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energy

Earth's Energy Limited

ABN 60 149 637 016

Annual Report 30 June 2025

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Corporate Directory

Directors

Mr Grant Davey	Executive Chairman
Mr David Wheeler	Non-Executive Director
Mr Chris Zielinski	Non-Executive Director

Company Secretary

Mr Stuart McKenzie

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Share Registry

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Auditors

Ernst & Young
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Perth WA 6000

Website

<https://ee1.com.au>

Securities Exchange Listing

Earth's Energy Limited shares are listed on the Australian Securities Exchange

ASX Code

EE1 – Fully Paid Ordinary Shares

Forward Looking Statements

This Report contains certain forward-looking statements. Often, but not always, forward-looking statements may be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "target", "propose", "anticipate", "continue", "outlook" and "guidance", or other similar words. By their nature, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated, including those generally associated with the geothermal industry and/or resources exploration companies. Any such forward-looking statements, opinions and estimates in this report (including any statements about market and industry trends) are based on assumptions and contingencies, all of which are subject to change without notice, and may ultimately prove to be materially incorrect. Forward-looking statements are provided as a general guide only and should not be relied upon as, and are not, an indication or guarantee of future performance. Neither Earth's Energy nor any of its directors, officers, agents, consultants, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions, forward looking statements and conclusions contained in this annual report.

Directors Report

The Directors of Earth's Energy Limited (the **Company**) and its subsidiaries (the **Group**) present their report for the financial year ended 30 June 2025.

Review of Activities

Overview

The Company holds geothermal exploration licences that cover an area of 12,035 km² that comprise the Paralana and Flinders West Projects located in South Australia. In Queensland, the Company holds one granted geothermal exploration licence and has applications (**Application Licences**) under way for a further three exploration licences. The Company's interest in these geothermal exploration licences is held under a joint venture in which the Company has an 84% shareholding (**Joint Venture**) and is the manager of the Joint Venture (**JV Manager**).

South Australia

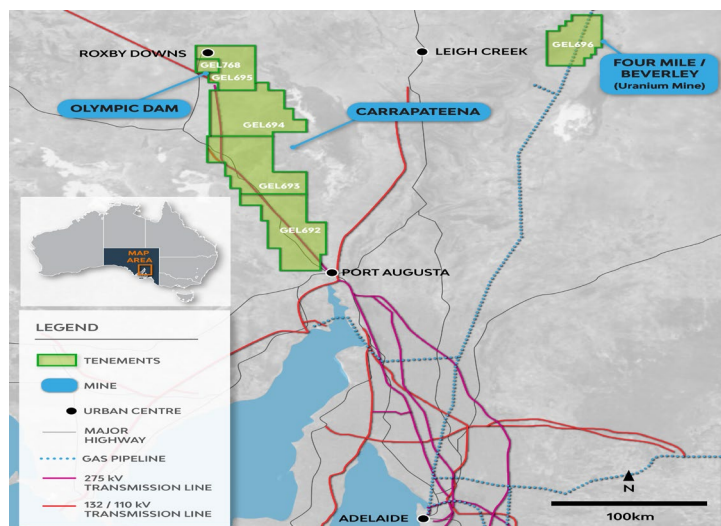


Figure 1 – South Australian geothermal exploration licences

Paralana Project

In September 2024, the Company, in its capacity as the JV Manager, engaged GLJ Ltd (**GLJ**), a recognised global energy leader in geothermal project evaluation, to conduct a preliminary techno-economic review on the Paralana and Flinders West Projects.

The techno-economic review was designed to delineate the geothermal resource potential and evaluate the viability of integrating next-generation technologies, including Advanced Geothermal Systems, Enhanced Geothermal Systems (**EGS**), and supercritical CO₂ geothermal plants.

The techno-economic review focused on two potential EGS zones at Paralana:

- Paralana Alpha – an initial zone consisting of a dolerite / tuff reservoir with existing permeability, covering an area of approximately 20 km²; and
- Paralana Omega – a secondary zone consisting of a porphyry basement non-permeable reservoir, covering an area of approximately 49 km².

While the techno-economic review found that Paralana exhibited some favourable characteristics, GLJ concluded that further substantive work is required to enhance the geological understanding and evaluate the potential for EGS development opportunities at the Paralana Project. Accordingly, the Company, together with the Joint Venture Operating Committee is currently considering whether further expenditure can be justified. Consideration of the level and nature of any further expenditure will be informed by a fulsome review of the Paralana Project, which is expected to be completed in the September quarter.

The Manager has worked with independent geothermal consultancy, JRG Energy Consultants Ltd, to review the GLJ report and ascertain whether work can be cost effectively undertaken to improve the development prospects at the Paralana Project.

Flinders West Project

The Flinders West Project is at an earlier stage than Paralana, however, owing to its potential to access the electricity grid, it has an advantage over more remote geothermal sites.

