



SUPERIOR LAKE
RESOURCES

SUPERIOR LAKE RESOURCES LIMITED

ACN 139 522 553

Proposed to be renamed "Frontier Energy Limited"

PROSPECTUS

For the offer of up to 61,538,462 Shares at an issue price of \$0.13 per Share, to raise \$8,000,000 (before costs) (Capital Raising Offer).

The Capital Raising Offer is scheduled to close at 5:00pm (AWST) on 4 February 2022 unless extended or withdrawn.

This Prospectus also contains certain additional offers of Securities as outlined in Section 7.18 of this Prospectus.

The Shares offered pursuant to this Prospectus should be regarded as speculative. Refer to Section 8 for a summary of the key risks associated with an investment in the Company.

IMPORTANT INFORMATION: This is an important document and requires your immediate attention. It should be read in its entirety. If after reading this Prospectus you have questions about the Shares being offered pursuant to it, or any other matter, you should consult your stockbroker, accountant or other professional adviser.

BW EQUITIES

Lead Manager

THOMSON GEER
LAWYERS

Legal Adviser

CORPORATE DIRECTORY

Directors

Mr Grant Davey – Non-Executive Chairman
Mr Mike Young – Managing Director
Mr Chris Bath – Executive Director
Ms Dixie Marshall – Non-Executive Director

Company Secretary

Mr Stuart McKenzie

Current Registered Office

Level 1, 1202 Hay Street
West Perth WA 6005

Registered Office from 15 January 2022

Level 20, 140 St Georges Terrace
Perth WA 6000

Securities Exchange Listing

Australian Securities Exchange (ASX)
ASX Ticker Code: SUP
Proposed ASX Ticker Code: FHE

Website: superiorlake.com.au

Share Registry**

Automic Registry Services
Level 5, 126 Philip Street
Sydney NSW 2000

Legal Adviser

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Auditor**

Hall Chadwick WA Audit Pty Ltd
243 Hay Street
Subiaco WA 6008

Technical Expert

EPC Technologies Pty Ltd
Level 32, 152 St Georges Terrace
Perth WA 6000

Industry Expert

BDO Advisory (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Investigating Accountant

Hall Chadwick WA Audit Pty Ltd
243 Hay Street
Subiaco WA 6008

Lead Manager

BW Equities Pty Ltd
Level 30, 360 Collins Street
Melbourne VIC 3000

** These entities are included for information purposes only.
They have not been involved in any part of this Prospectus.

CONTENTS

IMPORTANT NOTICE.....	1
LETTER FROM THE CHAIRMAN	5
KEY DETAILS OF THE OFFERS	6
INDICATIVE TIMETABLE.....	7
INVESTMENT OVERVIEW	8
1 COMPANY OVERVIEW.....	26
2 INDUSTRY OVERVIEW.....	29
3 RENEWABLE ENERGY PROJECTS	57
4 TECHNICAL OVERVIEW	69
5 FINANCIAL INFORMATION	111
6 INDEPENDENT LIMITED ASSURANCE REPORT	130
7 DETAILS OF THE OFFERS	136
8 RISK FACTORS	146
9 BOARD, MANAGEMENT AND CORPORATE GOVERNANCE	155
10 MATERIAL CONTRACTS	165
11 ADDITIONAL INFORMATION.....	173
12 AUTHORISATION	204
13 GLOSSARY OF TERMS.....	205

IMPORTANT NOTICE

This Prospectus is dated 12 January 2022, and was lodged with ASIC on 12 January 2022. Neither ASIC nor ASX (nor their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5:00pm (AWST) on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offers.

No person or entity is authorised to give any information or to make any representation in connection with the Offers, other than as detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Change in Nature and Scale of Activities and Re-Compliance with Chapters 1 and 2 of the Listing Rules

On 14 October 2021, the Company announced that it had entered into a binding agreement with Sector One Pty Ltd and Ms Alicia Jane Goyder (together, the **Vendors**) to acquire 100% of the issued share capital of Bristol Springs Solar Pty Ltd (**Acquisition**).

Refer to Section 1 for information on the Company and Section 10 for further details of the terms and conditions of the Acquisition agreement.

The Company's change to a renewable energy company and the Acquisition will involve a significant change in the nature and scale of the Company's activities and requires the approval of Shareholders under Chapter 11 of the Listing Rules. ASX has advised the Company that, given the Company is acquiring a new asset, it has exercised its discretion under Listing Rule 11.1.3 and requires the Company to re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules. At the Company's general meeting to be held on 28 January 2022 (**General Meeting**), Shareholder approval will be sought, among other things, for the issue of the Shares the subject of the Offer, and the change in the nature and scale of the Company's activities.

The Company must also comply with the ASX requirements of Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to meet these requirements and to facilitate the Offers. The Offers under this Prospectus are conditional on the satisfaction of certain conditions. Refer to Section 7.5 for further details.

The Shares have been suspended from Official Quotation since 16 August 2021 and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-compliance with Chapters 1 and 2 of the Listing Rules. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval from ASX for re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Board reasonably considers are capable of satisfaction, then the Company will not issue the Securities under the Offers and will not complete the Acquisition.

Note to Applicants

The information detailed in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Securities. There are risks associated with an investment in Securities and some of the key risks are detailed in Section 8. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other

independent professional adviser before deciding whether to invest in Securities. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Securities.

Except as required by law and only to the extent required, no person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors or any other person in connection with the Offers.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Past Performance

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 8 for details relating to the key risks applicable to an investment in the Securities.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.superiorlake.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Full instructions on how to apply for Shares and how to complete the Application Forms (or apply electronically) for the Capital Raising Offer are outlined in Section 7.13.

Foreign Investors

No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This

Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Privacy Statement

To apply for Securities, you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By applying for Securities under the Offers, each Applicant agrees that the Company may use the information provided by an Applicant for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Securities held) in its public register. The information detailed in the Company's public register must remain there even if that person ceases to be a Shareholder. Information detailed in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholder) and compliance by the Company with its legal and regulatory requirements.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 8. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements detailed in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Cooling Off Rights

Cooling off rights do not apply to an investment in Securities acquired under this Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Securities under this Prospectus once it has been accepted.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data detailed in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts detailed in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 13.

LETTER FROM THE CHAIRMAN

On behalf of the Directors, I am pleased to present this Prospectus and offer you the opportunity to become a Shareholder in Superior Lake Resources (to be renamed Frontier Energy Limited) (**Company**).

Positive public sentiment towards the sustainable investments sector has significantly increased investor interest in the renewable energy sector. Countries around the world, including Australia, are setting ambitious targets dedicated to reducing reliance on fossil fuel energy, particularly in electricity generation.

There are significant growth opportunities in the renewable energy industry and it is for this reason that the Company is transitioning from a mining exploration company into clean energy.

The Company's first renewable energy project will be the development of the Bristol Springs Solar Project (**BSS Project**) - a large-scale solar energy project located in the southwest of Western Australia.

The BSS Project is designed to initially produce 114MWdc of electricity, incorporating the latest generation technology to deliver a relatively low-cost energy solution connected into the backbone of the South West Interconnected System (**SWIS**). Development approval has been granted by the WA Regional Development Assessment Panel, and an electricity connection application is in progress with Western Power. Additional land acquisition opportunities are available to allow for an increase in solar power generation up to ~490MWdc.

That the BSS Project is strategically located in the heart of the southwest of Western Australia, is immensely important, as this is one of the fastest growing regional areas in Australia, and both the local population and the Western Australian government are extremely supportive and progressive regarding the future requirement for renewable energy solutions in the region.

The BSS Project is close to the Port of Bunbury and the Town of Collie and so is well located close to excellent supporting infrastructure, including, roads, water, airports, multiple ports, and a highly skilled local workforce. This means future constraints others in the industry may face with more isolated projects, resulting in higher associated capital costs, should not be an issue for the Company.

In addition, the Company will also seek to progress solar expansion opportunities adjacent to the existing landholding at the BSS Project and will review the economics of adding a battery energy storage system. The Company will also undertake studies to assess the economics of adding wind energy generation to the BSS Project and the production of green hydrogen. The Company will also consider investments in other renewable energy projects, including wind, solar and green hydrogen.

We have assembled a balanced and well-respected board of directors and management team, with extensive Western Australian experience in project development and capital markets. Importantly, we have strong relationships with key stakeholders, including major players in the Western Australian electricity market, end users, local communities and both State and Federal government.

This Prospectus includes detailed information about the offering of 61,538,462 Shares at \$0.13 per Share, to raise \$8,000,000 (before costs). I urge you to read this Prospectus carefully, including the key risks associated with an investment in the Company in Section 8. You should consult your professional advisers before deciding whether to apply for Securities pursuant to this Prospectus. The Securities offered by this Prospectus should be considered highly speculative.

I look forward to welcoming new Shareholders to the Company. On behalf of Superior Lake Resources Limited, I invite you to consider this investment opportunity and thank you for your continued support.

Yours sincerely

Grant Davey
Non-Executive Chairman

KEY DETAILS OF THE OFFERS

Total number of Shares on issue as at the date of this Prospectus	166,561,155
Offer price per Share under the Capital Raising Offer	\$0.13
Shares to be issued under the Capital Raising Offer	61,538,462
Cash raised under the Capital Raising Offer (before costs)	\$8,000,000
Shares to be issued to the Vendors on completion of the Acquisition ¹	41,666,667
Shares to be issued to optionholders upon the exercise of Options	931,885
Total number of Shares on re-commencement of trading on the Official List of ASX	270,698,169
Performance Shares to be issued to the Vendors on completion of the Acquisition ²	25,500,000
Total number of Performance Shares on re-commencement of trading on the Official List of ASX	25,500,000
Total number of Options on issue as at the date of this Prospectus	9,822,779
CEO Options on issue following the Offers ³	5,000,000
Director Options on issue following the Offers ⁴	11,000,000
Management Options on issue following the Offers ⁵	2,500,000
Lead Manager Options on issue following the Offers ⁶	3,000,000
Adviser Options on issue following the Offers ⁷	3,000,000
Options to be exercised prior to re-commencement of trading on the Official List of ASX	931,885
Total number of Options on re-commencement of trading on the Official List of ASX	33,390,894
Ownership of Shares by existing shareholders on completion of the Capital Raising Offer and the Acquisition (undiluted)	62%
Ownership of Shares by the Vendors on completion of the Capital Raising Offer and the Acquisition (undiluted)	15%
Ownership of Shares by investors under the Capital Raising Offer on completion of the Capital Raising Offer and the Acquisition (undiluted)	23%
Indicative market capitalisation⁸	\$35,190,762

Notes:

- 1 Refer to Section 7.18(a) for further details of the Vendor Offer.
- 2 Refer to Section 11.3 for the terms of the Performance Shares.
- 3 Refer to Section 7.18(b) for further details relating to the issue of the CEO Options and Section 11.4 for their terms and conditions.
- 4 Refer to Section 7.18(c) for further details relating to the issue of the Director Options and Section 11.5 for their terms and conditions.
- 5 Refer to Section 7.18(d) for further details relating to the issue of the Management Options and Section 11.5 for their terms and conditions.
- 6 Refer to Section 7.18(e) for further details relating to the issue of the Lead Manager Options and Section 11.6 for their terms and conditions.
- 7 Refer to Section 7.18(f) for further details relating to the issue of the Adviser Options and Section 11.6 for their terms and conditions.
- 8 Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the table above, the market capitalisation is calculated at the price of the Capital Raising Offer (being \$0.13) and on an undiluted basis (i.e. before any Options are exercised). There is no guarantee that Shares will trade at or above \$0.13 upon the Company listing on ASX.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC	Wednesday, 12 January 2022
Opening Date of the Capital Raising Offer	Wednesday, 12 January 2022
General Meeting	Friday, 28 January 2022
Closing Date of the Capital Raising Offer	Friday, 4 February 2022
Issue of Securities under the Offers	Friday, 11 February 2022
Completion of Acquisition	Friday, 11 February 2022
Satisfaction of Chapters 1 and 2 of the Listing Rules	Friday, 25 February 2022
Dispatch of holding statements	Tuesday, 1 March 2022
Expected date for Shares to re-commence trading on the Official List of ASX	Tuesday, 1 March 2022

The above dates are indicative only and may change. The Company reserves the right to amend any and all of the above dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Capital Raising Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to withdraw the Capital Raising Offer before Shares are issued by the Company). If the Capital Raising Offer is withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offers opens.

INVESTMENT OVERVIEW

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the Securities the subject of the Offers.

Topic	Summary	Further Information
A. Company Overview		
Who is the issuer of this Prospectus?	<p>Superior Lake Resources Limited (ACN 139 522 553) (to be renamed Frontier Energy Limited), a public company incorporated in Australia.</p> <p>The Company was admitted to the Official List (current ASX code: SUP) on 10 December 2009.</p>	Letter from the Chairman and Section 1.7
What has been the Company's recent history?	During the half year ended 30 June 2021, the Company completed the divestment of its Superior Lake Zinc Project in Canada (Zinc Project) to TSX Venture Exchange listed company Metallum Resources Inc. (Metallum). As at the date of this Prospectus, the Company, through its subsidiary, holds a 66% equity interest in Metallum.	Section 1.7
What is the current status of the Company?	The Shares have been suspended from trading on ASX since 16 August 2021. Since the divestment of the Zinc Project, the Directors have focused on identifying, and conducting due diligence on, potential acquisition opportunities.	Section 3.15
B. Renewable Energy Investments and Projects		
In which sector will the Company operate?	The Company is transitioning from a mining exploration company to a renewable energy company.	Letter from the Chairman and Sections 1 and 3
What is the Bristol Springs Solar Project?	<p>The Company's first renewable energy project will be the development of the Bristol Springs Solar Project - a large-scale solar energy project located in the south west of Western Australia.</p> <p>The BSS Project development is well advanced and is designed to produce 114MWdc of electricity. The Solar Farm design incorporates the latest generation technology to deliver a low-cost energy plant. It is strategically located to connect to the backbone of the SWIS, close to road and port infrastructure. Development approval has been granted and an electricity connection application is in progress with Western Power. Additional land acquisition opportunities are available to allow for an increase in solar power generation up to ~490MWdc.</p>	Sections 1.2 and 3.2

Topic	Summary	Further Information
<p>What future opportunities is the Company evaluating?</p>	<p>There are significant future opportunities at the BSS Project to enhance the capability of the existing BSS Project. For example:</p> <ul style="list-style-type: none"> (a) Solar – there are additional land acquisition opportunities adjacent to the existing Land at the BSS Project which are available to the Company. Such land acquisitions would allow for an increase in solar power generation up to ~490MWdc. The Company will undertake a study to consider any solar expansion. (b) Battery – as a logical extension to the BSS Project, the Company will undertake a study to review the economics of adding a battery energy storage system. Opportunities include revenue from ancillary services performed by battery and revenue from energy arbitrage from the battery. (c) Wind – there is sufficient existing land at the existing BSS Project to accommodate wind generators, which are complementary energy sources given the typical timing of energy dispatch. The Company will undertake a study on the impact on the integration of wind energy into the BSS Project. (d) Hydrogen – the Company will undertake a study to assess the viability and economics of using the electricity produced from the BSS Project to split water by way of electrolysis to produce green hydrogen. Electrolysis is an established process that could be integrated into the BSS Project. This would not be a standalone new project or an alternative to the BSS solar project but rather an addition and augmentation to the BSS solar project. <p>The Company will also consider investments in other renewable energy projects, including wind, solar and hydrogen that meet the Company's investment criteria and drive shareholder value.</p>	<p>Section 3.13</p>
<p>What is the status of the Metallum shareholding?</p>	<p>The Company has a legacy asset, holding through its subsidiary an approximately 66% interest in Metallum worth approximately \$9.9 million as at 7 January 2022 (based on Metallum's share price of C\$0.07 and an exchange rate of 1 CAD:1.0984 AUD on 7 January 2022). This shareholding follows the sale of the Superior Lake Zinc Project in Canada to Metallum, which completed in April 2021. The Company will look to realise the value of this investment over the medium term.</p>	<p>Section 3.15</p>

Topic	Summary	Further Information
How does the Company generate revenue?	At the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the BSS Project is successfully developed and operational.	Section 8.1
What are the key business objectives of the Company?	<p>Following completion of the Acquisition, the Company's key objectives as a renewable energy company will be to:</p> <ul style="list-style-type: none"> (a) complete the work required to enable the BSS Project to connect to the grid and secure offtake arrangements for supply of electricity; (b) consider increasing the Company's landholding to expand solar power generation capacity; and (c) undertake studies to investigate additional renewable energy options, including the addition of wind energy and the financial and regulatory requirements in relation to the production, storage and transportation of hydrogen utilising solar and wind power and other renewable energy projects. 	Sections 1.4 and 3.13

C. Bristol Springs Solar Pty Ltd Acquisition

What is the Acquisition?	<p>On 14 October 2021, the Company announced that it had entered into a binding agreement with Sector One Pty Ltd and Ms Alicia Jane Goyder (Sale Agreement) to acquire 100% of the issued capital of Bristol Springs Solar Pty Ltd (Acquisition).</p> <p>The key terms of the Sale Agreement are summarised in Section 10.</p> <p>The transition to a renewable energy company and the Acquisition will result in a material change to the nature and scale of the Company's activities and requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules.</p>	Section 3.5
What is the consideration payable by the Company for the Acquisition?	<p>The consideration for the Acquisition is:</p> <ul style="list-style-type: none"> (a) 41,666,667 Shares on completion of the Acquisition; and (b) 25,500,000 Performance Shares which will be issued on the Completion Date. The Performance Shares are comprised of the following two tranches: <ul style="list-style-type: none"> (i) Tranche A Performance Shares: 12,750,000 Performance Shares that convert into Shares upon the Company or BSS having received the Access Offer from Western Power to provide the Bristol 	Section 3.5

Topic	Summary	Further Information
	<p>Springs Project with access to the grid which contains the terms of the ETAC; and</p> <p>(ii) Tranche B Performance Shares: 12,750,000 Performance Shares that convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project.</p> <p>Sector One Pty Ltd (and/or its nominees) will be issued 40% of the Consideration Shares and Performance Shares and Ms Alicia Jane Goyder (and/or her nominees) will be issued 60% of the Consideration Shares and Performance Shares.</p>	
<p>What are the conditions precedent for the Acquisition?</p>	<p>The Acquisition is subject to condition precedents including:</p> <p>(a) Regulatory and Shareholder approval: the parties having obtained all shareholder approvals, regulatory consents, NAB consent and approvals which are necessary for the Acquisition;</p> <p>(b) Re-instatement: the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company;</p> <p>(c) Capital Raising: the Company completing a capital raising of at least \$8,000,000;</p> <p>(d) Development Approval: the BSS Project receiving development approval from the Development Assessment Panel (this condition has been satisfied as Development Approval was granted on 14 December 2021);</p> <p>(e) Lease Agreement: the Company and the Landowner executing the Lease (this condition has been satisfied); and</p> <p>(f) Option Agreement: the Company and the Landowner executing the Option Agreement (this condition has been satisfied).</p>	<p>Section 10.1</p>

D. Re-compliance with Chapters 1 and 2 of the Listing Rules

<p>What approvals will be sought at the General Meeting?</p>	<p>At the General Meeting to be held on 28 January 2022, Shareholder approval will be sought for:</p> <p>(a) the change in nature and scale of the Company's activities;</p>	<p>Section 7.4</p>
---	--	--------------------

Topic	Summary	Further Information
	<ul style="list-style-type: none"> (b) the issue of Shares under the Capital Raising Offer; (c) the re-election of Messrs Mike Young and Chris Bath and Ms Dixie Marshall as Directors; (d) the participation of the Directors in the Capital Raising Offer; (e) the issue of the Consideration Shares and Performance Shares to the Vendors (and/or their nominees); (f) the creation of the new class of Securities, being Performance Shares; (g) the issue of the CEO Options to the Managing Director, Mr Mike Young (and/or his nominees); (h) the issue of the Director Options to Directors, Messrs Grant Davey and Chris Bath and Ms Dixie Marshall (and/or their nominees); (i) the issue of the Management Options to Key Management Personnel, Messrs Adam Kiley and Keith Bowes (and/or their nominees); (j) the issue of the Lead Manager Options to the Lead Manager (and/or its nominees); (k) the issue of the Adviser Options to the Adviser (and/or its nominees); (l) the change of the name of the Company to Frontier Energy Limited; and (m) the adoption of a new constitution. 	
<p>Why does the Company need to re-comply with Chapters 1 and 2?</p>	<p>ASX has advised the Company that, given the Company is acquiring a new asset, it has exercised its discretion under Listing Rule 11.1.3 and requires the Company to re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules.</p> <p>At the General Meeting, Shareholder approval will be sought, amongst other things, for a change in the nature and scale of the Company's activities. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.</p> <p>There is a risk that the Company may not be able to meet the requirements of re-compliance with Chapters 1 and 2 of the Listing Rules. If the conditions of the Capital Raising Offer are not satisfied, or the Company does not receive conditional approval for re-compliance with Chapters 1 and</p>	<p>Important Notices and Section 7.4(b)</p>

Topic	Summary	Further Information
-------	---------	---------------------

2 of the Listing Rules on terms which the Board reasonably believes are capable of satisfaction, then the Company will not proceed with the Capital Raising Offer and will refund all Application Monies received (without interest).

E. Key Strengths and Key Risks

What are the key strengths of the Company?

The Directors are of the view that the key strengths of the Company are: Section 1.5

- (a) **Strongly positioned for development:** the BSS Project is a well-advanced project, located proximal to key infrastructure, including grid connection, with a flat, cleared site that studies have confirmed is ideal for solar development and key approvals are in place;
- (b) **Company strategy:** the Company's strategy is aligned with the Commonwealth Government's commitment to renewable energy and the Western Australian Government's commitment to the production and export of green hydrogen over the next 10 years; and
- (c) **Strong Board:** highly capable Board with diverse skillset and extensive experience in the successful delivery of projects.

What are the key risks of investing in the Company?

Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 8. Section 8

In undertaking business activities, the Company will be exposed to risks, which include, but are not limited to:

- (a) **Re-compliance with Chapters 1 and 2 of the Listing Rules –** As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus has been issued to assist the Company to re-comply with these requirements. It is anticipated that the Shares will remain suspended until completion of the Acquisition, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from trading.
- (b) **Contractual and completion risk –** The Company has agreed to undertake the Acquisition subject to the satisfaction of certain conditions precedent. If

Topic	Summary	Further Information
	<p>any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur. The Company will not be able to meet the requirements of ASX to re-comply with Chapters 1 and 2 of the Listing Rules if completion of the Acquisition does not occur, and the Company's Shares will remain suspended from trading until such time as the Company does re-comply with the Listing Rules.</p> <p>(c) Loss of key personnel – The Company relies heavily on the abilities of key employees and management. The Company's performance is reliant on its ability to both retain and attract skilled individuals and to appropriately incentivise them. Although the Company expects to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so. The Company intends to mitigate these risks by entering into service contracts with any new employees and, where appropriate, may utilise existing and establish new employee incentive plans to encourage employees' loyalty to the Company.</p> <p>(d) Future capital requirements – An inability to obtain the required additional finance as and when required would delay progress on the development of the BSS Project, which would have a material adverse effect on the Company's business, financial performance and prospects.</p> <p>(e) New assets – The Company is acquiring the BSS Project to establish a new business. The Company's ability to generate revenue will depend on the Company being successful in developing and commercialising the BSS Project. There is a risk that a final investment decision is not reached in respect of the BSS Project.</p> <p>(f) Reliance of third party providers – There is a risk that goods and services that are required for the BSS Project's development, maintenance, repair and operation are difficult to procure, or will not be delivered on time or to the necessary quality or expected cost which may affect the operation of the BSS Project. The Company does not have in place formal written contracts with all of its key suppliers. The deterioration of any such key relationships or a change in the circumstances or requirements of the key suppliers, or market conditions generally, could therefore have significant operational and financial implications for the Company. Moreover, a failure by any one of those suppliers to perform their services, or a disruption to the supply chain, may have an adverse effect on the operations of the Company and its financial performance.</p>	

Topic	Summary	Further Information
	<p>(g) Solar resource – The Company will be exposed to the volume of generation produced by the BSS Project. Fluctuations in the level of solar resource occur on a short-term basis (hourly, daily, monthly and seasonal variations) and on a longer-term basis or the BSS Project may not perform as expected. Resource fluctuations affect the performance of the BSS Project, and the amount of energy produced by the BSS Project, and therefore, the revenue generated by it. The revenue profile over any given year may be different in following years and may not match the expense profile of a solar farm at the BSS Project.</p>	
	<p>(h) Long term electricity supply and demand – The BSS Project intends to sell electricity into the WEM either at spot or via PPAs with end users. The price of electricity can be volatile as it is primarily driven by supply and demand factors.</p>	
	<p>(i) Approval risks – The BSS Project will require further approvals from third parties before it can be developed. These are likely to include Building Permit, Environmental and Aboriginal Heritage approvals. There can be no assurance that these approvals will be obtained. Obtaining the necessary licences and approvals, including the execution of an ETAC with Western Power, can be a time consuming process and there is a risk that the Company will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development or operation of a project. Any failure to comply with applicable laws and licences, could result in fines, penalties or other liabilities.</p>	
	<p>(j) WEM related risks – Demand for electricity and related products is dependent on a number of factors, including economic conditions, population, government policy, weather and availability. Given the kinds of factors that affect demand, demand has inherent volatility. This may impact the price of electricity positively or negatively.</p>	
	<p>(k) Network access – The BSS Project will be reliant on access to third party infrastructure, in particular, electricity transmission and distribution infrastructure. The Company also needs to obtain the Access Offer and ETAC from Western Power. An inability to have access to these assets for any reason, including damage to third party network infrastructure, network constraints, changes to network access or construction of new generation could restrict the ability of the BSS Project to export energy at its full potential. This could</p>	

Topic	Summary	Further Information
	<p>adversely affect revenue and future financial performance.</p> <p>(l) Construction – There is a risk that the BSS Project may not proceed as planned. This could be the result of matters within or outside the Company's control. Examples may include weather events, natural disasters, contractor risk, regulatory intervention or failure to obtain or retain suitably qualified expertise. The occurrence of any such event could result in the BSS Project costing more or not proceeding as planned, including delayed completion, commissioning or failure to perform to technical specifications.</p>	

F. Directors and Related Party Interests and Arrangements

Who are the current directors of the Company?	<p>The Board comprises:</p> <ul style="list-style-type: none"> (a) Mr Grant Davey – Non-Executive Chairman; (b) Mr Mike Young – Managing Director; (c) Mr Chris Bath – Executive Director; and (d) Ms Dixie Marshall – Non-Executive Director. <p>Refer to Section 9.2 for details of the Directors' qualifications and experience.</p>	Sections 9.1 and 9.2
Who are the other Key Management Personnel?	<p>Other key management personnel and consultants are:</p> <ul style="list-style-type: none"> (a) Mr Stuart McKenzie, Company Secretary; and (b) Mr Adam Kiley, Business Development and Investor Relations. 	Sections 9.3 and 9.4
What experience do the Directors and Key Management Personnel have?	<p>Grant Davey – Non-Executive Chairman</p> <p>Mr Davey is an entrepreneur with 30 years of senior management and operational experience in the development, construction and operation of precious metals, base metals, uranium and bulk commodities throughout the world. More recently, he has been involved in venture capital investments in several exploration and mining projects and has been instrumental in the acquisition and development of the Panda Hill niobium project in Tanzania, the Cape Ray gold project in Newfoundland and recently the acquisition of the Kayelekera Uranium mine in Malawi from Paladin Energy Limited. He is currently a Director of Cradle Resources Limited (ASX:CXX), Lotus Resources Limited (ASX:LOT),</p>	Sections 9.2 to 9.4 (inclusive)

Topic	Summary	Further Information
	<p>Superior Lake Resources Limited (ASX:SUP) and is a member of the Australian Institute of Company Directors.</p> <p>Mike Young – Managing Director and Chief Executive Officer</p> <p>Mr Young is a mining executive and resource development geologist with a strong capability in team building, feasibility studies, managing joint ventures, execution of mine development and management of mining operations. Mr Young has extensive experience in managing public companies, the delivery of on-time and on-budget feasibility studies, developing and implementing company strategy and maintaining strong relationships with key stakeholders, including governments. Most recently, Mr Young was the CEO and Managing Director of Vimy Resources Limited (ASX:VMY).</p> <p>Chris Bath – Executive Director and Chief Financial Officer</p> <p>Mr Bath is a Chartered Accountant and member of the Australian Institute of Company Directors, with over 20 years of senior management experience in the energy and resources sector both in Australia and south-east Asia. Mr Bath has been Chief Financial Officer for companies listed on AIM, ASX and JSX. More recently he was a senior executive with a family office investment firm.</p> <p>Mr Bath is currently the Chief Financial Officer of Superior Lake Resources Limited, Matador Mining Limited and non-executive director and company secretary of Cradle Resources Limited.</p> <p>Dixie Marshall – Non-Executive Director</p> <p>Ms Marshall has more than 38 years of experience in media, advertising, politics and communications across a range of platforms, including television, radio, newspapers and digital. She has won awards for journalism, and more recently advertising. She has an advanced knowledge of data and digital innovation as applied to communications, marketing and sales. She is the first woman Managing Director of Marketforce, WA’s oldest advertising agency.</p> <p>Ms Marshall worked from the Premier’s Office for 6 years as the Director of Strategic Communications for the WA Government and has a unique insight and understanding of Australian Government policy and politics. Ms Marshall is a Commissioner with the WA Football Commission.</p> <p>Stuart McKenzie – Company Secretary</p> <p>Mr McKenzie has over 30 years of experience in senior commercial roles. He was previously Company Secretary with Anvil Mining Limited for six years, prior to which he held senior positions with Ok Tedi Mining Limited, Ernst and Young and HSBC. Mr McKenzie is the current</p>	

Topic	Summary	Further Information
	<p>company secretary of Marvel Gold Limited, Evolution Energy Minerals Limited, Matador Mining Limited, Lotus Resources Limited, Superior Lake Resources Limited and Tanga Resources Limited. Mr McKenzie holds a Bachelor of Laws, a Bachelor of Economics and is a member of the Governance Institute of Australia.</p> <p>Adam Kiley – Business Development and Investor Relations</p> <p>Mr Kiley has over 15 years' experience in the mining sector with a depth of experience in providing corporate and financial advisory services to ASX listed companies in both Australia and the United Kingdom. Mr Kiley holds a Bachelor of Commerce.</p>	
<p>What benefits are being paid to Directors?</p>	<p>The interests of the Directors, including details of their remuneration and the Securities held by them are detailed in Section 11.9.</p>	<p>Sections 11.9 and 11.10</p>
<p>What contracts and/or arrangements with related parties is the Company a party to?</p>	<p>The Company is a party to the following contracts with related parties:</p> <ul style="list-style-type: none"> (a) executive services agreement Mr Mike Young; (b) executive and consultancy services agreement with Mr Chris Bath; (c) non-executive Chairman and consultancy agreement with Mr Grant Davey; (d) non-executive director appointment letter with Ms Dixie Marshall; (e) shared services and office use agreements with, amongst other parties, Matador Capital Pty Ltd; (f) deeds of indemnity, insurance and access with each of the Directors and Officers; and (g) consulting agreement with Ms Jocelyn Young, wife of Mr Mike Young. 	<p>Sections 0 to 10.6 (inclusive) and 11.12</p>
<p>Are the Directors participating in the Capital Raising Offer?</p>	<p>Subject to Shareholder approval at the General Meeting, the Directors and their associated entities intend to participate in the Capital Raising Offer by subscribing for the following:</p> <ul style="list-style-type: none"> (a) Mr Grant Davey – 7,692,307 Shares; (b) Mr Mike Young – 1,538,461 Shares; (c) Mr Chris Bath – 1,923,076 Shares; and 	<p>Section 11.9</p>

Topic	Summary	Further Information
-------	---------	---------------------

(d) Ms Dixie Marshall – 384,615 Shares.

Who are the significant Shareholders?

No person will acquire control of, or voting power of 20% or more in, the Company as a result of the Acquisition or Offers under this Prospectus.

Section 7.8

As at the date of this Prospectus, the following persons have a relevant interest in 5% or more of the Shares on issue:

- (a) Mr Grant Davey: 11.3%
- (b) HSBC Custody Nominees (Australia) Limited: 8.6%
- (c) Kitara Investments <Kumova Family A/C>: 5.9%
- (d) Zero Nominees Pty Ltd: 5.4%

Based on the information known as at the date of this Prospectus, on completion of the Acquisition or Offers under this Prospectus, the following persons (including their associates) will have a relevant interest in 5% or more of the Shares on issue:

- (a) Mr Grant Davey: 9.8%
- (b) Ms Alicia Jane Goyder: 9.3%
- (c) Sector One Pty Ltd: 6.2%
- (d) HSBC Custody Nominees (Australia) Limited: 7.0%

G. Financial Information

What is the Company's financial position?

The Company's pro forma statement of financial position as at 30 June 2021 has net assets of \$16,947,123.

Section 5

This takes into account a range of subsequent events and transactions, including the completion of the Offers, the Acquisition, and is made up of total assets of \$17,879,179 (including cash of \$6,960,204) and total liabilities of \$932,056.

Relevant financial information in respect of the Company, including a pro forma statement of financial position detailing the effect of the Offers, is in Section 5.

Section 5 also contains statements of financial position, statements of profit or loss and other comprehensive income and statements of cash flows for the financial years ended 31 December 2019, 31 December 2020 and 30 June 2021.

Topic	Summary	Further Information
Will the Company have sufficient funds for its activities?	The Board believes that its current cash reserves and the funds raised from the Capital Raising Offer will provide the Company with sufficient working capital to achieve the Company's objectives as detailed in this Prospectus.	Section 5
What is the Company's dividend policy?	The Company does not intend to declare or pay any dividends in the immediately foreseeable future. The extent, timing and payment of any dividends declared or payable in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.	Section 7.21

H. Summary of the Offers

What is the Capital Raising Offer?	The Company is offering 61,538,462 Shares at an issue price of \$0.13 per Share to raise \$8,000,000 (before costs).	Section 7.1
What is the structure of the Capital Raising Offer?	<p>The Capital Raising Offer comprises:</p> <ul style="list-style-type: none"> (a) the General Offer, which is open to investors who have received an invitation from the Company to participate in the General Offer; and (b) the Broker Offer, which is open to clients of Brokers in Australia who receive a firm allocation of Shares from the Lead Manager. 	Section 7.1
What is the purpose of the Capital Raising Offer?	<p>The purpose of the Capital Raising Offer is to:</p> <ul style="list-style-type: none"> (a) raise \$8,000,000 (before associated costs); (b) assist the Company to meet the requirements of ASX and satisfy the re-compliance requirements of Chapters 1 and 2 of the Listing Rules; (c) provide the Company with sufficient funding to pursue its business strategy and seek to achieve its objectives (refer to Section 1.4) following completion of the Acquisition; and (d) provide the Company with additional working capital for its business, following completion of the Acquisition. <p>See Section 3.12 for use of funds.</p>	Sections 3.12 and 7.3
What are the conditions of the Capital Raising Offer?	Completion of the Capital Raising Offer is conditional on:	Section 7.5

Topic	Summary	Further Information
-------	---------	---------------------

- (a) the Company receiving Shareholder approval for the issue of the Shares pursuant to the Capital Raising Offer;
- (b) the Company receiving conditional approval from ASX for re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Board reasonably considers are capable of satisfaction; and
- (c) the Minimum Subscription being raised through the Capital Raising Offer.

If the above conditions are not satisfied, the Company will not proceed with the issue of the Shares pursuant to the Capital Raising Offer and will return to Applicants all the Application Monies (without interest) in accordance with the provisions of the Corporations Act.

If the Capital Raising Offer does not proceed, the Company will not proceed with the Additional Offers.

What is the Minimum Subscription under the Capital Raising Offer?

The Minimum Subscription under the Capital Raising Offer is the issue of 61,538,462 Shares at \$0.13 to raise \$8,000,000 (before associated costs). The Capital Raising Offer will not proceed if the Minimum Subscription is not achieved.

Section 7.2

What is the proposed use of funds raised pursuant to the Capital Raising Offer?

Upon the completion of the Acquisition and the Offers, the expected use of funds in the two year period following the Listing Date will be:

Section 7.6

	\$	%
Land Option fees	1,650,000	20.6
Lease fees	220,000	2.8
Solar FEED (Front End Engineering Design)	265,104	3.3
Generator model study	126,500	1.6
Interconnection works	55,000	0.7
Solar financing	154,000	1.9
Solar offtake	572,000	7.2
Solar expansion study	123,750	1.5
Battery integration study	74,250	0.9
Wind integration study	126,500	1.6
Hydrogen integration study	234,850	2.9
Corporate costs	2,873,220	35.9
Transaction costs ¹	741,630	9.3
Working capital	783,196	9.8
TOTAL	8,000,000	100

Notes:

1. Comprises of legal expenses, accounting expenses, broker fees, independent consultant fees and ASX fees. This assumes that the total funds raised under the Capital Raising Offer are placed by the Lead Manager.

Topic	Summary	Further Information
	<p>The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8) actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.</p> <p>The Directors consider that, following completion of the Capital Raising Offer, the Company will have sufficient working capital to meet its stated objectives and satisfy its working capital requirements for a period of at least two years following the Listing Date.</p> <p>The Company may seek to pursue further acquisitions which complement the BSS Project or other opportunities in the renewable energy sector and there may be a need to direct funds for that purpose or to raise additional equity capital. The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred which are not included in the above table.</p>	
<p>What are the Additional Offers?</p>	<p>In addition to the Capital Raising Offer, this Prospectus also contains the following Additional Offers subject to Shareholder approval at the General Meeting:</p> <ul style="list-style-type: none"> • Vendor Offer: the offer of 41,666,667 Shares and 25,500,000 Performance Shares to the Vendors (and/or their nominees) (subject to the approval of Shareholders at the General Meeting); • CEO Offer: the offer of 5,000,000 CEO Options to the Managing Director, Mr Mike Young (or his nominees) (subject to the approval of Shareholders at the General Meeting); • Director Offer: the offer of 11,000,000 Director Options to the Directors (excluding Mr Young) (and/or their nominees) (subject to the approval of Shareholders at the General Meeting); • Management Offer: the offer of 2,500,000 Management Options to Key Management Personnel (and/or their nominees); • Lead Manager Offer: the offer of 3,000,000 Lead Manager Options to the Lead Manager (and/or its nominees); and • Adviser Offer: the offer of 3,000,000 Adviser Options to the Adviser (and/or its nominees). 	<p>Section 7.18</p>
<p>What is the cost of the Offers?</p>	<p>The expenses of the Offers are estimated to be approximately \$741,630.</p>	<p>Section 11.13</p>
<p>Is the Capital Raising Offer underwritten?</p>	<p>The Capital Raising Offer is not underwritten.</p>	<p>Section 7.20</p>

Topic	Summary	Further Information
-------	---------	---------------------

What are the terms of the Securities offered pursuant to this Prospectus?

A summary of the rights and liabilities attached to the Shares offered pursuant to this Prospectus is detailed in Section 11.1.

Sections 11.1 and 11.3 to 11.6

A summary of the terms and conditions of the Performance Shares is detailed in Section 11.3.

A summary of the terms and conditions of the CEO Options is detailed in Section 11.4.

A summary of the terms and conditions of the Director Options is detailed in Section 11.5.

A summary of the terms and conditions of the Management Options is detailed in Section 11.5.

A summary of the terms and conditions of Lead Manager Options detailed in Section 11.6.

A summary of the terms and conditions of Adviser Options detailed in Section 11.6.

What is the effect of the Offers on the capital structure of the Company?

The Company's capital structure as at the date of this Prospectus and immediately following completion of the Acquisition and the Offers will be:

Section 7.7

	Shares	Options	Performance Shares
Existing Securities ¹	166,561,155	9,822,779	-
Issue of Consideration Shares	41,666,667	-	-
Issue of Performance Shares	-	-	25,500,000
Issue of Shares under the Capital Raising Offer ²	61,538,462	-	-
Issue of Options under the Additional Offers	-	24,500,000	-
Issue of Shares upon exercise of Options	931,885	(931,885)	-
TOTAL	270,698,169	33,390,894	25,500,000

Notes:

1. Assumes no further Securities are issued prior to the completion of the Acquisition, other than as detailed in the table.
2. Assumes all Shares will be issued under the Capital Raising Offer.

Upon completion of the Acquisition and the Offers, existing Shareholders will retain approximately 62% of the issued share capital of the Company, the Vendors (and/or their nominees) will hold an aggregate of 15% and the investors under the Capital Raising Offer will hold an aggregate of 23% of the issued share capital of the Company.

Topic	Summary	Further Information
I. Applications and Other Information		
Who is eligible to participate in the Capital Raising Offer?	<p>The General Offer is open to investors who have received an invitation from the Company to participate in the General Offer.</p> <p>The Broker Offer is open to clients of Brokers in Australia, who receive a firm allocation of Shares from the Lead Manager.</p>	Section 7.12
Who is eligible to participate in the Additional Offers?	<p>The Vendor Offer is only open to the Vendors (and/or their nominees).</p> <p>The CEO Offer is only open to Mr Mike Young (and/or his nominees).</p> <p>The Directors Offer is only open to Messrs Grant Davey and Chris Bath and Ms Dixie Marshall (and/or their nominees).</p> <p>The Management Offer is only open to Messrs Adam Kiley and Keith Bowes (and/or their nominees).</p> <p>The Lead Manager Offer is only open to the Lead Manager (and/or its nominees).</p> <p>The Adviser Offer is only open to the Adviser (and/or its nominees).</p>	Section 7.18
How can I apply?	<p>Applications under the Capital Raising Offer can be made by completing the application procedures given to you by the Company, Lead Manager or your Broker (as applicable).</p> <p>To the extent permitted by law, an Application under the Capital Raising Offer is irrevocable.</p>	Section 7.13
Is there any brokerage, commission or stamp duty payable by Applicants?	<p>No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares under the Capital Raising Offer.</p>	Section 7.13
When will I receive confirmation that my Application has been successful?	<p>It is expected that holding statements will be dispatched on or around 1 March 2022.</p>	Timetable

Topic	Summary	Further Information
When can I sell my Shares on the ASX?	<p>It is expected that trading of Shares on the ASX will commence on or around 1 March 2022.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive a holding statement do so at their own risk.</p>	Timetable
What is the minimum investment size under the Capital Raising Offer?	Applications under the Capital Raising Offer must be for a minimum of \$2,000 and thereafter in multiples of \$500 and payment for all the Shares must be made in full at the issue price of \$0.13 per Share.	Section 7.13
What is the allocation policy?	The Directors, in consultation with the Lead Manager, will determine the allocation of Shares under the Capital Raising Offer at their sole discretion. The Directors reserve the right to reject any Application under the Capital Raising Offer or to issue fewer Shares than the number applied for by an Applicant under the Capital Raising Offer.	Section 7.15
Will any Securities be subject to escrow?	<p>The Shares issued pursuant to the Capital Raising Offer will not be subject to escrow restrictions.</p> <p>However, subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, certain Securities in the Company will be classified by ASX (in its absolute discretion) as restricted securities and will be required to be held in escrow for up to 24 months from the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.</p>	Section 7.11
Can the Offers be withdrawn?	<p>The Directors may at any time decide to withdraw this Prospectus and the Capital Raising Offer in which case the Company will return all Application Monies (without interest) in accordance with the provisions of the Corporations Act.</p> <p>If the Capital Raising Offer does not proceed, the Company will not proceed with the Additional Offers.</p>	Section 7.5
What are the tax implications of investing in the Company?	The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest in the Company.	Section 7.24
How can I obtain further information?	Further information can be obtained by reading this Prospectus in its entirety and consulting your professional advisers. You can also contact the Company Secretary by phone on +61 8 6117 0479 or by email at info@superiorlake.com.au .	Section 7.25

1 COMPANY OVERVIEW

1.1 Renewable Energy

Addressing the impact of climate change and the damage being done to the environment by fossil fuel emissions are at the forefront of the political agenda in developed nations, including Australia. The electricity generation sector remains the largest source of emissions in Australia.

