

# Mining Exploration Entity Quarterly Activities Report and Appendix 5B

December Quarter 2023

ASX: WEC | OTC: WECFF  
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White Energy Company Limited is a global business creating growth opportunities through two business divisions, coal technology and mining exploration

## Highlights

- Entitlement Offer raises proceeds of \$2.9 million
- Ionic sample programs undertaken at the Tindal and Robin Rise projects in Australia
- White Energy is assisting Proterra with a BCB pilot plant for coal briquetting trials in Johannesburg, South Africa
- Singapore Court of Appeal delivers judgement in appeal against costs order in the litigation proceedings against PT Bayan Resources Tbk

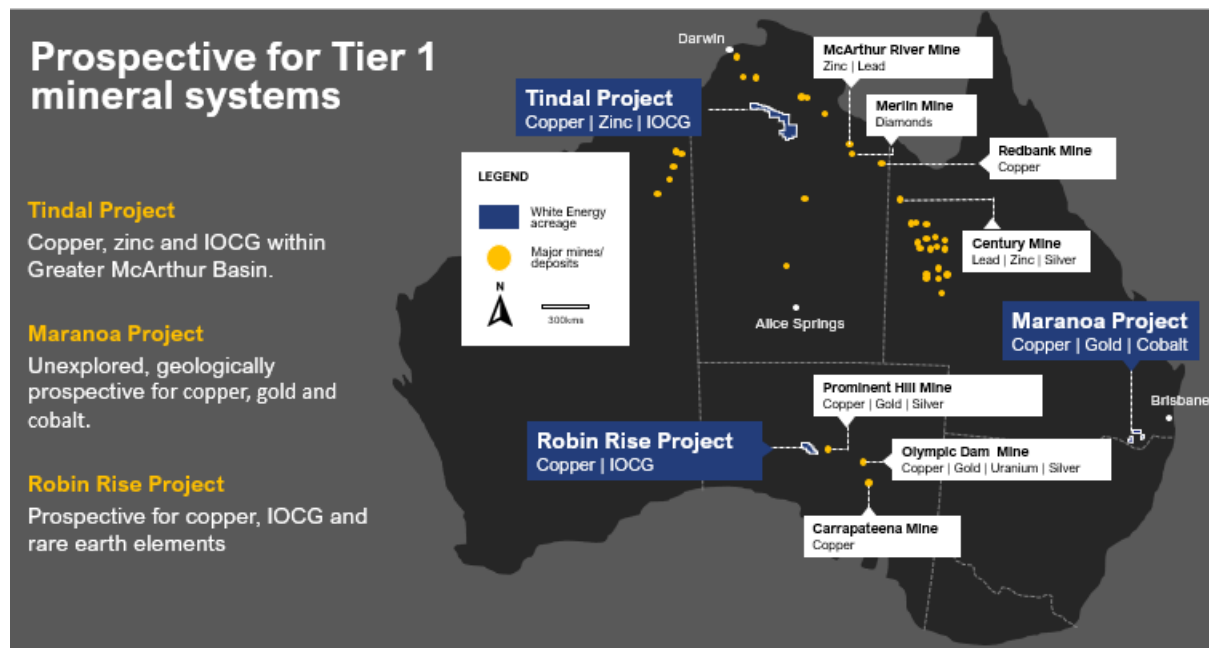
## Quarterly Activities Report December Quarter 2023

A summary of the major activities for White Energy Company Limited (“White Energy”, “WEC” or the “Company”) during the quarter ended **31 December 2023** is outlined below.

## 1. AUSTRALIA

### Exploring for Copper, IOCG-styles, Zinc and Other Critical Minerals

**Ownership 100% | Tindal project - Northern Territory; Maranoa project – Queensland and Robin Rise project – South Australia**



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

### Tindal Copper | Zinc | IOCG-style Project

#### Northern Territory (100% WEC)

The Tindal project comprises 22 contiguous tenements totalling 11,629 km<sup>2</sup> approximately 80 km south of Katherine in the Northern Territory. This includes two tenement applications made during October 2023: EL33659 and EL33660.