The ability to deliver power and secure commercial offtake terms will be driven by the costs to develop and commercialise the geothermal resources at Flinders West and the terms of any offtake agreements that can be secured.

Queensland

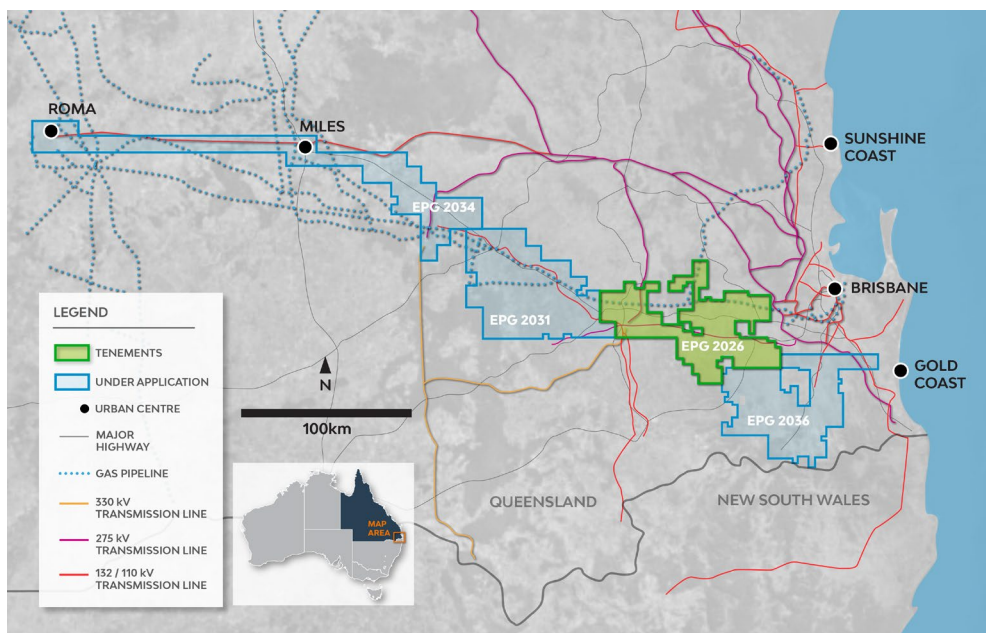


Figure 2 – Queensland geothermal exploration licence and applications

EPG 2026 is located near Brisbane and the Application Licences are located proximate to major industrial activity in the Bowen and Surat Basin mining areas.

The Company had previously completed a study into the development of geothermal powered data centres in the Brisbane region, however, a significant amount of further work is required to determine the feasibility of any such commercial development.

To assist its assessment of the development potential of EPG 2026 and the Application Licences, the JV Manager commissioned a report on the prospectivity of these exploration licences.

Review of Geothermal Assets

The Company, in its capacity as JV Manager, has engaged BDO Corporate Finance Australia Pty Ltd (**BDO**) to undertake an independent assessment of the development opportunity associated with its South Australian and Queensland geothermal interests (**Geothermal Assets**) and whether it would be in the best interests of the Joint Venture to continue to fund exploration and development activities as contemplated under the Joint Venture agreement.

BDO will also review and consider current and forecast capital market conditions for calendar year 2025, the ability of the Company to raise sufficient capital and comparable geothermal projects and any implications for the Company in its consideration of the way forward with the geothermal assets, including raising capital.

The final report from BDO is expected to be a key factor in determining the strategy of the Company and the members of the Joint Venture with respect to the Geothermal Assets.

Notwithstanding the ongoing review of the Geothermal Assets and the engagement of BDO, the Company has continued with a process to identify and evaluate suitable resources projects and assets that have the potential to add shareholder value.

Material Risks

The Company's activities present inherent risk and therefore the Board is unable to provide certainty that any or all of these activities can be achieved.

The material business risks faced by the Group that are likely to have an effect on the Group's future prospects, and how the Group manages these risks, include:

a) Requirements for Additional Capital

The Company's capital requirements depend on numerous factors. To develop the Geothermal Assets, the Company will require further financing in addition to amounts raised pursuant to a prospectus. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company or otherwise for the Company to undertake its business.

Any additional equity financing will dilute shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

b) Environmental and Other Regulatory Risk

The Geothermal Assets are subject to regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects, the Group's future activities are expected to have an impact on the environment, particularly if development proceeds. The Group intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Group from being able to develop potentially economically viable resources.

c) Geothermal Development

Possible future development of geothermal operations is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable energy, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below.