Renewable energy technologies are key to decarbonising the electricity sector. In 2020/21, the share of electricity generation in Australia from renewables rose above 30% for the first time (on an annual basis).¹ Renewables continued to be the cheapest form of new electricity generation in Australia and battery costs fell the most of any generation or storage technology.

In Western Australia, the energy sector is undergoing unprecedented change, making the transition from a traditional, centralised power system that is heavily reliant on fossil fuels and makes limited use of data, to a system that is cleaner, smarter and consumer focussed. Renewable energy from wind and solar now accounts for around 16% of electricity supply in the South West Interconnected System (**SWIS**), up from around 4% a decade ago.

The rapid uptake of solar photovoltaic (**Solar PV**) by Western Australian households and businesses is a big part of this change, with Solar PV already installed on over a quarter of all households in the State. Although traditional coal and gas-fired generation is likely to remain an important part of the supply mix for the next decade and beyond, newer, cleaner energy technologies will almost certainly make a much greater contribution than they do today.

With improvements in technology and falling costs, the growth in renewables is inevitable. Even without an emissions target or a stronger renewable energy target, the Western Australian Government expects generation from renewable sources to more than double, to account for over one-third of annual electricity generation in the SWIS, by 2030. Solar PV and batteries are also becoming a feature of electricity supplies in regional and remote parts of the State, reducing reliance on diesel and other traditional electricity sources.

Growing electricity demand and government and business decarbonisation strategies are expected to accelerate renewables penetration. Over 70% of electricity generation capacity in the SWIS is forecast to be renewable by 2040. Energy storage, particularly large-scale network batteries will be crucial to offset the intermittency of renewable power.

The Western Australian Government's Whole of System Plan identifies the South West transmission network is the best location for new generation connections to utilise existing network capacity and diversify energy generation sources.

As large energy users seek ways to reduce emissions, opportunities for grid connection of private large-scale solar generation projects are becoming increasingly attractive.

When it comes to Western Australia's energy future, there is no doubt that large-scale renewables, distributed energy resources and other new technologies offer the opportunity for a clean, secure and affordable electricity supply into the future.

There are significant growth opportunities in the renewable energy industry and it is for this reason that the Company is transitioning to a renewable energy company.

BDO has produced a report in Section 2 on the renewables industry in Australia and Western Australia.

1.2 Renewable Energy Projects and Strategy

The Company's first renewable energy project will be the development of the Bristol Springs Solar Project – a large-scale solar energy project located in the southwest of Western Australia.

The BSS Project development is well advanced and is designed to produce 114MWdc of electricity. The Solar Farm design incorporates the latest generation technology to deliver a low-cost energy plant.

¹ Australian Institute, National Energy Emissions Audit (October 2021).

It is strategically located to connect to the backbone of the SWIS, close to road and port infrastructure. Development approval has been granted and an electricity connection application is in progress with Western Power. Additional land acquisition opportunities are available to allow for an increase in solar power generation up to ~490MWdc.

There are significant future opportunities at the BSS Project to enhance the capability of the existing BSS Project, including solar, wind, battery and hydrogen.

The Company will also consider investments in other renewable energy projects, including wind, solar and hydrogen that meet the Company's investment criteria and drive shareholder value.

The Company is raising \$8,000,000 (before costs) to undertake the activities outlined above. A detailed use of funds is included at Section 3.12.

Further details on the BSS Project and the Company's renewable energy strategy can be found in Section 3.

1.3 Board and Management

To help pursue its strategy in the renewable energy sector, the Company has assembled a balanced and well-respected board of directors and management team, with extensive experience in project development, capital markets and the energy industry. Importantly, the Board has strong relationships with key stakeholders, including major players in the Western Australia electricity market, end users, local communities and government.

The Board comprises Non-Executive Chairman Mr Grant Davey, Managing Director Mr Mike Young, Executive Director Mr Chris Bath and Non-Executive Director Ms Dixie Marshall. Further details on the Board and management can be found in Sections 9.1 and 9.2.

1.4 Company Objectives

Following completion of the Acquisition, the Company's key objectives as a renewable energy company will be:

- (a) complete the work required to enable the BSS Project to connect to the grid and secure offtake arrangements for supply of electricity;
- (b) consider increasing the Company's landholding to expand solar power generation capacity; and
- (c) undertake studies to investigate additional renewable energy options, including the addition of wind energy and the financial and regulatory requirements in relation to the production, storage and transportation of green hydrogen.

1.5 Key Strengths

The Directors are of the view that the key strengths of the Company are:

(a) **Strongly positioned for development**

The BSS Project is a well-advanced project, located proximal to key infrastructure, including grid connection, with a flat, cleared site that studies have confirmed is ideal for solar development and key approvals are in place.

(b) **Company strategy**

The Company's strategy is aligned with the Commonwealth Government's commitment to renewable energy and the Western Australian Government's commitment to the production and export of green hydrogen over the next 10 years.

(c) **Strong Board**

Highly capable Board with diverse skillset and extensive experience in the successful delivery of projects.

1.6 Legacy Mining Assets

The Company has a legacy asset, holding through its subsidiary an approximately 66% interest in Metallum, worth approximately \$9.9 million as at 7 January 2022 (based on Metallum's share price of C\$0.07 and an exchange rate of 1 CAD:1.0984 AUD on 7 January 2022). This shareholding follows the sale of the Superior Lake Zinc Project in Canada to Metallum, which completed in April 2021. The Company will look to realise the value of this investment over the medium term.

1.7 Corporate History

The Company was admitted to the Official List (current ASX code: SUP) on 10 December 2009. The Shares have been suspended from trading on ASX since 16 August 2021. Since the divestment of the Zinc Project, the Directors have focused on identifying, and conducting due diligence on, potential acquisition opportunities.

GREEN ENERGY INDUSTRY REPORT

A focus on Australia's and Western Australia's energy transition

Preface

The "Green Energy Industry Report" has been produced by BDO Advisory Pty Ltd on behalf of Superior Lake Resources Limited. The research information contained in this report is based on and sourced from publicly available information.

BDO Advisory (WA) Pty Ltd ABN 84 607 899 570 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Advisory (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Contents

Scope	3
Key Highlights	3
The Global Perspective	4
Climate risk & the green economy.....	4
<i>Net zero commitments help accelerate the green energy transition</i>	4
Renewable energy investment trends	5
<i>Large-scale solar generation</i>	5
<i>Corporate PPAs</i>	5
<i>Battery storage</i>	5
<i>Hydrogen</i>	6
The Australian Perspective	6
Climate policy landscape.....	6
Decarbonisation & the role of the green economy	7
Renewable energy investment trends	8
<i>Large-scale solar generation</i>	9
<i>Corporate PPAs</i>	10
<i>Battery storage</i>	11
<i>Hydrogen</i>	12
<i>Carbon credit scheme opportunities</i>	13
The Western Australian Perspective	13
Climate policy landscape.....	13
Renewable energy investment trends	14
<i>Large-scale solar generation</i>	15
<i>Corporate PPAs</i>	16
<i>Battery storage</i>	17
<i>Hydrogen</i>	19
Green economy outlook	20
Changing tone of business	21
A bright future for WA.....	21
APPENDIX	23
Disclaimers and consents	28

Scope

This Independent Industry Overview report captures the energy landscape within Australia, most specifically the Western Australian green energy sector focusing on large-scale solar generation.

Key Highlights

- The green energy industry will be fundamental to support decarbonisation strategies across industrial and domestic electricity supply markets.
- Australia is experiencing strong growth in large-scale solar generation with a four-year growth rate from 2016 to 2020 of 1,268 per cent.
- Significant investment in large-scale renewable generation is necessary to deliver the lowest cost to supply solution for the South West Interconnected System in Western Australia under recent growth scenario modelling.
- The past two years has seen record demand for corporate power purchase agreements in Australia as corporations look to optimise their strategy by increasing environmental awareness and decarbonisation investments.
- Australian and Western Australian government policy is slowly, but surely, setting a pathway to reducing emissions across industries, moving to incentivise business and attract investment in the renewable energy transition.
- The WA Government has stated it is committed to driving the development of a competitive renewable hydrogen industry in Western Australia, evidenced by recent investments towards realising the WA Renewable Hydrogen Strategy & Roadmap.

The Global Perspective

Climate risk & the green economy

The financial and economic risks posed by a changing climate are numerous, persistent, and systemic.¹ Such risks include, but are not limited to:

- Damage and disruption to critical infrastructure and essential services.
- Eroded productive capacity and reduced productivity growth.
- Supply shocks pushing up commodity prices and increasing inflation.
- Diversion of funds to recovery and away from investments in new technology, research, and productivity enhancements.
- Decline in natural capital and ecosystem services due to loss of species and biodiversity.
- Impacts to health, wellbeing, and safety.

Climate concerns are rapidly spreading across the world with individual, business, investor, and societal pressures increasingly becoming more invested and involved in the move to 'net zero' emissions.

Calls for global action, setting emissions reduction targets, and allocating capital for the energy transition have been discussed at the recent United Nations Climate Change Conference (COP26) held in Glasgow in November 2021, with a strong push for more aggressive targets and regulations, including 50 per cent emissions reduction by 2030 and net zero by 2050.

Immediate, rapid, large-scale reductions in greenhouse gas emissions are necessary to limit global warming and mitigate the impacts of climate change.² Emissions reduction strategies present an economic imperative for business, industry, governments, and society.

Net zero commitments help accelerate the green energy transition

Out of 198 countries, 137 have publicly committed to net zero, capturing 88 per cent of global emissions.³

As countries commit to achieve net zero emissions over the coming decades, the fundamental climate mitigation and emissions reduction strategies underpinning national climate action plans are driving the green economy.

The International Energy Agency's (IEA) Net Zero by 2050 report highlights the enormity of the challenge for achieving net zero emissions and the scale of clean energy technology investment and deployment across renewables, electric vehicles, and energy efficient building and process retrofits required this decade to ensure success.⁴

According to the IEA's latest World Energy Outlook 2021, the past two years have seen a continued rapid growth in the renewable energy market and record sales in electric vehicles as clean energy technology develops as a major new area for investment and employment.⁵

¹ <https://www.climatecouncil.org.au/wp-content/uploads/2019/05/Costs-of-climate-change-report.pdf>

² <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>

³ <https://zerotracker.net/>

⁴ <https://www.iea.org/reports/net-zero-by-2050>

⁵ <https://www.iea.org/reports/world-energy-outlook-2021>

Renewable energy investment trends

Extraordinary expansion has continued throughout the renewables market across the globe, predominantly China, Europe, the United States, and India.

China, the largest driver of global renewable capacity growth, accounted for 50 per cent of global market growth in 2020 due to a surge in new installations.⁶

Europe is the second largest renewable energy market globally,⁷ powered by robust policy support to achieve the EU net zero by 2030 target, increased purchase power agreements (PPA), and declining photovoltaic (PV) system prices.

The United States' recent government policy advancements have also elevated their share in renewable market growth.⁸ The introduction of federal tax credit extensions is driving greater renewable expansion, particularly onshore wind and solar PV.

Induced by COVID-19 impacts, India faces renewable energy deployment, yet forecasts reveal new heights for capacity expansion for the remainder of 2021 and 2022.⁹

Large-scale solar generation

As the lowest-cost option for electricity generation in many countries, global annual solar PV capacity additions are forecast to increase to 162 GW in 2022, of which, the share of large-scale solar generation additions are expected to increase to almost 70 per cent in 2022.¹⁰

In the decade to 2020, the cost of electricity from large-scale solar generation decreased by 85 per cent.¹¹ This substantial reduction in cost coupled with expanding corporate PPA markets in the United States and Europe have made large-scale solar projects an economically attractive power solution.¹²

Corporate PPAs

In 2020, corporate power procurement experienced another record-breaking year with 25 per cent year-on-year growth.¹³

The United States hosts the largest corporate PPA markets globally. The European market activity almost tripled in 2020 with large contracts in Spain and Sweden. New developments in Korea, India and China drive continued growth in the Asia-Pacific region, while Brazil continues to dominate as the largest corporate PPA market in Latin America with increasing projects relying on long-term private energy contracts.¹⁴

Battery storage

In 2020, global investment in battery storage increased by 40 per cent with strong growth expected to continue.¹⁵ As investment in renewables continues to drive forward, spending in the utility-scale battery sector increased over 60 per cent, whilst average costs declined by 20 per cent.¹⁶

Strong growth in battery sector investment and declining project costs saw over 1 GW of utility-scale battery installations in the United States and China in 2020, followed closely by Korea and Europe.¹⁷

⁶ <https://www.iea.org/reports/renewable-energy-market-update-2021>

⁷ *ibid*

⁸ *ibid*

⁹ *ibid*

¹⁰ *ibid*

¹¹ *ibid*

¹² <https://www.irena.org/publications/2021/Jun/Renewable-Power-Costs-in-2020>

¹³ <https://www.iea.org/reports/renewable-energy-market-update-2021>

¹⁴ *ibid*

¹⁵ *ibid*

¹⁶ *ibid*

¹⁷ *ibid*

Hydrogen

Storage and transportation of renewable energy has long been a challenge. The hydrogen industry has the potential to use the growing amount of renewable electricity and store energy to meet peak demand.

Hydrogen is versatile as a fuel - it is light, storable, and produces no direct emissions of pollutants or greenhouse gases. Considering these benefits, some have forecast a future built purely on hydrogen powering industry, heat, and transportation, among others.

As of October 2021, 29 countries including the European Union, the United Kingdom, China, and Australia have published hydrogen strategies or roadmaps.¹⁸

Record spending and growing momentum in capital investment underlie strong expectations for near-term expansions in the low-carbon hydrogen market.¹⁹

In Europe, the low-carbon hydrogen market is largely focused on industrial applications (such as refining and steel manufacturing sectors), while in Japan hydrogen and ammonia are gaining increased attention as potential solutions for energy storage and displacement of coal from the energy mix.²⁰

The Australian Perspective

Climate policy landscape

Australia's Prime Minister, Hon. Scott Morrison MP, attended COP26 in Glasgow with the commitment to reach net zero emissions by 2050.²¹

Australia's net zero commitment is underpinned by the Long-Term Emissions Reduction Plan. The Plan sets out a technology-focused approach to reducing emissions across Australia, aiming to drive down the cost of low-emissions technologies, facilitate deployment at scale, support regional communities transition, and collaborate internationally on technology development. The Plan is supported by an array of strategies including the National Hydrogen Strategy, Future Fuels and Vehicles Strategy, and Technology Investment Roadmap, amongst others.²²

Climate policy in Australia has been strained due to political struggles across parties, industries, and state borders, albeit now all Australian states and territories are committed to net zero.

It is largely agreed that the coming decade is one in which drastic changes must be made in reducing emissions. States and territories have increased their targets against the original Paris Agreement from 26 to 28 percent to 37 to 42 per cent (below 2005 levels) by 2030.²³ Although still viewed short of what is needed, achieving these targets will require significant capital and legislative commitments.

Initiatives from Industry, private finance, technology, and climate advocacy groups and to some extent state governments, have driven policy development and seen a rise in renewable energy collaborations with leading organisations, instigating opportunities for clean energy providers to cooperate directly with industry.

Spurred on by customer and supplier demands and global dynamics, many industries and companies have begun developing their own emissions reduction programs.

¹⁸ <https://research.csiro.au/hvresource/policy/international/>

¹⁹ <https://www.iea.org/reports/world-energy-investment-2021>

²⁰ *ibid*

²¹ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/australias-plan-reach-our-net-zero-target-2050>

²² <https://www.industry.gov.au/data-and-publications/australias-long-term-emissions-reduction-plan>

²³ <https://www.climateworksaustralia.org/resource/state-and-territory-climate-action-leading-policies-and-programs-in-australia/>

Corporations are looking to optimise their strategy by increasing environmental awareness and investment. Corporate investment in renewable energy can be seen in the form of purchasing green electricity certificates, signing corporate PPAs, and owning renewable energy assets.

Recent regulatory and legislative changes implemented across the country to manage and reduce emissions highlight the speed at which energy systems are transforming and forever changing the demand and supply profile of business and industry:

- **BUILDINGS** - Australia is leading the world on solar uptake with data from the Australian Energy Council Solar Report Q2 2021 indicating WA's battery storage with solar installations recorded 77 per cent higher than the same period in 2020.²⁴
- **ELECTRICITY** - Australia has a national renewable energy target of 55 per cent by 2030. As of July 2021, there was 10,000 MW of new generation and 1,400 MW of new storage in the pipeline.²⁵
- **TRANSPORT** - New South Wales and Victoria have targeted 50 per cent of new car sales being electric by 2030, in addition to multiple jurisdictions addressing public transport emissions by transitioning bus, rail, and road vehicles to electric.²⁶

Decarbonisation & the role of the green economy

For the 2019/20 financial year, Australian corporations reported a total 327 million tonnes CO₂-e of Scope 1 emissions (direct emissions from owned or controlled sources), and 86 million tonnes CO₂-e of Scope 2 emissions (indirect emissions from the generation of purchased electricity, steam, heating, and cooling).²⁷

Of the national total Scope 1 emissions, Western Australia (WA) accounted for 20.9 per cent, while electricity generation accounted for 47.9 per cent of the national total.²⁸

In 2020, Australia recorded its highest ever total electricity generation at around 265 TWh (955 PJ), of which fossil fuels contributed 76 per cent (coal 54 per cent, gas 20 per cent, and oil 2 per cent), and renewables contributed 24 per cent (solar 9 per cent, wind 9 per cent, and hydro 6 per cent).²⁹

Energy production is the largest contributor to Australia's carbon emissions, followed by transport, agriculture, and industrial processes (**Figure 1**).³⁰

²⁴ <https://www.energycouncil.com.au/media/c23fz3je/australian-energy-council-solar-report-q2-2021.pdf>

²⁵ <https://www.climateworksaustralia.org/resource/state-and-territory-climate-action-leading-policies-and-programs-in-australia/>

²⁶ <https://www.energycouncil.com.au/media/c23fz3je/australian-energy-council-solar-report-q2-2021.pdf>

²⁷ <http://www.cleanenergyregulator.gov.au/NGER/National/20greenhouse/20and/20energy/20reporting/20data/Data-highlights/2019-20-published-data-highlights>

²⁸ *ibid*

²⁹ <https://www.energy.gov.au/data/electricity-generation>

³⁰ <https://www.csiro.au/en/research/environmental-impacts/climate-change/climate-change-qa/sources-of-ghg-gases>

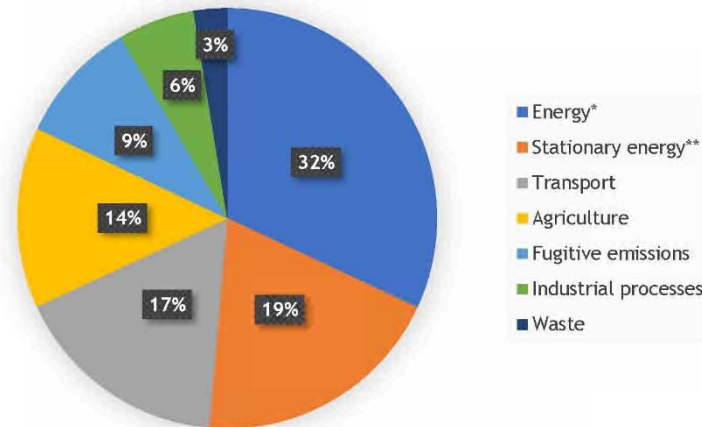


Figure 1: Australian emissions profile, CSIRO 2020

The share of renewable energy in Australia’s electricity generation mix has continued to increase over the past decade as coal’s share steadily declines.³¹

As Australia progresses on a pathway to net zero emissions by 2050, decarbonisation of the electricity sector will play a crucial role. The evolution and expansion of the green economy, specifically the green energy industry, will be fundamental to support decarbonisation strategies across industrial and domestic electricity supply markets.

The Australian Energy Market Operator’s (AEMO) 2021 Electricity Statement of Opportunities (ESOO) highlights future growth in electricity demand driven by the commercial sector and acceleration in electrification, particularly electric vehicles.³²

Today, AEMO expects that, if the power system is engineered appropriately, there could be up to 100 per cent instantaneous penetration of renewables at certain times of the day throughout the year by 2025.³³

Renewable energy investment trends

The Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA) have played an important role in facilitating finance and encouraging private investment in the Australian renewable energy market. Together, CEFC and ARENA have directly invested \$8.5 billion, stimulating approximately \$25 to \$30 billion of additional private sector investment over the past decade.³⁴

During 2020-21, ARENA contributed \$185.9 million to 59 new projects across Australia which amounted to a total value of \$1.27 billion.³⁵ Over the same period, the CEFC committed \$620 million nationally, of which \$238 million was committed to WA clean energy projects.³⁶

³¹ <http://www.cleanenergyregulator.gov.au/NGER/National%20greenhouse%20and%20energy%20reporting%20data/Data-highlights/2019-20-published-data-highlights>

³² https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_esoo/2021/2021-nem-esoo.pdf?la=en

³³ https://aemo.com.au/-/media/files/about_aemo/corporate-plan/2021/fv22-aemo-corporate-plan.pdf?la=en&hash=031377CA8B769A28E705235EFE428633

³⁴ <https://www.rba.gov.au/publications/bulletin/2020/mar/renewable-energy-investment-in-australia.html>

³⁵ <https://arena.gov.au/assets/2020/06/arena-annual-report-20-21.pdf>

³⁶ <https://www.cefc.com.au/annual-report-2021/>

Across Australia, 109 renewable energy generation projects (including wind, solar, and bioenergy) were currently under construction or due to commence construction as of August 2021 (Figure 2).³⁷

Delivering more than \$18.9 billion in capital costs, these projects collectively introduce 11,335 MW of renewable energy capacity into the Australian market.³⁸

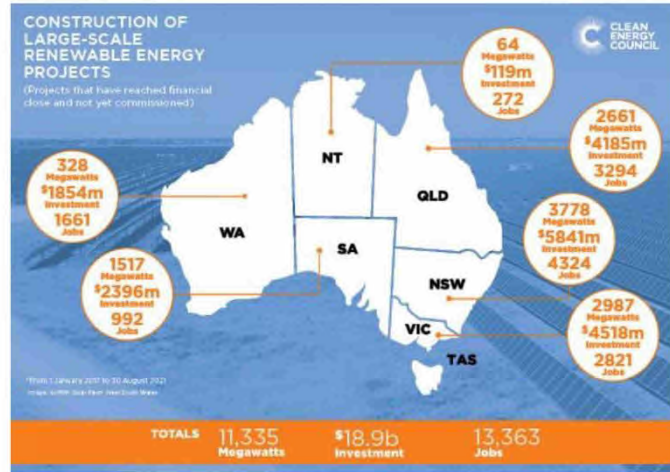


Figure 2: Construction of large-scale renewable energy projects in Australia, Clean Energy Council 2021³⁹

Large-scale solar generation

Australia is experiencing strong growth in large-scale solar generation with a four-year growth rate from 2016 to 2020 of 1,268 per cent, according to the 2021 Australian Energy Statistics.⁴⁰ Elevated wholesale electricity prices, green energy policy incentives, declining costs, and improved access to finance have driven this growth and investment in large-scale renewable energy projects.⁴¹

The large-scale solar industry has been crucial in achieving the Australian Government’s mandated Renewable Energy Target by 2020. As of March 2021, the Australian electricity grid incorporates nearly 7,000 MW of large-scale solar generation, a 2,000 per cent increase in connected large-scale solar capacity over five years.⁴²

Continued efficiency improvements and drive to build generation capacity will see the large-scale solar industry play a critical role in supporting Australia’s green energy transition, and the establishment of a green hydrogen supply chain.⁴³

³⁷ <https://www.cleanenergycouncil.org.au/resources/project-tracker>

³⁸ *ibid*

³⁹ *ibid*

⁴⁰ <https://www.energy.gov.au/sites/default/files/Australian%20Energy%20Statistics%202021%20Energy%20Update%20Report.pdf>

⁴¹ <https://www.rba.gov.au/publications/bulletin/2020/mar/renewable-energy-investment-in-australia.html>

⁴² <https://arena.gov.au/renewable-energy/large-scale-solar/>

⁴³ *ibid*

CASE STUDY - Darling Downs Solar Project (Qld)

The Darling Downs Solar Project is one of twelve large-scale solar generation projects supported by ARENA which together add almost 500 MW of new generation, tripling the large-scale solar generation capacity in Australia.⁴⁴

Completed in 2018, the Project by APA Group involved the development a 110 MW fixed-tilt solar PV farm comprising 430,000 PV solar modules, connecting into Powerlink's existing Braemar Substation in Queensland (Qld).⁴⁵

The Project was underpinned by an energy purchase agreement with Origin Energy which included the purchase of the Large-scale Renewable Generation Certificates generated by the facility until end 2030.⁴⁶

Corporate PPAs

Corporate PPAs are dominating investments in the solar and wind farms sector accompanied by strong market interest. The market for renewable PPAs in Australia has grown rapidly in recent years, with corporate PPAs supporting projects with generation capacities totalling 9,500MW since 2017.⁴⁷

In 2020, Australia set a new national record for corporate PPA deals, directly contracting 1.3 GW and supporting more than 2.5 GW of renewable energy generation, and 2021 has shown similarly strong growth as the second-best year on record.⁴⁸

Recent PPA demand in Australia has largely been driven by impacts of COVID-19, ambitious state emissions reduction targets, and long-term perspective on PPAs against future electricity prices.

CASE STUDY - Newcrest signs renewable energy PPA to support emissions reduction strategy

In December 2020, Newcrest Mining Limited (Newcrest) signed a 15-year renewable energy PPA with Tilt Renewables Limited (Tilt Renewables) to supply renewable energy for its Cadia mine in New South Wales (NSW).⁴⁹

The renewable energy will be supplied from Tilt Renewables' Rye Park Wind Farm, set to become the largest wind farm directly enabled by a corporate PPA in Australia.⁵⁰

Together with the forecast decarbonisation of the NSW electricity grid, the PPA is expected to reduce Newcrest's greenhouse gas emissions by approximately 20 per cent, bringing Newcrest closer towards achieving their corporate emissions reduction target of 30 per cent by 2030.⁵¹

⁴⁴ <https://arena.gov.au/projects/darling-downs-solar-project/>

⁴⁵ *ibid*

⁴⁶ <https://www.apa.com.au/our-services/other-energy-services/wind--solar-farms/darling-downs-solar-farm/>

⁴⁷ <https://www.energetics.com.au/insights/knowledge-centres/corporate-renewable-ppa-deal-tracker>

⁴⁸ *ibid*

⁴⁹ [https://www.newcrest.com/sites/default/files/2020-](https://www.newcrest.com/sites/default/files/2020-12/201216_Newcrest%20signs%20renewable%20energy%20PPA%20to%20help%20deliver%2020%25%20reduction%20in%20greenhouse%20gas%20emissions.pdf)

[12/201216_Newcrest%20signs%20renewable%20energy%20PPA%20to%20help%20deliver%2020%25%20reduction%20in%20greenhouse%20gas%20emissions.pdf](https://www.newcrest.com/sites/default/files/2020-12/201216_Newcrest%20signs%20renewable%20energy%20PPA%20to%20help%20deliver%2020%25%20reduction%20in%20greenhouse%20gas%20emissions.pdf)

⁵⁰ *ibid*

⁵¹ *ibid*

Battery storage

Technological advances, rapidly declining costs, and government incentivisation schemes continue to drive strong growth in battery installations across Australia.⁵²

As of August 2021, 22 battery storage projects were currently under construction or due to commence construction nationally (Figure 3).⁵³

Delivering more than \$1 billion in capital costs, these projects collectively introduce 1,416 MW of energy storage capacity and 2,818 MWh discharge capability into the Australian market.⁵⁴

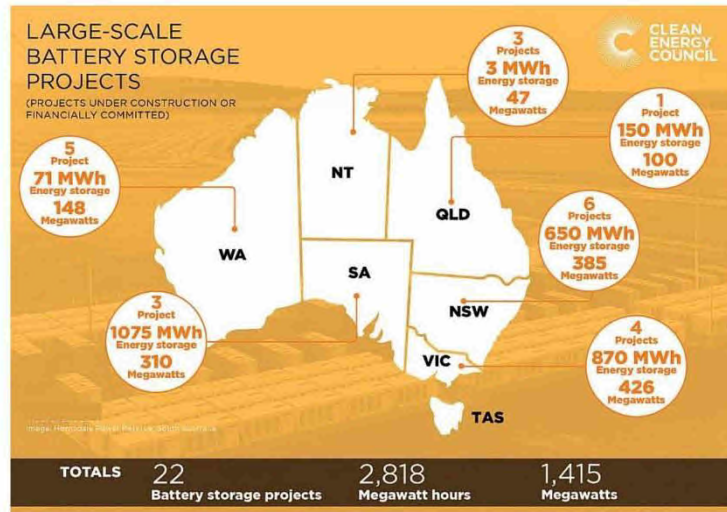


Figure 3: Construction of large-scale battery storage projects in Australia, Clean Energy Council 2021⁵⁵

CASE STUDY - Hornsdale Power Reserve Upgrade (SA)

The expansion of the Hornsdale Power Reserve (South Australia’s Big Battery) to 150 MW / 194 MWh will allow Australia’s biggest battery to provide inertia services and fast frequency responses to help stabilise the grid.⁵⁶

Supported by ARENA, the upgrade incorporates leading Tesla design features in a ‘rotating machine model’ to provide a ‘virtual inertial response’, effectively mimicking synchronous machines and delivering improved power system reliability and consumer cost savings.⁵⁷

⁵² <https://arena.gov.au/renewable-energy/battery-storage/>

⁵³ <https://www.cleanenergycouncil.org.au/resources/project-tracker>

⁵⁴ *ibid*

⁵⁵ *ibid*

⁵⁶ <https://arena.gov.au/news/worlds-largest-scale-battery-set-to-get-even-bigger/>

⁵⁷ <https://arena.gov.au/projects/hornsdale-power-reserve-upgrade/>

CASE STUDY - Co-located Vanadium Flow Battery Storage & Solar (SA)

The innovative renewable energy project by Yadlamalka Energy Pty Ltd will comprise co-located Vanadium Flow Battery (VFB) energy storage (2 MW / 8MWh) and 6 MWp solar PV farm, supplying a combination of solar power and battery storage services to the grid via the local Neuroodla electricity substation near Port Augusta, South Australia.⁵⁸

The breakthrough technology of VFB presents significant advantages, able to discharge 100 per cent stored energy without degrading these batteries are highly suitable for heavy cycling.⁵⁹

The project will support efforts to improving distributed and intermittent energy issues within the South Australian electricity grid and contribute valuable technical and commercial operations knowledge of grid-connected VFB to help improve future VFB projects.

Hydrogen

Australia's National Hydrogen Strategy and Roadmap set out the vision and steps to position Australia as a major player in the global hydrogen industry by 2030.

Investing \$1.2 billion to develop the hydrogen industry, the Australian Government are strategically positioning hydrogen as a means for reducing onshore greenhouse gas emissions by displacing fossil fuels in the energy mix and setting the foundations for a profitable hydrogen export sector.⁶⁰

Under Australia's Technology Investment Roadmap, a core pillar of Australia's Long-Term Emissions Reduction Plan, the Australian Government has a priority stretch target of producing clean hydrogen under \$2 per kilogram. In support of achieving this goal, seven regional areas (including the Pilbara, WA) have been prioritised as prospective sites for the development of industrial hydrogen hubs under the government's Clean Hydrogen Industrial Hubs program.⁶¹

States and territories across Australia have developed a hydrogen industry strategy and are actively pursuing opportunities to establish local renewable hydrogen production and/or export industries.

CASE STUDY - Hunter Hydrogen Hub (NSW)

Announced in November 2021, the NSW Government are exploring opportunities for the development of a hydrogen hub in the Hunter region.

Located within an existing resource-based industrial hub, the Hunter Hydrogen Hub would leverage co-location and sector coupling opportunities to decarbonise existing supply chains and attract industry, innovation, and academic talent to establish a hydrogen centre of excellence.⁶²

⁵⁸ <https://yadlamalkaenergy.com/project/>

⁵⁹ *ibid*

⁶⁰ <https://www.industry.gov.au/policies-and-initiatives/growing-australias-hydrogen-industry>

⁶¹ <https://www.industry.gov.au/news/funding-available-for-clean-hydrogen-industrial-hubs>

⁶² <https://research.csiro.au/hyresource/hunter-hydrogen-hub/>

CASE STUDY - Rio Tinto Pacific Operations Hydrogen Program (Qld)

Rio Tinto Aluminium Limited (Rio Tinto), supported by ARENA, are undertaking a technical feasibility study investigating opportunities for partially decarbonising alumina refining operations at Rio Tinto's Yarwun alumina refinery in Gladstone, Qld using renewable hydrogen.⁶³

The use of renewable hydrogen to displace natural gas in the alumina refining calcination process has the potential for the economic decarbonisation of a currently emissions-intensive refining process.

Carbon credit scheme opportunities

In October 2021, the Hon. Angus Taylor MP, Minister for Industry, Energy and Emissions Reduction, announced new priorities for the development of methodologies under the national Emissions Reduction Fund (ERF) under which Australian Carbon Credit Units (ACCUs) can be generated from eligible emissions reduction activities.⁶⁴ These priorities notably include:

- Transport (including emissions reductions created by electric vehicle charging and hydrogen refuelling infrastructure), and
- Hydrogen (including injection of clean hydrogen into the gas network, and the use of hydrogen in electricity generation or other uses, such as low carbon steel).

As of September 2021, Australian carbon credit prices hit record highs due to strong demand from both government and commercial buyers with compliance obligations.⁶⁵ Trend prices are tracking those on the European market and given the carbon cutting announcements being made by both government and commercial at COP26, it is expected that demand pressures will only rise.

"At present the supply of quality credits is constrained compared to general market sentiment which is indicating strong demand from several sources and as a result, we are seeing increasing prices for ACCUs," said Phil Cohn, Executive Director with Australia-based investment and advisory firm Pollination Group.⁶⁶

The Western Australian Perspective

Climate policy landscape

In 2017, the WA Government set a target of net zero emissions by 2050 and outlined plans to collaborate with business to develop new technology and adopt energy efficiency solutions and alternate energy sources.

While there are currently no state-based interim targets (though this is expected to change in the near future), the WA Government supports the Federal Government's target of 26 to 28 per cent emission reduction by 2035.

With increasing focus on the energy transition, more policy and funding schemes are emerging across Australia. **Table 1** in the Appendix outlines the climate and emissions-related policy and funding landscape for Australia and specifically WA.

⁶³ <https://arena.gov.au/projects/rio-tinto-pacific-operations-hydrogen-program/>

⁶⁴ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/new-erf-method-and-2022-priorities-announced>

⁶⁵ <https://www.spglobal.com/platts/en/market-insights/latest-news/energy-transition/092221-australian-carbon-credit-prices-hit-record-high-on-demand-surge>

⁶⁶ *ibid*

The cornerstone climate policy strategy for WA is the State Climate Policy, released in November 2020. The Policy outlines the WA Government's plans for a climate-resilient low-carbon future, focusing actions across six core themes, including clean manufacturing and future industries; transforming energy generation and use; storing carbon and caring for our landscapes; and lower-carbon transport.⁶⁷

Renewable energy investment trends

Renewable energy currently accounts for approximately 34 per cent of electricity generation capacity in the South West Interconnected System (SWIS) in WA, comprising 18 per cent rooftop solar, 14 per cent wind, and 3 per cent large-scale solar (Figure 4).⁶⁸



Figure 4: 2020 SWIS generation capacity mix⁶⁹

Growing electricity demand and government and business decarbonisation strategies are expected to further accelerate renewables penetration.

The State has responded to an increase in demand for renewable energy supply and production by launching WA's first Whole of System Plan (WOSP). The WOSP provides a detailed analysis of the potential evolution of the SWIS over the next 20 years and will inform the effective transition to renewables and distributed energy resources.⁷⁰

Under all four modelling scenarios, over 70 per cent of electricity generation capacity in the SWIS will be renewable by 2040, and under higher demand scenarios, significant investment in large-scale renewable generation is necessary to deliver the lowest cost to supply solution.⁷¹

Energy storage, particularly batteries including large-scale network batteries, will be crucial to offset the intermittency of renewable power.

The WOSP also finds the South West transmission network zone to be the best location for new generation connections to utilise existing network capacity and diversify energy generation sources.⁷²

⁶⁷ <https://www.wa.gov.au/service/environment/environment-information-services/western-australian-climate-change-policy>

⁶⁸ <https://www.brighterenergyfuture.wa.gov.au/whole-of-system-plan/>

⁶⁹ *ibid*

⁷⁰ *ibid*

⁷¹ *ibid*

⁷² *ibid*

Critical to WA's emissions reduction strategies, emissions intensity of electricity production is predicted to decrease over the next 20 years despite overall increase in end-user demand.⁷³

Large-scale solar generation

The number of large-scale solar generation projects has continued to grow across WA.

To support corporate emissions reduction strategies, resource companies are increasingly partnering with renewable energy providers to construct large-scale solar farms and battery storage systems to incorporate renewable energy into their off-grid operational power mix.

Additionally, as the WA Government seeks to decarbonise their own assets and increase renewables penetration into the grid, opportunities for grid-connection of private large-scale solar generation projects are becoming increasingly attractive.

CASE STUDY - Sandfire's green energy transition with DeGrussa Solar Power Project (WA)

Sandfire Resources NL (Sandfire), one of the early movers in the WA mining industry's green energy transition, successfully constructed and commissioned their DeGrussa solar power facility in 2016.

The \$40 million facility, located at the DeGrussa Copper-Gold Mine in WA's Mid West region, boasts 34,080 solar PV panels with a total generating capacity of 10 MW and is supported by 6 MW onsite battery storage.⁷⁴ In this innovative system, the panels are mounted on a single-axis tracking system enabling them to track the sun during the day and maximise the facility's operational performance.

At commissioning, the project was considered the largest integrated off-grid solar and battery storage facility in the country.⁷⁵

The system is integrated with a diesel-fired power station and provides 20 per cent of the mine's annual power requirements, cutting emissions by approximately 12,000 tonnes of carbon dioxide per annum.⁷⁶

The project was supported by funding from ARENA⁷⁷ and the CEFC.⁷⁸

⁷³ <https://www.brighterenergyfuture.wa.gov.au/whole-of-system-plan/>

⁷⁴ <https://www.sandfire.com.au/site/sustainability/climate-change/degrussa-solar-project>

⁷⁵ https://www.sandfire.com.au/site/PDF/1247_0/DeGrussaSolarProject

⁷⁶ <https://www.sandfire.com.au/site/sustainability/climate-change/degrussa-solar-project>

⁷⁷ <https://arena.gov.au/projects/degrussa-solar-project/>

⁷⁸ <https://www.cefc.com.au/where-we-invest/case-studies/major-solar-storage-project-demonstrates-potential-for-remote-and-rural-australia/>

CASE STUDY - Goldfields and EDL partner to deliver award-winning Agnew Hybrid Renewable Microgrid (WA)

The Agnew Hybrid Renewable Microgrid, owned and operated by EDL, is located at Gold Fields Australia Pty Limited (Gold Fields) Agnew Gold Mine in WA's Goldfields region.

Successfully completed in 2020, the facility is touted as Australia's largest renewable energy microgrid.⁷⁹ The facility comprised four components integrated under an advanced control system:

- 18 MW wind farm comprising five 110m wind turbines
- 4 MW solar farm comprising 10,710 panels
- 13 MW / 4 MWh battery system
- 21 MW off-grid gas / diesel engine power plant.⁸⁰

The facility supports mine operations with up to 85 per cent renewable energy, reducing Gold Fields' emissions by 46,400 tonnes of carbon dioxide per annum.⁸¹

The innovative project saw Gold Fields and EDL take out the 2021 Golden Gecko Award for Environmental Excellence awarded by the WA Department of Mines, Industry Regulation and Safety (DMIRS).

The project was supported by funding from ARENA.⁸²

Corporate PPAs

Corporate PPAs continue to present an attractive renewable energy supply option for private and public entities keen to mitigate their greenhouse gas emissions.

Across WA, on and off-grid companies are investigating renewable energy supply opportunities where the rate of decarbonisation of local grids is too slow for aggressive emissions reduction targets.

In an Australian-first, the WA Local Government Association (WALGA) negotiated a renewable energy PPA to supply 51 WA local governments with 100 per cent renewable energy from three WA wind farms.⁸³

⁷⁹ <https://edlenergy.com/wp-content/uploads/2021/01/EDL-Fact-Sheet-Agnew-Hybrid-Renewable-Microgrid-1.pdf>

⁸⁰ *ibid*

⁸¹ *ibid*

⁸² <https://arena.gov.au/projects/agnew-renewable-energy-microgrid/>

⁸³ <https://www.pv-magazine-australia.com/2021/10/19/wa-councils-to-partner-for-australian-first-renewable-energy-ppa/>

CASE STUDY - Renewable energy PPAs support BHP Net Zero strategy (WA)

BHP Group Ltd (BHP) will target Net Zero by 2050 (Scope 1 and 2 from its operations) of which renewable energy PPAs will form part of its strategy. BHP has already launched renewable agreements for operations in Chile in 2019 and in Queensland in 2020.

In February 2021, BHP signed its first renewable energy PPA in WA. The 10-year PPA with Risen Energy is to supply up to 50 per cent of its electricity at the Kwinana Refinery from WAs leading Merredin Solar Farm. Carbon dioxide reductions over the ten-year period are estimated as 364,000 tonnes or the equivalent of removing 11,200 combustion engine cars on WA roads every year.⁸⁴

“Risen Energy is very proud to sign this renewable PPA with BHP’s Nickel West. This agreement will bolster current and future Western Australian renewable projects. We look forward to welcoming many more clean energy partnerships to power manufacturing, minerals processing and other Western Australian industries,” said Risen Energy Australia’s Vice General Manager, John Zhong.⁸⁵

In July 2021, BHP revealed plans to further advance the green energy transition of remote mining operations in WA with the signing of a PPA with TransAlta Renewables.⁸⁶

The 48.2 MW solar / storage hybrid power facility will displace diesel and gas turbine generation power at BHP’s Nickel West Mt Keith and Leinster mining operations in the Goldfields region of WA. The Northern Goldfields Solar Project will include a 27.4 MW solar farm at Mt Keith and a 10.7 MW solar farm and 10.1 MW / 5.4 MWh battery energy storage system at Leinster.⁸⁷

The project will be built, owned, and operated by TransAlta and will be integrated into TransAlta’s 169 MW Southern Cross Energy North remote network. The facility is expected to reduce BHP’s Scope 2 emissions from electricity generation at Leinster and Mt Keith operations by 54,000 tonnes of carbon dioxide over the first ten years.⁸⁸

“This is the first large-scale onsite solar farm and battery that BHP has commissioned at any of its global operations,” said Eddy Haegel, BHP Nickel West Asset President.⁸⁹

The partnership will contribute to BHP’s medium-term target to reduce Scope 1 and 2 emissions from their operated assets by at least 30 per cent from FY2020 levels by FY2030.

Battery storage

The power of battery energy storage systems to stabilise renewable energy supplies has inherently coupled this technology with renewable energy supply systems.

As the number of large-scale renewable energy generation projects across WA continue to swell, so too are the number of utility-scale battery energy storage systems.

⁸⁴ <https://risenenergy.com.au/risen-energy-signs-renewable-ppa-with-bhps-nickel-west/>

⁸⁵ <https://www.risenenergy.com.au/news/risen-energy-signs-renewable-ppa-with-bhps-nickel-west/>

⁸⁶ <https://www.pv-magazine-australia.com/2021/07/30/mining-giant-unveils-73-million-hybrid-solar-storage-project/>

⁸⁷ *ibid*

⁸⁸ *ibid*

⁸⁹ <https://www.bhp.com/news/media-centre/releases/2021/07/two-new-solar-farms-and-battery-to-help-power-mines-at-bhps-nickel-west>

CASE STUDY - WA's big battery, Kwinana (WA)

Announced in 2020, the 100 MW / 200MWh battery energy storage system at the decommissioned Kwinana Power Station will be the first battery built in WA's main grid and the second-largest battery in Australia upon completion in 2022.⁹⁰

The giant lithium-ion battery, to be constructed by NHOA Australia Pty Ltd, will store excess power from solar panels in the middle of the day and deliver back to the grid in the evening.⁹¹

The Kwinana battery will stabilise fluctuations in demand by allowing Synergy to operate its two coal-fired power stations in Collie more steadily and reduce generation in the evening.