Work continued during the quarter with INRS (the National Institute for Scientific Research), an applied research university in Quebec, Canada, to analyse the lithospheric-scale architecture of Tindal tenements using seismic tomographic and other geophysical data. This has enabled improved mapping of Precambrian lithospheric boundaries and the identification of additional geophysical targets which were the targets of ionic sampling programs that were completed during the previous quarter and early part of the current quarter. Final results from the extensive ionic survey of the project conducted during the 2023 field season were received after the end of the quarter. All results will be reported following statistical analysis of the results; currently underway.

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.

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Capitalised exploration expenditure related to Tindal exploration activities of \$323,000 was incurred during the quarter.

## **Maranoa Copper | Gold | Cobalt Project**

### **Queensland (100% WEC)**

The Maranoa project consists of three tenements 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.

Initial stream sediment sampling that took place in June 2023 indicated potential for copper, gold, silver, base metal, cobalt and arsenic mineralisation. During the quarter, more work was undertaken to better understand the significance of the results. In particular, the data was integrated with an analysis of the lithospheric-scale architecture of South East Queensland, conducted by our research partners INRS, using seismic tomographic and other geophysical data. This work has highlighted regional lithospheric features which elsewhere are associated with major mineralisation. A number of these features cross the Maranoa tenements and appear to correlate with observed areas of elemental anomalism observed in the stream sediment sampling program. Field work is being planned to follow up the observed correlations.

Capitalised exploration expenditure related to Maranoa exploration activities of \$32,000 was incurred during the quarter.

Exploration expenditure related to exploration activities for other Queensland areas of interest of \$132,000 was incurred for the quarter. This was mainly related to preliminary sampling activity on a mining tenement under arrangement with the holder. The Company will provide further updates in due course.

## **Robin Rise Copper | IOCG-style Project**

### **South Australia (100% WEC)**

Robin Rise is tenement EL6566 that covers approximately 1,361 km<sup>2</sup> located approximately 70 km south west of Coober Pedy in South Australia between the Prominent Hill and Challenger mines, and includes the adjacent tenement PELA674 that covers approximately 2,508 km<sup>2</sup>.

An ionic geochemical survey in the magnetic corridor of the Hilga Mineral Field was completed in the period to August 2023. Analysis of 356 samples have been received and the results analysed. These initial results appear encouraging for an IOCG-style of mineralisation. A further ionic geochemical survey in the magnetic corridor of the Hilga Mineral Field and a biochemical leaf survey were conducted in November. Analysis of 362 ionic samples and 42 biochemical samples have been received and are currently being reviewed.

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 \$68,000 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.**

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.

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**Quarterly Activities Report December Quarter 2023**

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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 that is being commissioned during January 2024.

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.

### **3. GENERAL CORPORATE ACTIVITIES**

#### **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 2027.

The Company raised proceeds of \$2.9 million (before costs) from the Entitlement Offer undertaken in December 2023. The proceeds are for the Company's ongoing legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd, repayment on 21 December 2023 of the unsecured loans of \$0.5 million made to the Company by the Chairman, Mr Brian Flannery's private company, Ilwella Pty Ltd, for general corporate purposes and additional working capital, and to pay the costs of the Entitlement Offer.

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, but this has not eventuated. The Company is working towards the option to engage with its joint venture partner in the issuing of a default notice and the commencement of foreclosure proceedings 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 \$52,000. Additionally, interest of \$100 was paid during the quarter to KTQ Developments Pty Ltd, the private company of Mr Brian Flannery, the Chairman of White Energy, for the lease of commercial office space for the Company's Brisbane office, and the reimbursement of office outgoings of \$2,800. The associated lease principal of \$14,000 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. Mr Flannery's private company, Ilwella Pty Ltd, was also paid interest of \$3,700 during the quarter for the unsecured loan to the Company of \$0.5 million that was repaid during the quarter. The loan agreement is based on normal commercial terms and conditions and includes interest at a market rate.