Mr Grant Davey	Executive Chairman BSc Mining Engineering, MAICD Appointed 27 February 2018
Experience	<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 in multiple countries.</p> <p>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 the acquisition of the Kayelekera Uranium mine in Malawi from Paladin Energy Limited. He is a member of the Australian Institute of Company Directors.</p>
Other directorships	Frontier Energy Limited from 27 February 2018
Former directorships	Lotus Resources Limited from 22 June 2020 to 1 April 2025 Waroona Energy Inc. from 16 March 2022 to 15 May 2023
Mr Chris Zielinski	Non-Executive Director LL.B., BComm, MAICD, Appointed 12 May 2025
Experience	<p>Mr Zielinski is an experienced corporate lawyer and is a director of Nova Legal, a Perth based corporate law firm. Mr Zielinski has a wide range of experience in all forms of corporate and commercial law, with a focus on mergers and acquisitions, equity capital markets, regulatory compliance and commercial transactions, particularly in the resources and technology sectors in the ASX listed environment.</p> <p>Mr Zielinski graduated from the University of Notre Dame Australia with a Bachelor of Laws and Bachelor of Commerce (Finance). Mr Zielinski is an Associate of the Governance Institute of Australia.</p>
Other directorships	Green Critical Minerals Limited from March 2023 to current Omnia Metals Limited from 1 May 2025 to current Trinex Minerals Limited from July 2025 to current Winchester Energy Limited from August 2025 to current
Former directorships	Global Oil & Gas Ltd from 10 August 2018 to 4 December 2023

Mr David Wheeler	Non-Executive Director FAICD Appointed 12 October 2021
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Experience Mr Wheeler has more than 30 years of senior executive management, director, and corporate advisory experience. He is a foundation director and partner of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX-listed companies.

Mr Wheeler has a wealth of experience on public and private company boards and currently holds several directorships and advisory positions in Australian companies.

Other directorships	Protean Energy Limited from May 2017 to current PVW Resources Limited from August 2017 to current Ragnar Metals Limited from December 2017 to current Avira Resources Limited from September 2018 to current MOAB Minerals Limited from September 2018 to current Tyranna Resources Limited from April 2019 to current Invex Therapeutics Limited from November 2023 to current Cycliq Group Limited from June 2021 to current Ozz Resources Limited from May 2022 to current Wellfully Limited from April 2024 to current
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Former directorships	Health House International Limited from April 2021 to May 2023 Athena Resources Limited from June 2021 to September 2022 PVW Resources Limited from 29 August 2017 to 16 October 2024 Syntonic Limited from November 2019 to May 2022 ColorTV Limited from April 2022 to 19 September 2023 Wellfully Limited from January 2023 to June 2023
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The following directors resigned during or after the financial reporting date:

Mr Glenn Whiddon	Non-Executive Director BEc Appointed 11 November 2024, resigned on 25 August 2025
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Experience Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources. Mr Whiddon holds a degree in Economics and has extensive corporate and management experience.

Other directorships	Amani Gold Limited from 4 July 2024 Calima Energy Limited from 2 June 2015 MinRex Resources Limited from 22 May 2023
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Former directorships	Caprice Resources Ltd. from 12 February 2024 to 29 April 2025
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Mr Chris Bath	Executive Director and Chief Financial Officer (CFO) Chartered Accountant, MAICD Appointed on 1 December 2021, resigned on 12 November 2024
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Experience Mr Bath is a Chartered Accountant and member of the Australian Institute of Company Directors, with over 25 years of senior management experience in the energy and resources sector both in Australia and south-east Asia. Mr Bath has broad financial and commercial experience including financial reporting, commercial management, M&A, taxation, ASX compliance and governance.

Other directorships	Frontier Energy Limited
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Former directorships	None in the past three years
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Company Secretary

Mr McKenzie has over 30 years of experience in senior commercial roles. He has been a company secretary with a number of resources companies including Anvil Mining Limited, Lotus Resources Limited, Wia Gold Limited, Evolution Energy Minerals Limited and Ok Tedi Mining Limited. He has also held senior positions with Ernst and Young and HSBC. Mr McKenzie has a Bachelor of Laws and Bachelor of Economics.

Directors' Interests

As at the date of this report, the interests of the Directors in the shares and options of the Company are:

	Ordinary Shares		Options over Ordinary shares
	Held directly	Held indirectly	
Mr Grant Davey	-	56,916,602	16,000,000
Mr David Wheeler	1,250,000	1,000,000	4,000,000
Mr Chris Zielinski	-	-	-
Total	1,250,000	57,916,602	20,000,000

Directors' Meetings

The number of meetings of Directors held during the financial year and the number of meetings attended by each director were as follows:

	Held	Attended
Mr Grant Davey	9	8
Ms David Wheeler	9	9
Mr Glenn Whiddon ¹	8	8
Mr Chris Bath ²	2	2
Mr Chris Zielinski ³	-	-

¹ Mr Glenn Whiddon was appointed on 6 November 2024, resigned effective 25 August 2025.

² Mr Chris Bath resigned effective 12 November 2024.

³ Mr Chris Zielinski was appointed on 17 May 2025.

Principal activities

The principal activity during the financial year was assessing the technical and economic aspects of the Paralana and Flinders West Projects and the geothermal licences in Queensland.