Importantly, the battery will also support more renewable energy technologies joining the grid and increase power stability.

CASE STUDY - FMG's Pilbara Energy Connect program set to construct big battery (WA)

Fortescue Metals Group Ltd (FMG) has engaged Contract Power Australia Pty Ltd, a subsidiary of Pacific Energy Ltd, to construct and commission a 42 MW battery energy storage system as part of FMG's Pilbara Energy Connect program.⁹²

The Pilbara Energy Connect program comprises the \$450 million Pilbara Generation Project and \$250 million Pilbara Transmission Project.

The project presents another important step towards achieving FMG's bold emissions reduction goal to become carbon neutral by 2030.

CASE STUDY - Alinta Fortescue Solar Gas Hybrid Project (WA)

Developed, owned, and operated by Alinta, the Alinta Fortescue Solar Gas Hybrid Project is located at the Newman gas-fired power station in the Pilbara region, and comprises 60 MW solar farm and 35 MW battery energy storage system.⁹³

Supported by ARENA, the Project aims to demonstrate the potential for reliable 100 per cent renewable energy supply for remote mining operations and help unlock renewable energy investment for remote industry.⁹⁴

⁹⁰ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/10/Big-battery-to-power-160000-homes-in-WA-and-create-100-local-jobs.aspx>

⁹¹ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2021/10/Contractor-announced-for-WA%E2%80%99s-biggest-battery.aspx>

⁹² <https://www.pv-magazine.com/2021/04/30/pacific-energy-to-construct-fortescues-pilbara-grid-scale-battery-project/>

⁹³ <https://arena.gov.au/projects/alinta-fortescue-solar-gas-hybrid-project/>

⁹⁴ *ibid*

Hydrogen

Launched in July 2019, WA's Renewable Hydrogen Strategy sets out the strategic focus areas for the development of a renewable hydrogen industry in WA, which include:

- Export
- Remote applications
- Hydrogen blending in natural gas networks
- Transport.⁹⁵

The accompanying Renewable Hydrogen Roadmap, launched in November 2020, identifies 26 WA Government initiatives driven to realise the strategy's goals.⁹⁶

In September 2021, the WA State Government announced it will invest \$61.5 million to supercharge WA's renewable hydrogen industry, including a new \$50 million fund from the 2021-22 Budget aimed at stimulating demand for renewable hydrogen in transport and industry.⁹⁷

"Hydrogen offers incredible potential for our state, with the capacity to sit alongside iron ore or LNG as a major export commodity - supporting local jobs and delivering wealth for all Western Australians.

This \$61.5 million initiative will attract investment, support work to grow a local hydrogen production industry and drive local demand for hydrogen - delivering local economic benefits and helping WA meet its emissions reductions targets."⁹⁸

Hon. Mark McGowan MLA

Dr Andrew Forrest AO, Founder of Fortescue Metals Group and Chairman of Fortescue Future Industries (FFI), is widely known as a strong advocate for the green hydrogen industry in Australia and globally. As most Australian states race to get hydrogen projects off the ground, Dr Forrest's recent \$1 billion commitment to construction of the world's largest hydrogen-equipment facility in Gladstone, Central Queensland, presents a significant step forward in the establishment of the Australian green hydrogen industry.⁹⁹

CASE STUDY - Oakajee Renewable Hydrogen Hub (WA)

The WA Government has identified the Oakajee Strategic Industrial Area as a strategic opportunity for the establishment of a renewable hydrogen hub.

The greenfields site located in the Mid West region is intended to be transformed into a 'globally competitive, multi-product renewable hydrogen industrial precinct', focusing on renewable hydrogen production for domestic and export markets, and downstream processing industries.

A call for global expressions of interest was recently advertised inviting corporations and businesses to take part.¹⁰⁰

⁹⁵ <http://www.drd.wa.gov.au/projects/EnergyFutures/Pages/Renewable-Hydrogen-Industry.aspx>

⁹⁶ <https://www.wa.gov.au/government/publications/western-australian-renewable-hydrogen-strategy-and-roadmap>

⁹⁷ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2021/09/61-point-5-million-dollar-boost-for-WAs-renewable-hydrogen-industry.aspx>

⁹⁸ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2021/09/61-point-5-million-dollar-boost-for-WAs-renewable-hydrogen-industry.aspx>

⁹⁹ <https://www.afr.com/companies/energy/twiggy-forrest-commits-to-1b-hydrogen-equipment-factory-in-gladstone-20211010-p58vg7>

¹⁰⁰ <https://www.progressmidwest.com.au/profiles/progressmidwest/assets/clientdata/documents/oakajee-eoi-document-we.pdf>

CASE STUDY - Western Green Energy Hub (WA)

Announced in July 2021, the Western Green Energy Hub (WGEH) is an ‘integrated green fuels mega project’ by an international consortium comprising InterContinental Energy, CWP Global, and Mirning Green Energy Limited.¹⁰¹

The WGEH, located in south-east WA across the Shires of Dundas and City of Kalgoorlie-Boulder, will produce up to 50 GW hybrid wind and solar power. The renewable energy generated will be used to produce up to 3.5 million tonnes of green hydrogen or 20 million tonnes of green ammonia annually for domestic and export markets.¹⁰²

Significantly, the WGEH will demonstrate a modern sustainable partnership model between indigenous landowners and industry as Mirning Green Energy Limited, a wholly owned subsidiary of the Mirning Traditional Lands Aboriginal Corporation, holds a permanent seat on the WGEH Consortium Board and a meaningful carried equity stake in the project.¹⁰³

FOCUS - WA Renewable Hydrogen Strategy & Roadmap

The policy is set to create a strategic roadmap for WA to support the development of a renewable hydrogen industry. The roadmap identifies 26 initiatives to kick-start WA’s vision to become a ‘significant producer, exporter, and user of renewable hydrogen’.

Strategic focus areas include export, application of technology in remote areas, hydrogen blending in natural gas networks, and transport.

By 2022, the WA Government aims to deliver a renewable hydrogen project approved for export, used in one remote location, distributed in a WA gas network, and established a refuelling facility for hydrogen-fuelled vehicles.

By 2030, the WA Government envisions global hydrogen exports similar to its share in the LNG market today, 10 per cent renewable hydrogen blend used in WA’s gas pipelines, and renewable hydrogen used in mining haulage vehicles and for transportation in regional WA.¹⁰⁴

Green economy outlook

As nations around the globe are shaping their renewable futures, governments are under immense pressure to reduce emissions and implement robust plans to achieve targets, particularly net zero.

This is revolutionising our future towards clean, renewable energy sources. Renewable energy sources will surpass fossil fuel-based energy sources soon and undergo rapid expansion worldwide. Most countries will most likely not produce the entirety of renewable options and therefore a green future will be optimised by innovative energy supply systems.

Australia is likely to follow the footsteps of a number of countries such as the United States, Germany, and the United Kingdom to achieve a smooth green energy transition.

¹⁰¹ <https://intercontinentalenergy.com/announcements/WGEH-PressRelease-20210713.pdf>

¹⁰² <https://intercontinentalenergy.com/announcements/WGEH-PressRelease-20210713.pdf>

¹⁰³ <https://intercontinentalenergy.com/announcements/WGEH-PressRelease-20210713.pdf>

¹⁰⁴ <https://www.wa.gov.au/government/publications/western-australian-renewable-hydrogen-strategy-and-roadmap>

The implementation of national climate and energy policies will allow the achievement of future targets to reduce greenhouse gas emissions, whilst balancing real-life impacts on the economy, employment, and community.

A long-term transformation can succeed upon cooperation between government actors, suppliers of energy, and electricity providers. Ideal policies will also incorporate the impacts on local communities and employment, and the costs associated with decommissioning of coal-powered plants.

The effective distribution of transmission networks will be the underlying mechanism to fast-track Australia's green energy future. As a priority, existing infrastructure and network capacity must hit maximum utilisation to ensure consumers are receiving affordable and reliable power.

Increased renewables penetration in the electricity supply market comes with its challenges, the greatest of which being connection to the grid. The evolving mix of power supply, ageing infrastructure, new technologies, and consumer preferences present unprecedented challenges for existing electricity distribution systems. The lack of national energy policy, convoluted grid connection processes, and network congestion are causing significant uncertainty for developers.

Australia could potentially be one of the greatest exporters and generators of renewable energy across the globe. A nationally integrated strategic framework will be critical to helping all stakeholders work towards the same goal.

Changing tone of business

Sustainability and Environmental, Social, Governance (ESG) concerns are becoming increasingly prevalent today given the global climate crisis. National governments and global corporations are making extensive investments as a result of changing consumer and societal demand. Industry leaders have set the trend of sourcing renewable energy and outlining sustainability targets in response to reduce greenhouse gas emissions.

To many businesses, stakeholders value ambitious sustainability action and perceive an increase in the attractiveness of such an investment. There is a huge reallocation of capital¹⁰⁵ occurring into sustainable financed geared projects. Those businesses able to demonstrate its purpose and role in the green economy will attract this finance.

A bright future for WA

Coupled with Australia's favourable environment, high levels of sunshine, powerful winds, and extensive land area, the opportunity for growth in the renewable energy industry could position the nation as the lead renewable energy export powerhouse.

In conjunction with the wind sector, a total of 32 renewable energy projects were completed across the nation in 2020 contributing to almost 2 GW of new capacity.¹⁰⁶ A further 76 large-scale wind and solar projects were under construction at the end of 2020.¹⁰⁷

The largest factor of renewable energy growth in Australia has been the falling costs of wind and solar energy systems. Large-scale production, economies of scale, and competitive supply chains will contribute to cost-competitive renewable energy generation. Additionally, sourcing finance is becoming easier with the increasing popularity of renewable energy and positive political influence.

¹⁰⁵ S&P Global Ratings anticipates global sustainable debt issuance will surpass \$1 trillion in 2021 - <https://www.spglobal.com/en/research-insights/topics/sustainable-finance>

¹⁰⁶ <https://www.cleanenergycouncil.org.au/resources/resources-hub/clean-energy-australia-report>

¹⁰⁷ *ibid*

In addition to the State's standalone grid, the SWIS, significant investment in energy storage and integrated connection of renewable energy generation facilities will be required to accelerate growth. To stabilise the grid and prevent the risk of voltage and frequency issues associated with renewable energy generators, solutions such as battery energy storage systems will need to be introduced.

It is expected the WA Government can manage these hurdles as mapped out in their 2019-2021 Energy Transformation Strategy.¹⁰⁸ This strategy includes progressing the WA Renewable Hydrogen Strategy and Roadmap and the WA Future Battery Industry Strategy to optimise WA's resources. Specifically, the 100 MW / 200 MWh battery in Kwinana, in conjunction with the growing number of community scale batteries, is set to absorb changes in solar output.

Governance of the energy sector is set to soar to help improve the efficiency of the power system, network security and reliability, licensing energy entities, and the administration and evolution of regulatory instruments.

26 November 2021



Catherine Bell
Principal, Sustainability
BDO Advisory (WA) Pty Ltd



Sherif Andrawes
Director
Head of Global Natural Resources
BDO Advisory (WA) Pty Ltd

¹⁰⁸ <https://www.wa.gov.au/organisation/energy-policy-wa/energy-transformation-strategy-2019-2021>

APPENDIX

Table 1: Snapshot of climate transition and emissions reduction-related policy and funding schemes across Australia and WA.

NATIONAL	
Policy / Strategy	
Long-Term Emissions Reduction Plan ¹⁰⁹	Launched in October 2021, the Plan outlines a whole-of-economy approach to achieving net zero emissions by 2050.
Technology Investment Roadmap ¹¹⁰	Launched in September 2020, the Roadmap sets out the strategy for development and deployment of low-emissions technologies within Australia. Progress is tracked and reported annually via public Low Emissions Technology Statements.
National Energy Productivity Plan ¹¹¹	Launched in December 2015, the Plan targets a 40 per cent improvement to Australia's energy productivity between 2015 and 2030. The Plan is jointly delivered by federal and state and territory governments.
National Hydrogen Strategy ¹¹²	Launched in November 2019, the Strategy outlines the vision for a competitive, clean hydrogen industry in Australia.
Future Fuels and Vehicles Strategy ¹¹³	Launched in November 2021, the Strategy outlines the technology-led approach to transition to a low-emissions transport sector, including increased uptake of hybrid, hydrogen, electric, and biofuelled vehicles. The Strategy is backed by an expanded \$250 million Future Fuels Fund investment.

¹⁰⁹ <https://www.industry.gov.au/data-and-publications/australias-long-term-emissions-reduction-plan>

¹¹⁰ <https://www.industry.gov.au/data-and-publications/technology-investment-roadmap>

¹¹¹ <https://www.energy.gov.au/government-articles/australias-energy-strategies-and-frameworks/national-energy-productivity-plan>

¹¹² <https://www.industry.gov.au/data-and-publications/australias-national-hydrogen-strategy>

¹¹³ <https://www.industry.gov.au/data-and-publications/future-fuels-and-vehicles-strategy>

Funding / Incentives	
Advancing Hydrogen Fund ¹¹⁴	Announced in May 2020 and administered by the CEFC, the \$300 million Fund aims to support the growth of the Australian clean hydrogen industry.
Clean Energy Innovation Fund ¹¹⁵	Announced in 2016 and jointly managed by ARENA and the CEFC, the Fund holds \$200 million to invest in early-stage clean technology annually.
Advancing Renewables Program ¹¹⁶	Launched in 2015 and administered by ARENA, the Program supports projects aligned with investment focus areas to optimise the transition to renewable electricity and low emissions metals and commercialise clean hydrogen, with grants of up to \$50 million.
Regional Australia Microgrid Pilots Program ¹¹⁷	Announced in September 2021 and administered by ARENA, the Program aims to improve regional and remote community power supply resilience and reliability, with grants of up to \$5 million.
Future Fuels Fund ¹¹⁸	Announced in September 2020 and administered by ARENA, the Fund aims to support deployment of new vehicle technologies. The Fund initially held \$71.9 million and was recently expanded to \$250 million to support the Future Fuels Vehicles Strategy.
Industrial Energy Transformation Studies Program ¹¹⁹	Launched in June 2021 and administered by ARENA, the Program aims to support large energy users to undertake studies to identify low-cost emissions reduction opportunities, with grants of up to \$10 million for feasibility studies and \$15 million for engineering studies.
Emissions Reduction Fund ¹²⁰	Announced in 2014 and administered by the Clean Energy Regulator (CER), the Fund is aimed at incentivising adoption of emissions reduction practices across industries.

¹¹⁴ <https://www.cefc.com.au/where-we-invest/special-investment-programs/advancing-hydrogen-fund/>
¹¹⁵ <https://www.cefc.com.au/where-we-invest/special-investment-programs/clean-energy-innovation-fund/>
¹¹⁶ <https://arena.gov.au/funding/advancing-renewables-program/>
¹¹⁷ <https://arena.gov.au/funding/regional-australia-microgrid-pilots-ramp/>
¹¹⁸ <https://arena.gov.au/funding/future-fuels-fund/>
¹¹⁹ <https://arena.gov.au/funding/industrial-energy-transformation-studies-program/>
¹²⁰ <http://www.cleanenergyregulator.gov.au/ERF>

Renewable Energy Target¹²¹

Launched in January 2011 and administered by the CER, the RET is designed to reduce greenhouse gas emissions in the electricity sector.

In operation until 2030, the RET supports both Large-Scale Renewable Energy Target (LSRET) and Small-Scale Renewable Energy Scheme (SRES) aimed at incentivising development of renewable energy power stations across Australia through a market for the creation and sale of large-scale generation certificates (LGCs).

STATE (Western Australia)	
Policy / Strategy	
WA Climate Policy ¹²²	<p>Launched in November 2020, the Policy outlines the WA Government's plans for a climate-resilient low-carbon future.</p> <p>Actions are outlined across various themes, including clean manufacturing and future industries, transforming energy generation and use, and lower carbon transport.</p>
Greenhouse Gas Emissions Policy for Major Projects ¹²³	<p>Launched in August 2019, the Policy requires major new projects and expansions with greenhouse gas emissions exceeding a set significance threshold to set interim and long-term emissions reduction targets in alignment with the state's net zero ambition.</p>
Energy Transformation Strategy 2019-2021 ¹²⁴	<p>Launched in March 2019, the Strategy outlines the government's work program for responding to the current energy transformation and planning for the greener future of the WA power system.</p> <p>Established in May 2019, the Energy Transformation Taskforce, supported by the Energy Transformation Implementation Unit, is responsible for producing the Distributed Energy Resources Roadmap and delivery of the Strategy's Whole of System Plan.</p>
Distributed Energy Resources Roadmap ¹²⁵	<p>Launched in April 2020, the Roadmap outlines a five-year plan for the integration of distributed energy resources (DER), including solar, electric vehicles, and battery storage.</p>

¹²¹ <http://www.cleanenergyregulator.gov.au/RET/Pages/default.aspx>

¹²² <https://www.wa.gov.au/government/publications/western-australian-climate-policy>

¹²³ <https://www.de.wa.gov.au/images/documents/your-environment/climate-change/Greenhouse%20Gas%20Emissions%20Policy%20for%20Major%20Projects.pdf>

¹²⁴ <https://www.wa.gov.au/government/energy-policy/wa-energy-transformation-strategy-2019-2021>

¹²⁵ <https://www.wa.gov.au/government/distributed-energy-resources-roadmap>

Whole of System Plan (WOSP) ¹²⁶	Launched in October 2020, the WOSP provides a detailed analysis of the potential evolution of the SWIS over the next 20 years and will be used to inform the effective transition to renewables and distributed energy resources.
Electric Vehicle Strategy ¹²⁷	<p>Launched in November 2020, the Strategy sets out an action plan for coordinated and efficient uptake of electric vehicles, including battery, plug-in hybrid, and hydrogen fuel cell electric vehicles.</p> <p>The Strategy is supported by a government-invested \$21 million Electric Vehicle Fund.</p> <p>The Strategy is supported by the Future Battery Industry Strategy and Renewable Hydrogen Strategy.</p>
Future Battery Industry Strategy ¹²⁸	Launched in January 2019, the Strategy sets out a framework for coordinated government action in the development of WA's future battery industry, aimed at growing and leading Australia's uptake of opportunities in the global battery value chain.
Renewable Hydrogen Strategy & Roadmap ¹²⁹	<p>The Strategy, launched in July 2019, sets out the strategic focus areas for the development of a renewable hydrogen industry in WA. The Roadmap, launched in November 2020, identifies 26 WA Government initiatives driven to realise the Strategy's goals.</p> <p>In August 2020, the WA Government brought forward the Strategy's 2040 targets by 10 years, committing \$22 million to support the rapid development of a renewable hydrogen industry in WA.¹³⁰</p>

¹²⁶ <https://www.wa.gov.au/government/document-collections/whole-of-system-plan>

¹²⁷ <https://www.wa.gov.au/service/environment/environment-information-services/electric-vehicle-strategy>

¹²⁸ <https://www.wa.gov.au/department-of-transport-science-and-innovation/western-australia-future-battery-industry>

¹²⁹ <https://www.wa.gov.au/government/publications/western-australian-renewable-hydrogen-strategy-and-roadmap>

¹³⁰ <https://www.wa.gov.au/government/announcements/22-million-investment-accelerate-renewable-hydrogen-future>

Funding / Incentives

Clean Energy Future Fund¹³¹

Launched in April 2020, the \$9.28 million Fund supports the implementation of investment-ready innovative clean energy projects which contribute to significant, cost-effective greenhouse gas emissions reductions, and/or progression of innovative clean energy technologies delivering community benefits or supporting broader greenhouse gas emissions reductions.

In July 2020, an additional \$10 million was committed by the McGowan Government.¹³²

Climate Action Fund¹³³

Announced in September 2021, \$750 million was committed in the 2020-21 State Budget for the development of climate-resilient communities and low-carbon future.

The Fund includes \$206 million for renewable energy initiatives, and \$50 million for new renewable hydrogen initiatives.

¹³¹ <https://www.wa.gov.au/Service/environment/environment-information-services/clean-energy-future-fund>

¹³² <https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/07/Additional-funding-for-Clean-Energy-Future-Fund.aspx>

¹³³ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2021/09/750-million-dollar-Climate-Action-Fund-to-drive-Was-low-carbon-future.aspx>

Disclaimers and consents

This report has been prepared at the request of Superior Lake Resources Limited for inclusion in the Company's prospectus supporting application for re-admission to the Official List under Chapter 11 of the Australian Securities Exchange Limited Listing Rules.

Superior Lake Resources Limited engaged BDO Advisory (WA) Pty Ltd to prepare an industry overview report on the energy landscape in Australia.

BDO Advisory (WA) Pty Ltd hereby consents to this report accompanying the above Prospectus. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Advisory (WA) Pty Ltd.

BDO Advisory (WA) Pty Ltd takes no responsibility for the contents of the Prospectus other than this report.

This report, prepared by BDO Advisory (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of the report. Such conditions can change.

The statements included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

3 RENEWABLE ENERGY PROJECTS

3.1 Overview

The Company's first renewable energy project will be the development of the Bristol Springs Solar Project (**BSS Project**) – a large-scale solar energy project located in the southwest of Western Australia. Refer to Sections 3.2 to 3.9 (inclusive) for further details.

The Company will also seek to progress solar expansion opportunities adjacent to the existing landholding at the BSS Project and will review the economics of adding a battery energy storage system. The Company will undertake studies to assess the economics of adding wind energy generation at the BSS Project and the production of green hydrogen. Refer to Section 3.13 below for further details.

The Company will also consider investments in other renewable energy projects, including wind, solar and hydrogen that fit within the Company's investment criteria and drive shareholder value. Refer to Section 3.13 below for further details.

3.2 Bristol Springs Solar Project Overview

The Company has entered into an agreement to acquire Bristol Springs Solar Pty Ltd (**BSS**) (refer to Section 3.5). BSS has undertaken substantial work on the development of an 114MWdc solar farm (**Solar Farm**) at the BSS Project.

The Solar Farm will utilise the latest generation technology to deliver a low-cost energy plant. Additional land acquisition opportunities are available to allow for an increase in solar power generation up to ~490MWdc.

The BSS Project is well advanced and is a unique opportunity to participate in the Wholesale Electricity Market (**WEM**):

- it is centrally located within the heart of the South West Interconnected System (**SWIS**);
- the Company's intention is to enter into renewable energy power purchase agreements with industrial users;
- connection is at the farmgate, with state owned Western Power responsible for the connection into the SWIS;
- it is a cleared site with no existing flora or fauna of note and low geotechnical risk;
- grid connection application in process with Western Power; and
- up to an additional 652 hectares of land available for expansion.

Development approval has been granted and an electricity connection application is in progress with Western Power.

The BSS Project is in line with the Western Australia Government's renewable energy strategy, which is designed to remove barriers to investment and facilitate access to the WEM for new low-cost and cleaner generation technologies.

The BSS Project will utilise standard, latest generation solar technology from Tier 1 OEM vendors and is located in the heart of the SWIS with comparable nearby projects recently being granted development approval.

A comparable sized solar farm of 132MWdc in Merredin (260km east of Perth) developed by Risen Energy, connected to the SWIS in 2020 and initially sold into the spot market, but has subsequently signed its first power purchase agreement (**PPA**) in 2021 with BHP and is negotiating a further PPA for the balance of its power with an industrial power user connected to the SWIS.

3.3 Project Location

The BSS Project is located approximately 123 kilometres south of the Perth CBD, 15 kilometres southwest of the Waroona townsite and 5 kilometres east of Forrest Highway (Figure 1). The site is located in the Shire of Waroona local government area (**Shire**) and approximately 700 metres north of the Shire of Harvey local government area. The Alcoa alumina refinery is located approximately 7.5 kilometres east of the site. The important regional centres of Bunbury and Collie each lie approximately 150 kilometres to the South.



Figure 1 - Location of the BSS Project

The site is predominantly cleared of vegetation, mostly flat, the near-surface soil consists of a light grey to brown sand at higher elevations with darker grey and brown peaty sand observable at surface in lower-lying areas (refer to Figure 2). The site is considered well suited for solar power developments with low subsurface risks, the majority of the site area has been cleared and is in a degraded condition with virtually no ecological value and no obstructions in the overhead transmission line route.



Figure 2 - BSS Project site

A geotechnical study has been carried out by an independent geotechnical and geological consultant which included a desktop study of the area, a site visit to view the topographic features and an assessment of geological hazards likely to affect the BSS Project. The results of the study confirmed that the ground conditions are reasonably consistent with the geological maps, there were no hard zones encountered in the investigation nor indicated on the historical geological map. Excavatability is not considered to be a significant risk and the site is considered a “free dig”, however, consideration would need to be given to the electrical conductivity and thermal resistivity of the site. The results of the investigation indicated that there was no significant geohazards identified that are likely to significantly affect the proposed solar farm works.

3.4 Wholesale Electricity Market (WEM)

The SWIS is Western Australia’s main electricity network that connects 2.3 million customers. The WEM for the SWIS is operated by the Australian Energy Market Operator (**AEMO**). There is increasing interest from a significant number of blue-chip organisations to secure low-cost renewable energy from the WEM. A power purchase agreement was finalised between Risen Energy’s Merredin Solar Farm and BHP recently and more are expected. The long-term WEM outlook for the WEM includes the following by 2050:

- 4 GW of new capacity in the WEM;
- 2.8 GW of new solar enters the WEM, making it the first technology to majorly enter the market due to its attractive capital costs; and
- 0.9 GW of utility scale batteries (2-hour storage) enter the WEM.

3.5 Acquisition

On 13 October 2021, the Company entered into the Sale Agreement to acquire 100% of the shares of BSS from Sector One Pty Ltd and Alicia Jane Goyder (**Vendors**) (**Acquisition**). Ranger Loaders Pty Ltd (**Landowner**), the entity which owns the land on which the BSS Project is proposed to be built, is also a party to the Sale Agreement.

The sole shareholder and director of the Landowner is Mr Johnathon Goyder. Mr Goyder is the husband of Ms Alicia Jane Goyder.

The consideration for the Acquisition is:

- (a) 41,666,667 Shares on completion of the Acquisition (**Completion Date**) (**Consideration Shares**); and
- (b) 25,500,000 performance shares which will be issued on the Completion Date (**Performance Shares**). The Performance Shares are comprised of the following two tranches:
 - (i) Tranche A Performance Shares: 12,750,000 Performance Shares that convert into Shares upon the Company or BSS having received a binding offer (**Access Offer**) from Western Power to provide the Bristol Springs Project with access to the grid which contains the terms of the Electricity Transfer Access Contract (**ETAC**) (**Tranche A Performance Shares**); and
 - (ii) Tranche B Performance Shares: 12,750,000 Performance Shares that convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project (**Tranche B Performance Shares**).

Refer to Section 11.3 for the terms and conditions of the Performance Shares.

The issue of the Consideration Shares and the Performance Shares is subject to approval of the Shareholders.

The consideration is payable to the Vendors in such proportions as follows:

- (a) Sector One Pty Ltd (and/or its nominees) will be issued 40% of the Consideration Shares and Performance Shares; and
- (b) Ms Alicia Jane Goyder (and/or her nominees) will be issued 60% of the Consideration Shares and Performance Shares.

3.6 Land

BSS has agreed to enter into an agreement to lease Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 (**Land**) from the Landowner for 3 years and 1 day commencing from the completion of the Acquisition (**Initial Term**) at an annual fee of \$100,000 per annum (**Lease**). The Company may, through BSS, subject to meeting applicable fees, convert the Initial Term to 25 years with an option to renew for a further term of 5 years at the applicable rate (\$362,600 excluding GST per annum being \$1,850 per hectare). Refer to Section 10.1(b) for further information in relation to the Lease.

The Company, through BSS, also has acquired a sole and exclusive option to purchase the Land during the five-year period from the completion of the Acquisition at a fixed value of \$5,000,000 (exclusive of GST) (**Land Option**). Refer to Section 10.1(c) for further information in relation to the Land Option.

Additional land acquisition opportunities are available to allow for an increase in solar power generation up to 490MWdc.

The Company has commissioned searches which have confirmed the freehold nature of tenure to the Land and the land the subject of the additional land acquisition opportunities. The searches also confirmed that there are no known or suspected contaminated sites, native title or land access issues associated with the Land.

3.7 Preliminary Studies Complete and Next Steps

Conceptual design work for the BSS Project was undertaken and completed in July 2019 and preliminary engineering estimates were undertaken in September 2019.

EPC Technologies completed a front end engineering design (FEED) study that encompassed Basis of Design methodologies, parameters and equipment technologies used to ensure optimal energy yield, HV integration, safety and financial returns. System design was carefully considered to match all Western Power requirements covering infrastructure and access standards.

The site has been designed with 114MWdc of high power class bifacial panels mounted on a single axis tracking system. The uniformity of site conditions will allow for a simple, modular and low-cost design.

An Economic Study Report was completed in February 2020 detailing the analysis, outputs, scenarios and sensitivities from the economic modelling conducted.

In September 2020, an independent advisor was engaged to provide revenue stream forecasts for the Bristol Springs Solar Project. The purpose of this report was to provide insights regarding the future pricing of renewable energy and the capacity market in the Western Australian WEM for the next thirty years and underpins BSS's own economic modelling.

Following completion of the Acquisition, the Company will, over the short to medium term:

- (a) undertake studies to access the economics of undertaking a solar expansion of the BSS Project;
- (b) negotiate and execute an ETAC with Western Power;
- (c) once all necessary approvals have been received and studies completed, make a final investment decision in respect of the BSS Project;
- (d) liaise with Western Power for the design and construction of the transmission line from farmgate to the substation; and
- (e) fund the capital expenditure cost associated with the transmission line and connection.

3.8 Grid Connection

(a) Connection to the SWIS

Western Power is a State Government owned corporation responsible for the transmission and distributing network connecting Western Australians to traditional and renewable energy sources. Western Power owns and maintains 7,800 km of transmission lines, 64,000 km of distribution lines and 800,000 poles and towers. Western Power is responsible for building, maintaining and operating the electricity network, and the SWIS that connects 2.3 million customers.

In relation to the BSS Project, Western Power will be responsible for:

- (i) the design, capex cost estimate and construction of the transmission line from the farmgate of the BSS Project to the Landwehr Terminal (substation); and
- (ii) the supply of revenue and check metering for the connection point.

The main 33/330kV transformer and switchgear inside the farmgate would be part of the BSS scope, as would the customer end of the remote monitoring equipment (SCADA, communications). The location of the Western Power remote monitoring equipment will be determined during the WP design stage. If the customer interface panel is located on or next to the customer site, then the customer typically runs the communications link to the interface panel, otherwise a site-specific solution will be found (e.g. WP may run optic fibre along the transmission line route)

The BSS Project connects to the SWIS at the farmgate (refer to Section 3.2). Western Power owns and operates the transmission line from the farmgate to the substation.

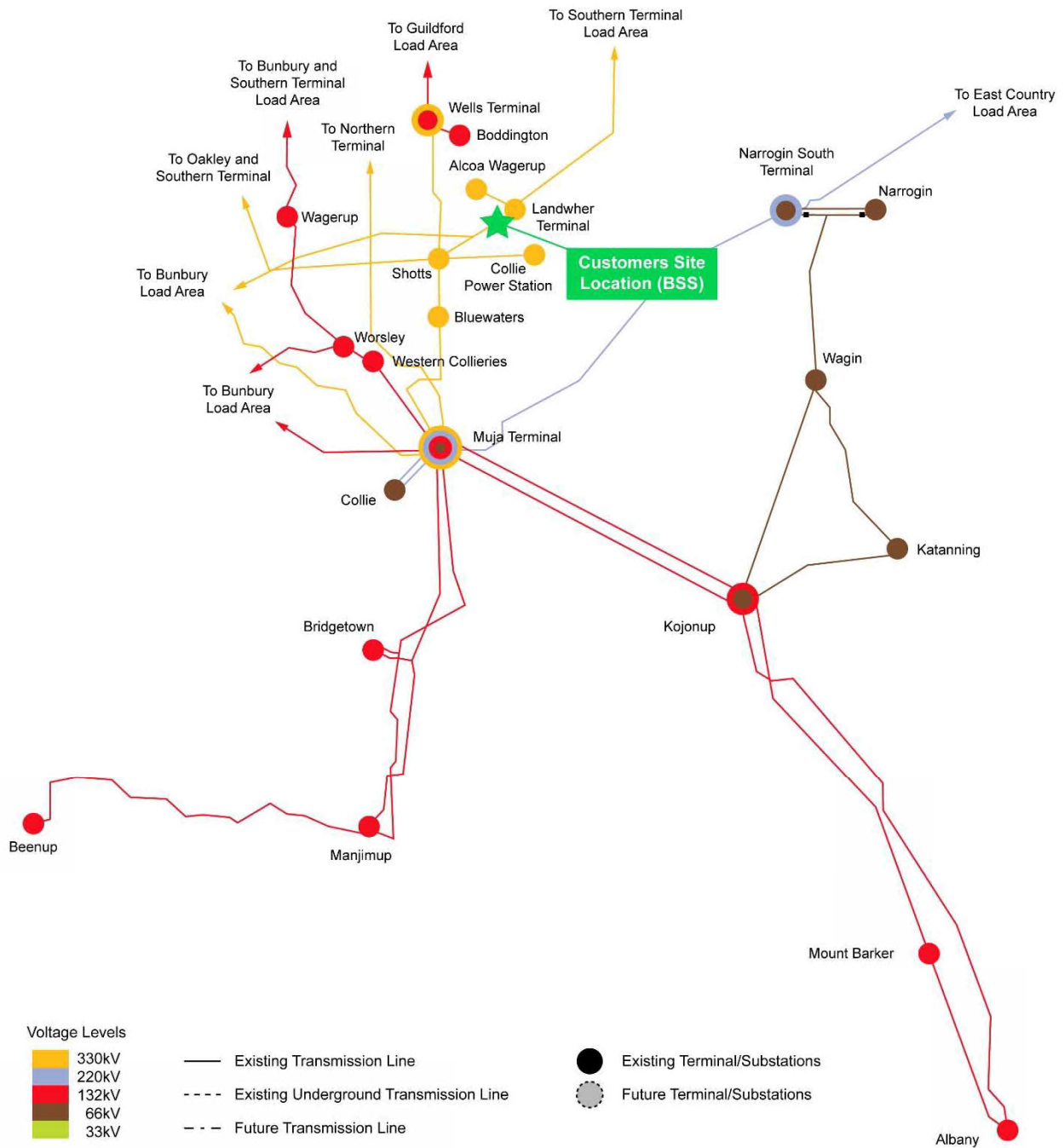


Figure 3 – Schematic overview of the network in relation to the Landwehr Terminal

(b) Grid connection point – Landwehr Terminal, Wagerup

BSS will be responsible for funding the capex cost associated with the transmission line and connection.

The Connection to Grid Transmission line indicative route has been chosen as Western Power has the right to build within the road reservation and the current Western Power easement for HV lines (refer to Figure 4).²

² Western Power's State Study Report, 2020



Figure 4 - Aerial view of major project components

(c) **Connection process to farmgate**

The steps in the connection process are the following:

Date	Process	Completion Status
Dec 2018	Connection Application submitted to Western Power	100%
Feb 2019	High level desktop assessment	100%
Nov 2019	Customer Connection Application submitted to Western Power	100%
Dec 2019	Connection Application Agreement	100%
Apr 2020	Preliminary assessment	100%
Jul 2020	Steady state studies agreement executed	100%
Oct 2020	Steady state studies report completed	100%
Q4 2021	Generator model assessment	In progress
Q1 2022	Western Power conduct dynamic modelling	-
Q2 2022	Interconnection Works Contract and Electricity Transfer Access Contract	-
Q2 2022	Contracts review and approval	-

3.9 Project Development Stages

An overview of the BSS Project development stages is provided in Figure 5.

DESCRIPTION OF WORK	START DATE	STATUS	COMPLETION DATE
PRELIMINARY ENGINEERING Conceptual Design Preliminary Engineering Initiate Grid Connection Economic Study Report Market Modelling	Feb 2019 Jul 2019 Oct 2019 Feb 2020 Jun 2020	100% 100% 100% 100% 100%	Jul 2019 Sep 2019 Oct 2019 Mar 2020 Sep 2020
DETAILED DESIGN Development Application Detailed Design	Aug 2021 Q1 2022	100% -	Dec 2021 July 2022
CONSTRUCTION Construction Commissioning First Electrons	TBA TBA	TBA TBA	TBA TBA

Figure 5 - Project development stages

The development stages of the BSS Project are provided below:

(a) **Detailed design**

The detailed design process for the BSS Project is provided in Figure 6.

Detailed Design	Completion Status
PV yield analysis	100%
Array layouts	100%
Inverter and transformer sizing and datasheets	100%
Tracker data sheets	100%
Substation preliminary design	100%
Basis of Design	100%
Steady state modelling	100%
Design report	100%
Detailed design and specifications	Commencing Q1 2022
Procurement long lead time items	To Complete
Tender construction works	To Complete

Figure 6 - Detailed design stages

(b) **Solar plant design**

The Company proposes a solar farm design and connection infrastructure that conforms with the technical standards of Western Power to provide electricity to the Wholesale Electricity Market of Western Australia.

A preliminary design was completed in November 2021. The solar power farm will utilise single-axis sun tracking, and bi-facial technology, to maximise the output of the PV panels.

The power station will be configured with inverters allowing the electricity to enter Western Power’s grid at 330kV. The power station will be modular, providing options for expansion of the generating capacity, the addition of energy storage solutions, and the potential for the integration of hydrogen electrolysis. Key metrics of the power station and a schematic flow chart from PV panel to the Western Power grid are provided below.

Refer to Section 4 for further details.

Capacity (dc)	114,033 kWp
Grid (ac)	114,400 kVA solar inverters, 46,800 kVA storage inverters⁴
Grid DSOC ⁵	95,000 kW
Technology	Single Axis, Tracked
Inverters	26 x Solar Central Inverters, SMA MVPS 4400-UP 13 x Storage Central Inverters, SMA MVPS 3600-UP-XT
Panels	179,580 x High-efficiency bifacial mono-crystalline PERC modules
Grid Tie	1 x 330/33kV, 110MVA, Single Bus, AIS

Figure 7 – Key metrics

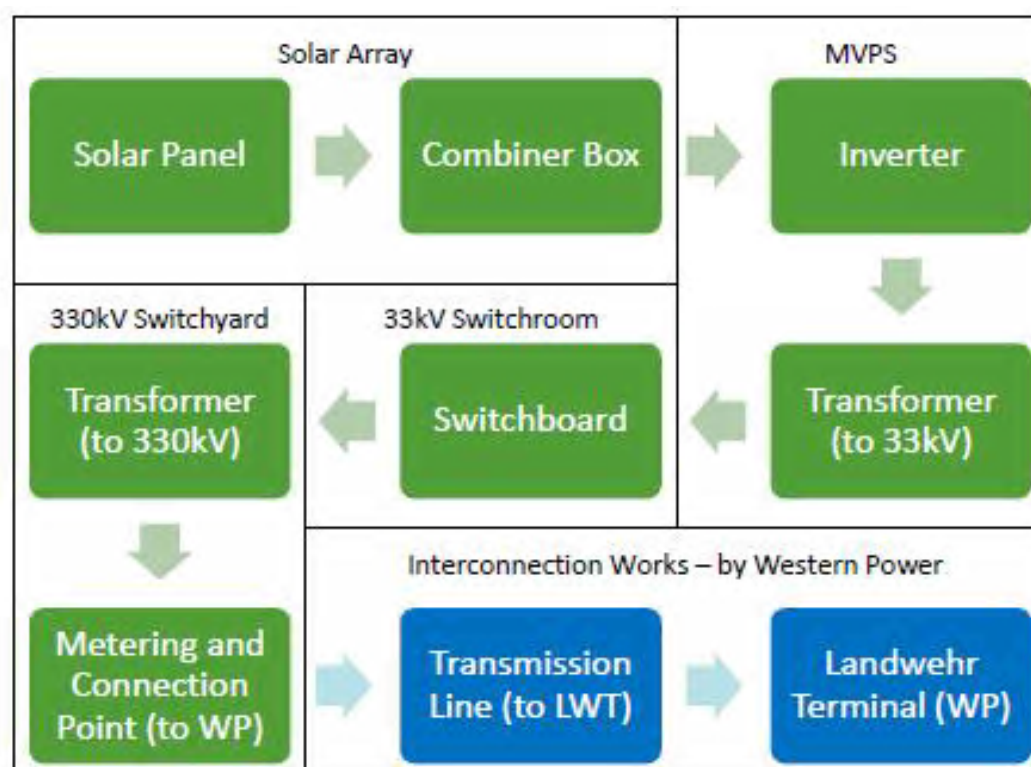


Figure 8 – Flow diagram of BSSF

(c) **Power Purchase Agreements**

The Company intends to secure PPAs, with the balance of electricity produced at the BSS Project sold into the grid. The Company has been closely watching the market for corporate PPAs, with 26 announced in 2020, directly contracting 1.3 GW and supporting more than 4.5 GW of renewable energy generation. More than \$2 billion was invested in renewable energy through corporate PPAs in Australia throughout the year, led by well-known businesses such as Aldi, Amazon and Coles, large energy users such as Transurban and Newcrest Mining,

and a range of mid-sized public sector buyers including Macquarie University, the City of Adelaide and CSIRO.

3.10 Work Program and Activities

An overview of the Company's proposed work program and activities for the BSS Project is provided in Figure 9.



Figure 9 – Company work program and activities

The above work program is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8) actual activities may differ significantly to the above proposed work program.

3.11 Development Approval

Development approval for the BSS Project was granted by the Development Assessment Panel on 14 December 2021 (**Development Approval**). The Development Approval is valid for a period of four years from the date of approval.

The Development Approval provides that there are certain conditions that will need to be satisfied prior to applying for a building permit. These conditions are customary in nature and include a stormwater management plan, construction transport management plan and a landscape and visual amenity assessment and management plan.

3.12 Use of Funds

As at the date of this Prospectus, the Company has current cash of approximately \$304,449.

Upon the completion of the Acquisition and the Offers, the expected use of funds in the two year period following the Listing Date will be:

	\$	%
Land Option fees	1,650,000	20.6
Lease fees	220,000	2.8
Solar FEED (Front End Engineering Design)	265,104	3.3
Generator model study	126,500	1.6
Interconnection works	55,000	0.7
Solar financing	154,000	1.9
Solar offtake	572,000	7.2
Solar expansion study	123,750	1.5
Battery integration study	74,250	0.9
Wind integration study	126,500	1.6
Hydrogen integration study	234,850	2.9
Corporate costs	2,873,220	35.9
Transaction costs ¹	741,630	9.3
Working capital	783,196	9.8
TOTAL	8,000,000	100

Notes:

1. Comprises of legal expenses, accounting expenses, broker fees, independent consultant fees and ASX fees. This assumes that the total funds raised under the Capital Raising Offer are placed by the Lead Manager.

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8) actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that, following completion of the Capital Raising Offer, the Company will have sufficient working capital to meet its stated objectives and satisfy its working capital requirements for a period of at least two years following the Listing Date.

The Company may seek to pursue further acquisitions which complement the BSS Project or other opportunities in the renewable energy sector and there may be a need to direct funds for that purpose or to raise additional equity capital. The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred which are not included in the above table.

3.13 Future Opportunities for the Company

There are significant future opportunities at the BSS Project to enhance the capability of the existing BSS Project. For example:

(a) **Solar**

There are additional land acquisition opportunities adjacent to the existing Land at the BSS Project which are available to the Company. Such land acquisitions would allow for an increase in solar power generation up to ~490MWdc. The Company will undertake a study to consider any solar expansion.