As outlined in Section 6.2 of the Appendix 5B, Mr Keith Whitehouse, was paid \$213,000 during the quarter for geological work conducted for White Energy through his private company, Obsidian Minerals Pty Ltd. This arrangement is based on normal commercial terms and conditions and at prevailing market rates.

### Executive and Board Changes

Mr Greg Sheahan was appointed to the position of Chief Executive Officer (CEO) of the Company on 30 October 2023.

Mr Brian Flannery remains as Non-Executive Chairman but has stepped down from his role of Executive Chairman and CEO.

### 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") were involved in legal proceedings in the Singapore International Commercial Court ("SICC") against PT Bayan Resources Tbk ("BR") and Bayan International Pte Ltd ("BI") (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.

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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. 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 SGD1,000 in nominal damages.

In relation to the costs of the appeal, the Court decided on 4 April 2023 that SGD131,120 was payable by BCBCS based on submissions made by the parties. BCBCS paid this costs order.

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 were entitled to recover from the Plaintiffs costs of SGD2,761,787 and disbursements of SGD1,932,846, totalling SGD4,694,633.

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 replied on 1 August 2023, with the appeal being heard by the Court on 4 September 2023.

On 23 October 2023, the Court delivered its judgement in relation to the appeal of the SICC's costs determination. Whilst the Court allowed the appeal, it did not agree with the Appellants' argument that BCBCS be awarded costs up to the late stage of the proceedings at which Bayan first raised the narrow point of causation which ultimately prevented BCBCS from recovering any damages. That said, the Court found that the discount of 40% awarded to the Respondents was insufficient and instead awarded a greater discount of 70%. The Court also held that BCBC should not be jointly and severally liable for costs. The Court made the following orders:

- (a) BCBCS is liable to BR for certain costs subject to a 10% discount for the Respondents' lack of particularisation, and a further 70% discount, with the amount determined in (b) below to also be deducted. BCBCS estimates the cost order to be approximately SGD3.3 million.
- (b) BCBC is liable to BI for certain limited costs, in so far as these are solely attributable to BCBC's withdrawn claim in the proceedings, subject to a discount of 10%. The Court has ordered the parties to attempt to agree the quantum of such costs and if unable to do so, to write to Court within 14 days of the judgement to indicate their respective positions in relation to quantum.

BCBC has paid agreed costs of SGD45,000.

As a result of the judgement, the directors of BCBCS resolved on 24 October 2023 to appoint KPMG Singapore as the provisional liquidator to BCBCS.

BCBCS estimates it has assets of approximately SGD1.7 million and unsecured liabilities of approximately SGD160.4 million. Unsecured liabilities include the intercompany loan from BCBC to BCBCS of approximately SGD157.1 million, and the liability to Bayan as a result of the judgement being approximately SGD3.4 million. The intercompany loan from BCBC to BCBCS is fully eliminated on consolidation and therefore there would be no impact from any further write down of the loan on the financial results of the White Energy group resulting from the liquidation.

The Company is not presently aware of any claims for recourse to the Company or other subsidiaries as a result of the appointment of the provisional liquidator to BCBCS.



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The information provided above are BCBCS' estimates only, and are subject to quantification and finalisation by the provisional liquidator. It is further noted that the above estimates do not include liquidation costs, such as liquidator fees, which are unknown.

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 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 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 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 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.

On 18 December 2023, Bayan filed a chamber summons seeking an inquiry into damages as a result of the freezing order being in place. Bayan are claiming damages from BCBCS of approximately \$900,000. BCBCS has until 13 March 2024 to file its response to Bayan's inquiry into damages and Bayan have until 27 March 2024 to file its reply. The matter has been listed for a directions hearing on 10 April 2024. The liquidators of BCBCS, KPMG, are in discussions with BCBC and Bayan, as the creditors of BCBCS, to agree a settlement amount to be paid out of the \$2m security.

## 4. INTERESTS IN MINING TENEMENTS

Below is a listing of White Energy's interests in mining tenements for each project at the date this report was approved, where they are situated, the licensed entity, tenement status and the percentage interest held in each. During the quarter, White Energy applied for Northern Territory tenements EL33659 and EL33660. There were no other changes in White Energy's interests in mining tenements, and White Energy did not enter into any farm-in arrangements during the quarter or until the date this report was approved.