Financial Results

For the year ended 30 June 2025, the Group recorded a net loss of \$3,919,441, which includes an impairment charge of \$2,856,827 on exploration and evaluation assets. Of this loss, \$481,113 was attributable to subsidiaries and non-controlling interests (2024: \$7,369).

During the financial year ended 30 June 2025, the Group carried out an impairment assessment of its geothermal exploration assets located in Queensland, in line with AASB 6 *Exploration for and Evaluation of Mineral Resources* and AASB 136 *Impairment of Assets*. An independent technical review was commissioned to assess the viability of EPG 2026 and the Application Licences.

The technical review report concluded that none of EPG 2026 and the Application Licences were considered technically prospective for geothermal energy development under current economic and technological conditions. While limited potential was identified in one permit for certain geothermal play types, this was outweighed by significant risks including high cost of drilling, technical uncertainties, unproven technology reliance, and regulatory hurdles. Based on this assessment and other operational considerations, the Group recognised an impairment charge of \$2,856,827 against the carrying value of the related exploration assets. Refer to note 9 for details.

Financial Position

At 30 June 2025, the Group's cash and cash equivalents amounted to \$3,337,190 (2024: \$4,903,233) and the net assets amounted to \$6,488,624 (2024: net assets amounted to \$10,263,760).

Likely Developments

The Group will continue to pursue its strategy of exploring early-stage geothermal targets and developing geothermal resources. As noted, the Group has committed to a process to identify and evaluate suitable resources projects and assets that have the potential to add shareholder value.

Dividends

No dividends were paid or declared during the financial year (2024: None). No recommendation for payment of dividends has been made.

Changes in the state of affairs

There were no significant or material changes to the Group's state of affairs during the financial year ended 30 June 2025, other than the grant of 35,237,000 zero exercise price options granted to key management personnel and consultants with performance-related vesting conditions. In addition, during the financial year, 17,500,000 options were granted to consultants with exercise prices ranging from \$0.02 to \$0.06.

Events occurring after the reporting date

At the date of this report there are no matters or circumstances which have arisen since 30 June 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2025, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2025, of the Group.

Environmental regulations

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Group has considered relevant impacts and ensured the Group is compliant with environmental reporting requirements. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

Shares under option

As at the date of this report, the Company has unissued shares under option as follows:

Issue Date	Expiry date	No. of options	Exercise price
28/12/2023 ¹	01/01/2029	5,000,000	\$0.00
28/12/2023 ¹	01/01/2029	5,000,000	\$0.00
28/12/2023 ¹	01/01/2029	5,000,000	\$0.00
28/12/2023 ¹	01/01/2029	5,000,000	\$0.00
28/12/2023 ¹	01/01/2029	2,000,000	\$0.00
28/12/2023 ¹	01/01/2029	2,000,000	\$0.00
28/12/2023 ¹	01/01/2027	5,000,000	\$0.02
28/12/2023 ¹	01/01/2027	5,000,000	\$0.04
28/12/2023 ¹	01/01/2027	5,000,000	\$0.06
28/12/2023 ¹	01/01/2027	42,500,000	\$0.05
Various	30/06/2027	9,781,000	\$0.00
Various	30/06/2029	12,136,000	\$0.00
11/02/2025	01/01/2027	5,833,332	\$0.02
11/02/2025	01/01/2027	5,833,332	\$0.04
11/02/2025	01/01/2027	5,833,336	\$0.06
Total		120,917,000	

¹ Escrowed to 7 February 2026 in accordance with ASX requirements.

Shares issued on exercise of options

During the financial year, there were no ordinary shares issued by the Company as a result of the exercise of options.

Indemnification and insurance of directors and officers

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify each person who is or has been a director or secretary of the Company for any liability and legal costs of such director or secretary.

During or since the end of the financial year, no amounts have been paid by the Company in relation to the above indemnities.

During the financial year, the Company insured the directors and officers of the Company and related bodies corporate against those liabilities for which insurance is permitted under section 199B of the Corporations Act 2001. During the financial year, the Company paid an insurance premiums of \$39,308 (2024: \$63,085) to provide for adequate insurance cover for directors and officers.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Non-audit services

The Company's auditors have not provided any non-audit service during the financial year.

Details of amounts paid or payable to the Company's auditor, Ernst & Young, for audit services provided during the year are set out in note 22.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Corporate governance

The Directors of the Company support and have adhered to the principles of corporate governance. Corporate governance information, including the Company's corporate governance statement, frameworks, policies and charters are available on the Company's website at [Governance - Earths Energy](#).

Remuneration Report

The Remuneration Report set out on pages 14 to 19 forms part of the Directors' Report.

Auditors

Ernst & Young continues in office in accordance with Section 327 of the *Corporations Act 2001*.

Remuneration report (audited)

This report has been prepared in accordance with section 300A of the *Corporations Act 2001* (**Corporations Act**) for the financial year ended 30 June 2025. It has been audited as required by section 308(3C) of the *Corporations Act* and forms part of the Directors' Report.