(b) **Battery**

As a logical extension to the BSS Project, the Company will undertake a study to review the economics of adding a battery energy storage system. Opportunities include revenue from ancillary services performed by battery and revenue from energy arbitrage from the battery.

(c) **Wind**

There is sufficient existing land at the existing BSS Project to accommodate wind generators, which are complementary energy sources given the typical timing of energy dispatch. The

Company will undertake a study on the impact on the integration of wind energy into the BSS Project.

(d) **Hydrogen**

The Company will undertake a study to assess the viability and economics of using the electricity produced from the BSS solar project to split water by way of electrolysis to produce green hydrogen. Electrolysis is an established process that could be integrated into the BSS solar project. This would not be a standalone new project or an alternative to the BSS solar project but rather an addition and augmentation to the Solar Farm.

The Company will also consider investments in other renewable energy projects, including wind, solar and hydrogen that meet the Company's investment criteria and drive shareholder value.

3.14 Metallum

The Company has a legacy asset, holding through its subsidiary an approximately 66% interest in Metallum, a company incorporated in Canada, worth approximately \$9.9 million as at 7 January 2022 (based on Metallum's share price of C\$0.07 and an exchange rate of 1 CAD:1.0984 AUD on 7 January 2022). This shareholding follows the sale of the Superior Lake Zinc Project in Canada to Metallum, which completed in April 2021. Metallum is a zinc focused base metal resource company. The Company will look to realise the value of this investment over the medium term.

3.15 Corporate Structure

The Company's corporate structure at completion of the Acquisition and on re-instatement to Official Quotation is shown in Figure 10.

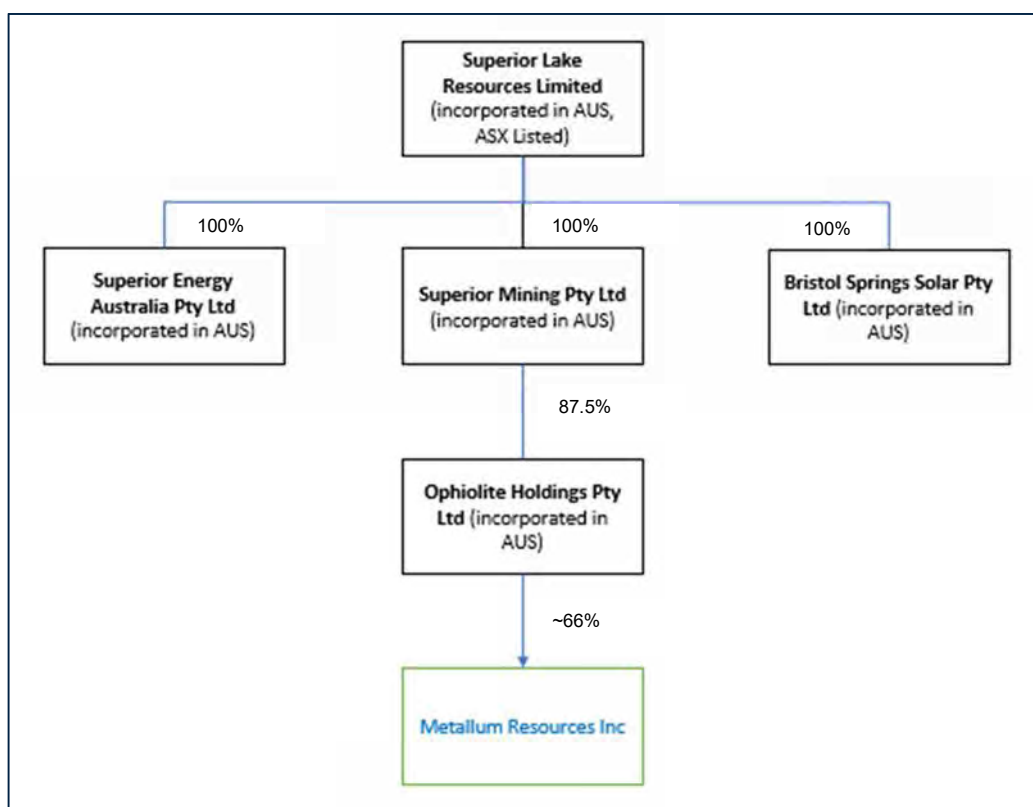


Figure 10 - Corporate structure of the Company following completion of the Acquisition

Note: Superior Lake Resources Limited to be renamed Frontier Energy Limited.



EPC Technologies
Smarter Energy



SUPERIOR LAKE
RESOURCES

Bristol Springs Solar Farm Technical Report

Document No. J000153A0001

Document Number	Rev	Date	Description	Author
J000153A0001	0	23-Dec-21	Issued for Use	neville.wood@epctechnologies.com.au



EPC Technologies Pty Ltd

ABN: 64 612 341 849

<http://www.epctechnologies.com.au>

Copyright © EPC Technologies Pty Ltd ALL RIGHTS RESERVED

Copyright in the whole and every part of this document belongs to EPC Technologies Pty Ltd ('the Owner') and may not be used, sold, transferred, copied or reproduced in whole or in part in any manner or form or in or on any media to any person other than in accordance with the terms of any relevant contract, the Owner's agreement or otherwise without the prior written consent of the Owner.

This report has been prepared at the request of Superior Lake Resources Limited ('the Client') for inclusion in the Client's prospectus supporting application for re-admission to the Official List under Chapter 11 of the Australian Securities Exchange Limited Listing Rules. The Owner takes no responsibility for the contents of the prospectus other than this report.

The Client engaged the Owner to prepare a report on the relevant features of the subject site. The information and analysis contained in this report relies in part on information provided to us (either by the Client and/or from a third party). While due care has been exercised and the statements included in this report are given in good faith and in the belief that they are not false, misleading or incomplete, the Owner does not give any express or implied warranty regarding the accuracy and completeness of information provided to us.

Subject to the consent given by the Owner to the Client for inclusion of this report in the prospectus, the Owner is not liable for:

1. a third party's use of, or reliance upon, this report;
2. use of, or reliance upon, this report in relation to any land other than the subject site; or
3. the Client's implementation, or application, of the strategies recommended in this report.

Table of Contents

Executive Summary.....	5
1 General.....	6
1.1 Introduction	6
1.2 Location.....	7
2 Tenure and Land Access.....	9
3 Technical Specifications	10
3.1 Regulatory Reference Documents	10
3.2 Standards Reference Documents	10
3.3 Project Design Status	11
3.4 Connecting Solar to the Grid.....	11
4 Plant Design	13
4.1 Site Metrics	16
4.2 Software Used.....	16
5 Infrastructure.....	17
5.1 Photovoltaic Array	17
5.1.1 Bifacial Technology	17
5.1.2 Panel Maximum Power Point (MPP) matching.....	19
5.1.3 Panel Trackers.....	19
5.1.4 Backtracking.....	20
5.2 Inverters.....	20
5.2.1 Radial vs Ring Inverter Connection	21
5.2.2 Sizing Ratio (DC / AC Ratio).....	21
5.3 BSSF 330/33kV 110MVA Substation	22
5.3.1 33kV Collector System	23
5.3.2 330kV Switchyard.....	23
5.4 Battery Energy Storage System.....	23
5.4.1 Bristol Springs Battery Sizing Study	24

5.5 Future Expansion 25

6 Western Power Access and Connection 27

6.1 Connection Process..... 27

6.2 Network Connection 28

6.3 Grid Stability..... 29

6.3.1 Reactive Power Capability..... 30

6.3.2 Grid Management Capability 31

7 Project Implementation 33

Appendix A – Drawings 34

Appendix B – Applicable Standards 35

Executive Summary

Bristol Springs Solar (BSS) Pty Ltd is developing a 114MWdc solar farm (the Project, Bristol Springs Solar Farm or BSSF) located approximately 123km south of Perth. EPC Technologies (EPCT) has been engaged to complete engineering designs for the solar farm, progress an access agreement to the electricity grid with Western Power, and model the anticipated electricity production. This report provides a technical summary of this activity.

The subject site is undeveloped and predominantly cleared of vegetation from its historical use for intensive agricultural purposes. Any existing vegetation is regrowth and is assessed to be in a degraded condition. The site is flat with height variation limited to 6 metres. A desktop review of geology and soils indicates that it is relatively sandy. Access to the site is via Johnston Road on the south-western lot boundary.

EPCT has proposed a solar farm design and connection infrastructure that conforms with the technical rules and standard requirements of Western Power and provides for the operation of the solar farm in the Wholesale Electricity Market of Western Australia. In November 2021 a preliminary design was completed, and it is expected that detailed design will commence upon receipt of an Access Offer from Western Power. The procurement of long lead items is scheduled to occur shortly thereafter.

The solar farm design incorporates standard, latest generation technology from Tier 1 vendors. It will utilise single-axis tracking to maximise the output of the photovoltaic solar panels across the day. The power station will be configured with centralised inverters, with the electricity ultimately entering the Western Power grid at 330kV. Storage inverters will be utilised as a cost-effective solution to meet the WEM reactive power requirements in the first stage, while also providing the ability to add battery storage at a later date. The power station design is modular in nature, providing options for expansion of the generation capacity, the addition of storage solutions, and the potential integration of hydrogen electrolysis. Key metrics of the power station design are provided in Table 1.

Capacity (dc)	114,033 kWp
Grid (ac)	114,400 kVA solar inverters, 46,800 kVA storage inverters ¹
Grid DSOC ²	95,000 kW
Technology	Single Axis, Tracked
Inverters	26 x Solar Central Inverters, SMA MVPS 4400-UP 13 x Storage Central Inverters, SMA MVPS 3600-UP-XT
Panels	179,580 x High-efficiency bifacial mono-crystalline PERC modules
Grid Tie	1 x 330/33kV , 110MVA, Single Bus, AIS

Table 1 – Key metrics

¹ Storage inverters are required for Stage 1 reactive power capability, with the ability to add battery storage at a later date

² DSOC – Declared Sent-Out Capacity

1 General

1.1 Introduction

Bristol Springs Solar (BSS) Pty Ltd is developing a 114MWdc solar farm located approximately 123km south of Perth.

In 2019, EPC Technologies (EPCT) were engaged by BSS to complete a Front-End Engineering Design (FEED) for the solar farm, including basis of design, preliminary solar farm and 330/33kV substation design, bill of materials, PV yield study, as well as a steady state generator model and user manual for consideration by Western Power.

EPCT were re-engaged by BSS in 2021 to further progress the design and to develop and submit a dynamic generator model and user manual to Western Power. These deliverables were submitted to Western Power in December 2021.

EPCT has been engaged by Superior Lake Resources Ltd (SUP) to provide a technical report (this document) for BSSF, based on the FEED that it produced for BSS. Information from the FEED design has been used with permission from BSS.



Figure 1 - Aerial view of Bristol Springs Solar Farm site, looking north

1.2 Location

The Project site is approximately 123 km south of Perth and 12 km west of Wagerup in Western Australia.

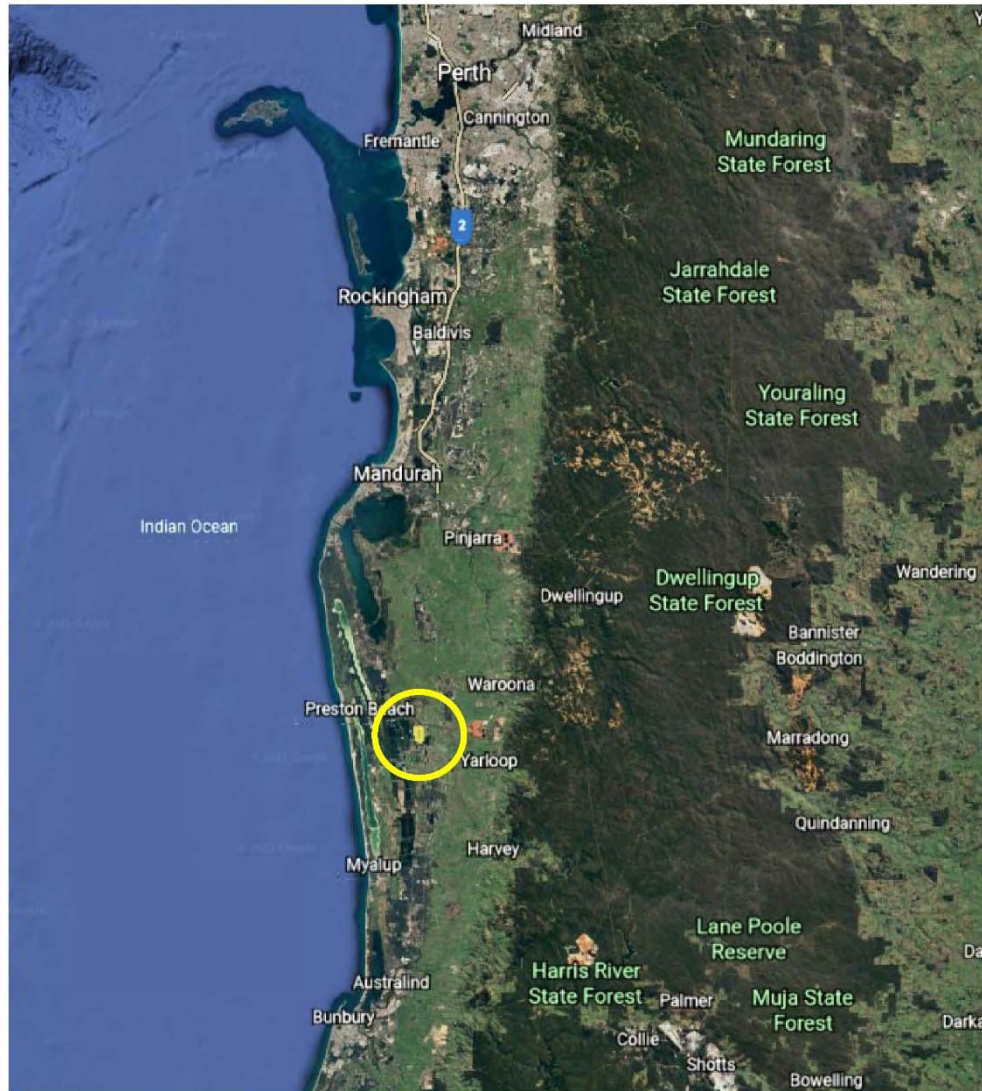


Figure 2 – High level site location relative to key locations

The site will be integrated to the existing Western Power 330kV transmission network (the grid) via Landwehr Terminal which is located approximately 4 kilometres north-east of the proposed site.

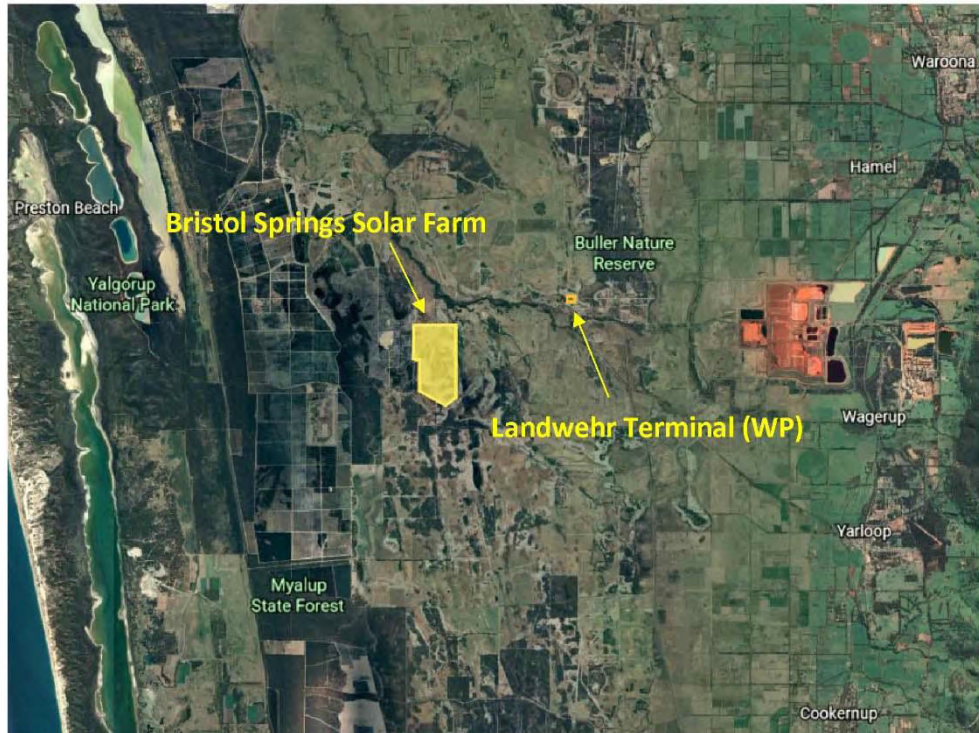


Figure 3 - Locality overview of the Bristol Springs site

2 Tenure and Land Access

The Project is located on Lot 3 Johnston Road, Wagerup (Lot 3 on Plan 9454). It comprises one rural lot with a total area of approximately 195 ha. The north-western portion of the Project site is bisected by the narrow Lot 5965 (a drain system, 4.10 ha in area) which is owned by the State Government.

The Project site is undeveloped and is predominantly cleared of vegetation from its historical use for intensive agricultural purposes. Existing vegetation is regrowth and has been assessed by Biota to be in a degraded condition. A drainage sump of approximately 1,000 m² is located in the south-eastern portion of the site, approximately 85m from the lot boundary. The topography of the site generally ranges from 10m – 16m AHD³.



Figure 4 - View along Johnston Road east-bound, 20m west of the project area (Biota)

Access to the subject site is currently provided by 6-7m wide gravel crossover to Johnston Road, at the south-western lot boundary. A network of internal driveways provide access throughout the subject site.

This access point and internal driveways are intended to be redesigned and upgraded as part of the BSSF project, taking into account the site layout and hydrology.

³ Relative to [Australian Height Datum](#) (AHD)

3 Technical Specifications

Development and connection of a solar farm onto the Western Power network requires compliance with a set of technical rules and standards. These are in place to ensure the safety and reliability for the owners and operators of the solar farm, as well as other network users and the public. BSSF has been designed in accordance with these rules and standards.

Applying this regulatory framework to the design and construction of a large-scale solar farm is well understood by solar industry specialists. Key equipment has been selected for its Australian Standards compliance and has evolved to become largely 'plug-and-play'. Furthermore, BSSF has been designed for constructability, maintaining uniformity across the site as much as possible to minimise the opportunity for error.

3.1 Regulatory Reference Documents

There are a range of regulations covering solar generators, the networks they connect to and the markets they operate in. From this list, there are four key pieces of regulation that can be considered most relevant to the development of the BSSF. These are listed below, along with their purpose:

- **Wholesale Electricity Market Rules** – the Wholesale Electricity Market (WEM) is governed by the Wholesale Electricity Market Rules (WEM Rules). These rules detail the roles and functions of the Australian Energy Market Operator (AEMO) and other governance bodies, and guide the operation of the market including the trading and dispatch of energy, the Reserve Capacity Mechanism and settlement. Of particular relevance to the design of BSSF is the Generator Performance Standards (GPS), which are defined in Appendix 12 of the WEM Rules.
- **Western Power Technical Rules** – Technical rules consist of the standards, procedures and planning criteria governing the construction and operation of the Western Power electricity network. They also set out performance and technical specifications for user equipment connected to the network, including for BSSF.
- **Clean Energy Council Guidelines** – the Clean Energy Council (CEC) produces design and installation guidelines to assist CEC-accredited installers and designers in interpreting the relevant Australian Standards when installing and designing solar and battery storage systems. Adhering to industry best practice gives BSSF the best chance of reliable operation for many years to come.
- **Building Code of Australia** – covers the technical details and minimum standards of design and construction of buildings and other structures in relation to structure, fire resistance, access and exits, services and equipment, energy efficiency, health and amenities. This is designed to ensure that BSSF is a safe place to work during operations and maintenance.

3.2 Standards Reference Documents

A list of Australian and International Standards relevant to the development of the BSSF are provided in Appendix B.

3.3 Project Design Status

In November 2021 a preliminary design for the solar farm was completed. It is expected that detailed design will commence upon receipt of an Access Offer from Western Power.

Detailed Design	Completion Status
PV yield analysis	100%
Array layouts	100%
Inverter and transformer sizing and datasheets	100%
Tracker data sheets	100%
Substation preliminary design	100%
Basis of Design	100%
Steady state modelling	100%
Design report	100%
Detailed design and specifications	Commencing Q1 2022
Procurement long lead time items	To Complete
Tender construction works	To Complete

Table 2 Project design status

3.4 Connecting Solar to the Grid

A high-level flow chart of the electrical elements of the BSSF solar farm, from solar panel to Landwehr Terminal (LWT) (and the rest of the Western Power network), is provided in Figure 5. Black boxes are used to define the functional blocks that each element belongs to.

A high-level overview of where each of these functional blocks will be physically located is presented in Figure 6.

A detailed Site Layout, showing the solar array and location of key equipment within the array, is provided in Appendix A – Drawings.

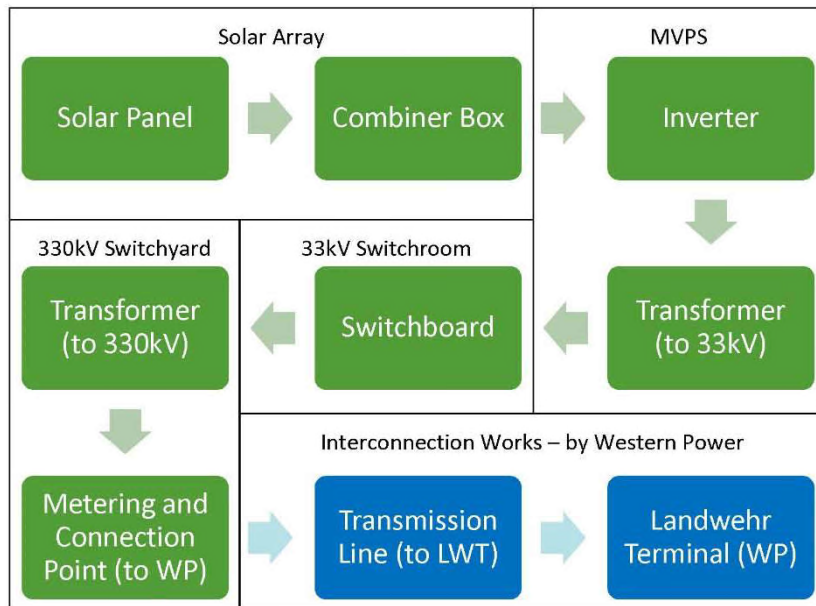


Figure 5 - Flow diagram of BSSF

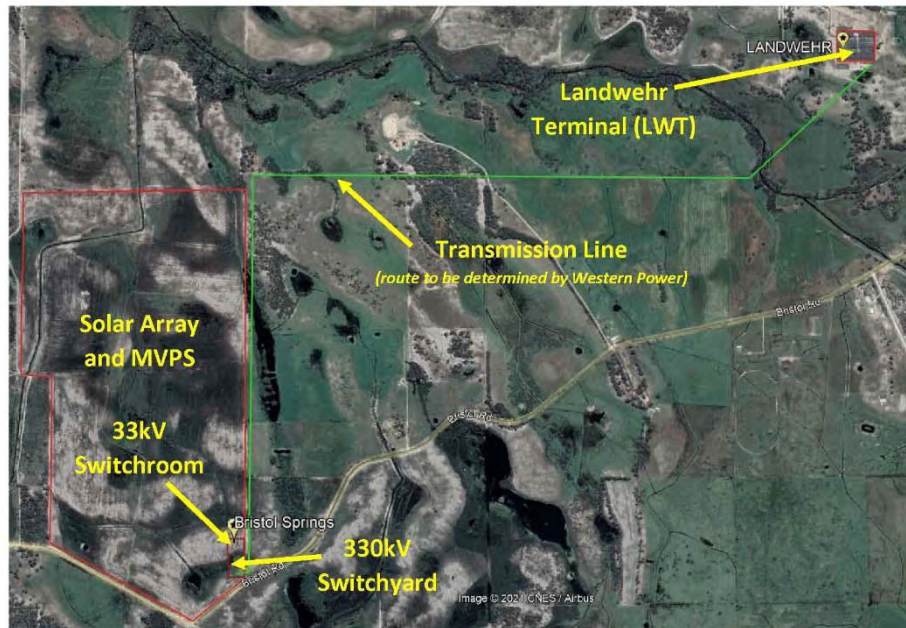


Figure 6 - Graphic showing location of functional blocks and connection to Western Power (Landwehr Terminal)

4 Plant Design

Large-scale solar (LSS) is best known as a solar farm, which can generate anywhere from hundreds of kilowatts to thousands of megawatts of solar power.

LSS typically uses solar photovoltaic (PV) technology to generate electricity from fields of solar panels.

The solar panels convert the energy from sunlight into direct current (DC) electricity, then inverters convert the power into alternating current (AC) that can be efficiently integrated into the electricity grid.

BSSF is a proposed large scale solar farm on relatively flat land (previously a pine plantation). The size and locality would suit a centralised inverter system with tracked horizon single axis PV panels. Figure 7 below shows the Merredin Solar Farm which utilises a similar design basis.



Figure 7 - Merredin Solar Farm (central inverter system, single axis tracked), Western Australia

The site will be integrated to the existing Western Power 330kV transmission network via Landwehr Terminal which is located approximately 4 kilometres north-east of BSSF.

BSSF has implemented a modular, plug and play, approach to the design topology. This enables the Project to have a large portion of the materials to be factory tested prior to installation on site.

Primary energy usage for the generation system is export onto the transmission grid.

Grid stability, inherent with large swings in renewable generation, is a core focus of the design. Grid level control is available to Western Power to further enhance the system's integration to the 330kV network.

Figure 8 below shows the Cluster layout (26 Clusters shown in red boundaries) for BSSF. Each block represents a single Cluster with a centrally positioned inverter. The tracker rows are arranged in a north – south orientation.

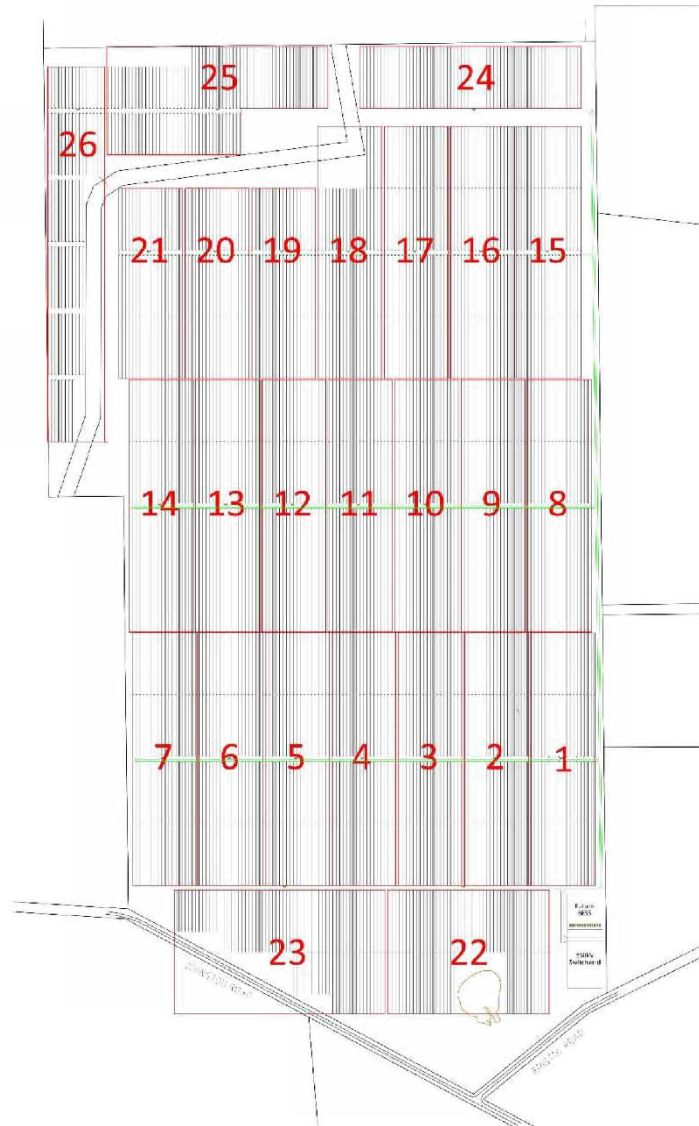


Figure 8 – Site layout, showing the cluster numbering and tracker configuration proposed by EPCT

The proposed high security solution has been carefully considered to match all Western Power requirements, covering both infrastructure and access standards.

The system is designed to operate as a virtual generator, with solar, reactive power, battery energy storage systems (as an option) and high spec protection / control systems operating in full synchronisation to enable the safe and efficient flow of energy.

A tiered approach (see Figure 9 below) to the project development ensures the design and operational topology is built up from the core components, allowing the upper levels to integrate in a controlled manner.

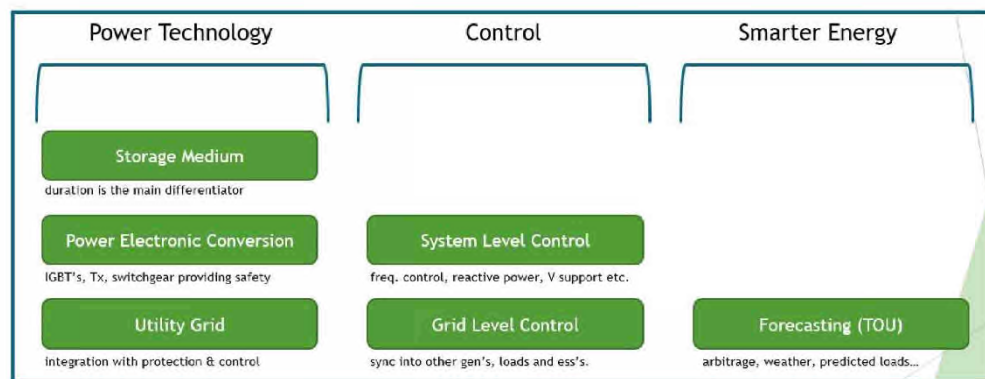


Figure 9 - EPCT's 3-tiered approach as applied to Bristol Springs Solar Farm

4.1 Site Metrics

A summary of the key preliminary design metrics for the Bristol Springs Solar Farm are presented in Table 3.

Capacity (dc)	114,033 kWp
Grid (ac)	114,400 kVA solar inverters, 46,800 kVA storage inverters⁴
Grid DSOC ⁵	95,000 kW
Technology	Single Axis, Tracked
Inverters	26 x Solar Central Inverters, SMA MVPS 4400-UP 13 x Storage Central Inverters, SMA MVPS 3600-UP-XT
Panels	179,580 x High-efficiency bifacial mono-crystalline PERC modules
Grid Tie	1 x 330/33kV, 110MVA, Single Bus, AIS

Table 3 – Project site metrics

4.2 Software Used

Energy modelling and system design has been undertaken using EPCT's proprietary MS Excel models, PVsyst, Bentley MicroStation and Eplan.

PVsyst is an advanced PV system design tool that integrates system layout and energy performance modelling. It is considered the world's leading PV simulation software.

Bentley MicroStation is a 3D Computer Aided Design (CAD) package used for detailed engineering design and visualisations.

Eplan is an advanced electrical engineering design tool that automates construction packages, thereby drastically reducing the accuracy risk inherent with the high value construction portion of projects.

⁴ Storage inverters are required for Stage 1 reactive power capability, with the ability to add battery storage at a later date

⁵ DSOC – Declared Sent-Out Capacity

5 Infrastructure

5.1 Photovoltaic Array

EPCT has based its BSSF design on 635-watt high-efficiency bifacial mono-crystalline PERC PV modules from a Tier 1 manufacturer. These panels have been recommended by the Client and endorsed by EPCT due to their percentage *yield*, *cost* and *longevity* attributes when used within the Wagerup geographical area.

5.1.1 Bifacial Technology

In contrast to monofacial cells, bifacial solar cells collect sunlight not only on the front but also on the rear side as they capture light reflected from the surface beneath the module and from the environment. This technology is well established, and newer products use standard silicon and manufacturing technologies. This results in the solar cell featuring openings in the screen-printed rear to reach the active region of the cell from the back (hence the term bifacial). See Figure 10 for an example of bifacial technology.

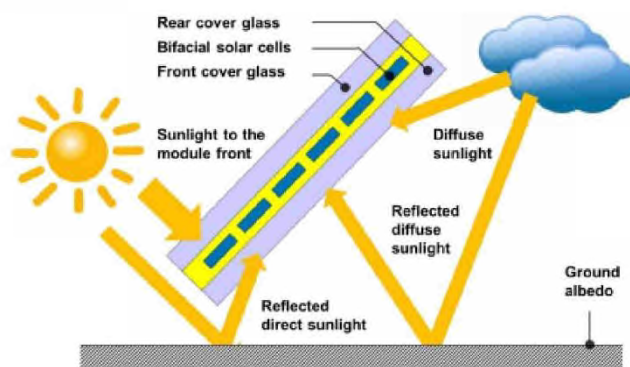


Figure 10 - Bifacial technology graphic (bifiPV Workshop)

In addition to front-side power, a new relevant parameter has been added: the **bifaciality B**, which describes the ratio between the power produced from light captured by the front side maximum power at standard test conditions ($P_{mpp, front}$): the bifaciality B, which refers to the ratio of the front to the rear power measured under standard test conditions (STC).

Simply put, the equation is:

$$B = \frac{P_{mpp, rear}}{P_{mpp, front}}$$

The transparent and active rear sides of bifacial photovoltaic modules enable an additional energy yield, also known as the “energy gain”. This is the name given to the increase in specific energy yield (kWh/kWp) of the bifacial module compared with the monofacial module in the same system with the same nominal power as the front of the bifacial module. We note that the Canadian Solar datasheet references this as “bifacial gain”.

The amount of additional energy yield of a bifacial module depends on two main factors:

- i) the light reflectance of the surface beneath the module (Albedo),
- ii) the installation height of the module.

Direct or diffuse light is reflected from the ground, while a portion is scattered onto the rear cell of the module.

The albedo describes the reflectivity of a non-luminous surface. It is determined simply by the ratio between the light reflected from the surface and the incident radiation. In short, the higher the reflectivity of a surface, the higher its albedo. Some typical measured values are given below:

- a) Green grass: 23%
- b) Concrete: 16%
- c) White painted concrete: 60%
- d) White gravel: 27%

The second main influence on the energy gain of a bifacial module is its installation height (installation height is measured from the lower edge of the module (in full tilt position) and the ground). The greater the installation height, the greater the additional energy yield. We reach an inflection point at around 0.5m. The additional energy curve would reach its saturation point for installation heights above 1m.

5.1.1.1 Additional Energy selected for Bristol Springs:

We have assumed green grass interspersed with silica sand for BSSF (being a tracker mounted system in WA). With a small conservative factor, we have applied **20% Albedo** (note Albedo can be measured if required). For installed height, we have taken a conservative approach and allocated **1.5m** (tracked).

Note: Bifaciality does not affect the thermal properties of the cell and has only a negligible effect on the voltage of the module. This is confirmed in Canadian Solar’s datasheet where we see no rise for V_{oc} and V_{mp} for the corresponding Power Gains. An equally important factor in the design of a photovoltaic system is inverter sizing. Here, it is recommended that the inverter be sized for a bifacial module in the same way it is for a monofacial module - *exclusively using the power produced by the front of the bifacial module*. Because the voltage range and thermal coefficient do not change compared with a monofacial module of the same cell type and performance, the same rules can be applied for them as for monofacial modules.

Taking into account an assumed albedo of 20%, with an installation height of 1.5m, we have applied a **10% Energy Gain** and use the Canadian Solar datasheet (as one supplier that meets the design specification) as per Figure 11 below.

		Nominal Max. Power (Pmax)	Opt. Operating Voltage (Vmp)	Opt. Operating Current (Imp)	Open Circuit Voltage (Voc)	Short Circuit Current (Isc)	Module Efficiency
	CS7N-635MB-AG	635 W	37.3 V	17.03 A	44.4 V	18.27 A	20.4%
Bifacial Gain**	5%	667 W	37.3 V	17.89 A	44.4 V	19.18 A	21.5%
	10%	699 W	37.3 V	18.74 A	44.4 V	20.10 A	22.5%
	20%	762 W	37.3 V	20.44 A	44.4 V	21.92 A	24.5%

Figure 11 - Gain from the CS7N-PB-AG 635W bifacial panels

5.1.2 Panel Maximum Power Point (MPP) matching

EPCT's primary goal of matching a PV array to an inverter is to ensure that the inverter can capture the highest percentage of the available energy that the array produces during all the environmental conditions anticipated at the site.

A core aspect of this is to ensure the minimum and maximum string voltages (dependant on local weather conditions) are designed to be within the inverters optimum MPP range.

For the Project, we have used a minimum of **3°C**, with an average maximum of **38°C**. Using the formula below, we have ensured the array is optimally matched to the inverters specified.

$$V_{adj} = V_{oc} + (\text{temperature differential} \times \text{temperature coefficient of } V_{oc})$$

The relatively high open circuit Voltage (V_{oc}) of the **CS7N** panels required EPCT to limit the length of strings to ensure operation within the inverters optimum MPP curves and maximum allowable voltage inputs.

5.1.3 Panel Trackers

Previously, most ground-mounted solar power projects were developed using fixed-tilt mounting structures. Today the trend in the Australian market is migrating to selecting single-axis trackers for large scale solar plants (see Figure 12 below showing a single axis tracker).

The reason for this change is related to the advantages that single-axis tracking systems provide in additional yield and the narrowing of the cost gap between a fixed-tilt and single axis trackers.

By using a mechanism that automatically follows the sun's position across the day, it is possible to enhance the performance of the PV array. This mechanism is driven by a small DC motor which

typically drives a central torsional bar that rotates and moves the tables accordingly to increase the energy yield by tracking the sun's position.

There are two types of single axis trackers: Horizontal and Vertical. Due to its location, BSSF suits a horizontal tracker due to its low latitude (vertical trackers are more suited to higher latitudes).



Figure 12 - Single Axis 1P Tracker example

5.1.4 Backtracking

To enhance the performance of trackers, backtracking algorithms are used to fine-tune modules' positions during periods of low solar height i.e., early morning and late afternoon, as shadows can affect the modules' production levels. When implemented, backtracking drives the modules to avoid table-on-table shading that can occur during these times.

The algorithm allows the trackers to know their position 365 days a year and is programmed into a programmable logic controller (PLC).

Nexttracker (used for this FEED Study), use their own proprietary system called **TrueCapture**.

5.2 Inverters

Large Scale Solar (LSS) installations over 5MWp are best suited to use Centralised Inverters for collation of energy from the arrays. These are capable of being integrated into blocks of up to 5MW of ac power.

The internal transformers feed into a medium-voltage ac collection system. These ac collection system circuits are routed back to metal-enclosed or metal-clad switchgear. In most cases, a substation transformer then steps up PV power plant output prior to interconnection to the distribution or transmission network.

For BSSF, EPCT has included in the studies **SMA MVPS-4400-UP** (solar inverters) **SMA MVPS-3600-UP-XT** (storage inverters) units outputting at **33kV**. An example of these MVPS units is shown in Figure 13 below.

The above inverters have also been sized to deliver reactive power capability in adherence to the WEM Rules. See Section 6 for further detail.



Figure 13 - Example of SMA Centralised Inverter used for the Bristol Springs FEED Study

5.2.1 Radial vs Ring Inverter Connection

EPCT recommend using a **Radial** connection methodology for BSSF due to the following advantages:

- Outage contingency: Multiple radial feeders allow separation of circuits. Failure of one Feeder will have no impact on remaining installed capacity.
- Cable Sizing: 33kV collector cable sizing at up to 30MWp per Feeder is technical and financially viable; and
- Option to reduce cable size downstream of the Feeder.

5.2.2 Sizing Ratio (DC / AC Ratio)

The goal of EPCT is to configure the system components for maximum energy throughput from the PV panels to the Western Power grid, whilst optimising specific yield.

Deploying utility-scale PV systems in Australia is an exercise in optimising the Levelised Cost of Energy (LCOE). In recent years, falling module prices and increasingly competitive market conditions have pushed dc-to-ac ratios to previously unseen levels.

In order to utilise the system components to their full capacity, and to optimise specific yield, the peak array power should always be greater than the inverter capacity. Oversizing the array ensures that the inverter is driven to its maximum output, at least during the best sun hours of the day.

Making this easier to achieve is the much-reduced cost of panels as streamlined production techniques come into play.

The only impacts that an oversized array have on system output are to bring the inverter up to its best efficiency a little earlier in the day and to drive the inverter at full power for longer periods of time. This is graphically shown in Figure 14 below.

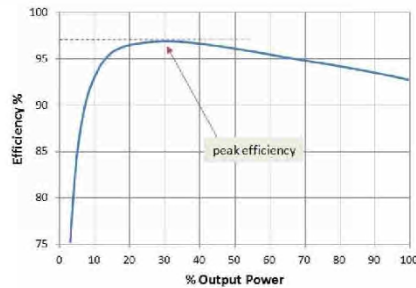


Figure 14 - Example of how EPCT target the efficiency of the Inverter via a slightly oversized PV array

Since the area under the power curve is the energy delivered, the “fatter” curve equates to more MWh, even if the peak output is limited to the maximum inverter capacity. As an array ages, the number of hours per year that the inverter is driven to full output power decreases.

An oversized array helps ensure that the inverter will reach full capacity over the full 20-year life of a typical system.

The final yield figure for BSSF has been optimised taking into account the following:

- i) Selected Inverter size;
- ii) Designed Cluster size (driven by panel capacity and string length optimisation);
- iii) Usable area; and
- iv) Western Power reactive capacity requirements.

For the purposes of this study, EPCT has arrived at an overall **DC/AC Sizing Ratio of 1.09** (inclusive of Bifacial gain).

5.3 BSSF 330/33kV 110MVA Substation

A **330/33kV** substation is proposed to be established at the BSSF site itself.

It is more economical to step up from the solar farms 33kV collector system to 330kV at BSSF. This enables the transmission of energy with greatly reduced I^2R losses and allows for direct connection (by Western Power) into Landwehr Terminal (see following Section for Western Power connection).

The proposed BSSF substation has been configured as a 330kV Air Insulated Switchgear (AIS) substation with Gas Insulated Switchgear (GIS) for the 33kV systems. The main power transformer (designated Tx 1) would use the standard vector grouping from the Western Power grid.

5.3.1 33kV Collector System

A transportable 33kV switchroom houses the 33kV GIS switchboard (see Figure 15 below for an example) which forms the focal point of collecting the Inverter radial feeders throughout the site. GIS has been selected due to its compact nature and high-power capacity. GIS gear requires minimal maintenance, with inspections typically every 10 years.



Figure 15 - Typical 33kV GIS collector switchboard (Siemens 8DA10)

5.3.2 330kV Switchyard

330kV AIS has been selected for the BSSF switchyard due to its high availability and relatively low cost when compared to GIS at this higher voltage level.

A further optimisation has been made with the use of Disconnecting Circuit Breakers (DCB's) in place of the more traditional Circuit Breaker / Disconnecter combination. The DCB's give the advantage of lower cost and less maintenance.

To reduce CAPEX up front, only one DCB will be introduced at this Stage. This will still provide enhanced security with Western Power grid. Allowance has been made in the layout to easily expand this configuration in the future if required.

5.4 Battery Energy Storage System

EPCT has investigated the future installation of a high-capacity Battery Energy Storage System (BESS) at BSSF.

Storage inverters will be utilised as a cost-effective solution to meet the WEM reactive power requirements in the first stage, while also providing the ability to add battery storage at a later date. See Section 6 for more detail.

The storage inverters will be connected directly to the main 33kV switchboard at the BSSF site. Connecting directly into the 330/33kV power transformer means that a future BESS can manage the entire PV installation as well as provide energy trading opportunities.

A BESS can be configured to provide controlled active power during sudden reductions (ramp down) of PV generation (cloud cover), allowing full control of the ramp rate. It should be noted that any sudden increases (ramp up) of PV generation is something that can be controlled via the inverters. The storage inverters will also form an integral part of the reactive power capacity requirements.