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



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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%
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%
EL33659	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%

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EL33660	Daly Waters, Northern Territory	Fiddler's Creek Mining Company Pty Ltd	Application	100%
<b>Maranoa Project</b>				
EPM27546	Texas, Queensland	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EPM27547	Texas, Queensland	Fiddler's Creek Mining Company Pty Ltd	Granted	100%
EPM28794	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 consortia 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, cobalt 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 21<sup>st</sup> 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-style deposits, and the Company is applying the advanced exploration approach used by Fiddler's Creek to the Tindal, Maranoa and Robin Rise project areas. 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," "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

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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")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	33	63
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(24)	(50)
	(c) production	-	-
	(d) staff costs	(459)	(854)
	(e) administration and corporate costs (*)	(640)	(1,229)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	19
1.5	Interest and other costs of finance paid	(4)	(7)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	38	93
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,048)</b>	<b>(1,965)</b>

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

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(4)
	(d) exploration & evaluation	(481)	(907)
	(e) investments	-	-

**Appendix 5B**

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

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(484)</b>	<b>(911)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,914	5,297
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	(53)	(123)
3.5 Proceeds from borrowings (**)	500	524
3.6 Repayment of borrowings (***)	(500)	(1,000)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	(13)	(34)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,848</b>	<b>4,664</b>

(\*\*) Amounts represent shareholder loans from Proterra Investment Partners for its 49% equity interest in River Energy, and loans for \$500,000 provided by a company controlled by the Company's Chairman, 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, Brian Flannery, a substantial shareholder in WEC.

**Appendix 5B**

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,246	771
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,048)	(1,965)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(484)	(911)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2848	4,664
4.5	Effect of movement in exchange rates on cash held	(1)	2
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,561</b>	<b>2,561</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	102	161
5.2	Call deposits	2,459	1,085
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,561</b>	<b>1,246</b>

*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**

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1 (****)	59
6.2 Aggregate amount of payments to related parties and their associates included in item 2 (*****)	213

(\*\*\*\*) Amount includes directors' fees and salaries including superannuation totalling \$52,000 paid during the quarter to Directors and their associates. It also includes lease interest of \$100 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 \$2,800. Brian Flannery's private company, Ilwella Pty Ltd, was also paid interest of \$3,700 during the quarter for the loan to the Company of \$500,000 that was repaid during the quarter.

(\*\*\*\*\*) Amount includes payments during the quarter of \$213,000 to Director, Keith Whitehouse, for geological work conducted for White Energy through his private company, Obsidian Minerals Pty Ltd.

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	32,806	32,806
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	32,806	32,806

7.5 <b>Unused financing facilities available at quarter end</b>	-
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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) a facility for unsecured shareholder loans from minority shareholders with a 49% interest in River Energy of \$32,806,000 that was fully drawn at quarter end, which are repayable in January 2027 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.



**Appendix 5B**

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

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,048)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(481)
8.3	Total relevant outgoings (item 8.1 + Item 8.2)	(1,529)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,561
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,561
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.7
<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"> <li>the ongoing development and exploitation of WEC's binderless coal briquetting technology;</li> <li>the evaluation of mining exploration assets; and</li> <li>the continuing engagement in legal proceedings against PT Bayan Resources TBK and Bayan International Pte Ltd.</li> </ul>	
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"> <li>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);</li> <li>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;</li> <li>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</li> <li>the Directors believe, based on past experience, that they can raise third party debt financing to part fund any future project capital expenditure requirements.</li> </ul>	
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**

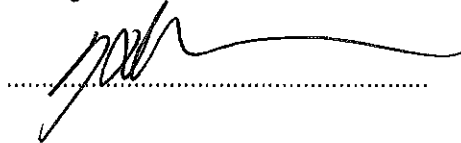
**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

*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:



Date: 31 January 2024

Authorised by: Greg Sheahan, 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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