Key Management Personnel (KMP)

KMP are the Company's non-executive directors and executive KMP, who directly, or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Group.

Details of the KMP of the Group during or since the end of the financial year are set out below:

Mr Grant Davey	Executive Chairman (appointed 27 February 2018)
Mr David Wheeler	Non-Executive Director (appointed 12 October 2021)
Mr Glenn Whiddon	Non-Executive Director (appointed 11 November 2024, resigned on 25 August 2025)
Mr Chris Zielinski	Non-Executive Director (appointed 12 May 2025)
Mr Josh Puckridge	Chief Executive Officer (appointed 3 June 2024, ceased 11 May 2025)
Mr Chris Bath	Executive Director (appointed 8 July 2019, resigned 26 November 2024), continues as Chief Financial Officer

Remuneration Policy

The Company's remuneration philosophy seeks to ensure that it aligns with the Company's business strategy and is focused on shareholder returns.

The remuneration policy has been developed by the Board considering the size of the Company and the management team, the nature and stage of development of the Company's operations, market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Relationship structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Executive Remuneration

The Company is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. The Company aims to align the interests of senior executives with those of shareholders by including a significant portion of remuneration as 'at risk' in the form of short-term incentives (STIs) and long-term incentives (LTIs).

Consequently, senior executives' remuneration consists of the following elements:

- Fixed remuneration;
- STIs and LTIs which are "at risk" as they are subject to specific targets or conditions that must be met before there is any entitlement to receive that component.

The Company has not established a Remuneration and Nomination Committee. The Board of the Company undertakes the review of executives' salaries and assessment of STIs and LTIs on an annual basis.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board. The salary of senior executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, the Company considers the scope of an individual's role, level of skill and experience, labour market conditions and the size and complexity of the Company's business. No external remuneration consultants were used during the financial year.

Incentive based remuneration – STIs

The STI is part of the “at risk” remuneration component of total remuneration. STIs are linked to specific performance criteria with key measurable financial and non-financial performance indicators that are aligned with the Group’s objectives.

The number of options that vest is determined by an assessment of individual performance against Board approved key performance indicators (**KPIs**) to determine the percentage of the KPIs that has been achieved. This percentage is then applied to the STIs granted in order to determine the number of STIs that vest. Each vested STI represents a right to be issued one share.

The STI related KPIs are communicated to eligible participants at the beginning of the one-year performance period, with performance evaluations conducted following the end of the respective twelve-month performance period. The KPIs for STIs granted during the financial year were as follows:

Performance Measure	Target	Range	Outcome
Technical and Economic Feasibility Study Completed	Publication of the completed Technical and Economic Feasibility Study to ASX before end of January 2025	10%	10%
Capital Raise	Raise >= \$1 million capital at \$0.02 cents per share	10%	0%
Share Price	Maintain a market capitalisation with a volume-weighted average price (VWAP) for 15 consecutive trading days during October 2025 to end of March 2025 of \$18.5 million	70%	0%
Queensland Study	Complete Queensland Data Centre Study before 30 June 2025	5%	0%
Queensland Merger & Acquisition (M&A) or Joint Venture (JV) Event	Enter into any form of M&A or JV agreement regarding the Queensland based projects before 30 June 2025	5%	0%
Total		100%	10%

Based on an assessment of performance against the KPIs for the year ended 30 June 2025, 10% of the eligible STI vested, with the remaining 90% lapsing due to performance thresholds not being met.

The STI is delivered in the form of ordinary shares to be issued, subject to annual performance assessment and Board approval. These shares form part of the executive’s total remuneration and are intended to align executive interests with shareholder value. Vested shares are issued at no cost to the participant, while unvested entitlements lapse if performance conditions are not met.

During the year, the Company issued 15,109,000 STI options, 5,328,000 of which were subsequently forfeited. In addition, 17,500,000 options with exercise prices ranging from \$0.02 and \$0.06 were issued to consultants.

Incentive based remuneration – LTIs

The KMP remuneration structure also seeks to drive performance and align with shareholder interests through long-term equity-based remuneration. This is achieved by ensuring that a significant proportion of an executive’s remuneration is “at risk” and tied to the satisfaction of KPIs which relate to the Company’s performance and long-term growth.

Eligible participants, including KMP, are issued zero exercise price options as LTIs, that have a five-year term until expiry, with an assessment of performance against agreed KPIs over a three-year performance period to determine vesting. Each vested LTI option represents a right to be issued one share.

The vesting criteria for LTIs outstanding as at 30 June 2025 related to KPIs for the respective performance period are as follows:

a) LTI issued during the financial year

Performance Measure	Target	Range	Outcome
Definitive Feasibility Study	Completed and published before end of calendar year 2026	30%	15%
Share price	Maintain a market capitalisation for 15 consecutive trading days from 1 April 2025 to 1 April 2026 of \$50 million	70%	0%
Total		100%	15%

During the year, the Company issued 13,392,000 LTI options and 7,992,000 forfeited prior to year-end.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be in line with market rates for comparable companies, commensurate with the time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually. Independent external advice is sought when required.