The minimum size of the BESS energy capacity, if required, is dependent on the ramp rate control, which is yet to be determined in conjunction with Western Power. Other revenue streams available to BESS installations have the potential to increase the battery sizes, such as the provision of ancillary services into the WEM.

The SMA Hybrid Controller 2.0 is well placed to undertake the BESS control function, giving a high level of open architecture (see Figure 16). This allows integration and control of the BESS as part of the virtual generation system.



Figure 16 - SMA Hybrid Controller 2.0

5.4.1 Bristol Springs Battery Sizing Study

Note: A 70m x 70m area directly North of the 330/33kV Switchyard has been left to facilitate a potential BESS installation. Based on ABB's recent Dalrymple 30MW BESS installation in South Australia (see Figure 17), 3MWh per 40ft shipping container can be achieved. This would give an approximate **70MW / 210MWh** (70 x 40ft containers) overall capacity that could be accommodated at BSSF.



Figure 17 - ABB's Dalrymple 30MW BESS installation

5.5 Future Expansion

The BSSF site lends itself to substantial expansion due east of the current site. As such, placement of the access roads, distribution feeders / switchgear and grid connection infrastructure has been chosen to facilitate this.

The proposed 330kV substation has been designed to facilitate easy expansion of both the 330kV and 33kV systems with *no* curtailment of existing generation.

- a) 330kV: strategic placement of Disconnecter off the main busbar will allow construction of a second transformer bay;
- b) 33kV: Bus Riser will allow placement of a second tier of switchgear (future 33kV A2 busbar) with no cable cross-overs;
- c) 33kV: the switchboard will expand due east to cater for 33kV BESS and Solar Incomers with no cable crossings required. See Figure 18 below; and
- d) All protection / control systems can be expanded with no curtailment of supplies.

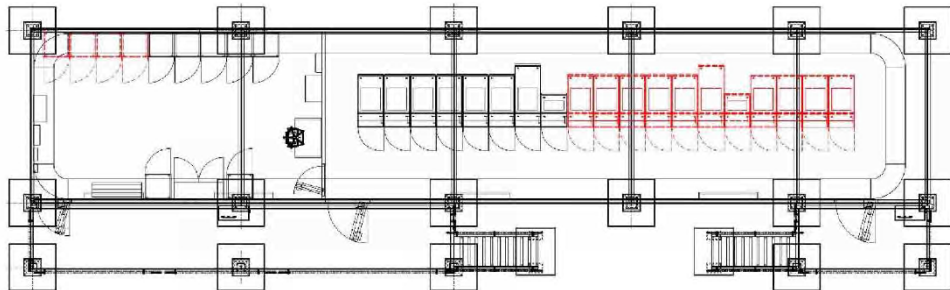


Figure 18 - Control Room / Switchroom layout. Dotted panels in red show future expansion

For the next phase of PV expansion, the following equipment is required (at a minimum, dependant on N-1 provisions):

- 330kV Tx 2 Bay (Disconnecting circuit breaker, current transformers, surge arrestors, earth switch, power transformer, neutral earthing resistor); and
- 33kV Switchboard (Bus-coupler, Incomer, voltage transformer, Feeders). Note: whilst the current switchroom size will limit expansion of the 33kV gear to **300MWp** total, an additional building can be added for a total **500MWp** installation.

Consideration has also been given to the potential for BESS capacity. This can be placed due north of the proposed 330/33kV Substation.

6 Western Power Access and Connection

6.1 Connection Process

A high-level summary of the Western Power (WP) connection process to date is provided in Table 4.

Process Step	Date
Connection Enquiry submitted to Western Power (WP)	Dec 2018
WP Enquiry Response / High Level Desktop Assessment	Feb 2019
Connection Application submitted to WP	Oct 2019
Connection Application accepted by WP	Dec 2019
Preliminary Assessment completed	Apr 2020
Steady State Studies agreement signed	Jul 2020
Steady State Studies Report completed by WP	Oct 2020
Dynamic Generator Model and supporting documentation submitted to Western Power	Dec 2021

Table 4 - WP connection process to date

EPCT was engaged by BSS to update the FEED and develop the Dynamic Generator Model in August 2021. A draft version of the dynamic generator model was submitted to Western Power in October 2021 with the final version submitted in December 2021.

Completion of the following steps will then result in an Access Contract for BSSF:

- Western Power to conduct Generator Model Assessment and Dynamic Modelling Study;
- Western Power to finalise design & Capex for Interconnection Works, leading to an Access Proposal;
- Electricity Transfer Access Contract (ETAC) and Interconnection Works Contract (IWC) drafted by Western Power and Access Offer made; and
- Electricity Transfer Access Contract (ETAC) and Interconnection Works Contract (IWC) signed.

6.2 Network Connection

It is proposed for BSSF to connect at the “farm gate”, with Western Power undertaking the interconnection works to the existing grid.

Solar farms of the scale proposed will generally connect to the Western Power network at either 132kV or 330kV. BSSF is situated approximately 4kms from Western Power’s Landwehr 330kV Terminal (LWT) and approximately 13kms from Wagerup 132/22kV Substation (WGP).

LWT is currently configured as a 4-switch mesh system, with an eventual layout allowing for a full Circuit Breaker and a Half operational configuration (CB ½).

WGP is currently configured as a single bus zone, with an option to expand north (a 132kV bus disconnector has been installed to facilitate this with no outages).

Whilst a 132kV system can typically transport 250MVA via standard equipment (at the higher end), Western Power would likely impose restrictions on the amount of power that can be injected at that voltage. This is dependent on Western Power feedback, however values of approximately 100MVA are common on a strong 132kV system. A 330kV system can be unrestricted on systems of as much as 1GW.

Therefore, considering current solar farm sizing, prospects for future expansion and the proximity of existing Western Power 330kV network infrastructure, access has been sought to the Western Power network at 330kV.



Figure 19 - LWT from south. Bay 924 can be populated to configure LWT as a secure 5-switch mesh

The position of Bristol Springs to the south-west of Landwehr 330kV Terminal offers the potential of connecting to the spare south-east bay. This can be done without outages on the 330kV network due to strategic placement of Circuit Breakers and Disconnectors within the LWT switchyard.

A 330kV Overhead Line (OHL) crossing will be required across the existing SHO/KEM91 OHL. This can be accomplished either via cable or by the more cost-effective method of a lower gantry crossing under the existing OHL.

6.3 Grid Stability

Whilst not directly a concern due to its connection at 330kV, the proliferation of PV on medium and low voltage distribution grids requires Western Power to manage negative load levelling impacts at times of high solar energy production and the rapid (and repeated) changes in generation due to environmental effects. The identified negative load levelling impacts have the potential to affect the behaviour of the traditional distribution (and to a lesser extent, transmission) grid, and require consideration of:

- Protection coordination (the need to reprogram protection setting and potentially introduce additional protection equipment);
- Voltage control (rise, fluctuations and flicker);
- Frequency control;
- Unbalance; and
- Reverse power flow.

Each issue has been addressed by EPCT in the design of the proposed system. The specific grid stability concerns identified above have been addressed through the use of:

1. Voltage Control: Reactive Power Droop via the inverters, injecting and absorbing reactive power as required. Ramp control (see below) for fluctuations and flicker.
2. Frequency and Voltage Control: Ramp Control Up via inverters, Ramp Control Down via battery energy storage system (future) with cloud camera.
3. Unbalance: Inverter and Relay Protection functionality.
4. Reverse Power Flow: Inverter and Relay Protection functionality.

EPCT works in close coordination with SMA engineers, allowing proven grid stability technologies to be applied for Western Power.

Please see overleaf for details of the Grid Management Capability this project can offer to Western Power.

Though not likely a concern for Western Power, the inverters can be easily configured for rapid runback should there be thermal limitations in the Western Power transmission network during

normal or during contingency conditions. Furthermore, they have very good low voltage ride through protection capability, good frequency ride through and rapid post fault power recovery.

6.3.1 Reactive Power Capability

The WEM Rules require the generator to have reactive power capability at its connection point. This means that BSSF will need to reserve some of the installed MVA capacity for reactive power (Q) support.

According to the WEM Rules Clause A12.3.2, the Ideal Generator Performance Standard requires the generator to be capable of supplying or absorbing Q continuously of at least 0.484 times P_{MAX}. The generator must deliver the reactive power continuously for the voltages at the connection point within the allowable steady state voltage ranges (0.9 pu – 1.1 pu). Figure 20 below is the screenshot from the WEM Rules that shows reactive power capability requirements.

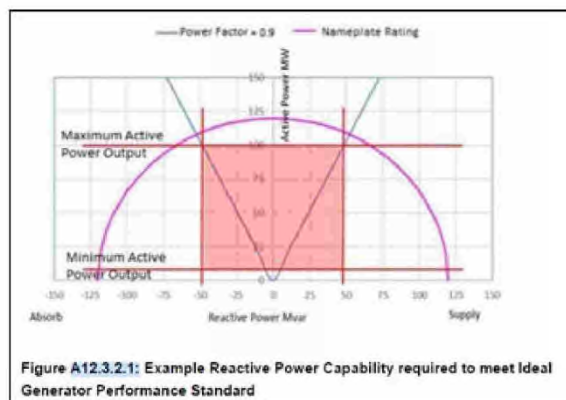


Figure 20 – WEM Rules showing the reactive power capability requirements

The agreed BSSF Declared Sent out Capacity (DSOC) is **95MW**.

A series of load flow studies have determined that to meet the maximum active power output (**95MW**) that BSSF can generate at the connection point and at the same time meet the reactive capability requirements (**+/-45.98MVar**), the following inverter scenario is optimum:

- 26 x 4.4MVA Solar Inverters; and
- 13 x 3.6MVA Storage Inverters.

6.3.2 Grid Management Capability

Unlike a conventional power plant, a PV inverter system has customisable control features that allow them to provide grid management functions. They can assist in stabilising power in a manner that would otherwise incur additional costs (SVC's, STACOM's etc). Figure 21 below shows how this is typically configured.

The inverters can receive and implement the target values as specified by Western Power using all standard transfer protocols.

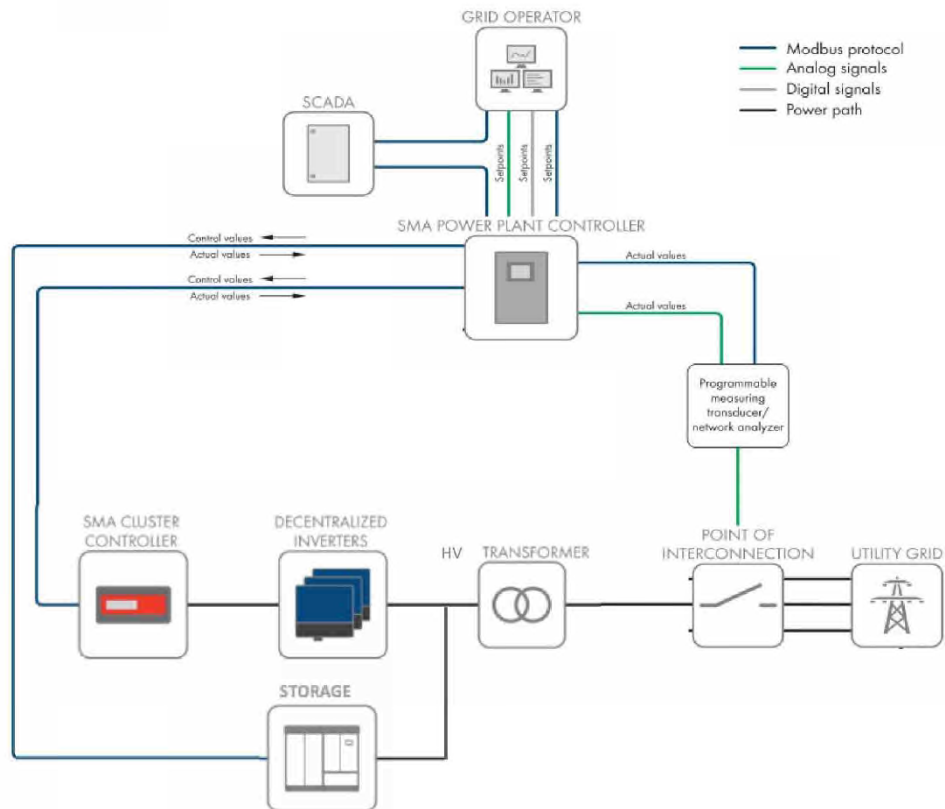


Figure 21 - Potential operations diagram for Bristol Springs

For the BSSF installation, we have the option of adding state of the art **Power Plant Controllers (PPC)** from SMA. An example of a PPC is show in Figure 22.

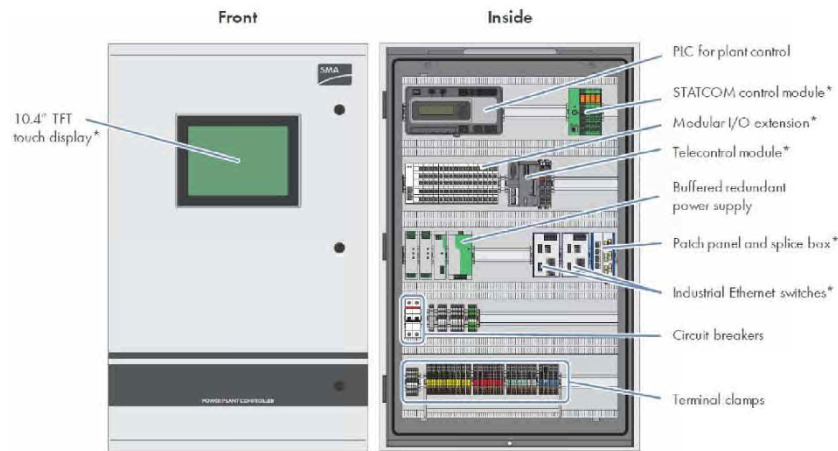


Figure 22 - Layout of the SMA Power Plant Controller

Of main benefit to Western Power connecting the BSSF site are:

Active Power Control

- Constant setpoint for P
- Characteristic curves: P(f) or P(V)
- Feed-in limitation incl. “Zero-Feed-In” when required during specified constraints
- Active Power Reserve

Reactive Power Control

- Constant setpoint Q, $\cos \phi$, $\tan \phi$
- Characteristic curve Q(V), $\cos \phi$ (P), $\tan \phi$ (V)
- Q at Night / Q on Demand
- Individual Reactive Power Generation

Voltage Control

- Automatic voltage control (AVR)
- Voltage - reactive power droop
- Apparent Power Limitation
- Ramp Rate Control

7 Project Implementation

EPC Technologies intends to deploy its years of experience advising solar farm developers and contractors for utility scale solar farms throughout Australia to guide BSSF towards a proven, efficient method of project implementation.

To achieve the stated timeframes, there is an emphasis on early works to mitigate key technical and schedule risks and allow site works to commence as soon as possible once the necessary approvals are in place. This is something that has been deployed on other solar farms of similar scale to positive effect.



Figure 23 - Photo of typical vista across project area (Biota)

Appendix A – Drawings

Appendix B – Applicable Standards

The following standards have relevance to the development of the BSSF.

Standards Reference	Description
AS 1657	Fixed platforms, walkways, stairways and ladders - Design, construction and installation
AS 1768	Lightning Protection
AS 1824	Insulation Co-ordination Definitions, principles and rules.
AS 2067	Substations and high voltage installations exceeding 1 kVac
AS 3000	Electrical installations
AS 3600	Concrete structures
AS 3865	Calculation of the effects of short-circuit currents.
AS 4100	Steel Structures
AS 4777	Grid connection of energy systems via inverters – All parts
AS 4799	Installation of underground utility services and pipelines within railway boundaries
AS 5000.1	Electric cables - Polymeric Insulated For working voltages up to and including 0.6/1 (1.2) kV
AS 5033	Installation and safety requirements for photovoltaic (PV) arrays
AS 60076	Power transformers
AS 61439	Low-voltage switchgear and control gear assemblies All parts

Standards Reference	Description
AS 62271.200	High-voltage switchgear and controlgear - AC metal-enclosed switchgear and controlgear for rated voltages above 1 kV and up to and including 52 kV (IEC 62271-200:2011/COR1:2015, MOD)
AS/NZS 5033	Installation and Safety Requirements for Photovoltaic (PV) Arrays
AS/NZS 60269	Low voltage fuses
AS/NZS 60529	Degree of Protection Provided by Enclosures (IP Code)
AS1429.1	Electric cables - Polymeric insulated - For working voltages 1.9/3.3 (3.6) kV up to and including 19/33 (36) kV
AS3008	Electrical installations - Selection of cables - Cables for alternating voltages up to and including 0.6/1 kV - Typical Australian installation conditions
EN 50521	Connectors for photovoltaic systems – Safety requirements and tests
IEC 50262	Cable glands for electrical installations
IEC 60044	Instrument transformers (Series)
IEC 60051	Direct acting indicating analogue electrical measuring instruments and their accessories (Series)
IEC 60068	Environmental testing
IEC 60071	Insulation co-ordination (Series)
IEC 60137	Insulated bushings for alternating Voltages above 1000 V
IEC 60156	Insulating liquids – Determination of the breakdown Voltage at power frequency – Test method

Standards Reference	Description
IEC 60204	Safety of machinery
IEC 60228	Conductors of insulated cables
IEC 60255	Electrical relays (Series)
IEC 60269	Low-Voltage fuses (Series)
IEC 60270	High-Voltage test techniques
IEC 60282	High-Voltage fuses (Series)
IEC 60287	Electric cables
IEC 60309	Plugs, socket-outlets and couplers for industrial purposes (Series)
IEC 60364	All parts, except IEC 60364-7-712
IEC 60364	Low-Voltage electrical installations (Series)
IEC 60364-7-712	Low voltage electrical installations – Part 7-712: Requirements for special installations or locations – Solar photovoltaic (PV) power supply systems
IEC 60502	Power cables with extruded insulation and their accessories for rated Voltages from 1 kV ($U_m = 1,2$ kV) up to 30 kV ($U_m = 36$ kV) (Series)
IEC 60793	Optical fibres (Series)
IEC 60811	Electric and optical fibre cables (Series)
IEC 60865	Short-circuit currents – Calculation of effects
IEC 60870	Telecontrol Equipment and systems (Series)

Standards Reference	Description
IEC 60891	Photovoltaic devices - Procedures for Temperature and
IEC 60896	Stationary lead-acid batteries (Series)
IEC 60904	Photovoltaic devices (All Parts)
IEC 60947-3	Low-voltage switchgear and control gear Part 3: Switches, disconnectors, switch disconnectors and fuse-combination units
IEC 60950-1	Information Technology Equipment Safety - General Requirements
IEC 61000-5-2	Electromagnetic compatibility (EMC) Part 5: Installation and mitigation guidelines Section 2
IEC 61000-6-2	Electromagnetic compatibility (EMC). Generic standards. Immunity standard for industrial environments
IEC 61000-6-4	Electromagnetic compatibility (EMC). Part 6-4: Generic standards. Emission standard for industrial environments
IEC 61215	Crystalline silicon terrestrial photovoltaic (PV) modules – Design qualification and type approval
IEC 61277	Terrestrial photovoltaic (PV) power generating systems - General and guide
IEC 61345	UV test for photovoltaic (PV) modules.
IEC 61427-2:2015	Secondary cells and batteries for renewable energy storage - General requirements and methods of test - Part 2: On-grid applications
IEC 61439	Low Voltage switchgear and control assemblies (Series)
IEC 61643	Surge Protection for Low-voltage AC and DC power supply systems, electronic systems, signalling systems and communication devices

Standards Reference	Description
IEC 61643-32	Low-voltage surge protective devices Part 22: Surge protective devices connected to telecommunications and signalling networks — Selection and application principles
IEC 61683	Photovoltaic systems - Power conditioners - Procedure for measuring efficiency
IEC 61724	Photovoltaic system performance monitoring - Guidelines for measurement, data exchange and analysis
IEC 61730	Photovoltaic (PV) module safety qualification-all parts
IEC 61850	Communication networks and systems for power utility automation (Series)
IEC 61869	Instrument transformers (Series)
IEC 62040	Uninterruptible power systems (UPS) (Series)
IEC 62053-61	Electricity metering Equipment (a.c.) - Particular requirements - Part 61: Power consumption and Voltage requirements
IEC 62103	Electronic equipment for use in power installations
IEC 62109-1:2010	Safety of power converters for use in photovoltaic power systems - Part 1: General requirements
IEC 62133:2017	Secondary cells and batteries containing alkaline or other non-acid electrolytes - Safety requirements for portable sealed secondary lithium cells, and for batteries made from them, for use in portable applications
IEC 62271	High-Voltage switchgear and control gear (Series)
IEC 62305-3	Protection against lightning Part 3: Physical damage to structures and life hazard

Standards Reference	Description
IEC 62305-4	Protection against lightning - Electrical and Electronic systems within structures
IEC 62446-1	Photovoltaic (PV) systems - Requirements for testing, documentation and maintenance - Part 1: Grid connected systems - Documentation, commissioning tests and inspection
IEC 62477	Safety requirements for power electronic converter systems and Equipment
IEC 62485	Safety requirements for secondary batteries and battery installations
IEC 62548	Photovoltaic (PV) arrays – Design requirements
IEC 62561	Lightning protection system components (LPSC)
IEC 62619:2017	Secondary cells and batteries containing alkaline or other non-acid electrolytes - Safety requirements for secondary lithium cells and batteries, for use in industrial applications
IEC 62738	Ground-mounted photovoltaic power plants – Design guidelines and recommendations
IEC 62909	Bi-directional grid connected power converters
IEC 62930	Electric Cables for Photovoltaic Systems with voltage rating up to 1.5 kVDC
IEC 62933 series	Electrical energy storage (EES) systems
IEC TS 60815	Selection and dimensioning of high-Voltage insulators intended for use in polluted conditions (Series)
IEEE 1547	IEEE Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces

Standards Reference	Description
IEEE 1815	IEEE Standard for Electric Power Systems Communications-Distributed Network Protocol (DNP3)
IEEE 519	IEEE Recommended practises and requirements for harmonic control in electrical power systems
IEEE 80	IEEE Guide for safety in AC substation Grounding
IEEE 829	Software and system test documentation
IEEE 998	Guide for Direct Lightning Stroke Shielding of Substations
IEEE Std C37.013	Standard for AC High-Voltage Generator Circuit Breakers Rated on a Symmetrical Current Basis
ISO 12944	Paints and varnishes – Corrosion protection of Steel Structures
ISO/IEC 17025	General requirements for the competence of testing and calibration laboratories

Table 5 – Relevant standards

5 FINANCIAL INFORMATION

5.1 Introduction

This Section contains a summary of actual historical and pro forma financial information of the Company and BSS that the Directors consider relevant to potential investors. The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Capital Raising Offer and the Acquisition. Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**) has prepared an Independent Limited Assurance Report (**ILAR**) in respect to the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitation of Hall Chadwick's work is set out in Section 6.

All information present in this section should be read in conjunction with the balance of this Prospectus, including the ILAR in Section 6.

5.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by the Company as detailed in Note 1 of Section 6. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of Section 6 as if those adjustments had occurred as at 30 June 2021.

The financial information contained in this Section is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The following information is detailed in respect of the financial information detailed in this Section:

- (a) the historical financial information comprises the following:
 - (i) the historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2021, 31 December 2020 and 31 December 2019 for the Company;
 - (ii) the historical Statement of Financial Position as at 30 June 2021, 31 December 2020 and 31 December 2019 for the Company;
 - (iii) the historical Statement of Cash Flows for the periods ended 30 June 2021, 31 December 2020 and 31 December 2019 for the Company;
 - (iv) the historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 for BSS;
 - (v) the historical Statement of Financial Position as at 30 June 2021, 30 June 2020 and 30 June 2019 for BSS; and
 - (vi) the historical Statement of Cash Flows for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 for BSS,(together, the **Historical Financial Information**); and
- (b) the pro forma financial information comprises the following:
 - (i) the pro forma statement of financial position as at 30 June 2021, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 had occurred as at 30 June 2021; and
 - (ii) the notes to the pro forma financial information,(together, the **Pro Forma Financial Information**),

(collectively, the **Financial Information**).

The Historical Financial Information in relation to the Company has been extracted from the reviewed and audited historical financial statements for 30 June 2021, 31 December 2020 and 31 December 2019. The 30 June 2021 interim financial report was reviewed by Hall Chadwick in accordance with Australian Auditing Standards. The 31 December 2020 and 31 December 2019 financial reports were audited by Bentleys. An unqualified review conclusion was issued for 30 June 2021. An unqualified audit opinion was issued for 31 December 2020 and 31 December 2019 with a material uncertainty surrounding the entity to continue as a going concern.

The Historical Financial Information in relation to BSS has been extracted from the audited historical financial statements for 30 June 2021, 30 June 2020 and 30 June 2019. The financial reports were audited by Hall Chadwick in accordance with Australian Auditing Standards. An unqualified audit opinion was issued for 30 June 2021, 30 June 2020 and 30 June 2019 with a material uncertainty surrounding the ability of the entity to continue as a going concern.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

SUPERIOR LAKE RESOURCES LIMITED	Reviewed*	Audited*	Audited*
	period	year	year
	30 June 2021	31 Dec 2020	31 Dec 2019
	\$	\$	\$
Revenue	914	1,271	23,984
Depreciation Expense	(1,477)	(2,458)	(2,001)
Exploration and evaluation expenses	(3,435,841)	(619,563)	(4,668,392)
Accounting, audit and taxation fees	(11,767)	(46,562)	(90,236)
Occupancy expenses	(40,450)	(75,713)	(103,738)
Administrative expenses	(282,896)	(444,301)	(618,316)
Employee benefits expenses and consultancy fees	(375,981)	(285,973)	(765,045)
Share based payments	(244,866)	(757,607)	(507,686)
Finance costs	(183,691)	-	-
Business development expenses	(24,976)	(247,619)	(232,763)
Other expenses	(417,597)	(139,829)	(52,841)
Net loss before income tax expenses	(5,018,628)	(2,618,354)	(7,017,034)
Income tax expense relating to ordinary activities	-	-	-
Net loss for the year, attributable to members of the parent entity	(5,018,628)	(2,618,354)	(7,017,034)
Other comprehensive income/(loss) for the year net of tax	-	-	-
Total comprehensive loss for the year attributable to members of the parent entity	(5,018,628)	(2,618,354)	(7,017,034)

BRISTOL SPRINGS SOLAR PTY LTD	Audited*	Audited*	Audited*
	year	year	year
	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$
Interest income	3	3	-
Corporate and administrative expenses	(4,761)	(3,947)	(59,284)
Net loss before income tax expenses	(4,758)	(3,944)	(59,284)
Income tax expense relating to ordinary activities	-	-	-
Net loss for the year, attributable to members of the parent entity	(4,758)	(3,944)	(59,284)
Other comprehensive income/(loss) for the year net of tax	-	-	-
Total comprehensive loss for the year attributable to members of the parent entity	(4,758)	(3,944)	(59,284)

* Please refer to Section 5.2 with respect to the audit opinions and review conclusion issued by Bentleys and Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the ILAR in Section 6.

5.4 Historical Statement of Financial Position

SUPERIOR LAKE RESOURCES LIMITED	Reviewed*	Audited*	Audited*
	period	year	year
	30 June 2021	31 Dec 2020	31 Dec 2019
	\$	\$	\$
Current assets			
Cash and cash equivalents	1,725,957	822,214	761,513
Trade and other receivables	138,867	44,365	183,730
Prepayments	51,212	21,932	22,394
Assets held for sale	-	1,999,983	-
Total current assets	1,916,036	2,888,494	967,637
Non-current assets			
Other financial assets	95,605	-	191,000
Exploration & evaluation assets	1,796,157	-	1,312,610
Property, plant and equipment	3,684	4,595	7,053
Total current assets	1,895,446	4,595	1,510,663
TOTAL ASSETS	3,811,482	2,893,089	2,478,300
Current liabilities			
Trade and other payables	490,917	164,799	601,086
Funds received for shares to be issued	-	-	200,000
Provision for annual leave	-	-	22,356
Total non-current liabilities	490,917	164,799	823,442
Non-current liabilities			
Other payables	306,951	-	-
Total non-current liabilities	306,951	-	-
TOTAL LIABILITIES	797,868	164,799	823,442

SUPERIOR LAKE RESOURCES LIMITED	Reviewed* period 30 June 2021	Audited* year 31 Dec 2020	Audited* year 31 Dec 2019
NET ASSETS / (LIABILITIES)	3,013,614	2,728,290	1,654,858
EQUITY			
Contributed equity	27,730,498	27,180,498	22,871,434
Reserves	1,263,123	2,940,760	2,045,225
Transactions with minority shareholders	(1,512,813)	(1,512,813)	-
Noncontrolling interest	4,719,753	-	-
Accumulated losses	(29,186,947)	(25,880,155)	(23,261,801)
TOTAL EQUITY	3,013,614	2,728,290	1,654,858

* Please refer to Section 5.2 with respect to the audit opinions and review conclusion issued by Bentleys and Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the ILAR in Section 6.

BRISTOL SPRINGS SOLAR PTY LTD	Audited* year 30 June 2021 \$	Audited* year 30 June 2020 \$	Audited* year 30 June 2019 \$
Current assets			
Cash and cash equivalents	8,427	9,596	100
Trade and other receivables	5,096	10,474	1,541
Total current assets	13,523	20,070	1,641
Non-current assets			
Property, plant and equipment	301,957	209,784	-
Total current assets	301,957	209,784	-
TOTAL ASSETS	315,480	229,854	1,641
Current liabilities			
Trade and other payables	10,000	6,667	43,382
Total current liabilities	10,000	6,667	43,382
Non-current liabilities			
Related party borrowing	373,366	286,315	17,443
Total non-current liabilities	373,366	286,315	17,443
TOTAL LIABILITIES	383,366	292,982	60,825
NET ASSETS / (LIABILITIES)	(67,886)	(63,128)	(59,184)
EQUITY			
Contributed equity	100	100	100
Accumulated losses	(67,986)	(63,228)	(59,284)
TOTAL EQUITY	(67,886)	(63,128)	(59,184)

* Please refer to Section 5.2 with respect to the audit opinions and review conclusion issued by Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 6.

5.5 Historical Statement of Cash Flows

SUPERIOR LAKE RESOURCES LIMITED	Reviewed* period 30 June 2021 \$	Audited* year 31 Dec 2020 \$	Audited* year 31 Dec 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees	(1,794,298)	(1,303,031)	(1,595,313)
Interest received	915	969	23,984
Interest paid	-	-	(2,320)
Payment for exploration activities	(157,562)	(236,953)	(5,301,046)
Payments for exclusive option over uranium projects	-	(275,000)	-
Net cash (used) in Operating Activities	(1,950,945)	(1,814,015)	(6,874,695)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(568)	-	(3,478)
Cash acquired on acquisition of subsidiary	1,930,040	-	-
Disposal of tenement	750,216	-	-
Payments for exploration: acquisition costs	-	(581,535)	(357,953)
Net cash inflow/(outflow) from Investing Activities	2,679,688	(581,535)	(361,431)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	175,000	2,600,001	3,768,587
Capital raising costs	-	(143,750)	-
Net Cash provided by Financing Activities	175,000	2,456,251	3,768,587
Net increase in cash held	903,743	60,701	(3,467,539)
Cash at the beginning of the period	822,214	761,513	4,229,052
Cash at the end of the period	1,725,957	822,214	761,513

* Please refer to Section 5.2 with respect to the audit opinions and review conclusion issued by Bentleys and Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the ILAR in Section 6.

BRISTOL SPRINGS SOLAR PTY LTD	Audited* year 30 June 2021 \$	Audited* year 30 June 2020 \$	Audited* year 30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
GST refunds	14,683	16,057	-
Payments to suppliers	(1,517)	(44,674)	(17,443)
Interest received	3	3	-
Net cash (used) in Operating Activities	13,169	(28,614)	(17,443)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(101,389)	(230,762)	-
Net cash outflow from Investing Activities	(101,389)	(230,762)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	-	-	100
Proceeds from borrowings	87,051	268,872	17,443
Net Cash provided by Financing Activities	87,051	268,872	17,543

Net increase/(decrease) in cash held	(1,169)	9,496	100
Cash at the beginning of the period	9,596	100	-
Cash at the end of the period	8,427	9,596	100

5.6 Historical and Pro Forma Statement of Financial Position

	Notes	Superior Lake Resources Ltd 30 June 2021 (Reviewed) \$	Bristol Springs Solar Pty Ltd 30 June 2021 (Audited) \$	Subsequent Events \$	Pro forma Adjustments \$	Pro forma balance \$
Current assets						
Cash and cash equivalents	3	1,725,957	8,427	(542,550)	5,768,370	6,960,204
Trade and other receivables		138,867	5,096	-	-	143,963
Prepayments		51,212	-	-	-	51,212
Total current assets		1,916,036	13,523	(542,550)	5,768,370	7,155,379
Non-current assets						
Other financial assets		95,605	-	-	-	95,605
Exploration and evaluation		1,796,157	-	-	-	1,796,157
Right of use assets	4	-	-	-	257,710	257,710
Property, plant & Equipment	5	3,684	301,957	-	6,768,687	7,074,328
Other non-current assets	6	-	-	-	1,500,000	1,500,000
Total non-current assets		1,895,446	301,957	-	8,526,397	10,723,800
TOTAL ASSETS		3,811,482	315,480	(542,550)	14,294,767	17,879,179
Current liabilities						
Trade and other payables	7	490,917	10,000	(133,522)	-	367,395
Lease Liabilities	8	-	0	-	100,000	100,000
Total current liabilities		490,917	10,000	(133,522)	100,000	467,395
Non-current liabilities						
Other payables		306,951	-	-	-	306,951
Shareholder loans	9	-	373,366	(373,366)	-	-
Lease liabilities	8	-	-	-	157,710	157,710
Total non-current liabilities		306,951	373,366	(373,366)	157,710	464,661
TOTAL LIABILITIES		797,868	383,366	(506,888)	257,710	932,056
NET ASSETS		3,013,614	(67,886)	(35,662)	14,037,057	16,947,123
EQUITY						
Contributed Equity	10a	27,730,498	100	213,750	12,900,949	40,845,297
Share based payments reserve	10b	1,556,056	-	(213,750)	2,341,345	3,683,651
Investment revaluation reserve		(249,000)	-	-	-	(249,000)
Foreign currency translation reserve		(43,933)	-	-	-	(43,933)
Transactions with minority shareholders		(1,512,813)	-	-	-	(1,512,813)
Non-controlling interests	10d	4,719,753	-	302,500	-	5,022,253
Accumulated losses	10c	(29,186,947)	(67,986)	(338,162)	(1,205,237)	(30,798,332)

	Notes	Superior Lake Resources Ltd 30 June 2021 (Reviewed)	Bristol Springs Solar Pty Ltd 30 June 2021 (Audited)	Subsequent Events	Pro forma Adjustments	Pro forma balance
TOTAL EQUITY		3,013,614	(67,886)	(35,662)	14,037,057	16,947,123

5.7 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

(a) Basis of preparation of the financial report

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian interpretations) adopted by the Australian Accounting Standard Board (**AASB**) and the Corporations Act. These financial statements of the Company also comply with the International Financial Reporting Standards (**IFRSs**) and interpretations adopted by the International Accounting Standards Board (**IASB**).

The financial statements have been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Going concern

The financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business.

The entity's ability to continue as a going concern is dependent on the success of the Capital Raising Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Capital Raising Offer be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the entity not continue as a going concern.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency. The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(d) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(f) **Property plant and equipment**

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

(g) **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments are classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Company does not designate any interest in subsidiaries, associates, or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

(i) *Financial assets at fair value through profit and loss or through other comprehensive Income*

Financial assets are classified at 'fair value through profit or loss' or 'fair value through other comprehensive income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or

investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss', or other comprehensive income if electing 'fair value through other comprehensive income'.

(ii) *Financial liabilities*

The Company's financial liabilities include trade and other payables, loans and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length *transactions*, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial liabilities are recognised where the related obligations are either discharged, cancelled, or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated.

(h) **Tax**

Tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) *Current tax*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from declaration of dividends.

(ii) *Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(iii) *Tax exposures*

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that caused the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

(iv) *GST*

GST is accounted for on an accrual basis.

(i) **Issued Capital**

Incremental costs directly attributable to an equity transaction are shown as a deduction from equity, net of any recognised income tax benefit.

(j) **Earnings per share**

The Company presents basic and diluted earnings per share (**EPS**) for its ordinary shares. Basic EPS is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the period.

Diluted EPS is determined by adjusting the result attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares, which comprise share options granted.

(k) **Trade and other payables**

Trade and other payables are stated at amortised cost. The amounts are short term and considered to be a reasonable approximation of the fair value.

(l) **Adoption of new and revised standards**

For the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

(m) **Critical accounting judgments and key sources of estimation uncertainty**

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Impairment - General

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Note 2: Actual and Proposed Transactions to Arrive at the Pro Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the Statement of Financial Position of the Company as at 30 June 2021 to reflect the financial effects of the following subsequent event which have occurred since 30 June 2021:

- (a) on or around 15 July 2021, Metallum (a 66% owned subsidiary of the Company) completed a private placement, raising \$C302,500;
- (b) in November 2021, the Company issued 1,500,000 Shares for the conversion of Zero Priced Options that had a fair value of \$213,750;
- (c) on or around 2 December 2021, BSS entered into a debt forgiveness agreement whereby the \$373,366 BSS shareholder loan will be forgiven three days following Shareholder approval at a general meeting of the Company for the approval of the Acquisition; and
- (d) operating expenses incurred between 1 July 2021 and the date of this Prospectus of \$711,528, excluding payment of June 2021 creditors of \$133,522,

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Capital Raising Offer:

- (e) the Company completing the Acquisition (refer to Section 3.5). The consideration for the Acquisition is:
 - (i) the Consideration Shares;
 - (ii) 12,750,000 Tranche A Performance Shares; and
 - (iii) 12,750,000 Tranche B Performance Shares;
- (f) the Company entering into an agreement to lease Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 from the Landowner for 3 years and 1 day commencing from the Completion Date at an annual fee of \$100,000 plus GST per annum (refer to Section 3.6 for further details of the Lease);
- (g) the Company and the Landowner entering into an option to purchase agreement in which the Company will pay the Landowner an option fee of \$1,500,000 (exclusive of GST) to secure a

five-year option from the Completion Date to acquire the Land at a fixed value of \$5,000,000 (exclusive of GST) (refer to Section 3.6 for further details of the Option Agreement);

- (h) the Company completing the Capital Raising Offer (refer to Section 7.1 for further details of the Capital Raising Offer);
- (i) the costs of the Capital Raising Offer, including capital raising fees to the Lead Manager, are estimated to be \$713,360 on the Capital Raising Offer of which \$515,617 was offset against the contributed equity and \$216,013 was recognised in Profit or Loss and Other Comprehensive Income. The costs of the offer include fees in relation to the Capital Raising Offer to the Lead Manager totalling \$400,000 pertaining to 5% of all funds raised under the Capital Raising Offer; and
- (j) the issue of 24,500,000 Options under the CEO Offer, Director Offer, Management Offer, Lead Manager Offer and Adviser Offer:

Options	Number of Options	Exercise price	Vesting period	Fair value per Option
CEO Offer	1,666,667	\$0.20	12 months	\$0.05740
	1,666,667	\$0.25	24 months	\$0.05064
	1,666,666	\$0.40	24 months	\$0.03718
Director Offer and Management Offer	6,750,000	\$0.20	Immediately	\$0.05740
	3,375,000	\$0.25	Immediately	\$0.05064
	3,375,000	\$0.40	Immediately	\$0.03718
Lead Manager Offer and Adviser Offer	3,000,000	\$0.25	12 months	\$0.05064
	3,000,000	\$0.40	18 months	\$0.03718
Total	24,500,000			

Note 3: Cash and Cash equivalents

	\$
Cash and cash equivalents	6,960,204
Audited balance as at 30 June 2021	1,725,957
<i>Subsequent events:</i>	
Capital raising by Metallum of C\$302,500	302,500
Operating expenses incurred since 1 July 2021	(711,528)
Payment of creditors	(133,522)
Total	(542,550)
<i>Pro-forma adjustments:</i>	
Payment of 5 year option to Landowner	(1,500,000)
Cash acquired from the acquisition of BSS	8,427
Capital Raising Offer	8,000,000
Costs of the Capital Raising Offer	(731,630)
Total	5,776,797
Pro-forma Balance	6,960,204

Note 4: Right of use assets

	\$
Right of use assets	257,710
	<hr/>
Audited balance as at 30 June 2021	-
<i>Pro-forma adjustments:</i>	
Lease agreement entered into as part of acquisition of BSS	257,710
	<hr/>
Total	257,710
	<hr/>
Pro-forma Balance	257,710
	<hr/>

Note 5: Property, Plant & Equipment

	\$
Property plant & Equipment	7,074,328
	<hr/>
Audited balance as at 30 June 2021 (Company)	3,684
Audited balance as at 30 June 2021 (BSS)	301,957
<i>Pro-forma adjustments:</i>	
Asset acquisition (refer to Note 12)	6,768,687
	<hr/>
Total	6,768,687
	<hr/>
Pro-forma Balance	7,074,328
	<hr/>

Note 6: Other non-current assets

	\$
Other non-current assets	1,500,000
	<hr/>
Audited balance as at 30 June 2021	-
<i>Pro-forma adjustments:</i>	
Payment of 5 year option to Landowner	1,500,000
	<hr/>
Total	1,500,000
	<hr/>
Pro-forma Balance	1,500,000
	<hr/>

Note 7: Trade and other payables

	\$
Trade and other payables	367,395
	<hr/>
Audited balance as at 30 June 2021	490,917
 <i>Subsequent events:</i>	
Payment of creditors since 1 July 2021	(133,522)
	<hr/>
Total	(133,522)
	<hr/>
 <i>Pro-forma adjustments:</i>	
Trade payables acquired	10,000
	<hr/>
Total	10,000
	<hr/>
Pro-forma Balance	367,395
	<hr/>

Note 8: Lease liabilities

	\$
Lease liabilities	257,710
	<hr/>
Audited balance as at 30 June 2021	-
	<hr/>
 <i>Pro-forma adjustments:</i>	
Lease agreement entered into as part of acquisition of BSS	257,710
	<hr/>
Total	257,710
	<hr/>
Pro-forma Balance	257,710
	<hr/>

Note 9: Shareholder loan

	\$
BSS – Shareholder loan	-
	<hr/>
Audited balance as at 30 June 2021	373,366
	<hr/>
 <i>Subsequent events</i>	
Forgiveness of debt	(373,366)
	<hr/>
Total	(373,366)
	<hr/>
Pro-forma Balance	-
	<hr/>

Note 10: Equity

	Number of shares	\$
a) Contributed Equity	268,266,284	40,845,297
Fully paid ordinary share capital as at 30 June 2021 (Company)	165,061,155	27,730,498
Fully paid ordinary share capital as at 30 June 2021 (BSS)	100	100
<i>Subsequent events</i>		
Exercise of zero priced options	1,500,000	213,750
	1,500,000	213,750
<i>Pro-forma adjustments:</i>		
Elimination of BSS Issued Capital on acquisition	(100)	(100)
Shares issued for acquisition of BSS (refer to note 11)	41,666,667	5,416,666
Shares issued under the Capital Raising Offer	61,538,462	8,000,000
Capital raising costs – cash settled		(515,617)
Total	103,205,129	12,900,949
Pro-forma Balance	269,766,284	40,845,297
	Number of Options After Capital Raising Offer	\$
b) Share based payments reserve	59,156,112	3,683,651
Option Reserve as at 30 June 2021	10,656,112	1,556,056
<i>Subsequent events:</i>		
Exercise of zero priced options	(1,500,000)	(213,750)
	(1,500,000)	(213,750)
<i>Pro-forma adjustments:</i>		
Issuance of options to managing director with service conditions (Share based payment)	5,000,000	-
Issuance of options to management (share based payment)	13,500,000	683,845
Issuance of options to lead manager with service conditions (Lead Manager Options and Adviser Options)	6,000,000	-
Total	24,500,000	683,845
b)	Number of Options After Capital Raising Offer	\$

	Number of Options After Capital Raising Offer	\$
Performance Share Reserve at 30 June 2021	-	-
<i>Pro-forma adjustments:</i>		
Tranche A Performance Shares issued as consideration for Acquisition (refer to Note 12)	12,750,000	1,657,500
Tranche B Performance Shares issued as consideration for Acquisition (refer to Note 12)	12,750,000	-
Total	25,500,000	1,657,500
Pro-forma Balance	59,156,112	3,683,651

CEO Options

	Class A	Class B	Class C
Number	1,666,667	1,666,667	1,666,666
Spot price	\$0.13	\$0.13	\$0.13
Exercise price	\$0.20	\$0.25	\$0.40
Expiry period	3 years	3 years	3 years
Expected volatility	84.5%	84.5%	84.5%
Risk free rate	0.98%	0.98%	0.98%
Fair value	\$0.05740	\$0.05064	\$0.03718
Fair value (\$)	\$95,665	\$84,404	\$61,967
Model	Black-scholes Option Valuation	Black-scholes Option Valuation	Black-scholes Option Valuation
Vesting conditions	12 month service condition	24 month service condition	24 month service condition

Director Options and Management Options

	Class A	Class B	Class C
Number	6,750,000	3,375,000	3,375,000
Spot price	\$0.13	\$0.13	\$0.13
Exercise price	\$0.20	\$0.25	\$0.40
Expiry period	3 years	3 years	3 years
Expected volatility	84.5%	84.5%	84.5%
Risk free rate	0.98%	0.98%	0.98%
Fair value	\$0.05740	\$0.05064	\$0.03718
Fair value (\$)	\$387,445	\$170,918	\$125,482
Model	Black-scholes Option Valuation	Black-scholes Option Valuation	Black-scholes Option Valuation
Vesting conditions	Immediately	Immediately	Immediately

Lead Manager Options and Adviser Options

	Class A	Class B
Number	3,000,000	3,000,000
Spot price	\$0.13	\$0.13
Exercise price	\$0.25	\$0.40
Expiry period	3 years	3 years
Expected volatility	84.5%	84.5%
Risk free rate	0.98%	0.98%
Fair value	\$0.05064	\$0.03718
Fair value (\$)	\$150,832	\$110,554
Model	Black-scholes Option Valuation	Black-scholes Option Valuation
Vesting conditions	12 month service condition	18 month service condition

	\$
c) Accumulated losses	(30,798,332)
Accumulated losses as at 30 June 2021 (Company)	(29,186,947)
Accumulated losses as at 30 June 2021 (BSS)	(67,986)
<i>Subsequent events:</i>	
Operating expenses incurred since 1 July 2021	(711,528)
Forgiveness of BSS shareholder loan	373,366
Total	<u>(338,162)</u>
<i>Pro-forma adjustments:</i>	
Issuance of options to management (Share based payment)	(683,844)
Elimination of BSS retained earnings on Acquisition	(305,380)
Expense portion of capital raising costs	(216,013)
Total	<u>(1,205,237)</u>
Pro-forma Balance	<u>(30,798,332)</u>
	\$
d) Non-controlling interests	5,022,253
Non-controlling interests as at 30 June 2021	4,719,753
<i>Subsequent events:</i>	
Metallum capital raise	302,500
Total	<u>302,500</u>
Pro-forma Balance	<u>5,022,253</u>

Note 11: Contingent Liabilities

BSS has entered into an agreement to lease Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 from the Landowner for 3 years and one day commencing from the Completion Date at an annual fee of \$100,000 plus GST per annum (refer to Section 3.6 for further details of the Lease). This has been recognised as a right of use asset as a pro-forma adjustment.

