loans from Proterra Investment Partners for its 49% equity interest in River Energy, and loans for \$750,000 provided by a company controlled by the Company's Chairman and CEO, Brian Flannery, a substantial shareholder in WEC.

(****) Amounts represent repayment of loans for \$500,000 provided by a company controlled by the Company's Chairman and CEO, Brian Flannery, a substantial shareholder in WEC.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,273	434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(806)	(3,766)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(186)	(483)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	488	4,580
4.5	Effect of movement in exchange rates on cash held	2	6
4.6	Cash and cash equivalents at end of period	771	771

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	676	156
5.2	Call deposits	95	1,117
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)	771	1,273

In addition to the cash and cash equivalents at the end of the quarter, \$2.0 million is held as a security bond by the Supreme Court of Western Australia as security for the freezing order held by BCBCS in relation to Bayan's shares in Kangaroo Resources Limited (refer section 3 of the Summary of Activity).

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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 (****)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2 (*****)

64

24

(****) Amount includes directors' fees and salaries including superannuation totalling \$59,000 paid during the quarter to Directors and their associates. It also includes lease interest of \$1,000 paid during the quarter to KTQ Developments Pty Ltd, the private company of Brian Flannery, the Chairman and Chief Executive Officer of White Energy, for the lease of commercial office space for the Company's Brisbane office, and the reimbursement of office outgoings of \$4,000.

(***** Amount includes advances totalling \$24,000 to director, Keith Whitehouse, paid during the quarter to him as a Seller of Fiddler's Creek Mining Company Pty Ltd ("FCMC") and on-advanced to FCMC for the costs of maintaining this company's tenements and administration costs between the date the Share Sale and Purchase Agreement was signed and its pending completion date (refer section 3 of the Summary of Activity).

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

7. Financing facilities

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.

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

34,824

34,324

-

-

-

-

34,824

34,324

7.5 Unused financing facilities available at quarter end

500

- 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.

7.1 Represents:

(a) shareholder loans from minority shareholders with a 49% interest in River Energy which are repayable in January 2025 and bear interest at fixed rates between 5.01% and 9.72% pa, payable on maturity which is customarily extended as required with the shareholders consent. Additional loans may be drawn down as agreed between the shareholders to fund future activities of River Energy; and

(b) a loan facility of up to \$1.0 million at the lender's discretion (the Loan) has been provided by Managing Director, Brian Flannery, a substantial shareholder of the Company. The Loan is unsecured, repayable within one year of drawdown, or immediately upon demand, or immediately to repay or offset the Loan following receipt of a capital raising's proceeds, and bears interest of 0.8% per month payable by the 15th of the following month.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(806)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(86)
8.3	Total relevant outgoings (item 8.1 + Item 8.2)	(892)
8.4	Cash and cash equivalents at quarter end (item 4.6)	771
8.5	Unused finance facilities available at quarter end (item 7.5)	500
8.6	Total available funding (item 8.4 + item 8.5)	1,271
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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?	
	<p>Answer: White Energy expects it will continue to have negative operating cash flows in the near to medium term, based on the current activities being undertaken by WEC, being:</p> <ul style="list-style-type: none"> the ongoing development and exploitation of WEC's binderless coal briquetting technology; the evaluation of mining exploration assets; and the continuing engagement in legal proceedings against PT Bayan Resources TBK and Bayan International Pte Ltd. 	
8.8.2	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?	
	<p>Answer: The steps in place to raise further cash to fully fund operations and the likelihood of success are set out below:</p> <ul style="list-style-type: none"> White Energy is working on steps to progressively receive the remaining \$2.6 million owing for the sale of its interest in Mountainside Coal Company (refer Section 3 of the Quarterly Activities Report for more details); as previously foreshadowed, the Company plans to raise additional equity funds for the ongoing activities of WEC, as required, and the Company has been successful in raising equity funds through the issue of new shares recently and in the past; WEC's 51% owned subsidiaries River Energy JV Ltd and River Energy JV UK Limited continue to have access to funds from their 49% minority shareholder under existing shareholder loan agreements (in conjunction with WEC's 51% contributions) to enable them to meet their debts as and when they fall due; and the Directors believe, based on past experience, that they can raise third party debt financing to part fund any future project capital expenditure requirements. 	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Answer: The Company expects to be able to continue its operations and to meet its business objectives on the basis of the information disclosed in 8.8.2 above.</p>	

Appendix 5B

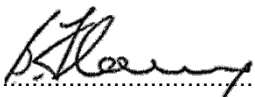
Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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:

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Date: 31 July 2023

Authorised by: Brian Flannery, Chairman and Chief Executive Officer

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 6: Exploration for and Evaluation of Mineral Resources* and *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 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.
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.

For Further Information Call:

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