The Constitution and the ASX Listing Rules specify that the aggregate maximum compensation of non-executive directors shall be determined from time to time by shareholders in a meeting of members. The aggregate maximum remuneration has been set at an amount not to exceed \$500,000 per year, as set out in section 6.9 of Earth's Energy's prospectus that was released to ASX on 9 November 2023.

Non-executive Directors are entitled to statutory superannuation and have their indemnity insurance paid for by the Company. All reasonable out-of-pocket expenses incurred in connection with the performance of duties on behalf of the Company are reimbursed.

Fees for Non-Executive Directors are not linked to the performance of the Company. Given the size, nature and opportunities of the Company, Non-Executive Directors may also receive options or rights. Non-Executive Directors are not permitted to enter into arrangements to limit their exposure to options granted as part of their remuneration package.

Fees for Non-Executive Director are set at \$36,000 (2024: \$36,000) per annum. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees (if any).

Relationship between Remuneration of KMP and Shareholder Wealth

The Company's approach to remuneration is designed to attract and retain key executive talent, recognise the individual contributions of the Company's people, and provide appropriate incentives to drive performance aligned to the business strategy, whilst discouraging excessive risk taking.

In summary, the Company's approach to remuneration is to:

- Provide remuneration that is competitive and consistent with market standards;
- Align remuneration with the Company's overall strategy and shareholder interests;
- Reward superior performance within an objective and measurable incentive framework;
- Ensure that executives understand the link between individual reward and Group and individual performance;

- Be at a level acceptable to shareholders; and
- Apply sufficiently flexible remuneration practices that enable the Company to respond to changing circumstances.

Key management personnel contracts

Remuneration arrangements for KMP as at 30 June 2025 are formalised in employment or consulting agreements, the key terms of which are summarised below:

Executive	Commencement	Term of agreement	Termination for cause	Termination payment
Grant Davey ¹	27 February 2018	One month notice	No notice	-
David Wheeler	12 October 2021	No fixed term	No notice	-
Glenn Whiddon ³	11 November 2024	No fixed term	No notice	-
Chris Zielinski	12 May 2025	No fixed term	No notice	-
Chris Bath ²	1 January 2024	Three months notice	No notice	-

¹ Mr Grant Davey, Executive Chairman, is engaged under a consultancy agreement with Matador Capital Pty Ltd (**Matador**). The agreement may be terminated by either party at any time for any or no reason without payment or penalty upon at least one month's prior written notice of termination to the other, or payment in lieu thereof. Matador receives a monthly retainer of \$5,000 (\$10,000 until 31 December 2024) and may receive a discretionary bonus based on achievement of KPIs to be determined by the Board.

² Mr Chris Bath resigned as a Director effective 12 November 2024 and continues as Chief Financial Officer.

³ Mr Glenn Whiddon resigned as a Director effective 25 August 2025.

Remuneration of KMP

Actual remuneration earned by KMP during the financial years ended 30 June 2025 and 2024 is set out below:

2025

Directors & Executives	Short-term benefits			Share-based payments	Other	Total	Performance related
	Salaries/ Fees	Post-employment benefits	Annual Leave				
	\$	\$	\$	\$	\$	\$	%
Mr Grant Davey	90,000	-	-	45,021	-	135,021	33%
Mr David Wheeler	36,000	-	-	15,983	-	51,983	31%
Mr Glenn Whiddon ¹	22,900	-	-	-	-	22,900	0%
Mr Chris Zielinski ³	4,767	548	-	-	-	5,315	0%
Mr Chris Bath ⁴	60,000	-	-	42,490	2,063	104,553	43%
Mr Josh Puckridge ²	206,462	23,743	17,420	-	1,256	248,881	0%
	420,129	24,291	17,420	103,494	3,319	568,653	19%

¹ Mr Glenn Whiddon was appointed as Non-Executive Director effective 11 November 2024 and resigned effective 25 August 2025.

² Mr Josh Puckridge resigned as Chief Executive Officer effective 11 May 2025.

³ Mr Chris Zielinski was appointed as Non-Executive Director effective 12 May 2025.

⁴ Mr Chris Bath resigned as a Director effective 12 November 2024 and continues as Chief Financial Officer.

2024

Directors & Executives	Short-term benefits			Share-based payments	Other	Total	Percentage performance related
	Salaries/ Fees	Post-employment benefits	Annual Leave				
	\$	\$	\$	\$	\$	\$	%
Mr Grant Davey	120,000	-	-	20,253	-	140,253	14%
Mr Chris Bath	48,000	-	-	20,253	-	68,253	30%
Mr David Wheeler	36,000	-	-	8,101	-	44,101	18%
Mr Matt Kay ^{1, 2}	197,885	21,767	8,491	-	-	228,143	-
Mr Josh Puckridge ³	20,000	2,200	-	3,204	-	25,404	13%
	421,885	23,967	8,491	51,811	-	506,154	10%

¹ Mr Matt Kay was appointed on 7 February 2024, resigned effective 31 May 2024 resulting in forfeiture of options.