The Company and the Landowner have entered into an option to purchase agreement. The Company will pay the Landowner an option fee of \$1,500,000 (exclusive of GST) to secure a 5 year option from the Completion Date to acquire the Land at a fixed value of \$5,000,000 (exclusive of GST) (refer to Section 3.6 for further details of the Option Agreement).

The following option fees are payable by BSS to the Landowner:

- (a) First Option Fee: \$1,500,000 exclusive of GST, payable within three (3) business days of Completion occurring under the of the Sale Agreement;
- (b) Second Option Fee: \$1,500,000 exclusive of GST, payable on the third anniversary of the Completion Date;
- (c) Third Option Fee: \$1,500,000 exclusive of GST, payable on the fourth anniversary of the Completion Date; and
- (d) Fourth Option Fee: \$2,000,000 exclusive of GST, payable on the fifth anniversary of the Completion Date,

(together, **Option Fees**).

If BSS exercises the Land Option, any Option Fees paid (other than the First Option Fee) will be credited towards the Purchase Price. If BSS does not exercise the Land Option, any instalment of the Option Fee paid by BSS to the Landowner shall be non-refundable.

Note 12: Asset Acquisition

The Acquisition has been treated as an asset acquisition via the issue of equity under AASB 2 Share Based Payments. The below outlines the consideration and identifiable assets and liabilities acquired:

	\$
Consideration	
41,666,667 Consideration Shares with a fair value of \$0.13	5,416,667
12,750,000 Tranche A Performance Shares ¹ with a fair value of \$0.13	1,657,500
12,750,000 Tranche B Performance Shares ² with a fair value of \$0.13	-
	<u>7,074,167</u>
Assets and Liabilities	
Cash	8,427
Trade and Other Receivables	5,096
Property, Plant & Equipment	301,957
Trade and Other Payables	(10,000)
Shareholder Loan (Forgiven subsequent to year end)	-
	<u>305,480</u>
Net assets/(liabilities) acquired	305,480
Property Plant & Equipment Acquired	6,768,687

1. 12,750,000 Tranche A Performance Shares will be issued on the Completion Date that convert into Shares on the date that the Company or BSS having received a binding offer (Access Offer) from Western Power to provide the BSS Project with access to the grid which contains the terms of the Electricity Transfer Access Contract Agreement.
2. 12,750,000 Tranche B Performance Shares will be issued on the Completion Date that convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project.
3. The probability of the above non-market vesting conditions being met has been assessed as 100% and nil respectively given the current progress and status of the BSS Project.

Note 13: Related Parties

Refer to Section 9 for the interests of the Board.

Note 14: Subsequent Events

Subsequent to 30 June 2021, the following events have occurred which have been reflected in the pro-forma adjustments:

- (a) on or around 15 July 2021, Metallum (a 66% owned subsidiary of the Company) completed a private placement, raising \$C302,500;
- (b) in November 2021, the Company issued 1,500,000 Shares for the conversion of Zero Priced Options that had a fair value of \$213,750;
- (c) on or around 2 December 2021, BSS entered into a debt forgiveness agreement whereby the \$373,366 BSS shareholder loan will be forgiven three days following Shareholder approval at a general meeting of the Company for the approval of the Acquisition; and
- (d) operating expenses incurred between 1 July 2021 and the date of this Prospectus of \$711,528, excluding payment of June 2021 creditors of \$133,522.

Other than disclosed above there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.

6 INDEPENDENT LIMITED ASSURANCE REPORT



10 January 2022

The Board of Directors
Superior Lake Resources Ltd
PO Box 749
WEST PERTH WA 6872

Dear Board of Directors

Independent Limited Assurance Report on Superior Lake Resources Limited Historical and Pro forma Financial Information

We have been engaged by Superior Lake Resources Limited (“Superior” or “the Company”) to prepare this Independent Limited Assurance Report (“Report”) in relation to certain financial information of Superior for inclusion in the Prospectus.

The Prospectus (or “the document”) is issued for the purposes of raising \$8,000,000 before associated costs to assist the Company to meet the re-compliance requirements of Chapters 1 and 2 of the ASX Listing Rules to enable the re-quotation of the Company’s securities on the Australian Securities Exchange (“ASX”).

Broadly, the Prospectus will raise \$8,000,000 through the issue of 61,538,462 Ordinary Shares at an issue price of \$0.13 per Share. Furthermore, the Prospectus contemplates the proposed acquisition of Bristol Springs Solar Pty Ltd (“BSS”) by Superior whereby Superior will issue 41,666,667 Ordinary Shares (“Consideration Shares”) and 25,500,000 Performance Shares (“Deferred Consideration Shares”).

Expressions and terms defined in the document have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested Hall Chadwick WA Audit Pty Ltd (“Hall Chadwick”) to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.



PERTH • SYDNEY • MELBOURNE • BRISBANE • ADELAIDE • DARWIN
Hall Chadwick WA Audit Pty Ltd ABN 33 121 222 802
Liability limited by a scheme approved under Professional Standards Legislation.
Hall Chadwick Association is a national group of independent Chartered Accountants and Business Advisory firms.

PO Box 1288 Subiaco WA 6904
283 Rokeby Rd Subiaco WA 6008
T: +61 8 9426 0666

hallchadwickwa.com.au

You have requested Hall Chadwick to review the following historical financial information (together the “Historical Financial Information”) of Superior included in the Prospectus:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2021, 31 December 2020 and 31 December 2019 for Superior Lake Resources Limited
- The historical Statement of Financial Position as at 30 June 2021, 31 December 2020 and 31 December 2019 for Superior Lake Resources Limited
- The historical Statement of Cash Flows for the periods ended 30 June 2021, 31 December 2020 and 31 December 2019 for Superior Lake Resources Limited
- The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 for Bristol Springs Solar Pty Ltd
- The historical Statement of Financial Position as at 30 June 2021, 30 June 2020 and 30 June 2019 for Bristol Springs Solar Pty Ltd
- The historical Statement of Cash Flows for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 for Bristol Springs Solar Pty Ltd

The Historical Financial Information of Superior Lake Resources Limited has been extracted from the reviewed and audited historical financial statements for 30 June 2021, 31 December 2020 and 31 December 2019. The 30 June 2021 interim financial report was reviewed by Hall Chadwick in accordance with Australian Auditing Standards. The 31 December 2020 and 31 December 2019 financial reports were audited by Bentleys. An unqualified review conclusion was issued for 30 June 2021. An unqualified audit opinion was issued for 31 December 2020 and 31 December 2019 with a material uncertainty surrounding the entity to continue as a going concern.

The Historical Financial Information of Bristol Springs Solar Pty Ltd has been extracted from the audited historical financial statements for 30 June 2021, 30 June 2020 and 30 June 2019. The financial reports were audited by Hall Chadwick in accordance with Australian Auditing Standards. An unqualified audit opinion was issued for 30 June 2021, 30 June 2020 and 30 June 2019 with a material uncertainty surrounding the ability of the entity to continue as a going concern.

Pro Forma Historical Financial Information

You have requested Hall Chadwick to review the pro forma historical Statement of Financial Position as at 30 June 2021 referred to as “the pro forma historical financial information.”

The pro forma historical financial information has been derived from the historical financial information of Superior, after adjusting for the effects of the subsequent events and pro forma adjustments described in note 2 of section 5 of the document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in note 2 of section 5 of the document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company’s actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Superior Lake Resources Limited as at 30 June 2021 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2021:

- (a) On 15 July 2021, Metallum Resources Inc (67% owned subsidiary) completed a private placement, raising \$C302,500;
- (b) In November 2021 the Company issued 1,500,000 Ordinary Shares for the conversion of Zero Priced Options that had a fair value of \$213,750;
- (c) On 2 December 2021, Bristol Springs Solar Pty Ltd entered into a debt forgiveness agreement whereby the \$373,366 Bristol Springs Solar Pty Ltd shareholder loan will be forgiven 3 days following shareholder approval at a general meeting of Superior Lake Resources Limited for the approval of the acquisition of Bristol Springs Solar Pty Ltd; and
- (d) Operating expenses incurred between 1 July 2021 and the date of the Prospectus of \$711,528, excluding payment of June 2021 creditors of \$133,522.

and following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- (e) As set out in section 10 of the Prospectus, the Company acquiring 100% of the issued capital of Bristol Springs Solar Pty Ltd (Acquisition). The consideration for the Acquisition is:
 - a. 41,666,667 fully paid ordinary shares in the Company on completion of the Acquisition ("Consideration Shares");
 - b. 12,750,000 tranche A performance shares which will be issued on the Completion Date ("Tranche A Performance Shares") and convert into Shares on the date that the Company or BSS receive a binding offer (Access Offer) from Western Power to provide the Bristol Springs Project with access to the grid which contains the terms of the Electricity Transfer Access Contract; and
 - c. 12,750,000 tranche B performance shares which will be issued on the Completion Date ("Tranche B Performance Shares") and convert into shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project.
- (f) The Company entering into an agreement to lease a minimum of 195 hectares of land from the Landowner for 3 years commencing from the Completion Date at an annual fee of A\$100,000 per annum.
- (g) The Company and the Landowner entering into an option to purchase agreement in which the Company will pay the Landowner an option fee of A\$1.5 million to secure a five-year option from the Completion Date to acquire the Land at a fixed value of A\$5 million.
- (h) The Company offering 61,538,462 new Shares at an issue price of \$0.13 per Share to raise \$8,000,000 before costs;
- (i) Costs of the Capital Raising Offer include, Capital raising fees to Broker / Lead Manager and are estimated to be \$713,360 on the Capital Raising Offer subscription of which \$515,617 was offset against the contributed equity and \$216,013 was recognised in Profit or Loss and Other Comprehensive Income. The costs of the offer include:

- a. Capital Raising Fees to Lead Manager totaling \$400,000 pertaining to 5% of all funds raised under the Capital Raising Offer;
- (j) Issue of 24,500,000 options with a term of 3 years to the Managing director, Management and Broker as follows:

Options	Number of options	Exercise price	Vesting period	Fair value per option
Managing Director	1,666,667	\$0.20	12 months	\$0.05740
	1,666,667	\$0.25	24 months	\$0.05064
	1,666,666	\$0.40	24 months	\$0.03718
Management	9,000,000	\$0.20	Immediately	\$0.05740
	4,500,000	\$0.25	Immediately	\$0.05064
	4,500,000	\$0.40	Immediately	\$0.03718
Broker	3,000,000	\$0.25	12 months	\$0.05064
	3,000,000	\$0.40	18 months	\$0.03718
Total	24,500,000			

Directors' Responsibility

The directors of Superior are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with

Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Historical Financial Information

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for Superior comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2021, 31 December 2020 and 31 December 2019 for Superior Lake Resources Limited
- The historical Statement of Financial Position as at 30 June 2021, 31 December 2020 and 31 December 2019 for Superior Lake Resources Limited
- The historical Statement of Cash Flows for the periods ended 30 June 2021, 31 December 2020 and 31 December 2019 for Superior Lake Resources Limited
- The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 for Bristol Springs Solar Pty Ltd
- The historical Statement of Financial Position as at 30 June 2021, 30 June 2020 and 30 June 2019 for Bristol Springs Solar Pty Ltd
- The historical Statement of Cash Flows for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 for Bristol Springs Solar Pty Ltd

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 5 of the document.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 30 June 2021 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in 5 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to section 5 of the Document, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Hall Chadwick has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Hall Chadwick makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Hall Chadwick is limited to the inclusion of this report in the Prospectus. Hall Chadwick makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Hall Chadwick does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Hall Chadwick will receive normal professional fees for the preparation of the report.

Yours Faithfully



CHRIS NICOLOFF CA
Partner

7 DETAILS OF THE OFFERS

7.1 Capital Raising Offer

This Prospectus invites investors to apply for 61,538,462 Shares at an issue price of \$0.13 each to raise \$8,000,000 (before associated costs) (**Capital Raising Offer**).

The Capital Raising Offer comprises:

- (a) the General Offer, which is open to investors who have received an invitation from the Company to participate in the General Offer; and
- (b) the Broker Offer, which is open to clients of Brokers in Australia who receive a firm allocation of Shares from the Lead Manager.

Refer to Section 7.12 for details on the Capital Raising Offer structure and Section 7.13 for details on how to apply for Shares under the Capital Raising Offer.

The Shares offered under the Capital Raising Offer will rank equally with the existing Shares on issue. Refer to Section 11.1 for details of the rights and liabilities attaching to Shares.

7.2 Minimum Subscription

The minimum subscription under the Capital Raising Offer is 61,538,462 Shares to raise \$8,000,000 (before associated costs) (**Minimum Subscription**).

None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest) in accordance with the requirements of the Corporations Act.

7.3 Purpose of the Capital Raising Offer

The purpose of the Capital Raising Offer is to:

- (a) raise \$8,000,000 (before associated costs);
- (b) assist the Company to meet the requirements of ASX and satisfy the re-compliance requirements of Chapters 1 and 2 of the Listing Rules;
- (c) provide the Company with sufficient funding to pursue its business strategy and seek to achieve its objectives detailed in Section 1.4 following completion of the Acquisition; and
- (d) provide the Company with additional working capital for its business, following completion of the Acquisition.

7.4 Re-compliance with the Listing Rules

(a) General Meeting

At a general meeting of Company to be held on 28 January 2022 (**General Meeting**), Shareholder approval will be sought for the following:

- (i) the change in the nature and scale of the Company's activities (**Change of Activities**);
- (ii) the issue of the Consideration Shares and Performance Shares;
- (iii) the creation of the new class of Performance Shares;
- (iv) the issue of Shares under the Capital Raising Offer;

- (v) the participation of Directors in the Capital Raising Offer;
- (vi) the re-election of Messrs Mike Young and Chris Bath and Ms Dixie Marshall as Directors;
- (vii) the issue of CEO Options to the Managing Director, Mr Mike Young (and/or his nominees);
- (viii) the issue of the Director Options to Messrs Grant Davey and Chris Bath and Ms Dixie Marshall (and/or their nominees);
- (ix) the issue of Management Options to Messrs Adam Kiley and Keith Bowes (and/or their nominees);
- (x) the issue of Lead Manager Options to the Lead Manager (and/or his nominees);
- (xi) the issue of Adviser Options to the Adviser (and/or its nominees);
- (xii) the change of the name of the Company to Frontier Energy Limited; and
- (xiii) the adoption of a new constitution for the Company.

(b) **Re-compliance with Chapters 1 and 2 of the Listing Rules**

To give effect to the Change of Activities, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

Trading in Shares on the ASX has been suspended since 16 August 2021 and will not be reinstated until the Company re-complies with the requirements of Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements for re-compliance with Chapters 1 and 2 of the Listing Rules. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval from ASX for re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Board reasonably believes are capable of satisfaction, the Company will not proceed with the Offers and will repay Application Monies received (without interest).

The Company will apply to ASX no later than seven days from the date of this Prospectus for Official Quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to Quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

The Company will not apply to ASX for Official Quotation of the Performance Shares to be issued pursuant to this Prospectus.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Shares issued pursuant to this Prospectus is not taken in any way as an indication by the ASX as to the merits of the Company or the Shares.

7.5 Conditional Offers

Completion of the Capital Raising Offer is conditional on:

- (a) the Company receiving Shareholder approval for the issue of the Shares pursuant to the Capital Raising Offer (refer to Section 7.4(a)(iv));
- (b) the Company receiving conditional approval from ASX for re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Board reasonably considers are capable of satisfaction (refer to Section 7.4(b)); and

- (c) the Minimum Subscription being raised through the Capital Raising Offer (refer to Section 7.2).

If the above conditions are not satisfied, the Company will not proceed with the issue of Shares pursuant to the Capital Raising Offer and will return to Applicants all the Application Monies (without interest) in accordance with the provisions of the Corporations Act.

If the Capital Raising Offer does not proceed, the Company will not proceed with the Additional Offers.

7.6 Use of Proceeds

As at the date of this Prospectus, the Company has current cash of approximately \$304,449.

Upon the completion of the Acquisition and the Offers, the expected use of funds in the two year period following the Listing Date will be:

	\$	%
Land Option fees	1,650,000	20.6
Lease fees	220,000	2.8
Solar FEED (Front End Engineering Design)	265,104	3.3
Generator model study	126,500	1.6
Interconnection works	55,000	0.7
Solar financing	154,000	1.9
Solar offtake	572,000	7.2
Solar expansion study	123,750	1.5
Battery integration study	74,250	0.9
Wind integration study	126,500	1.6
Hydrogen integration study	234,850	2.9
Corporate costs	2,873,220	35.9
Transaction costs ¹	741,630	9.3
Working capital	783,196	9.8
TOTAL	8,000,000	100

Notes:

1. Comprises of legal expenses, accounting expenses, broker fees, independent consultant fees and ASX fees. This assumes that the total funds raised under the Capital Raising are placed by the Lead Manager.

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8) actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that, following completion of the Capital Raising Offer, the Company will have sufficient working capital to meet its stated objectives and satisfy its working capital requirements for a period of at least two years following the Listing Date.

The Company may seek to pursue further acquisitions which complement the BSS Project or other opportunities in the renewable energy sector and there may be a need to direct funds for that purpose or to raise additional equity capital. The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred which are not included in the above table.

7.7 Capital Structure

On the basis that the Company completes the Offers on the terms in this Prospectus, the Company's capital structure will be:

	Shares	Options	Performance Shares
Existing Securities ¹	166,561,155	9,822,779	-
Issue of Consideration Shares	41,666,667	-	-
Issue of Performance Shares	-	-	25,500,000
Issue of Shares under the Capital Raising Offer ²	61,538,462	-	-
Issue of Options under the Additional Offers	-	24,500,000	-
Issue of Shares upon the exercise of Options	931,885	(931,885)	-
TOTAL	270,698,169	33,390,894	25,500,000

Notes:

1. Assumes no further Securities are issued prior to the completion of the Acquisition, other than as detailed in the table.
2. Assumes all Shares will be issued under the Capital Raising Offer.

7.8 Effect on Control and Substantial Shareholders

No person will acquire control of, or voting power of 20% or more in, the Company as a result of the Acquisition or Offers.

As at the date of this Prospectus, the following persons have a relevant interest in 5% or more of the Shares on issue:

- (a) Mr Grant Davey: 11.3%
- (b) HSBC Custody Nominees (Australia) Limited: 8.6%
- (c) Kitara Investments <Kumova Family A/C>: 5.9%
- (d) Zero Nominees Pty Ltd: 5.4%

Based on the information known as at the date of this Prospectus, on completion of the Acquisition, the following persons (including their associates) will have a relevant interest in 5% or more of the Shares on issue:

- (a) Mr Grant Davey: 9.8%
- (b) Ms Alicia Jane Goyder: 9.3%
- (c) Sector One Pty Ltd: 6.2%
- (d) HSBC Custody Nominees (Australia) Limited: 7.0%

7.9 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 1.7 for further information in respect of the Company's existing activities.

7.10 Market Price of Shares

The Company has been voluntarily suspended from trading on ASX since 16 August 2021. The closing price of Shares on 10 August 2021 was \$0.13.

7.11 Restricted Securities

None of the Shares on issue are currently Restricted Securities or subject to escrow restrictions imposed by ASX.

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, certain Securities to be issued by the Company will be classified by ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of re-compliance with Chapters 1 and 2 of the Listing Rules. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

None of the Shares issued pursuant to the Capital Raising Offer will be subject to escrow restrictions.

The Securities likely to be subject to escrow are the Vendor Securities, Director Options, CEO Options, Lead Manager Options and Adviser Options.

On completion of the Acquisition and the Offers, the Company anticipates that 41,666,667 Shares will be classified as Restricted Securities by ASX, which will comprise approximately 15.4% of the Company's undiluted Share capital.

The Company will announce to the ASX full details (quantity and duration) of the Securities in the Company required to be held in escrow prior to the reinstatement of the Company to the Official List of ASX.

The Company confirms that its free float at the time of listing will be not less than 20%.

7.12 Capital Raising Offer Structure

(a) General Offer

The General Offer is open to investors who have received an invitation from the Company to participate in the General Offer. If you have been invited by the Company to participate in the General Offer, you will be treated as an applicant under the General Offer in respect of those Shares allotted to you.

If you have received an invitation to participate in the General Offer from the Company, you will be separately advised of the application procedures under the General Offer.

(b) Broker Offer

The Broker Offer is open to offer to clients of Brokers in Australia who receive a firm allocation of Shares from the Lead Manager. If you are an investor applying under the Broker Offer, you should complete the application procedure advised to you by your Broker.

7.13 Application for Shares

(a) How to apply

If you wish to apply for Shares under the Capital Raising Offer, you must follow the application procedure provided to you by the Company, Lead Manager or your Broker (as applicable).

By making an Application, you declare that all details and statements made by you are complete and accurate and that you have been given access to this Prospectus (or any replacement or supplementary prospectus). The Corporations Act prohibits any person from passing an Application Form to another person until it is attached to, or accompanied by, a

hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application under the Capital Raising Offer is \$2,000 of Shares and in multiples of \$500 of Shares thereafter. The Company and the Lead Manager reserve the right to aggregate Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications.

If you require assistance in completing an Application, please contact the Share Registry.

(b) How to pay

Payment can be made via BPAY® or EFT. For payment by BPAY®, you will be given a BPAY® biller code and unique customer reference number once you have completed your online Application Form.

For payment by electronic funds transfer, please follow the instructions once you have completed your online Application Form.

The Company encourages Applicants to make payment as soon as possible after completing an Application and in any event, by no later than 3:00pm (AWST) on the Closing Date. Applicants are advised to complete their Applications and pay funds promptly, as the Capital Raising Offer may close early.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 3:00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration.

No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares under the Capital Raising Offer.

An original completed and lodged Application Form, together with payment via BPAY® or EFT, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form or the number of Securities represented by the BPAY® payment. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities.

7.14 ASX Listing and Official Quotation

Within seven days after the date of this Prospectus, the Company will apply to ASX for quotation of the Shares offered by this Prospectus to be granted Official Quotation (apart from any Securities that may be designated by ASX as Restricted Securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC), none of the Securities offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

7.15 Allocation Policy and Allotment

The Directors, in consultation with the Lead Manager, will determine the allocation of Shares under the Capital Raising Offer at their sole discretion. The Directors reserve the right to reject any Application under the Capital Raising Offer or to issue fewer Shares than the number applied for by an Applicant under the Capital Raising Offer, including to ensure that an Applicant does not increase their voting power in the Company from:

- (a) 20% or below to more than 20%; or
- (b) a starting point that is above 20% and below 90%.

Application Monies will be held by the Company on trust for Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies until the allotment of Shares. Any interest that accrues will be retained by the Company and each Applicant waives the right to claim any part of such interest.

Where the number of Shares issued is less than the number applied for, surplus Application Monies will be repaid or refunded (without interest) in accordance with the Corporations Act. Any decision on allocation will be made after the Capital Raising Offer has closed.

Subject to the conditions to the Offers being satisfied (refer to Section 7.5), Securities under the Offers are expected to be issued as soon as practicable after the Closing Date. It is the responsibility of Applicants to determine their allocation prior to trading in Shares issued under the Offers. Applicants who sell their Shares before they receive their holding statement will do so at their own risk.

7.16 Overseas Applicants

No action has been taken to register or qualify the Securities that are the subject of the Offers, or otherwise to permit a public offering of the Securities, in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdiction outside Australia and may only be distributed to persons to whom the Offers may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The completion of an Application and the payment of Application Monies will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

7.17 CHES

The Company participates in the Clearing House Electronic Subregister System (**CHES**), which is an electronic transfer and settlement system in Australia operated by ASX in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHES. CHES allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. The Company operates an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued to them under this Prospectus. A holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHES sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time, although the Company may charge an administration fee.

7.18 Additional Offers

In addition to the Capital Raising Offer, this Prospectus also contains the following Additional Offers subject to Shareholder approval at the General Meeting:

(a) Vendor Offer

This Prospectus includes an offer to the Vendors (and/or their nominees) (**Vendor Offer**) pursuant to the Share Sale Agreement for the following Securities:

- (i) 41,666,667 Shares; and
- (ii) 25,500,000 Performance Shares,

(collectively, the **Vendor Securities**).

The Shares to be issued under the Vendor Offer will rank equally with the existing Shares on issue. Refer to Section 11.1 for details of the rights and liabilities attaching to Shares. Refer to Section 11.3 for the rights and liabilities attaching to Performance Shares.

The Vendor Offer is an offer to the Vendors (and/or their nominees) only.

Only the Vendors (and/or their nominees) can accept an offer under the Vendor Offer. A personalised Application Form will be issued to the Vendors (and/or their nominees), together with a copy of this Prospectus.

Completed Application Forms for the Vendor Offer must be received by the Company at its registered office, prior to 5.00pm (AWST) on the Closing Date.

(b) CEO Offer

This Prospectus includes an offer to the Managing Director, Mr Mike Young (and/or his nominees) (**CEO Offer**) for 5,000,000 Options (**CEO Options**).

Refer to Section 11.4 for the rights and liabilities attaching to the CEO Options.

The CEO Offer is an offer to Mr Young (and/or his nominees) only.

Only Mr Young (and/or his nominees) can accept an offer under the CEO Offer. A personalised Application Form will be issued to Mr Young (and/or his nominees), together with a copy of this Prospectus.

Completed Application Forms for the CEO Offer must be received by the Company at its registered office, prior to 5.00pm (AWST) on the Closing Date.

(c) Director Offer

This Prospectus includes an offer to the following Directors (and/or their nominees) (**Director Offer**) for the following securities:

- (i) 5,000,000 Options to Mr Grant Davey (and/or his nominees), Non-Executive Chairman of the Company;
- (ii) 5,000,000 Options to Mr Chris Bath (and/or his nominees), Executive Director; and
- (iii) 1,000,000 Options to Ms Dixie Marshall (and/or her nominees), Non-Executive Director,

(collectively, the **Director Options**).

Refer to Section 11.5 for the rights and liabilities attaching to the Director Options.

The Director Offer is an offer to Messrs Davey and Bath and Ms Marshall (and/or their nominees) only.

Only Messrs Davey and Bath and Ms Marshall (and/or their nominees) can accept an offer under the Director Offer. A personalised Application Form will be issued to Messrs Davey and Bath and Ms Marshall (and/or their nominees), together with a copy of this Prospectus.

Completed Application Forms for the Director Offer must be received by the Company at its registered office, prior to 5.00pm (AWST) on the Closing Date.

(d) **Management Offer**

This Prospectus includes an offer to the following management of the Company (and/or their nominees) (**Management Offer**) for the following securities:

- (i) 1,500,000 Options to Mr Adam Kiley (and/or his nominees), business development and investor relations; and
- (ii) 1,000,000 Options to Mr Keith Bowes (and/or his nominees), former project director of the Company,

(collectively, the **Management Options**).

Refer to Section 11.5 for the rights and liabilities attaching to the Management Options.

The Management Offer is an offer to Messrs Kiley and Bowes (and/or their nominees) only.

Only Messrs Kiley and Bowes (and/or their nominees) can accept an offer under the Management Offer. A personalised Application Form will be issued to Messrs Kiley and Bowes (and/or their nominees), together with a copy of this Prospectus.

Completed Application Forms for the Management Offer must be received by the Company at its registered office, prior to 5.00pm (AWST) on the Closing Date.

(e) **Lead Manager Offer**

This Prospectus includes an offer to the Lead Manager (and/or its nominees) (**Lead Manager Offer**) for 3,000,000 Options (**Lead Manager Options**).

Refer to Section 11.6 for the rights and liabilities attaching to the Lead Manager Options.

The Lead Manager Offer is an offer to the Lead Manager (and/or its nominees) only.

Only the Lead Manager (and/or its nominees) can accept an offer under the Lead Manager Offer. A personalised Application Form will be issued to the Lead Manager (and/or its nominees), together with a copy of this Prospectus.

Completed Application Forms for the Lead Manager Offer must be received by the Company at its registered office, prior to 5.00pm (AWST) on the Closing Date.

(f) **Adviser Offer**

This Prospectus includes an offer to the Adviser (and/or its nominees) (**Adviser Offer**) for 3,000,000 Options (**Adviser Options**). The Adviser Options remunerate the Adviser for services provided in respect of the Capital Raising Offer and recompliance process.

Refer to Section 11.6 for the rights and liabilities attaching to the Adviser Options.

The Adviser Offer is an offer to the Adviser (and/or its nominees) only.

Only the Adviser (and/or its nominees) can accept an offer under the Adviser Offer. A personalised Application Form will be issued to the Adviser (and/or its nominees), together with a copy of this Prospectus.

Completed Application Forms for the Adviser Offer must be received by the Company at its registered office, prior to 5.00pm (AWST) on the Closing Date.

7.19 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the provisions of the Corporations Act.

7.20 Underwriting

The Capital Raising Offer is not underwritten.

7.21 Dividend Policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings, operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.22 Risks

As with any securities investment, there are risks associated with investing in the Company. Key risk factors that could affect the financial and market performance of the Company are detailed in Section 8. The Securities offered under this Prospectus should be considered highly speculative. Before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

7.23 Commission

The Company reserves the right to pay a commission of up to 5% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Securities pursuant to the Offers.

7.24 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities, pursuant to the Offers, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

7.25 Enquiries

This Prospectus provides information for prospective investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers can be directed to the Company Secretary on +61 8 6117 0479 or by email at info@superiorlake.com.au.

8 RISK FACTORS

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 8 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks described, and others not specifically referred to, in this Section 8 may in the future materially affect the financial performance and position of the Company and the value of the Securities offered under this Prospectus. The Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Securities. The risks described in this Section 8 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Securities may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Securities the subject of the Offers or the market price at which the Securities will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 8, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Securities.

8.1 Company Specific Risks

(a) Re-compliance with Chapters 1 and 2 of the Listing Rules

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus has been issued to assist the Company to re-comply with these requirements. It is anticipated that the Shares will remain suspended until completion of the Acquisition, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from trading.

(b) Contractual and completion risk

The Company has agreed to undertake the Acquisition subject to the satisfaction of certain conditions precedent. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur.

The Company will not be able to meet the requirements of ASX to re-comply with Chapters 1 and 2 of the Listing Rules if completion of the Acquisition does not occur, and the Company's Shares will remain suspended from trading until such time as the Company does re-comply with the Listing Rules.

(c) Loss of key personnel

The Company relies heavily on the abilities of key employees and management. The Company's performance is reliant on its ability to both retain and attract skilled individuals and to appropriately incentivise them. Although the Company expects to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so. The Company intends to mitigate these risks by entering into service contracts with any new employees and, where appropriate, may utilise existing and establish new employee incentive plans to encourage employees' loyalty to the Company.

(d) **Future capital requirements**

The future capital requirements of the Company will depend on many factors. Whilst the Company believes its available cash and the net proceeds of the Capital Raising Offer should be adequate to fund the Company's objectives as detailed in this Prospectus, there can be no guarantees that it will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

The Company may require further financing in addition to amounts raised under the Capital Raising Offer. No assurances can be given that the Company will be able to raise this additional funding, which may be a combination of debt and/or equity financing. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be potentially dilutive to Shareholders depending on their participation in any equity raising. Debt financing, if available, may involve certain restrictions on operating activities or other financings.

The Company's ability to raise further equity or debt, and the terms of such transactions, will vary according to a number of factors, including the results achieved by the Company, stock market conditions, the overall risk appetite of investors along with access to credit markets and other funding sources.

An inability to obtain the required additional finance as and when required would delay progress on the development of the BSS Project, which would have a material adverse effect on the Company's business, financial performance and prospects.

(e) **New assets**

The Company is acquiring the BSS Project to establish a new business. The Company's ability to generate revenue will depend on the Company being successful in developing and commercialising the BSS Project. There is a risk that a final investment decision is not reached in respect of the BSS Project.

(f) **The Company has no operating revenue**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the BSS Project is successfully developed and commercially exploited.

(g) **New projects and acquisitions**

Although the current focus is on large scale solar, the Company may make acquisitions in the future as part of future growth plans. The Company's investment strategy is broad and does not restrict its investments in renewable energy to any particular energy type, geographic region, size or cash flow profile. In this regard, the Directors of the Company will use their expertise and experience to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(h) **Competition**

There is a risk that new entrants in the market may disrupt the Company's business. Existing competitors in the renewable energy industry, as well as new competitors entering the industry, may develop superior and more efficient technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially and adversely impact the Company's ability to conduct its business.

(i) **Reliance of third party providers**

There is a risk that goods and services that are required for the BSS Project's development, maintenance, repair and operation are difficult to procure, or will not be delivered on time or to the necessary quality or expected cost which may affect the operation of the BSS Project. The Company does not have in place formal written contracts with all of its key suppliers. The deterioration of any such key relationships or a change in the circumstances or requirements of the key suppliers, or market conditions generally, could therefore have significant operational and financial implications for the Company. Moreover, a failure by any one of those suppliers to perform their services, or a disruption to the supply chain, may have an adverse effect on the operations of the Company and its financial performance.

(j) **Liquidity risk**

The Company intends to hold interests primarily in renewable energy assets that are generally illiquid in nature. The Company intends to be a medium to long-term investor in assets and as such, may hold assets until the end of their useful lives or more years. If it were necessary or desirable for the Company to sell one or more of its assets, it may not be able to do so in a short period of time or it may not be able to realise an investment for the amount at which the Company has valued it. Any protracted sale process, inability to sell an asset or sale at a price that is less than the Company's valuation may adversely affect the Company's financial performance.

(k) **Litigation and dispute risks**

The Company may, from time to time, be the subject of complaints, litigation, inquiries or audits initiated by customers, employees, commercial partners, suppliers, landlords, Government agencies, regulators or other third parties alleging or investigating matters such as asset ownership, resource use, product quality and supply issues, injury, health, employment, environmental, safety or operational concerns, nuisance, negligence, failure to comply with applicable laws and regulations or failure to comply with contractual obligations. Any such matter, even if successfully addressed without direct adverse financial effect, could have an adverse effect on the Company's reputation and divert its financial and management resources from more beneficial uses. If the Company were found to be liable under any such claims, this could have a material adverse effect on the Company's future financial performance.

(l) **Insurance**

Insured or uninsured catastrophic events such as acts of God, fires, floods, earthquakes, widespread health emergencies, pandemics, epidemics, wars and strikes, could affect the value or the availability of the company's assets and the ability of the Company to sustain operations, provide essential products and services or recover operating costs. Should damage be sustained as a result of these risks, the Company's business and financial performance may be adversely affected.

The Company intends to insure its operations in accordance with industry practice. However, it is not always possible to obtain insurance against all such risks and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(m) **COVID-19 risk**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. As at the date of this Prospectus, the nature and extent of the effect of the outbreak on the performance of the Company remains unknown

and the Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the COVID-19 pandemic. In addition, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Company's inability to move people and equipment freely and/or access the BSS Project (including by reason of any restrictions imposed by the Australian Government and/or the Western Australian Government) could have a material adverse effect and/or impact on the activities, program, strategy, funding and objectives of the Company. The Directors are continuing to monitor the situation and will update the market in respect to any material impact regarding COVID-19.

8.2 BSS Project and Industry Specific Risks

(a) Solar resource

The Company will be exposed to the volume of generation produced by the BSS Project. Fluctuations in the level of solar resource occur on a short-term basis (hourly, daily, monthly and seasonal variations) and on a longer-term basis or the BSS Project may not perform as expected. Resource fluctuations affect the performance of the BSS Project, and the amount of energy produced by the BSS Project, and therefore, the revenue generated by it. The revenue profile over any given year may be different in following years and may not match the expense profile of a solar farm at the BSS Project.

(b) Long term electricity supply and demand

The BSS Project intends to sell electricity into the WEM either at spot or via PPAs with end users. The price of electricity can be volatile as it is primarily driven by supply and demand factors. These include:

- (i) weather influencing demand and generation availability;
- (ii) operational shut-downs and closures;
- (iii) economic conditions affecting demand;
- (iv) technological advancement;
- (v) use of distributed electricity generation such as Solar PV systems and installation of storage systems;
- (vi) mandatory energy efficiency systems;
- (vii) the tenor and expiry of contracts for fuel and sale of electricity;
- (viii) network constraints;
- (ix) increased competition from the construction of a significant new power generation plant, whether powered from renewable or non-renewable energy sources;
- (x) lower electricity demand in the WEM;
- (xi) lower prices of alternative fuel sources (e.g. fossil fuels);
- (xii) regional oversupply of electricity caused by transmission constraints;
- (xiii) development of new, more efficient, energy technologies (whether renewable or non-renewable);
- (xiv) actions of AEMO, interpretation of the WEM Rules by AEMO and changes to the WEM Rules; and
- (xv) actions of the regulator, including regulatory changes that impact market design and operation.

The economic and technical viability of the BSS Project is dependent on future peak and off-peak electricity prices, the relationship between peak and off-peak electricity prices, the frequency and duration of peak pricing and off-peak pricing events and overall volatility of the WEM.

Lower wholesale electricity prices could impact the ability to recontract with customers on favourable terms upon expiry of any PPAs. In addition, lower wholesale electricity prices may slow the pace of development of solar or other renewable projects in some markets, and limit the number of opportunities for the Company to acquire assets. For these reasons, lower wholesale electricity prices may negatively impact the Company's financial position and performance.

Lower wholesale electricity prices could impact the Company's business and may slow the pace of development of solar or other renewable projects in some markets, and limit the number of opportunities for the Company to acquire assets.

(c) **Approval risks**

The BSS Project will require further approvals from third parties before it can be developed. These are likely to include Building Permit, Environmental and Aboriginal Heritage approvals. There can be no assurance that these approvals will be obtained.

Obtaining the necessary licences and approvals, including the execution of an ETAC with Western Power, can be a time consuming process and there is a risk that the Company will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development or operation of a project. Any failure to comply with applicable laws and licences, could result in fines, penalties or other liabilities.

(d) **WEM related risks**

Demand for electricity and related products is dependent on a number of factors, including economic conditions, population, government policy, weather and availability. Given the kinds of factors that affect demand, demand has inherent volatility. This may impact the price of electricity positively or negatively.

The price that the BSS Project is able to achieve in the WEM may fluctuate over time, and where there are decreases in the price of electricity or any related products, this may adversely affect the Company's financial position. While the Company may seek to limit this exposure by entry into PPAs, the same risk applies to the price at the time the PPA is entered into. Similarly, where PPAs are renewed, there is a risk that the Company may not be able to secure the same or more favourable terms than the agreements for which they replace.

From time to time, as a result of down time of the electricity grid or the BSS Project's inability to meet technical specification or other requirements for grid connection, there may be issues with the BSS Project's ability to export power to the electricity grid. Where such issues arise, the BSS Project may be unable to export power to the grid or the amount of power that can be exported may be reduced. As the BSS Project's revenue will be generally related to the level of electricity exported, this may result in lower project revenues and/or breach of contracts. Where the BSS Project does not meet the technical specifications, there may be additional material expenses for the BSS Project in order for the Solar Farm to meet the technical specifications.

(e) **Network access**

The BSS Project will be reliant on access to third party infrastructure, in particular, electricity transmission and distribution infrastructure. The Company also needs to obtain the Access Offer and ETAC from Western Power. An inability to have access to these assets for any reason, including damage to third party network infrastructure, network constraints, changes to network access or construction of new generation could restrict the ability of the BSS Project

to export energy at its full potential. This could adversely affect revenue and future financial performance.

(f) **Energy policy**

Investors in the WEM are reliant on stable policy settings by State and Federal Governments. The Australian renewable energy market is currently in its infancy stage of development. Due to the current low cost of producing electricity via traditional coal fired generation, the commercialisation of renewable energy projects relies heavily, and is dependent upon, obtaining Government subsidies and grants sufficient to achieve a competitive cost per watt of renewable energy produced.

The government policies for Australia's renewable energy industry are uncertain. This may reduce new investment in the renewable energy industry in Australia which could reduce the number of available new business prospects for the Company.

Business performance may be impacted by changes in the design and rules of the existing energy market and the uncertainty that arises from debate in relation to the energy market's future design and rules. These changes may result from orderly rules change processes or in response to political imperatives of the government or agencies of government from time to time.

(g) **Potential decline in asset value**

The value of power generation assets is closely linked to electricity demand, electricity pricing, PPA terms, regulations, location, asset supply and demand factors and environmental risks. Changes to any of these elements may impact the value of the Company's underlying assets and consequently an investor's investment in the Company.