² Mr Matt Kay's short-term benefits include payment in lieu of notice of \$87,500.

³ Mr Josh Puckridge was appointed as Chief Executive Officer on 3 June 2024.

Shareholdings of KMP

Directors	Held at 1 July 2024	Entitlement offers	On-market purchases	Off-market purchases	Disposals	Held at 30 June 2025
Mr Grant Davey	51,350,000	-	5,566,602	-	-	56,916,602
Mr David Wheeler	2,250,000	-	-	-	-	2,250,000
Mr Glenn Whiddon ²	-	-	-	-	-	-
Mr Chris Zielinski ³	-	-	-	-	-	-
Mr Chris Bath ⁴	9,364,246	-	-	-	-	9,364,246
Mr Josh Puckridge ¹	-	-	-	-	-	0
	62,964,246	-	5,566,602	-	-	68,530,848

¹ Mr Josh Puckridge resigned effective 11 May 2025.

² Mr Glenn Whiddon was appointed as Non-Executive Director effective 11 November 2024 and resigned effective 25 August 2025.

³ Mr Chris Zielinski was appointed as Non-executive Director effective 12 May 2025.

⁴ Mr Chris Bath resigned as Executive Director effective 12 November 2024 and continues its role as Chief Financial Officer.

Option holdings of KMP

Directors	Held at 1 July 2024	Part of Remuneration	Exercised	Forfeited	Held at 30 June 2025
Mr Grant Davey ¹	10,000,000	6,000,000	-	-	16,000,000
Mr Chris Bath ^{1, 2}	10,000,000	3,000,000	-	-	13,000,000
Mr David Wheeler ¹	4,000,000	-	-	-	4,000,000
Mr Chris Zielinski ³	-	-	-	-	-
Mr Josh Puckridge ⁴	11,256,000	13,320,000	-	(24,576,000)	-
	35,256,000	22,320,000	-	(24,576,000)	33,000,000

¹ The options held at 1 July 2024 were issued in conjunction with the Company's re-quotation on ASX.

² Mr Chris Bath resigned as Executive Director effective 12 November 2024 and continues as Chief Financial Officer.

³ Mr Chris Zielinski was appointed as Non-Executive Director effective 12 May 2025.

⁴ Mr Josh Puckridge resigned on 11 May 2025.

Fair value of options held by KMP as at 30 June 2025

The following table represents the Company's outstanding balance of options as at 30 June 2025 granted to KMP.

ASX escrow restrictions apply for those options granted on 28 December 2023 for a period of 24 months commencing on the date of re-listing of the Company's shares on 7 February 2024.

Name	Grant date	Vesting date	Expiry date	No. of options	Exercise price	Fair value per share
Grant Davey ¹	28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020
Chris Bath ¹	28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020
David Wheeler ¹	28/12/2023	27/12/2028	01/01/2029	2,000,000	\$0.00	\$0.020
Grant Davey ²	28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020
Chris Bath ²	28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020
David Wheeler ²	28/12/2023	27/12/2028	01/01/2029	2,000,000	\$0.00	\$0.020
Grant Davey	27/11/2024	01/07/2025	30/06/2027	2,400,000	\$0.00	\$0.014
Chris Bath	27/11/2024	01/07/2025	30/06/2027	1,200,000	\$0.00	\$0.014
Grant Davey	27/11/2024	01/07/2027	30/06/2029	3,600,000	\$0.00	\$0.014
Chris Bath	27/11/2024	01/07/2027	30/06/2029	1,800,000	\$0.00	\$0.014
				33,000,000		

¹ Part of Class A Tranche 1 Directors Options

² Part of Class B Tranche 2 Directors Options

Performance of the Group

The earnings of the Group for the last five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Other income	169,617	28,255	11,902	952	3,229
Net (loss) / profit before tax	(4,032,441)	(1,407,513)	(347,138)	876,025	(2,088,378)
Net (loss) / profit after tax	(4,032,441)	(1,407,513)	(356,806)	876,025	(2,088,378)
Basic (loss)/earnings per share (cent per share)	(0.47)	(0.28)	(0.19)	0.48	(1.13)
Dividends paid	-	-	-	-	-

Other transactions with Related Parties

Mr Grant Davey is an Executive Chairman of the Group and is a director and shareholder of Matador. Under a Shared Services Agreement, Matador provides various services to the Group, including office space, technical staff, accounting, project management and administration and general office services at cost plus 5%. The total cost incurred for the year ended 30 June 2025 was \$382,565 (2024: \$196,631).

End of Remuneration Report.

Signed in accordance with a resolution of the Directors.