Investors should note that assets intended to be acquired by the Company have limited useful lives and uncertain values after the expiry of the relevant PPA or other offtake arrangement at this time. These 'residual values' may even be zero. There is also a risk that the PPA extensions or new PPAs will not be at equivalent rates to existing PPAs, or that new PPAs will not be available on favourable terms. The loss of income may result in a reduction in distributions from the Company and a decline in the value of the assets of the Company. A decline in asset value may also impact loan covenants applicable to the Company and the Company may, as a result, be required to reduce borrowings through the sale of assets, additional capital raisings (including discounted capital raisings) or retaining distributions.

(h) **Operational**

The Company's operational assets are subject to risks that may result in the assets failing to perform in line with expectations. For example, there is a risk that the Company's assets may be damaged or destroyed by hail, wind, flood, cyclone, hurricane, earthquake, fire, war, explosion, terrorism or some other natural or man-made disaster. These risks may impact generation, lead to failure or deterioration of equipment, adversely impact performance and business stability of the Company's suppliers and contractors, and lead to transmission system congestion, curtailment or failure of the plant, labour issues and strikes, and other operational issues. Some PPAs may contain minimum delivery obligations and, should an asset fail to perform in line with expectations, the Company may not be able to meet such minimum delivery. Should an asset fail to perform beyond minimum thresholds for a prolonged period (or if the Company fails to comply with certain other material obligations) then there is a risk the PPA related to that asset could be terminated, the PPA counterparty may exercise step-in or other rights, or bring a claim for liquidated damages based on the difference between the market price for energy at the time and the PPA price during the period of underperformance.

Curtailment is the limiting of plant output such that less energy is delivered or sold relative to a situation where curtailment has not occurred. Curtailment can be as a result of an economic or physical constraint and, depending on the situation, can be self-imposed by an asset owner because of a price signal (generally a low price), directed by an energy buyer where the buyer receives a price signal, as a result of competitive bidding in wholesale markets, or directed by a system or transmission operator because of a physical constraint. The Company bears a

limited amount of non-economic curtailment risk that is defined in the relevant PPA or interconnection agreement and, in certain instances, may receive reduced revenues as a result of curtailment.

(i) **Failure of key assets**

The Company will rely upon key equipment and technology at the BSS Project. If material items of equipment or technology suffer failures requiring unplanned power station outage and replacement or repair, the Company's generation production may be reduced and significant capital expenditure may be required to replace or repair such assets.

(j) **Construction**

There is a risk that the BSS Project may not proceed as planned. This could be the result of matters within or outside the Company's control. Examples may include weather events, natural disasters, contractor risk, regulatory intervention or failure to obtain or retain suitably qualified expertise. The occurrence of any such event could result in the BSS Project costing more or not proceeding as planned, including delayed completion, commissioning or failure to perform to technical specifications.

Assets under construction are exposed to risks associated with the BSS Project not being completed on time, on budget, in accordance with specifications, or at all, which could impact the applicable PPAs, including a failure to achieve required milestones under the PPA. Any delays in or failure of construction or increases in costs may adversely affect the yield of the investment and consequently impact the Company's operating and financial performance.

(k) **Native Title and Aboriginal Heritage risks**

The Company is not aware of Aboriginal heritage sites that exist on the Land or the land that is subject to additional land acquisition opportunities. However, there remains a risk that future heritage surveys may locate as yet identified Aboriginal sites on the Land or the land that is subject to additional land acquisition opportunities, the existence of which may preclude, limit or delay the Company's proposed activities in certain areas of the BSS Project. In particular, the Company may need to manage any obligations created by the *Aboriginal Cultural Heritage Act 2021* (WA) (**ACH Act**), which became law in late December 2021. The ACH Act replaces the current heritage arrangements in Western Australia.

(l) **Contractual disputes**

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(m) **Technology**

The energy industry continues to evolve as technology develops. Changes to technology can change the manner, scale and location in which energy is produced and sold and the extent to which it is consumed.

The Company may face increasing competitive pressures from technologies already being developed, or which the Company's existing or new competitors may develop in the future. The Company's current technologies may prove inefficient, ineffective or obsolete in the future. The development and application of new technologies involves substantial costs and risks. If the Company's current and potential competitors are more effective than the Company at developing or marketing new technologies, or have greater resources available for this purpose and the Company is not able to compete promptly, there could be a material adverse effect on the Company's results of operations or financial condition.

Technological changes in the power industry generally, and the solar industry specifically, may lower wholesale electricity prices. Lower long-term wholesale electricity prices or the technical

obsolescence of the solar power plants owned by the Company could negatively impact the Company's ability to recontract its electricity output following the expiry of its existing PPAs.

(n) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The Company's activities are expected to have an impact on the environment. It is the intention of the Company to adhere to its environmental obligations, including compliance with environmental laws.

Further, events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges to the environment, or non-compliance with environmental laws or regulations.

(o) **Occupational health and safety risk**

There is a risk that an incident could lead to a fatality or serious harm to an employee, a contractor, a joint venture/third party employee or a member of the public. The Company operates in a technically challenging environment with electrical and mechanical assets, and in close proximity to high-voltage electricity. Employees are exposed to hazards and risks when working on operating assets. If such an incident were to occur, this may affect the Company's reputation and may, in turn, lead to losses of customers and revenue. The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

(p) **Regulatory risks**

The Company's activities are subject to extensive laws and regulations relating to numerous matters including licences and approvals, environmental compliance and rehabilitation, taxation, health and worker safety, waste disposal, protection of the environment, native title and heritage matters and other matters.

Whilst the Company believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing licences, approvals and agreements applicable to the Company or its future projects. This could have a material adverse impact on the Company's future and planned operations in respect to the BSS Project.

8.3 General Risks

(a) **Economic risks**

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include, but are not limited to:

- (i) the level of direct and indirect competition against the Company;
- (ii) general economic conditions;
- (iii) changes in government policies, taxation and other laws;
- (iv) the strength of the equity and share markets in Australia and throughout the world;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (vi) industrial disputes in Australia and overseas;
- (vii) changes in investor sentiment toward particular market sectors;

- (viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (ix) natural disasters, social upheaval or war.

(b) **Market conditions**

Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the transactions the subject of this Prospectus or otherwise.

(c) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(d) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

Prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

8.4 Investment Speculative

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

9 BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

9.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Grant Davey – Non-Executive Chairman;
- (b) Mr Mike Young – Managing Director;
- (c) Mr Chris Bath – Executive Director; and
- (d) Ms Dixie Marshall – Non-Executive Director.

9.2 Directors' Profiles

(a) Mr Grant Davey – Non-Executive Chairman

Mr Davey is an entrepreneur with 30 years of senior management and operational experience in the development, construction and operation of precious metals, base metals, uranium and bulk commodities throughout the world. More recently, he has been involved in venture capital investments in several exploration and mining projects and has been instrumental in the acquisition and development of the Panda Hill niobium project in Tanzania, the Cape Ray gold project in Newfoundland and recently the acquisition of the Kayelekera Uranium mine in Malawi from Paladin Energy Limited. He is currently a director of Cradle Resources Limited (ASX:CXX), Lotus Resources Limited (ASX:LOT), Superior Lake Resources Limited (ASX:SUP) and is a member of the Australian Institute of Company Directors.

(b) Mr Mike Young – Managing Director and Chief Executive Officer

Mr Young is a mining executive and resource development geologist with a strong capability in team building, feasibility studies, managing joint ventures, execution of mine development and management of mining operations. Mr Young has extensive experience in managing public companies, the delivery of on-time and on-budget feasibility studies, developing and implementing company strategy and maintaining strong relationships with key stakeholders, including governments. Mr Young holds a BSc (Geology) and most recently was the CEO and Managing Director of Vimy Resources Limited (ASX:VMY).

(c) Mr Chris Bath – Executive Director and Chief Financial Officer

Mr Bath is a Chartered Accountant and member of the Australian Institute of Company Directors, with over 20 years of senior management experience in the energy and resources sector both in Australia and south-east Asia. Mr Bath has been Chief Financial Officer for companies listed on AIM, ASX and JSX. More recently, he was a senior executive of a family office investment firm.

Mr Bath is currently the Chief Financial Officer of Superior Lake Resources Limited, Matador Mining Limited and non-executive director and company secretary of Cradle Resources Limited.

(d) Ms Dixie Marshall – Non-Executive Director

Ms Marshall has more than 38 years of experience in media, advertising, politics and communications across a range of platforms, including television, radio, newspapers and digital. She has won awards for journalism, and more recently, advertising. She has an advanced knowledge of data and digital innovation as applied to communications, marketing and sales. She is the first woman Managing Director of Marketforce, WA's oldest advertising agency.

Ms Marshall worked from the Premier's Office for 6 years as the Director of Strategic Communications for the WA Government and has a unique insight and understanding of

Australian Government policy and politics. Ms Marshall is a Commissioner with the WA Football Commission.

9.3 Company Secretary

Mr Stuart McKenzie is the Company Secretary of the Company.

Mr McKenzie has over 30 years of experience in senior commercial roles. He was previously Company Secretary with Anvil Mining Limited for six years, prior to which he held senior positions with Ok Tedi Mining Limited, Ernst and Young and HSBC. Mr McKenzie is the current company secretary of Marvel Gold Limited, Evolution Energy Minerals Limited, Matador Mining Limited, Lotus Resources Limited, Superior Lake Resources Limited and Tanga Resources Limited. Mr McKenzie holds a Bachelor of Laws, a Bachelor of Economics and is a member of the Governance Institute of Australia.

9.4 Key Management Personnel

Mr Adam Kiley manages Business Development and Investor Relations for the Company.

Mr Kiley has over 15 years' experience in the mining sector with a depth of experience in providing corporate and financial advisory services to ASX listed companies in both Australia and the United Kingdom. Mr Kiley holds a Bachelor of Commerce.

9.5 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs and resources.

To the extent practicable, the Company has adopted the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles and Recommendations 4th edition) (**Recommendations**) where considered appropriate for the Company's size and nature. The departures from the Recommendations are summarised below. The Company's compliance with the Recommendations and the departures from the Recommendations will be set out in more detail in disclosure to ASX prior to re-quotation of the Shares.

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at www.superiorlake.com.au.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing, monitoring and managing the performance of the Executive Directors;
- (iii) undertaking appropriate checks before appointing a person, or putting forward to Securityholders a candidate for election, as a director;

- (iv) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (v) approving operating budgets and major capital expenditure;
- (vi) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (vii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (ix) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in a general meeting. However, subject thereto:

- (i) membership of the Board will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of Directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives of the Company.

The Board consists of Non-Executive Chairman Mr Grant Davey, Managing Director Mr Mike Young, Executive Director Mr Chris Bath and Non-Executive Director Ms Dixie Marshall. As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Independence of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (i) membership of the Board will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of Directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives of the Company.

The Board currently comprises four Directors, of which two are Non-Executive Directors, one of which is considered independent, being Ms Dixie Marshall. The Board considers that Ms Marshall free from business or other relationships that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Ms Marshall's judgement.

The Board considers the current balance of skills and expertise is appropriate for the Company in light of its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new Directors to participate fully and actively in Board decision-making at the earliest opportunity and enable new Directors to gain an understanding of the Company's policies and procedures.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) **Remuneration and Nomination Committee**

Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Remuneration Committee. Accordingly, the responsibilities ordinarily ascribed to a Remuneration Committee will be subsumed by the Board.

The Board will decide the remuneration of an Executive Director without the affected Executive Director participating in the decision-making process.

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and the subsequent variation is by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. This amount is currently \$450,000. The determination of Non-Executive Director's remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The fees paid to Directors are detailed in Section 11.10.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them, respectively, in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered appropriate for a company of its size and level of activity as well as the relevant Director's time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans, including the appropriateness of performance hurdles and total payments proposed.

(g) **Audit and Risk Committee**

The Company does not have a formal Audit and Risk Committee. This function is currently performed by the full Board. In carrying out this function, the Board's role includes, but is not

limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system, the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

(h) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(i) **Internal audit**

The Company does not have an internal audit function. The Board considers its risk management policy is sufficient for a Company of its size and complexity.

9.6 Corporate Governance Charters and Policies

The Company's corporate governance policies are available from the Company's website at www.superiorlake.com.au.

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations.

(a) **Board charter**

This policy details the role of the Board in setting overall strategic guidance and effectively overseeing management.

(b) **Code of conduct**

The purpose of this policy is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

(c) **Continuous disclosure policy**

As an entity listed on the ASX, the Company must comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

(d) **Risk management policy**

This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Securities Trading Policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities in the Company by its officers and Key Management Personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading in Company Securities.

(f) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

(g) **Whistleblower policy**

The Company has adopted a whistleblower policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which employees are responsible and accountable and behave with honesty and integrity.

(h) **Anti-Bribery and Corruption policy**

The Company is committed to conducting all of its business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. Its Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. The purpose of the anti-bribery and corruption policy is to educate and inform personnel and representatives of the Company of the Company's commitment to anti-corruption and bribery requirements arising out of anti-bribery and corruption laws and the various laws prohibiting fraudulent and corrupt behaviour more generally.

(i) **Shareholder Communications policy**

The Board aims to ensure that the Shareholders are informed of all major developments affecting the Company's state of affairs. This policy details the practices which the Company will implement to ensure effective communication with its Shareholders.

9.7 Departures from the Recommendations

Under the ASX Listing Rules, the Company will be required to provide a statement in its Annual Financial Report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it. The Company's departures from the Recommendations are set out in the below table:

Principles and Recommendations	Explanation
<p>Recommendation 1.5</p> <p><i>A listed entity should:</i></p> <p>(a) <i>have and disclose a diversity policy;</i></p> <p>(b) <i>through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</i></p> <p>(c) <i>disclose in relation to each reporting period:</i></p> <p>(i) <i>the measurable objectives set for that period to achieve gender diversity;</i></p> <p>(ii) <i>the entity's progress towards</i></p>	<p>The Company is committed to building a diverse and inclusive workforce across a wide range of workforce demographics that extends beyond gender. While it remains committed to workforce diversity, in light of its scope of activity and employee numbers, it is not considered appropriate that the Board:</p> <p>a) maintains a Diversity Policy that sets and discloses measurable objectives for achieving gender diversity; and</p> <p>b) annually assesses diversity related objectives and the entity's progress in achieving them.</p> <p>While the Company does not have a formal diversity policy, it recognises the benefits of the Board being composed of directors of different ages, ethnicities and backgrounds, which can</p>

Principles and Recommendations	Explanation
<p><i>achieving those objectives; and</i></p> <p><i>(iii) either:</i></p> <p><i>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</i></p> <p><i>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act.</i></p> <p><i>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</i></p>	<p>help bring different perspectives and experiences to bear on decision making.</p>
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p><i>(a) have a nomination committee which:</i></p> <p><i>(i) has at least three members, a majority of whom are independent Directors; and</i></p> <p><i>(ii) is chaired by an independent Director,</i></p> <p><i>and disclose:</i></p> <p><i>(iii) the charter of the committee;</i></p> <p><i>(iv) the members of the committee; and</i></p> <p><i>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p><i>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i></p>	<p>The Board has the ability under the Company’s Constitution to delegate its powers and responsibilities to Committees of the Board. Special Board committees shall be formed as required to give guidance and provide oversight concerning specific matters to the Board.</p> <p>The Company intends to establish a Nomination and Remuneration Committee when warranted by the composition of the Board and the Company’s circumstances. Until that time, the responsibilities of the Nomination and Remuneration Committee will be performed by the Board.</p> <p>If established, the Nomination and Remuneration Committee will adopt a formal, Board-approved charter that will detail its role, authority, responsibilities, membership and operations. Upon establishment, the Nomination and Remuneration Committee charter will be reviewed annually and be available on the Company’s website.</p> <p>Owing to the size and composition of the Board, a separate nomination and remuneration committee is not considered to be appropriate at the present time.</p> <p>If established, the nomination and remuneration committee will assist the Board in fulfilling its responsibilities in overseeing the:</p>

Principles and Recommendations	Explanation
	<p>a) remuneration strategy of the Company and its specific application to the Managing Director and senior executives;</p> <p>b) selection, remuneration and succession of directors; and</p> <p>c) the appointment, performance evaluation and succession of the Managing Director and senior executives.</p> <p>In the meantime, these responsibilities are performed by the Board as a whole.</p>
<p>Recommendation 2.4</p> <p><i>A majority of the Board of a listed entity should be independent Directors.</i></p>	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of four directors, one of which is considered to be independent. As such, independent directors currently do not comprise the majority of the Board.</p> <p>The Board does not currently consider an independent majority of the Board to be appropriate given:</p> <p>a) the nature of the Company's business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of four Directors and no senior executives (other than the executive Directors);</p> <p>b) the Company considers at least two Directors need to be executive Directors for the Company to be effectively managed;</p> <p>c) the Company considers it necessary, given the scale of activities, to attract and retain suitable Directors by offering Directors an interest in the Company; and</p> <p>d) the Company considers it appropriate to provide remuneration to its Directors in the form of securities in order to conserve its limited cash reserves.</p> <p>Despite not having an independent majority of Directors, the Company has one Non-Executive Director and one Non-Executive Chairperson, the former of which has the casting vote at Board meetings.</p>
<p>Recommendation 2.5</p> <p><i>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</i></p>	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company is the Executive Chairman who is not an independent Director.</p>
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p><i>(a) have an audit committee which:</i></p>	<p>Owing to the size and composition of the Board, and the scale of the Company's activities, a separate Audit Committee is considered by the Board not to be appropriate at the present time.</p>

Principles and Recommendations	Explanation
<p>i. <i>has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</i></p> <p>ii. <i>is chaired by an independent Director, who is not the Chair of the Board,</i></p> <p>and disclose:</p> <p>iii. <i>the charter of the committee;</i></p> <p>iv. <i>the relevant qualifications and experience of the members of the committee; and</i></p> <p>v. <i>in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</i></p>	<p>In the meantime, these responsibilities are performed by the Board as a whole.</p> <p>If established, the Audit Committee will assist the Board to protect the interests of shareholders and stakeholders by overseeing on behalf of the Board:</p> <p>a) the integrity of financial reporting;</p> <p>b) the adequacy of the control environment and the processes for identifying and managing financial risk;</p> <p>c) the external audit function; and</p> <p>d) compliance with applicable legal and regulatory requirements and internal codes of conduct, as requested by the board.</p> <p>The directors are given the opportunity to liaise with the Company's auditors separately and before the final signing of the half-year and annual financial statements. The Board considers and deals with matters which would otherwise be attended to by an audit committee, particularly as they relate to corporate reporting.</p>
<p>Recommendation 7.1</p> <p><i>The Board of a listed entity should:</i></p> <p>(a) <i>have a committee or committees to oversee risk, each of which:</i></p> <p>i. <i>has at least three members, a majority of whom are independent Directors; and</i></p> <p>ii. <i>is chaired by an independent Director,</i></p> <p>and disclose:</p> <p>iii. <i>the charter of the committee;</i></p> <p>iv. <i>the members of the committee; and</i></p> <p>v. <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</i></p>	<p>The Company does not have a separate risk committee. Owing to the current size of the Company, there is no committee of the Board with specific responsibility for overseeing risk, this function being carried out by the Board. The Board and senior executives are responsible for overseeing the implementation of the Company's approach to risk management.</p> <p>The Board oversees the Company's risk management framework. The policy of the Board is to monitor and if considered necessary, seek advice on areas of operational and commercial risk and implement strategies for appropriate risk management arrangements.</p> <p>Specific areas of risk, which are regularly considered at Board meetings, include expenditure levels relative to exploration success, going concern, the applicable legal and regulatory framework, foreign currency and commodity price fluctuations, performance of key activities, human resources, community and environment, land access, political instability and internal control.</p>
<p>Recommendation 8.1</p> <p><i>The Board of a listed entity should:</i></p> <p>(a) <i>have a remuneration committee which:</i></p>	<p>The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment.</p>

Principles and Recommendations	Explanation
<p><i>i. has at least three members, a majority of whom are independent Directors; and</i></p> <p><i>ii. is chaired by an independent Director,</i></p> <p><i>and disclose:</i></p> <p><i>iii. the charter of the committee;</i></p> <p><i>iv. the members of the committee; and</i></p> <p><i>v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p><i>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p>	<p>The Board has the ability under the Company's Constitution to delegate its powers and responsibilities to Committees of the Board. Special Board committees shall be formed as required to give guidance and provide oversight concerning specific matters to the Board.</p> <p>The Company intends to establish a Nomination and Remuneration Committee when warranted by the composition of the Board and the Company's circumstances. Until that time, the responsibilities of the Nomination and Remuneration Committee will be performed by the Board.</p> <p>The Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.</p>

10 MATERIAL CONTRACTS

10.1 Acquisition Agreements

(a) Sale Agreement

On 14 October 2021, the Company announced that it had entered into a binding agreement with Sector One Pty Ltd and Ms Alicia Jane Goyder (**Sale Agreement**) to acquire 100% of the issued capital of Bristol Springs Solar Pty Ltd. Ranger Loaders Pty Ltd, the entity which owns the land on which the BSS Project is proposed to be built, is also a party to the Sale Agreement. The key terms of the Sale Agreement are detailed below.

(i) Consideration

The consideration for the Acquisition is:

- (A) 41,666,667 Shares on completion of the Acquisition; and
- (B) 25,500,000 performance shares which will be issued on the Completion Date. The Performance Shares are comprised of the following two tranches:
 - (I) Tranche A Performance Shares: 12,750,000 Performance Shares that convert into Shares upon the Company or BSS having received the Access Offer from Western Power to provide the Bristol Springs Project with access to the grid which contains the terms of the ETAC; and
 - (II) Tranche B Performance Shares: 12,750,000 Performance Shares that convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project.

Sector One Pty Ltd (and/or its nominees) will be issued 40% of the Consideration Shares and Performance Shares and Ms Alicia Jane Goyder (and/or her nominees) will be issued 60% of the Consideration Shares and Performance Shares.

(ii) Conditions Precedent

Completion of the Acquisition is conditional upon the satisfaction or waiver of:

- (A) the parties having obtained all shareholder approvals, regulatory consents, NAB consent (for the grant of the lease to BSS as mortgagee of the land) and approvals which are necessary for the Acquisition, including all approvals required by ASX;
- (B) ASX approving the terms of the Performance Shares pursuant to Listing Rule 6.1;
- (C) the Company having received a conditional re-admission letter from ASX on the terms acceptable to the Company;
- (D) the Company completing the Capital Raising Offer to its sole satisfaction;
- (E) the BSS Project receiving developmental approval from the Development Assessment Panel (this condition has been satisfied as Development Approval was granted on 14 December 2021);
- (F) the Company and the Landowner executing the Lease (refer to Section 10.1(b)) (this condition has been satisfied); and
- (G) the Company and the Landowner executing the Option Agreement (refer to Section 10.1(c)) (this condition has been satisfied),

(together, the **Conditions**).

The Conditions are for the benefit of the Company and can only be waived by the Company.

If the Conditions are not satisfied or waived on or before 28 February 2022 (or such other date as mutually agreed), the Sale Agreement will automatically terminate.

(iii) **Escrow**

The Consideration Shares will likely be subject to a 24 month escrow period from the date the Shares re-commence trading on the Official List of ASX.

The Sale Agreement includes pre-completion obligations on, and customary representations and warranties from, the Vendors and the Company. The Consideration Shares and Performance Shares will be offered under this Prospectus (refer to Section 7.18).

(b) **Lease**

On 20 December 2021, BSS entered into an agreement to lease a minimum of 195 hectares of land, being Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 (**Land**) from the Landowner for 3 years and 1 day commencing from the Completion Date (**Initial Term**) at an annual fee of \$100,000 per annum plus GST (**Lease**) on the following terms:

- (i) BSS is permitted to use the Land to construct, test, commission, operate and maintain a power generation and power storage facility, conduct feasibility studies and all necessary plant and equipment required for the operation of such facilities, including solar panels, fencing, interconnection cabling, transformers and meters and for the generation and transmission of electricity;
- (ii) if BSS has decided not to build or has not made a decision to build during the Initial Term, the Lease will expire at the end of the Initial Term;
- (iii) if BSS makes a decision to build during the Initial Term, the Landlord will grant BSS a new lease for a 25 year period with an option to renew for a further term of five years at an initial annual rent equivalent to \$1,850 per hectare;
- (iv) the Company will not be providing security for the Lease.

The Lease contains customary terms and conditions for a lease agreement, including payment of service charges and outgoings by BSS, positive covenants on BSS to maintain the premises and obtain relevant insurance coverage and standard events of default.

(c) **Option Agreement**

On 20 December 2021, BSS entered into a call option deed with the Landowner (**Option Agreement**) on the following terms:

- (i) the Landowner has granted BSS the sole and exclusive option to purchase the Land during the five-year period from the Completion Date (**Option Period**) at a fixed value of \$5,000,000 (exclusive of GST) (**Purchase Price**);
- (ii) the following option fees are payable by BSS to the Landowner:
 - (A) **First Option Fee:** \$1,500,000 exclusive of GST, payable within three (3) business days of Completion occurring under the of the Sale Agreement;
 - (B) **Second Option Fee:** \$1,500,000 exclusive of GST, payable on the 3rd anniversary of the Completion Date;
 - (C) **Third Option Fee:** \$1,500,000 exclusive of GST, payable on the 4th anniversary of the Completion Date; and

(D) **Fourth Option Fee:** \$2,000,000 exclusive of GST payable on the 5th anniversary of the Completion Date,

(together, **Option Fees**);

- (iii) if BSS exercises the Land Option, any Option Fees paid (other than the First Option Fee) will be credited towards the Purchase Price;
- (iv) if BSS does not exercise the Land Option, any instalment of the Option Fee paid by BSS to the Landowner shall be non-refundable;
- (v) if BSS fails to pay any instalment of the Option Fees by the relevant due date the Landowner may terminate the Option Agreement; and
- (vi) BSS may assign the Land Option to a related party, subject to that related party entering into a deed of covenant with the Landowner to observe and comply with BSS's obligations under the Option Agreement.

The Option Agreement contains customary terms and conditions for an option to purchase agreement.

(d) **Nomination Deeds**

On 20 December 2021, BSS entered into a nomination deed (**Gillam Nomination Deed**) with Mr Samuel David Gillam, as the option holder (**Option Holder**) on the following terms:

- (i) The Option Holder entered into the call options deeds noted in the table below to purchase a number of parcels of land in close proximity to the Land.
- (ii) The Option Holder has paid the call option fee to the grantor (as applicable).
- (iii) Under each call option deed, the Option Holder has the right to nominate a third party as the buyer of the relevant property.
- (iv) Subject to completion occurring under the Sale Agreement, BSS intends to purchase the properties and in consideration of the payment of a nomination fee for each property (**Nomination Fee**), BSS has the right to exercise any or all of the relevant call options specified in the table by the relevant nomination deadline (being the date that is two months prior to the expiry of the relevant call option period).
- (v) If BSS does not exercise the call option before the relevant nomination deadline, then BSS loses the right to exercise the relevant call option, and the Option Holder may exercise its rights in relation to the call option.
- (vi) Payment of the option fee from BSS to the Option Holder occurs when BSS (as nominee) exercises the relevant call option and any balance deposit due must be paid to the relevant landowner/grantor.
- (vii) The relevant Nomination Fee by BSS to the Option Holder is payable on the settlement date of the relevant property.

Gillham Call Options

Item	Grantor	Address	Lot / Survey	Volume/ Folio	Date of Call Option Deed	Call Option Fee	Deposit	Purchase Price	Settlement Date	Nomination Fee
1	Zaxgames Pty Ltd as trustee for the McTaggart Agencies Superannuation Funds	Lot 21 Salerian Road, Wagerup	Lot 21 on Deposited Plan 42608	2604/553	11/11/2021	\$15,000	10% of the Purchase Price (\$60,000)	\$600,000	On or before 14/12/2022	\$656,410

Item	Grantor	Address	Lot / Survey	Volume/ Folio	Date of Call Option Deed	Call Option Fee	Deposit	Purchase Price	Settlement Date	Nomination Fee
2	Galtis Pty Ltd	Lot 22 Salerian Road, Wagerup	Lot 22 on Deposited Plan 42608	2604/554	10/11/2021	\$15,000	10% of the Purchase Price (\$55,000)	\$550,000	On or before 30/11/2022	\$578,205
3	V.R. Nominees Pty Ltd	135 Salerian Road, Wagerup	Lot 111 on Deposited Plan 403005	2883/338	29/7/2021	\$60,000	10% of the Purchase Price (\$418,765)	\$4,187,650	31/12/2022	\$1,145,683
4	Rodney Ashley Pitter	Lot 260 Bristol Road, Wagerup	Lot 260 on Deposited Plan 301993	470/127A	29/07/2021	\$15,000	10% of the Purchase Price (\$61,235)	\$612,350	31/12/2022	\$156,881

On 23 December 2021, BSS entered into a nomination deed (**RL Nomination Deed**) with Ranger Loaders, as the option holder (**RL Option Holder**) on the following terms:

- (i) The RL Option Holder entered into a call options deed dated 20 December 2021 with Aldo Joseph Carratti and Richard John Carratti (**Grantor**) noted in the table below to purchase three parcels of land in close proximity to the Land.
- (ii) The RL Option Holder has paid the relevant call option fee to the Grantor.
- (iii) Under the call option deed, the RL Option Holder has the right to nominate a third party as the buyer of the relevant properties.
- (iv) Subject to completion occurring under the Sale Agreement, BSS intends to purchase the properties and in consideration of the payment of the call option fee to the RL Option Holder, BSS has the right to exercise the call option specified in the table below by the relevant nomination deadline (being the date that is two months prior to the expiry of the relevant call option period).
- (v) If BSS does not exercise the call option before the relevant nomination deadline, then BSS loses the right to exercise the relevant call option, and the RL Option Holder may exercise its rights in relation to the call option.
- (vi) Payment of the option fee from BSS to the Option Holder occurs when BSS (as nominee) exercises the relevant call option and any balance deposit due must be paid to the relevant landowner/grantor.

Ranger Loaders Call Options

Item	Grantor	Address	Lot / Survey	Volume/ Folio	Date of Call Option Deed	Call Option Fee	Deposit	Purchase Price	Nomination Deadline
1	Aldo Joseph Carratti & Richard John Carratti	Lot 21 Buller Road, Waroona	Lot 21 on Deposited Plan 59266	2700/484	20/12/2021	\$75,000, which is an aggregate figure for all three lots.	10% of the purchase price	\$7,000,000, which is an aggregate figure for all three lots.	01/10/2022
2	Aldo Joseph Carratti & Richard John Carratti	Lot 22 Buller Road, Waroona	Lot 22 on Deposited Plan 59266	2700/485	20/12/2021	\$75,000, which is an aggregate figure for all three lots.	10% of the purchase price	\$7,000,000, which is an aggregate figure for all three lots.	01/10/2022
3	Aldo Joseph Carratti & Richard John Carratti	Lot 23 Landwehr Road, Waroona	Lot 23 on Deposited Plan 59266	2700/486	20/12/2021	\$75,000, which is an aggregate figure for all three lots.	10% of the purchase price	\$7,000,000, which is an aggregate figure for all three lots.	01/10/2022

10.2 Lead Manager Mandate

The Company has signed a mandate letter with BW Equities Pty Ltd (**Lead Manager**) as the Lead Manager to the Capital Raising Offer (**Lead Manager Mandate**). The Lead Manager is not underwriting the Capital Raising Offer.

Under the terms of the Lead Manager Mandate, the Lead Manager will provide services and assistance customarily provided in connection with the Capital Raising Offer.

Pursuant to the Lead Manager Mandate, the Company has agreed to pay the Lead Manager as follows:

- (a) a capital raising fee of 4% of the total funds placed by the Lead Manager under the Capital Raising Offer (plus GST);
- (b) a management fee of 1% of the total funds raised under the Capital Raising Offer (plus GST); and
- (c) the Lead Manager will be issued 3,000,000 Lead Manager Options (and/or its nominees) (refer to Section 11.6 for the terms of the Lead Manager Options).

As at the date of this Prospectus, the Lead Manager and its associates have a relevant interest in 5,949,800 Shares. Details of the consideration paid or provided by the Lead Manager and its associates are set out in the table below:

Entity	Acquisition Date	Number of Shares (post-consolidation)	Consideration Paid / Services Provided
BW Equities Pty Ltd	September 2018	57,143 ¹	\$0.315
BW Equities Pty Ltd	November 2021	750,000	Capital market advisory services provided
TR Nominees Pty Ltd	February 2018	1,010,10 ¹	\$0.011
TR Nominees Pty Ltd	September 2018	222,222 ¹	\$0.315
TR Nominees Pty Ltd	June 2020	400,000	\$0.05
TR Nominees Pty Ltd	August 2020	791,667	\$0.12
TR Nominees Pty Ltd	Various dates	118,667	On-market purchases at various prices
Taurus Corporate Services Pty Ltd	June 2020	800,000	\$0.05
Taurus Corporate Services Pty Ltd	Various dates	1,799,990	On-market purchases at various prices

Note 1: the Company completed a consolidation of its share capital on 14 April 2020 on the basis that every 10 shares in the Company were converted into one share.

10.3 Non-Executive Director Arrangements

(a) Davey Agreement – Grant Davey, Non-Executive Chairman and Consultant

The Company has entered into an agreement with Mr Grant Davey in respect of his engagement as Non-Executive Chairman of and Consultant to the Company (**Davey Agreement**) on the following terms:

- (i) Mr Davey will act as Non-Executive Chairman to the Company and also provide consultancy services to the Company;
- (ii) Mr Davey will provide consultancy services to the Company for a period of 2 years from the date of the Davey Agreement (**Fixed Term**);
- (iii) the Company will pay Mr Davey a fee of \$150,000 per annum (inclusive of statutory superannuation) for the performance of these services (**Agreed Fee**). Director fees are included in the Agreed Fee;
- (iv) Mr Davey, in his role as a Director, will be reimbursed for any reasonable and properly documented expenses incurred in the performance of his duties;
- (v) subject to Shareholder approval at the General Meeting, the Company will issue 5,000,000 Options to Mr Davey (and/or his nominees) (refer to Section 11.5 for the terms of the Director Options);
- (vi) the Company may terminate Mr Davey as a consultant at any time during the Fixed Term. If the Company terminates Mr Davey as a consultant, other than in the circumstances set out below, Mr Davey will be entitled to receive the balance of his Agreed Fee from the date of termination until the end of the Fixed Term;

- (vii) Mr Davey will not be entitled to his Agreed Fee (or any part thereof) if:
 - (A) Mr Davey no longer wishes to provide consultancy services to the Company or resigns as a Director;
 - (B) Mr Davey and the Company agree in writing that Mr Davey will no longer provide consultancy services to the Company; or
 - (C) the Company terminates the engagement of Mr Davey as a consultant as the result of an occurrence that gives the Company a right to dismiss the consultant at common law, including but not limited to fraud or dishonesty, gross misconduct or wilful disobedience; and
- (viii) Mr Davey's appointment as a director will cease upon (i) resignation; (ii) disqualification under the Corporations Act or the Constitution from being a company director; or (iii) removal as a Director in accordance with the Corporations Act or the Constitution.

The Davey Agreement otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations.

(b) **Letter of Appointment – Dixie Marshall, Non-Executive Director**

The Company has entered into a Non-Executive Director appointment letter with Ms Dixie Marshall (**Letter of Appointment**) on the following terms:

- (i) the Company will pay Ms Marshall an annual remuneration of \$50,000 (inclusive of statutory superannuation currently at the rate of 9.5%);
- (ii) Ms Marshall will be reimbursed for any reasonable and properly documented expenses incurred in the performance of their duties;
- (iii) the Company will issue, subject to the approval of Shareholders at the General Meeting 1,000,000 Options to Ms Marshall (and/or her nominees) on the terms detailed in Section 11.5; and
- (iv) Ms Marshall's appointment will cease upon:
 - (A) resignation;
 - (B) disqualification under the Corporations Act or the Constitution from being a company director; or
 - (C) removal as a Director in accordance with the Corporations Act or the Constitution.

The Letter of Appointment otherwise contains provisions which are customary for agreements of this nature, including relating to confidentiality and management of conflicts.

10.4 Executive Services Agreements

(a) **Executive Services Agreement – Mike Young, Managing Director**

The Company has entered into an executive services agreement with Mr Mike Young in respect of his engagement as Managing Director of the Company (**MD Executive Services Agreement**) on the following terms:

- (i) Mr Young will provide executive services as Managing Director of the Company, commencing from the Listing Date;
- (ii) the Company will remunerate Mike Young for his services with an executive remuneration package comprising the following:
 - (A) a base salary of \$350,000, exclusive of statutory superannuation per annum;

- (B) 5,000,000 CEO Options on the terms and conditions detailed in Section 11.4; and
 - (C) payment of general expenses including car parking facilities, a laptop computer and mobile phone costs; and
- (iii) the Company or Mr Young may terminate the MD Executive Services Agreement (without cause) by giving not less than three months written notice of termination to the other party (or a shorter period in limited circumstances).

The MD Executive Services Agreement otherwise contains provisions which are customary for agreements of this nature, including relating to confidentiality and non-competition.

(b) **Bath Agreement – Chris Bath, Executive Director and CFO**

The Company has entered into an agreement with Mr Chris Bath in respect of his engagement as Executive Director of, and Consultant to, the Company (**Bath Agreement**) on the following terms:

- (i) Mr Bath will act as Executive Director to the Company and also provide consultancy services to the Company;
- (ii) Mr Bath will provide consultancy services to the Company for a period of 2 years from the date of the Bath Agreement (**Fixed Term**);
- (iii) the Company will pay Mr Bath a fee of \$120,000 per annum (inclusive of statutory superannuation) for the performance of these services (**Agreed Fee**). Director fees are included in the Agreed Fee;
- (iv) Mr Bath, in his role as a Director, will be reimbursed for any reasonable and properly documented expenses incurred in the performance of his duties;
- (v) subject to Shareholder approval at the General Meeting, the Company will issue 5,000,000 Options to Mr Bath (and/or his nominees) (refer to Section 11.5 for the terms of the Director Options);
- (vi) the Company may terminate Mr Bath as a consultant at any time during the Fixed Term. If the Company terminates Mr Bath as a consultant, other than in the circumstances set out below, Mr Bath will be entitled to receive the balance of his Agreed Fee from the date of termination until the end of the Fixed Term;
- (vii) Mr Bath will not be entitled to his Agreed Fee (or any part thereof) if:
 - (A) Mr Bath no longer wishes to provide consultancy services to the Company or resigns as a Director;
 - (B) Mr Bath and the Company agree in writing that Mr Bath will no longer provide consultancy services to the Company; or
 - (C) the Company terminates the engagement of Mr Bath as a consultant as the result of an occurrence that gives the Company a right to dismiss the consultant at common law, including but not limited to fraud or dishonesty, gross misconduct or wilful disobedience; and
- (viii) Mr Bath's appointment as a director will cease upon (i) resignation; (ii) disqualification under the Corporations Act or the Constitution from being a company director; or (iii) removal as a Director in accordance with the Corporations Act or the Constitution.

The Bath Agreement otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations

10.5 Shared Services Agreements

The Company has entered into the following services agreements:

- (a) a cost sharing agreement dated 25 June 2021 (**Cost Sharing Agreement**) with Matador Capital Pty Ltd (**Matador Capital**), Matador Mining Limited (**Matador Mining**), Lotus Resources Limited (**Lotus**), Cradle Resources Limited (**Cradle**), Marvel Gold Limited (**Marvel**) and others; and
- (b) an office use agreement dated 25 June 2021 (**Office Use Agreement**) with Matador Capital, Matador Mining, Lotus, Cradle, Marvel and others.

Under the Cost Sharing Agreement, the parties have agreed to share certain corporate and administrative costs including, amongst other things, professional services (in respect of bookkeeping, financial management, accounting and financial reporting, company secretarial, executive assistance and office management), stationery, internet, IT and IT support and such other costs as agreed. The costs of the services provided to the Company by Key Management Personnel (i.e. Chris Bath and Stuart McKenzie) are shared between the Company and parties to the Cost Sharing Agreement. The parties have also agreed to pay a management fee to Matador Capital for responsibilities connected to issuing a monthly invoice. The Cost Sharing Agreement will remain in place unless terminated and contains other customary terms for an agreement of this nature.

Under the Office Use Agreement, Matador has agreed to make office space at Emerald House, 1202 Hay Street, West Perth available for use to the Company in exchange for the payment of a monthly fee. The Office Use Agreement has an initial fixed term of 12 months (with a rolling three month renewal at the end of each period) and will remain in place unless terminated by the parties on the giving of three months' notice. The Office Use Agreement contains other customary terms for an agreement of this nature.

Mr Grant Davey, Non-Executive Chairman, is a director and shareholder of Matador Capital.

The services provided by Matador Capital are recovered from the Company on a cost-plus basis. The recharge for the September 2021 quarter was \$47,000 and the December 2021 quarter was \$44,298.

10.6 Deeds of Indemnity, Insurance and Access

The Company has entered into standard deeds of indemnity, insurance and access with each of the Directors and the Company Secretary (**Deeds of Indemnity**). Pursuant to the Deeds of Indemnity, the Company will indemnify the Directors and the Company Secretary to the extent permitted by the Corporations Act against all liabilities incurred by the Directors and Company Secretary acting as officers of the Company. The Company is also required to maintain insurance policies for the benefit of the Directors and Company Secretary and also allow the Directors to inspect Board papers in certain circumstances. The Deeds of Indemnity are considered standard for agreements of this nature.

11 ADDITIONAL INFORMATION

11.1 Rights Attaching to the Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution proposed to be adopted by the Company at the General Meeting. A full copy of the Constitution is available from the Company on request free of charge. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividends, the Directors may from time to time decide to pay a dividend to the Shareholder entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories

as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is liability.

(e) **Shareholder liability**

As the Shares to be issued under the Offers detailed in this Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Restricted Securities**

The Constitution complies with Listing Rule 15.12. Certain more significant holders of Restricted Securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of Appendix 9A to the Listing Rules. For those with less significant holdings (such as non-related parties and non-promoters) the Company will issue restriction notices to holders of Restricted Securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements.

(i) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.2 Terms of the Zero Exercise Price Options

The terms and conditions of the Zero Exercise Price Options are as follows:

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) Share on payment of the Exercise Price.

(b) **Exercise Price, Vesting Conditions and Expiry Date**

Percentage of Options Granted	Exercise Price	Vesting Conditions	Vesting Date	Expiry Date
30%	Nil	Decision to mine the Superior Zinc Lake Project has been made	15 July 2022	1 July 2024

Percentage of Options Granted	Exercise Price	Vesting Conditions	Vesting Date	Expiry Date
35%	Nil	Material extension of the Zinc Lake Project mine life beyond that included in the Bankable Feasibility Study	15 July 2022	1 July 2024
35%	Nil	Share price performance Less than 4.0 cents: Nil Between 4.0 cents and 5.0 cents: 50% of Options Between 5.0 cents and 6.0 cents: 75% of Options Above 6.0 cents: 100% of Options	15 July 2022	1 July 2024

All Vesting Conditions must be satisfied for the Options to Vest.

(c) **Exercise Period**

Each Option is exercisable following the satisfaction of the Vesting Conditions and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

(d) **Conditions for Vesting and Exercise**

Options will only vest and be exercisable following the satisfaction of the Vesting Conditions.

(e) **Method of Exercise**

Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

- (i) the certificate for the Options;
- (ii) a signed notice of exercise; and
- (iii) payment to the Company in cleared funds for an amount equal to the Option Exercise Price multiplied by the number of Options that are being exercised.

(f) **Minimum Exercise**

Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a marketable parcel.

(g) **Actions on Exercise**

Following the exercise of Options:

- (i) the Options will automatically lapse; and
- (ii) the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

(h) **Timing of the Issue of Shares on Exercise and Quotation**

- (i) If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options within the later of 10 Business Days after:

- (A) the date the Shares are issued; and
 - (B) the date any restriction period (being a period during which a Share issued on the exercise of an Option cannot be transferred or otherwise dealt with) that applies to the Shares ends.
- (ii) There will be no transfer restrictions on Shares issued unless the sale, transfer or disposal by the Holder of the Shares issued to them on exercise of the Options would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
 - (iii) If a disclosure document is required, the Holder agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
 - (iv) The Company will issue, where required to enable Shares issued on exercise of Options to be freely tradeable on the ASX (subject to any restriction period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will lodge a prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX (subject to any restriction period).
 - (v) The Company may implement any procedure it considers appropriate to restrict a Holder from dealing with any shares subject to a restriction period for as long as those shares are subject to that restriction period.
 - (vi) The Holder agrees to the application of a holding Lock over its Shares until any restriction period applying to those Shares has expired (at which time the Company shall arrange for the holding lock to be removed).

(i) **Shares Issued on Exercise**

Shares issued on the exercise of the Options rank equally with all existing Shares.

(j) **Quotation of the Shares Issued on Exercise**

If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) **Adjustment for Reorganisation**

If there is any reconstruction of the issued share capital of SUP, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

(l) **Participant in New Issues and Other Rights**

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company; or
- (iii) participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

(m) **Overriding Restrictions on Issue and Exercise**

Notwithstanding the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued if to do so:

- (i) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
- (ii) would contravene the local laws or customs of a Holder's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

(n) **Change of Control**

- (i) For the purposes of these terms and conditions, a "Change of Control Event" occurs if:
 - (A) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
 - (B) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (C) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (ii) Where a Change of Control Event has occurred:
 - (A) the Board may in its absolute discretion, by written notice to a Holder, resolve to waive any of the Vesting Conditions applying to the Options, and a Holder may exercise any or all of their Options regardless of whether the Options have vested, provided that no Option will be capable of exercise later than the Expiry Date; and
 - (B) if the Company and the acquiring company agree, a Holder may, in respect of any vested Options that are exercised, be provided with shares of the acquiring company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Options.

(o) **Quotation**

The Company will not seek official quotation of any Options.

(p) **No Transfer of Options**

Options are only transferable in special circumstances (i.e. death or permanent disability, severe financial hardship) and with the consent of the Board.

(q) **Options to be Recorded**

Options will be recorded in the appropriate register of the Company.

11.3 Terms of the Performance Shares

The terms and conditions of the Performance Shares are as follows:

(a) **General**

- (i) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (ii) **(General meetings)** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the Company's shareholders. A Holder has the right to attend general meetings of the Company.
- (iii) **(No voting rights)** A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (iv) **(No dividend rights)** A Performance Share does not entitle the Holder to any dividends.
- (v) **(No rights on winding up)** A Performance Share has no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (vi) **(Transfer of Performance Shares)** The Performance Shares are not transferable.
- (vii) **(Reorganisation of Capital)** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (viii) **(Quotation)** The Performance Shares will not be quoted on ASX.
- (ix) **(No participation in entitlements and bonus issues)** Subject always to the rights under Section (11.3(a)(vii) (**Reorganisation of Capital**), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (x) **(Amendments required by ASX)** The terms of the Performance Shares may be amended as considered necessary by the Board in order to comply with the Listing Rules or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (xi) **(No other rights)** A Performance Share does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(b) **Milestone**

Each Performance Share will convert into fully paid ordinary shares in SUP (**Shares**) and vest in accordance with the following milestones:

Tranche	Performance Shares	Number of Shares	Vesting Date	Vesting Condition
A	12,750,000	12,750,000	The date the Vesting Condition is satisfied	Company or BSS having received a binding offer from Western Power to provide the Bristol Springs Project with access to the grid which contains the terms of the Electricity Transfer Access Contract Agreement

Tranche	Performance Shares	Number of Shares	Vesting Date	Vesting Condition
B	12,750,000	12,750,000	The date the Vesting Condition is satisfied	All approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project

(c) **Change in control events**

- (i) All Performance Shares on issue shall automatically convert into Shares (provided that number of Shares does not exceed 10% of the Company's issued Shares (as at the date of any of the following events)) upon the occurrence of any of the following events:
- (A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (such as a change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (B) a Takeover Bid:
- (I) is announced;
- (II) has become unconditional; and
- (III) the person making the Takeover Bid has a relevant interest in 50% or more of the Shares; or
- (C) any person acquires a relevant interest in 50.1% or more of the Shares by any other means.
- (ii) the Company must ensure the allocation of Shares issued under Section 11.3(c)(i) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares.
- (iii) Any Performance Shares not converted pursuant to Section 11.3(c)(i) (due to exceeding the 10% limit in Section 11.3(c)(i)) will continue to be held by the Holder.

(d) **Expiry date**

- (i) The expiry date for the Performance Shares is 60 months after the issue of the Performance Shares (**Expiry Date**).
- (ii) To the extent that any Performance Shares have not converted into Shares by the applicable Expiry Date, such Performance Shares for each Holder will automatically lapse and consolidate into one Performance Share and will then convert into one Share.

(e) **Conversion of Performance Shares**

Any conversion of Performance Shares into Shares is on a one for one basis (subject to Section 11.3(a)(vii), if applicable). A Performance Share which converts immediately ceases to exist.

(f) **Takeover provisions**

- (i) If the conversion of Performance Shares (or part thereof) under Sections 11.3(b) or 11.3(c) would result in any person being in contravention of section 606(1) of the

Corporations Act (including any inability to rely on the exception in item 9 of section 611 of the Corporations Act), then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

- (ii) Where Section 11.3(f)(i) applies, if requested to do so by the affected Holder, the Company must, to the extent practicable, seek to obtain the approval of its Shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Shares at the Company's next annual general meeting.
- (iii) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under Sections 11.3(b) or 11.3(c) may result in the contravention of section 606(1), failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).
- (iv) the Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Shares under Sections 11.3(b) or 11.3(c) may result in the contravention of section 606(1). If the Holder does not confirm to the Company within 7 days that they consider such conversion may result in the contravention of section 606(1), then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

(g) **Quotation**

If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within 7 days after the conversion, apply for and use its best endeavours to obtain the Official Quotation of the Shares arising from the conversion.

(h) **Conversion procedure**

The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

(i) **Ranking of Shares**

The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

11.4 Terms of the CEO Options

The terms and conditions of the CEO Options are as follows:

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for, or to be transferred one (1) Share on payment of the Exercise Price.

(b) **Exercise Price and Expiry Date**

Class	Number of Options	Exercise Price	Vesting Date	Expiry Date
A	1,666,667	\$0.20	12 months of continuous service from the date of Shareholder approval	36 months from the date of issue

Class	Number of Options	Exercise Price	Vesting Date	Expiry Date
B	1,666,666	\$0.25	24 months of continuous service from the date of Shareholder approval	36 months from the date of issue
C	1,666,666	\$0.40	24 months of continuous service from the date of Shareholder approval	36 months from the date of issue

(c) **Exercise Period**

Each Option is exercisable following the applicable Vesting Date and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

(d) **Conditions for vesting and exercise**

Options will only vest and be exercisable following the applicable Vesting Date or if the applicable Vesting Date has been waived by the Board (or in accordance with Section 11.4(q)(ii)).

(e) **Method of exercise**

Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

- (i) a signed notice of exercise; and
- (ii) subject to the cashless exercise option, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

(f) **No issue unless cleared funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

(g) **Cashless exercise of options**

- (i) Subject to Section 11.4(g)(ii), a Holder may elect to pay the Exercise Price for each option by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
- (ii) If the Holder elects to use the Cashless Exercise Facility, the Holder will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options.

O = Number of Options being exercised.

MSP = Market value of the Shares calculated using the volume weighted average of the Shares on ASX for the 5 trading days immediately prior to (and excluding) the date of the notice of exercise.

EP = Exercise Price.

(iii) If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with Section 11.4(g)(ii)) is zero or negative, then a Holder will not be entitled to use the Cashless Exercise Facility.

(h) **Minimum exercise**

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

(i) **Actions on exercise**

Following the exercise of Options:

- (i) the Options will automatically lapse; and
- (ii) the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

(j) **Timing of the Issue of Shares on exercise and Quotation**

(i) Within twenty (20) business days after the later of the following:

- (A) receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in Section 11.4(j)(i) above,

the Company will:

- (C) allot and issue the Shares pursuant to the exercise of the Options;
- (D) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (E) apply for Official Quotation of Shares issued pursuant to the exercise of the Options.

(ii) The Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a notice of exercise and payment of the Exercise Price for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:

- (A) the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding); and

- (B) the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock.
 - (iii) The Company shall release the holding lock on the Shares on the earlier to occur of:
 - (A) the date that is twelve (12) months from the date of issue of the Share; or
 - (B) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - (C) the date a transfer of the Shares occurs pursuant to Section 11.4(k) of these terms and conditions.
 - (iv) Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.
- (k) **Shares issued on exercise**
- Shares issued on the exercise of the Options rank equally with all existing Shares.
- (l) **Quotation of the Shares issued on exercise**
- If admitted to the Official List at the time, the Company will apply to ASX for Quotation of the Shares issued upon the exercise of the Options.
- (m) **Adjustment for reorganisation**
- If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.
- (n) **Participant in new issues and other rights**
- A Holder who holds Options is not entitled to:
- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
 - (ii) receive any dividends declared by the Company; or
 - (iii) participate in any new issues of Securities offered to Shareholders during the term of the Options,
- unless and until the Options are exercised and the Holder holds Shares.
- (o) **Adjustment for rights issue**
- If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.
- (p) **Adjustment for bonus issue of Shares**
- If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (q) **Change of control**
 - (i) For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:
 - (A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company)) and the Court, by order, approves the scheme of arrangement;
 - (B) a Takeover Bid:
 - (I) is announced;
 - (II) has become unconditional; and
 - (III) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
 - (C) any person acquires a Relevant Interest in fifty and one-tenth percent (50.1%) or more of the issued Shares by any other means; or
 - (D) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
 - (ii) Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur:
 - (A) a Holder may exercise any or all of their Options, regardless of whether the applicable Options have vested, provided that no Option will be capable of exercise later than the Expiry Date; and
 - (B) if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the holder has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.
- (r) **Quotation**

The Company will not seek Official Quotation of any Options.
- (s) **No Transfer of Options**

Options are not transferable.
- (t) **Options to be Recorded**

Options will be recorded in the appropriate register of the Company.

11.5 Terms of the Director Options and the Management Options

The terms and conditions of the Director Options and the Management Options are as follows:

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for, or to be transferred one (1) Share on payment of the Exercise Price.

(b) **Exercise Price and Expiry Date**

Class	Percentage of Options Granted	Exercise Price	Expiry Date
A	50%	\$0.20	36 months from the date of issue
B	25%	\$0.25	36 months from the date of issue
C	25%	\$0.40	36 months from the date of issue

(c) **Exercise Period**

Each Option is exercisable immediately and expires on the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

(d) **Method of exercise**

Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

- (i) a signed notice of exercise; and
- (ii) subject to the cashless exercise option, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

(e) **No issue unless cleared funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

(f) **Cashless exercise of options**

- (i) Subject to Section 11.5(f)(ii), a Holder may elect to pay the Exercise Price for each option by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
- (ii) If the Holder elects to use the Cashless Exercise Facility, the Holder will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options.

O = Number of Options being exercised.

MSP = Market value of the Shares calculated using the volume weighted average of the Shares on ASX for the 5 trading days immediately prior to (and excluding) the date of the notice of exercise.

EP = Exercise Price.

(iii) If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the market value of the Shares at the time of exercise (calculated in accordance with Section 11.5(f)(ii)) is zero or negative, then a Holder will not be entitled to use the Cashless Exercise Facility.

(g) Minimum exercise

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

(h) Actions on exercise

Following the exercise of Options:

- (i) the Options will automatically lapse; and
- (ii) the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

(i) Timing of the issue of Shares on exercise and Quotation

(i) Within twenty (20) business days after the later of the following:

- (A) receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in Section 11.5(i)(i) above,

the Company will:

- (C) allot and issue the Shares pursuant to the exercise of the Options;
- (D) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (E) apply for Official Quotation of Shares issued pursuant to the exercise of the Options.

(ii) The Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a notice of exercise and payment of the Exercise Price

for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:

- (A) the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESSE sponsored holding); and
- (B) the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock.

(iii) The Company shall release the holding lock on the Shares on the earlier to occur of:

- (A) the date that is twelve (12) months from the date of issue of the Share; or
- (B) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
- (C) the date a transfer of the Shares occurs pursuant to Section 11.5(j) of these terms and conditions.

(iv) Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

(j) **Shares Issued on exercise**

Shares issued on the exercise of the Options rank equally with all existing Shares.

(k) **Quotation of the Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply to ASX for Quotation of the Shares issued upon the exercise of the Options.

(l) **Adjustment for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

(m) **Participant in new issues and other rights**

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company; or
- (iii) participate in any new issues of Securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

(n) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

(o) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(p) **Change of control**

(i) For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

- (A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (B) a Takeover Bid:
 - (I) is announced;
 - (II) has become unconditional; and
 - (III) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
- (C) any person acquires a Relevant Interest in fifty and one-tenth percent (50.1%) or more of the issued Shares by any other means; or
- (D) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

(ii) Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur:

- (A) a Holder may exercise any or all of their Options, regardless of whether the applicable vesting conditions (if any) have been satisfied, provided that no Option will be capable of exercise later than the Expiry Date; and
- (B) if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the holder has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.

(q) **Quotation**

The Company will not seek Official Quotation of any Options.

(r) **No transfer of Options**

Options are not transferable.

(s) **Options to be recorded**

Options will be recorded in the appropriate register of the Company.

11.6 Terms of the Lead Manager Options and the Adviser Options

The terms and conditions of the Lead Manager Options and Adviser Options are as follows:

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for, or be transferred, one (1) Share on payment of the Exercise Price.

(b) **Exercise Price, Vesting Date and Expiry Date**

Class	Percentage of Options Granted	Exercise Price	Vesting Date	Expiry Date
A	50%	\$0.25	12 months from the date of Shareholder approval	36 months from the date of issue
B	50%	\$0.40	18 months from the date of Shareholder approval	36 months from the date of issue

(c) **Exercise Period**

Each Option is exercisable following the applicable Vesting Date and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

(d) **Conditions for vesting and exercise**

Options will only vest and be exercisable following the applicable Vesting Date or if the applicable Vesting Date has been waived by the Board (or in accordance with Section 11.6(p)(ii)).

(e) **Method of exercise**

Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

- (i) a signed notice of exercise; and
- (ii) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

(f) **No issue unless cleared funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

(g) **Minimum exercise**

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

(h) **Actions on exercise**

Following the exercise of Options:

- (i) the Options will automatically lapse; and
 - (ii) the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.
- (i) **Timing of the issue of Shares on exercise and Quotation**
- (i) Within twenty (20) business days after the later of the following:
 - (A) receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
 - (B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in Section 11.6(i)(i)(A) above,the Company will:
 - (C) allot and issue the Shares pursuant to the exercise of the Options;
 - (D) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (E) apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.
 - (ii) The Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a notice of exercise and payment of the Exercise Price for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:
 - (A) the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding); and
 - (B) the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock.
 - (iii) The Company shall release the holding lock on the Shares on the earlier to occur of:
 - (A) the date that is twelve (12) months from the date of issue of the Share; or
 - (B) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - (C) the date a transfer of the Shares occurs pursuant to Section 11.6(j) of these terms and conditions.
 - (iv) Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

(j) **Shares issued on exercise**

Shares issued on the exercise of the Options rank equally with all existing Shares.

(k) **Quotation of the Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply to ASX for Quotation of the Shares issued upon the exercise of the Options.

(l) **Adjustment for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

(m) **Participant in new issues and other rights**

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company; or
- (iii) participate in any new issues of Securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

(n) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

(o) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(p) **Change of control**

- (i) For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:
 - (A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
 - (B) a Takeover Bid:
 - (l) is announced;

- (II) has become unconditional; and
 - (III) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
 - (C) any person acquires a Relevant Interest in fifty and one-tenth percent (50.1%) or more of the issued Shares by any other means; or
 - (D) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- (ii) Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur:
- (A) a Holder may exercise any or all of their Options, regardless of whether the Options have vested, provided that no Option will be capable of exercise later than the Expiry Date; and
 - (B) if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the holder has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.
- (q) **Quotation**
- The Company will not seek Official Quotation of any Options.
- (r) **No transfer of Options**
- Options are not transferable.
- (s) **Options to be recorded**
- Options will be recorded in the appropriate register of the Company.

11.7 Summary of Option Plan

The Company has adopted the Superior Lake Resources Limited Option Plan (**Option Plan**) on the terms and conditions as set out below:

(a) **Eligible Participant**

Eligible Participant means a person that:

- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company (which includes the Directors) or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (ii) has been determined by the Board to be eligible to participate in the Option Plan from time to time.

(b) **Purpose**

The purpose of the Option Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and

- (iii) align the interests of Eligible Participants with Shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Options.

(c) **Option Plan administration**

The Option Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Option Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) **Eligibility, invitation and application**

- (i) The Board may, from time to time, determine that an Eligible Participant may participate in the Option Plan and make an invitation to that Eligible Participant to apply for Options on such terms and conditions as the Board decides (**Invitation**).
- (ii) On receipt of an Invitation, an Eligible Participant may apply for the Options the subject of the Invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (iii) If an Eligible Participant is permitted in the Invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the Invitation.

(e) **Grant of Options**

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of Options, subject to the terms and conditions set out in the Invitation, the Option Plan rules and any ancillary documentation required.

(f) **Terms of Options**

Each Option represents a right to acquire one or more Shares, subject to the terms and conditions of the Option Plan. The Options granted to an Eligible Participant will not be quoted on the ASX.

Prior to an Option being exercised, an Eligible Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Option by virtue of holding the Option. An Eligible Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with an Option that has been granted to them. An Eligible Participant must not enter into any arrangement for the purpose of hedging their economic exposure to an Option that has been granted to them.

(g) **Vesting**

Any vesting conditions applicable to the grant of Options will be described in the Invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Eligible Participant by the Company informing them that the relevant Options have vested. Unless and until the vesting notice is issued by the Company, the Options will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Option are not satisfied and/or otherwise waived by the Board, that Option will lapse.

(h) **Exercise of Options and cashless exercise**

To exercise an Option, the Eligible Participant must deliver a signed notice of exercise and, subject to a cashless exercise of options (see below), pay the Option exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the Invitation.

The Invitation may specify that at the time of exercise of the Options, the Eligible Participant may elect not to be required to provide payment of the Option exercise price for the number of Options specified in a notice of exercise, but that on exercise of those Options, the Company

will transfer or issue to the Eligible Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the Option exercise price that would otherwise be payable to exercise those Options.

An Option may not be exercised unless and until that Option has vested in accordance with the Option Plan rules, or such earlier date as set out in the Option Plan rules.

(i) **Delivery of Shares on exercise of Options**

As soon as practicable after the valid exercise of an Option by an Eligible Participant, the Company will issue or cause to be transferred to that Eligible Participant the number of Shares to which the Eligible Participant is entitled under the Option Plan rules and issue a substitute certificate for any remaining unexercised Options held by that Eligible Participant.

(j) **Forfeiture of Options**

Where an Eligible Participant who holds Options ceases to be an Eligible Participant or becomes insolvent, all unvested Options will automatically be forfeited by the Eligible Participant, unless the Board otherwise determines in its discretion to permit some or all of the Options to vest.

Where the Board determines that an Eligible Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may, in its discretion, deem all unvested Options held by that Eligible Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Option Plan rules:

- (i) any Options which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Options which have not yet vested will be automatically forfeited on the expiry date specified in the Invitation.

(k) **Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Eligible Participant's Options will be dealt with, including, without limitation, in a manner that allows the Eligible Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(l) **Rights attaching to Plan Shares**

All Shares issued or transferred to an Eligible Participant upon the valid exercise of an Option (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. An Eligible Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. An Eligible Participant may exercise any voting rights attaching to Plan Shares.

(m) **Disposal restrictions on Plan Shares**

If the Invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by an Eligible Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Eligible Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Option Plan, the Eligible Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(n) **Adjustment of Options**

If there is a reorganisation of the issued Share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Eligible Participant holding Options will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Options is entitled, upon exercise of the Options, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Options are exercised.

Unless otherwise determined by the Board, a holder of Options does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(o) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Options without exercising the Options.

(p) **Amendment of Option Plan**

Subject to the following paragraph, the Board may, at any time, amend any provisions of the Option Plan rules, including (without limitation) the terms and conditions upon which any Options have been granted under the Option Plan and determine that any amendments to the Option Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Option Plan rules may be made if the amendment materially reduces the rights of any Eligible Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Eligible Participants.

(q) **Option Plan duration**

The Option Plan continues in operation until the Board decides to end it. The Board may, from time to time, suspend the operation of the Option Plan for a fixed period or indefinitely, and may end any suspension. If the Option Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Eligible Participants.

If an Eligible Participant and the Company (acting by the Board) agree in writing that some or all of the Options granted to that Eligible Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Options may be cancelled in the manner agreed between the Company and the Eligible Participant.

11.8 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a director and/or a shareholder) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

11.9 Director Holdings

At the date of this Prospectus, the Directors own or control the following Securities in the Company:

Director	Shares	Options
Mr Grant Davey	18,850,271	-
Mr Mike Young	Nil	Nil
Mr Chris Bath	Nil	Nil
Ms Dixie Marshall	Nil	Nil

The Directors (and their related entities) intend to subscribe for Shares under the Capital Raising Offer. Subject to Shareholder approval at the General Meeting, the Directors intend on participating in the Capital Raising Offer by subscribing for the following:

- (a) Mr Grant Davey – 7,692,307 Shares;
- (b) Mr Mike Young – 1,538,461 Shares;
- (c) Mr Chris Bath – 1,923,076 Shares; and
- (d) Ms Dixie Marshall – 384,615 Shares.

Based on these intentions of the Directors at the date of this Prospectus in relation to the Capital Raising Offer, the Directors and their related entities will have the following interests in Securities upon the Listing Date.

Director	Shares ¹	Options
Mr Grant Davey	26,542,524	5,000,000
Mr Mike Young	1,538,461	5,000,000
Mr Chris Bath	1,923,076	5,000,000
Ms Dixie Marshall	384,615	1,000,000

Notes:

1. The issue of Shares under the Capital Raising Offer to the Directors is subject to Shareholder approval at the General Meeting.

11.10 Remuneration of Directors

From the Listing Date, the Directors will receive the following annual remuneration (inclusive of superannuation entitlements unless otherwise states):

Director	Title	Annual Remuneration
Mr Grant Davey	Non-Executive Chairman	\$150,000
Mr Mike Young	Managing Director	\$385,000
Mr Chris Bath	Executive Director	\$120,000
Ms Dixie Marshall	Non-Executive Director	\$50,000

11.11 Interests of Promoters, Experts and Advisers

Canaccord Genuity (Australia) Pty Ltd has acted as an adviser to the Company in relation to the recompliance process. As at the date of this Prospectus, the Adviser and its associates have a relevant interest in 3,765,000. Details of the consideration paid or provided by the Adviser and its associates are set out in the table below:

Entity	Acquisition Date	Number of Shares	Consideration Paid
Spring Plains Past Co (Vic) PL <Springs Plans A/C>	December 2021	1,150,000	\$0.13
Emma Morrison	December 2021	1,075,000	\$0.13
Dan Bahen	December 2021	770,000	\$0.13
Tom Bahen	December 2021	770,000	\$0.13

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) or provided in connection with the formation or promotion of the Company or the Offers, except as follows and as disclosed in this Prospectus.

Hall Chadwick WA Audit Pty Ltd has acted as Investigating Accountant and prepared the ILAR which is included in Section 6. The Company estimates that it will pay Hall Chadwick approximately \$15,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, Hall Chadwick WA Audit Pty Ltd (previously named Bentleys Audit & Corporate WA Pty Ltd) received fees of \$93,115 (exclusive of GST) from the Company for auditing services.

BDO Advisory (WA) Pty Ltd has acted as the Industry Expert and has prepared the Industry Report which is included in Section 2. The Company estimates that it will pay BDO Advisory (WA) Pty Ltd approximately \$22,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, BDO Advisory (WA) Pty Ltd has received fees of \$65,233 from the Company for preparation of an independent expert report.

EPC Technologies Pty Ltd has acted as the Technical Expert and has prepared the Technical Report which is included in Section 4. The Company estimates that it will pay EPC Technologies Pty Ltd approximately \$18,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, EPC Technologies Pty Ltd has not received any fees from the Company for any other services.

Hall Chadwick WA Audit Pty Ltd (previously named Bentleys Audit & Corporate WA Pty Ltd) has acted as auditor to the Company. During the two years preceding lodgement of this Prospectus with ASIC, Hall Chadwick WA Audit Pty Ltd received fees of \$93,115 (exclusive of GST) from the Company for auditing services.

Automic Registry Services is the Company's share registry. The Company estimates that it will pay Automic Registry Services approximately \$5,250 (exclusive of GST) for registry services in connection with this Prospectus. During the two years preceding lodgement of this Prospectus with ASIC, Automic Registry Services received fees of \$43,051 (exclusive of GST) from the Company for other services.

BW Equities Pty Ltd is acting as Lead Manager to the Capital Raising Offer. The Company estimates that it will pay BW Equities Pty Ltd approximately \$400,000 (exclusive of GST) and issue BW Equities Pty Ltd 3,000,000 Options for lead manager services in connection with the Capital Raising Offer. During the two years preceding lodgement of this Prospectus with ASIC, BW Equities Pty Ltd received fees of \$133,900 (exclusive of GST) from the Company for other services. See Section 10.2 for details of the Securities in which the Lead Manager and its advisers have a relevant interest.

Thomson Geer Lawyers has acted as Australian legal adviser to the Company. The Company estimates that it will pay Thomson Geer Lawyers approximately \$150,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, Thomson Geer Lawyers received fees of \$223,028 (exclusive of GST) from the Company for other services.

11.12 Related Party Transactions

The Company has entered into an agreement with Joce Young Consulting to provide consulting services to assist the Company to develop and implement its strategy (**Consulting Agreement**). Joce Young Consulting is controlled by Jocelyn Young, the wife of Mr Mike Young. The Company will pay Joce Young Consulting \$300 per hour (plus GST) in addition to any related expenses incurred by Ms Young for the performance of these services. The Consulting Agreement contains provisions in relation to confidentiality and no trading obligations that are typical for a consulting agreement of this nature.

As at the date of this Prospectus, no material transactions with related parties and Directors' interests exist other than those disclosed in this Prospectus.

11.13 Expenses of Offers

The total expenses of the Offers payable by the Company are:

Item	\$ (exclusive of GST)
ASIC and ASX Fees	62,000
Lead Manager Fees ¹	400,000
Australian Legal Fees	150,000
Other Legal Fees	6,000
ILAR	15,000
Industry Report	22,000
Technical Report	20,000
Market Report ²	27,000
Other costs (share registry, printing, administration, miscellaneous)	39,630
TOTAL	741,630

Note:

1. This assumes that the total funds raised under the Capital Raising Offer are placed by the Lead Manager. The Company will also issue BW Equities Pty Ltd 3,000,000 Options for lead manager services in connection with the Capital Raising Offer.
2. The Company obtained a confidential market report from an independent consultant detailing market trends, growth opportunities and other information.

11.14 Company Tax Status and Financial Year

The Directors expect the Company will be taxed in Australia as a public company.

The financial year of the Company ends on 31 December. The taxation year of the Company ends on 30 June.

Revenues and expenditures disclosed in this Prospectus are presented exclusive of the amount of GST, unless otherwise disclosed.

11.15 Taxation Implications

The acquisition and disposal of Shares will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Shares.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

11.16 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

11.17 Continuous Disclosure

The Company is a 'disclosing entity' for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules which require it to disclose to ASX any information which it becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Securities. Exceptions apply for certain information which does not have to be disclosed.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.18 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offers.

Hall Chadwick WA Audit Pty Ltd has given its written consent to be named as the Investigating Accountant and to the inclusion of the ILAR in Section 6 of this Prospectus in the form and context in which the report is included. Hall Chadwick WA Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO Advisory (WA) Pty Ltd has given its written consent to being named as the Industry Expert to the Company and to the inclusion of the Industry Report in Section 2 of this Prospectus in the form and context in which the report is included. BDO Advisory (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

EPC Technologies Pty Ltd has given its written consent to being named as the Technical Expert to the Company and to the inclusion of the Technical Report in Section 4 of this Prospectus in the form and context in which the report is included. EPC Technologies Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Hall Chadwick WA Audit Pty Ltd has given its written consent to be named as auditor to the Company. Hall Chadwick WA Audit Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic Registry Services has given its written consent to being named as Share Registry to the Company. Automic Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BW Equities Pty Ltd has given its written consent to being named as Lead Manager to the Company. BW Equities Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Thomson Geer Lawyers has given its written consent to being named as Australian legal adviser to the Company. Thomson Geer Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

11.19 ASX Waivers and Confirmations

The completion of the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules for re-admission of the Company to the Official List is subject to the receipt of a number of approvals, waivers and confirmations. The Company has received in-principle advice from ASX that it would likely grant the following waivers / confirmations:

- (a) Listing Rules 1.1 condition 1, 6.1 and 12.5: confirmation that the terms of the Performance Shares, as detailed in Section 11.2, satisfy those rules and are appropriate and equitable.

For the purpose of those conditions, the Company confirms the following in relation to the Performance Shares:

- (i) 25,500,000 Performance Shares will be issued to the Vendors, being Sector One Pty Ltd and Ms Alicia Jane Goyder (and/or their nominees) as follows:
- (A) Sector One Pty Ltd (and/or its nominees) will be issued 40% of the Performance Shares; and
- (B) Ms Alicia Jane Goyder (and/or her nominees) will be issued 60% of the Performance Shares;
- (ii) the Vendors (each of whom are unrelated parties to the Company and who do not currently hold any Securities) will be issued the Performance Shares as they are the vendors of BSS (and by extension the BSS Project) pursuant to the Sale Agreement;
- (iii) in respect of the Performance Shares to be issued to the Vendors (and/or their nominees) in connection with the Acquisition:

- (A) the Performance Shares are being issued connection with the Acquisition;
 - (B) the Performance Shares are being issued as part consideration for the Acquisition in order for the Company to undertake the commercial goals detailed in Section 1.4 and to manage the risk of dilution to Shareholders and exposure to risk by:
 - (I) limiting dilution to Shareholders via the issue of performance securities in lieu of Shares; and
 - (II) providing an instrument which hedges the Company's initial exposure to risk (given that the Performance Shares will not have a dilutionary effect on Shareholders' investments unless and until the relevant milestones are achieved (refer to Section 11.3 for details of the relevant milestones));
 - (C) the directors of BSS are Messrs Johnathon Goyder and Sam Gillham. The principal activity of BSS has been the development of a solar power project in the south west of Western Australia. Through the last financial year, BSS undertook various studies, including a steady state analysis with Western Power, environmental study and report and economic modelling analysis;
 - (D) the sole director and controller of Sector One Pty Ltd is Mr Sam Gillham, who is a director of BSS. Ms Alicia Jane Goyder is the wife of Mr Johnathon Goyder, who is a director of BSS and the sole shareholder and director of the Landowner;
 - (E) the number of Performance Shares to be issued to the Vendors (and/or their nominees) was determined by the Board following arm's length negotiations with the Vendors, and having regard to the pricing of comparable acquisition agreements in the industry generally. The Board considers that the number of Performance Shares to be appropriate and equitable for the following reasons:
 - (I) the issue of the Performance Shares is a reasonable and appropriate method to provide cost-effective consideration as the non-cash form of consideration to acquire BSS will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of consideration were paid to the Vendors; and
 - (II) the Performance Shares will only convert into Shares after the relevant milestones are achieved. The Board considers that the milestones for the Performance Shares are appropriate and equitable in the circumstances;
 - (F) none of the Performance Shares will be issued to someone who does not have an ownership interest in the Vendors;
 - (G) the Performance Shares will convert into 25,500,000 Shares if the applicable performance milestones for the Tranche A Performance Shares and the Tranche B Performance Shares are met. On conversion of the Performance Shares to Shares, existing Shareholders will be diluted by approximately 8.6% (assuming no further securities are issued);
 - (H) the material terms of the Sale Agreement are provided in Section 10.1(a); and
 - (I) the full terms of the Performance Shares are provided in Section 11.3;
- (b) Listing Rule 2.1 condition 2: a waiver to the extent necessary to permit the Company to issue Shares (including pursuant to the Capital Raising Offer) at an issue price below \$0.20 each (provided each issue price is at least \$0.02 per share), subject to the following conditions:

- (i) the issue price of the Shares pursuant to the Capital Raising Offer are not less than \$0.13 per Share;
 - (ii) the terms of this waiver are disclosed to the market and, along with the terms and conditions of the Shares pursuant to the Capital Raising Offer, are clearly disclosed in the Notice and this Prospectus (refer to 11.1 for the terms of the Shares); and
 - (iii) the Shareholders approve the issue price of the Shares pursuant to the Capital Raising Offer in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Acquisition; and
- (c) Listing Rule 1.1 condition 12: a waiver to the extent necessary to permit the Company to have Options on issue which are incapable of being satisfied as their vesting conditions cannot be met with exercise prices below \$0.20 (**Zero Exercise Price Options**), subject to the terms of the waiver and the Zero Exercise Price Options being clearly disclosed in the Notice and in the Prospectus. The terms of these Zero Exercise Price Options are set out in Section 11.2.

ASX has granted the Company a waiver from Listing Rule 10.13.5 to the extent necessary to permit this Notice and the issue Shares under the Capital Raising Offer to Directors (**Director Capital Raising Shares**) and Director Options and CEO Options to the applicable Directors to state that the Director Capital Raising Shares, Director Options and CEO Options will be issued later than 1 month after the date of the Meeting, subject to the following conditions:

- (a) the Director Capital Raising Shares, Director Options and CEO Options are issued by no later than the date that the Shares under the Capital Raising Offer are issued, which must be no later than 3 months after the date of the shareholder meeting;
- (b) the Notice discloses the full terms and conditions of the Director Capital Raising Shares, Director Options and CEO Options and the Director Capital Raising Shares, Director Options and CEO Options are issued pursuant to those terms and conditions;
- (c) the circumstances of the Company, as determined by the ASX, have not materially changed since the Company's shareholders approved the issue of the Director Capital Raising Shares, Director Options and CEO Options; and
- (d) the terms of this waiver are clearly disclosed in the Notice and in this Prospectus.

The conditions above regarding Shareholder approval are being sought from Shareholders at the General Meeting.

11.20 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

11.21 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 11.18.

11.22 Statement of Directors

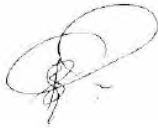
The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in Section 5, there have not been any circumstances that have arisen that have materially affected or will affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

12 AUTHORISATION

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to be 'Grant Davey', written over a faint rectangular box.

Grant Davey
Non-Executive Chairman

Dated: 12 January 2022

13 GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	Australian dollars.
AASB	Australian Accounting Standards Board.
AASBs	Australian Accounting Standards.
Access Offer	has the meaning given in Section 3.5.
ACH Act	<i>Aboriginal Cultural Heritage Act 2021 (WA)</i> .
ACN	Australian Company Number.
Acquisition	has the meaning given in Section 3.5.
Additional Offers	the additional offers detailed in Section 7.18.
Adviser	Canaccord Genuity (Australia) Pty Ltd.
Adviser Offer	has the meaning given in Section 7.18(f).
Adviser Options	has the meaning given in Section 7.18(f).
AEMO	Australian Energy Market Operator.
Agreed Fee	has the meaning given in Section 10.3(a) and 10.4(b) (as applicable).
Applicant	a person who applies for Securities under the Offers.
Application	a valid application for Securities under the Offers.
Application Form	the application form attached to or accompanying this Prospectus relating to the Offers.
Application Monies	monies received from persons applying for Securities pursuant to the Offers under this Prospectus.
ASIC	Australian Securities and Investments Commission.
Associated Body Corporate	has the meaning given in ASIC Class Order 14/1000.
ASX	Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
AWST	Australian Western Standard Time.
Bath Agreement	has the meaning given in Section 10.4(b).
BESS	Battery Energy Storage Systems.
Board	the board of directors of the Company.
Broker	any ASX participating organisation selected by the Lead Manager and the Company to act as a broker for the Capital Raising Offer.
Broker Offer	means the offer to clients of Brokers in Australia who receive a firm allocation of Shares from the Lead Manager.
BSS	has the meaning given in Section 3.2.
BSS Project	has the meaning given in Section 3.1.
Capital Raising Offer	means the offer by the Company, pursuant to this Prospectus, of up to 61,538,462 Shares at an issue price of \$0.13 per Share to raise \$8,000,000.
Cashless Exercise Facility	has the meaning given in Section 11.4(g).
CEO Offer	has the meaning given in Section 7.18(b).

CEO Options	has the meaning given in Section 7.18(b).
CFO	Chief Financial Officer of the Company.
CFO Executive Services Agreement	has the meaning given in Section 10.4(b).
Chairman	the chairman of the Company.
Change of Activities	has the meaning in Section 7.4(a)(i).
Change of Control Event	has the meaning given in Sections 11.4(q), 11.5(p) and 11.6(p) (as applicable).
CHESS	Clearing House Electronic Subregister System.
Closing Date	the date the Offers close, being 4 February 2022 or as extended by the Company.
Company	Superior Lake Resources Limited (ACN 139 522 553).
Company Secretary	the company secretary of the Company.
Completion Date	has the meaning given in Section 3.5.
Conditions	has the meaning given in Section 10.1(a)(ii).
Consideration Shares	has the meaning given in Section 3.5.
Constitution	the constitution of the Company from time to time.
Consulting Agreement	has the meaning given in Section 11.12.
Corporate Directory	the corporate directory on page i of this Prospectus.
Corporate Governance Plan	has the meaning in Section 9.5.
Corporations Act	the <i>Corporations Act 2001 (Cth)</i> .
Cost Sharing Agreement	has the meaning given in Section 10.5.
Cradle	Cradle Resources Limited.
Davey Agreement	has the meaning given in Section 10.3(a).
Deeds of Indemnity	has the meaning given in Section 10.6.
Development Approval	has the meaning given in Section 3.11.
Directors	the directors of the Company.
Director Capital Raising Shares	has the meaning given in Section 11.19.
Director Offer	has the meaning given in Section 7.18(c).
Director Options	has the meaning given in Section 7.18(c).
Electronic Prospectus	the electronic copy of this Prospectus located at the Company's website at www.superiorlake.com.au .
Eligible Participant	has the meaning given in Section 11.7(a)(i).
EPS	earnings per used share.
ETAC	has the meaning given in Section 3.5.
Exercise Period	has the meaning given in the clause in which it is used.
Executive Directors	the executive directors of the Company.
Existing Options	the Options with the terms and conditions detailed in Section 11.2.
Expiry Date	has the meaning given in the clause in which it is used.
FCAS	Frequency Control Ancillary Services.
Financial Information	has the meaning given in Section 5.2.

Fixed Term	has the meaning given in Section 10.3(a) and 10.4(b) (as applicable).
General Meeting	the general meeting of the Company to be held on 28 January 2022.
General Offer	means the offer to investors who have received an invitation from the Company to participate in the General Offer.
Gillam Nomination Deed	has the meaning given in Section 10.1(d).
Grantor	has the meaning given in Section 10.1(d).
Group	the Company and each of its Associated Bodies Corporate.
GST	has the same meaning as in <i>A New Tax System (Goods & Services Tax) Act 1999</i> (Cth).
GW	gigawatts.
HIN	Holder Identification Number.
Historical Financial Information	has the meaning given in Section 5.2.
Holder	has the meaning given in Sections 11.2(a), 11.3(a), 11.4(a), 11.5(a) and 11.6(a) (as applicable).
HV	high voltage.
IASB	International Accounting Standards Board.
IFRSs	International Financial Reporting Standards.
Indicative Timetable	the indicative timetable for the Capital Raising Offer on page 7 of this Prospectus.
Industry Expert	BDO Advisory (WA) Pty Ltd.
Initial Term	has the meaning given in Section 3.6.
Investigating Accountant or Hall Chadwick	Hall Chadwick WA Audit Pty Ltd.
Invitation	has the meaning given in Section 11.7(d).
ILAR	the Independent Limited Assurance Report detailed in Section 6.
Key Management Personnel	persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Land	has the meaning given in Section 3.6.
Landowner	Ranger Loaders Pty Ltd.
Lead Manager	BW Equities Pty Ltd.
Lead Manager Mandate	has the meaning given in Section 10.1(d).
Lead Manager Offer	has the meaning given in Section 7.18(e).
Lead Manager Options	has the meaning given in Section 7.18(e).
Land Option	has the meaning given in Section 3.6.
Lease	has the meaning given in Section 3.6.
Letter of Appointment	has the meaning given in Section 10.3(b).
Listing Date	the date on which the Company's Shares re-commence trading on the Official List.
Listing Rules	the listing rules of ASX.
Lotus	Lotus Resources Limited.

Management Offer	has the meaning given in Section 7.18(d).
Management Options	has the meaning given in Section 7.18(d).
Managing Director	the managing director of the Company.
Market Value	at any given date, the volume weighted average price per Share traded on ASX over the five trading days immediately preceding that given date, unless otherwise specified in an invitation.
Marvel	Marvel Gold Limited.
Matador Capital	Matador Capital Pty Ltd.
Matador Mining	Matador Mining Limited.
MD Executive Services Agreement	has the meaning given in Section 10.4(a).
Metallum	has the meaning given in Section 3.14.
Minimum Subscription	has the meaning given in Section 7.2.
MW	Megawatts.
NEM	National Electricity Market.
Nomination Fee	has the meaning given in Section 10.1(d).
Non-Executive Director	a non-executive director of the Company.
Notice	the notice of meeting of the Company dated 24 December 2021.
OEM	original equipment manufacturer.
Offers	the Capital Raising Offer and Additional Offers under this Prospectus.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Office Use Agreement	has the meaning given in Section 10.5.
Official List	the official list of ASX.
Official Quotation or Quotation	official quotation by ASX in accordance with the Listing Rules.
Opening Date	the date the Offers open, being 12 January 2022.
Option	an option to acquire a Share.
Option Agreement	has the meaning given in Section 10.1(c).
Option Fees	has the meaning given in Section 10.1(c)(ii).
Option Holder	has the meaning given in Section 10.1(d).
Option Period	has the meaning given in Section 10.1(c)(i).
Option Plan	has the meaning given in Section 11.7.
Performance Shares	has the meaning given in Section 3.5.
Plan Shares	has the meaning given in Section 11.7(l).
PPA	Power purchase agreement.
Prospectus	this prospectus dated 12 January 2022.
Pro Forma Financial Information	has the meaning given in Section 5.2.
Purchase Price	has the meaning given in Section 10.1(c)(i).
Recommendations	the meaning in Section 9.5.

Restricted Securities	the meaning given to that term in the Listing Rules.
RL Nomination Deed	has the meaning given in Section 10.1(d).
RL Option Holder	has the meaning given in Section 10.1(d).
Sale Agreement	has the meaning given in Section 10.1(a).
Section	a section of this Prospectus.
Security	a Share or Option as the context requires.
Securityholder	a person holding Shares and/or Options.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a person holding a Share.
Share Registry	Automatic Registry Services Pty Ltd.
Shire	has the meaning given in Section 3.3.
Solar Farm	has the meaning given in Section 3.2.
Solar PV	has the meaning given in Section 1.1.
SRN	Securityholder Reference Number.
SWIS	South West Interconnected System.
Takeover Bid	the meaning given in the Corporations Act.
Technical Expert	EPC Technologies Pty Ltd.
Tranche A Performance Shares	has the meaning given in Section 3.5.
Tranche B Performance Shares	has the meaning given in Section 3.5.
Vendor Offer	has the meaning given in Section 7.18(a).
Vendors	has the meaning given in Section 3.5.
Vesting Date	has the meaning given in Sections 11.4 and 11.6 (as applicable).
WEM	has the meaning given in Section 3.2.
WEM Rules	Wholesale Electricity Market Rules.
Zero Exercise Price Options	has the meaning given in Section 11.19.
Zinc Project	has the meaning given in Section 1.6.



SUPERIOR LAKE
RESOURCES