Grant Davey
Executive Chairman

4 September 2025
Perth



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of Earth's Energy Limited

As lead auditor for the audit of the financial report of Earth's Energy Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Earth's Energy Limited and the entities it controlled during the financial year.

A stylized, handwritten signature in black ink that reads 'Ernst & Young'.

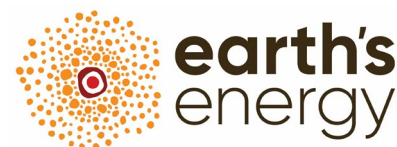
Ernst & Young

A stylized, handwritten signature in black ink, likely belonging to Pierre Dreyer.

Pierre Dreyer
Partner
4 September 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025



	Notes	2025 \$	2024 \$
Interest income		168,903	28,255
Sundry Income		714	-
Total income		169,617	28,255
Corporate and administrative expenses	5	(654,930)	(492,523)
Share-based payments expense		(144,205)	(51,811)
Consultancy fees, including directors' fees	5	(428,869)	(380,779)
Impairment expense – exploration & evaluation assets	9	(2,856,827)	-
ASX re-compliance costs		-	(509,254)
Finance costs – interest expense on loan payable		(4,227)	(1,401)
Loss before tax		(3,919,441)	(1,407,513)
Tax expense	6	-	-
Net loss for the for the financial year		(3,919,441)	(1,407,513)
Other comprehensive loss for the financial year, net of tax		-	-
Total comprehensive loss for the financial year		(3,919,441)	(1,407,513)
Loss and other comprehensive loss attributable to:			
Members of parent		(3,438,328)	(1,400,144)
Non-controlling interests		(481,113)	(7,369)
		(3,919,441)	(1,407,513)
Loss per share			
Basic and diluted loss per share (cents per share)	16	(0.46)	(0.28)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Financial Position
As at 30 June 2025

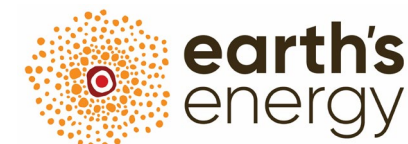


	Notes	2025 \$	2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	3,337,190	4,903,233
Other receivables	8	117,813	84,922
Total Current Assets		3,455,003	4,988,155
Non-current Assets			
Security deposits	8	103,335	29,496
Exploration & evaluation assets	9	3,123,947	5,603,505
Total Non-current Assets		3,227,282	5,633,001
TOTAL ASSETS		6,682,285	10,621,156
LIABILITIES			
Current Liabilities			
Trade and other payables	10	(193,661)	(355,858)
Provision for annual leave		-	(1,538)
Total Current Liabilities		(193,661)	(357,396)
TOTAL LIABILITIES		(193,661)	(357,396)
NET ASSETS		6,488,624	10,263,760
EQUITY			
Contributed equity	12	21,869,049	21,869,049
Reserves	13	340,854	199,754
Accumulated losses	14	(16,085,758)	(12,650,635)
Equity attributable to equity holders of the Company		6,124,145	9,418,168
Non-controlling interests	13	364,479	845,592
TOTAL EQUITY		6,488,624	10,263,760

The consolidated statement of financial position should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

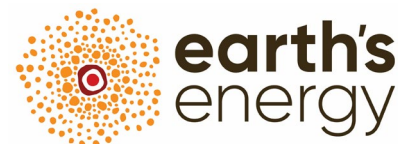
For the financial year ended 30 June 2025



	Contributed Equity \$	Share-based Payments Reserve \$	Accumulated Losses \$	Non- controlling Interests \$	Total Equity \$
Balance at 1 July 2024	21,869,049	199,754	(12,650,635)	845,592	10,263,760
Net loss for the financial year	-	-	(3,438,328)	(481,113)	(3,919,441)
Total comprehensive loss for the financial year	-	-	(3,438,328)	(481,113)	(3,919,441)
Transactions with owners in their capacity as owners:					
Share-based payments forfeited (note 13)	-	(3,205)	3,205	-	-
Share-based payments to key management personnel and consultants	-	144,305	-	-	144,305
Balance at 30 June 2025	21,869,049	340,854	(16,085,758)	364,479	6,488,624
Balance at 1 July 2023	11,034,280	-	(11,250,491)	-	(216,211)
Net loss for the financial year	-	-	(1,400,144)	(7,369)	(1,407,513)
Total comprehensive loss for the financial year	-	-	(1,400,144)	(7,369)	(1,407,513)
Transactions with owners in their capacity as owners:					
Issuance of shares from initial capital offer (note 12)	850,000	-	-	-	850,000
Issuance of shares from capital raising (note 12)	6,000,000	-	-	-	6,000,000
Issuance of shares from Acquisitions (note 12)	4,407,207	-	-	852,961	5,260,168
Share issue costs on Acquisitions (note 12)	(274,495)	-	-	-	(274,495)
Share issue costs via share-based payments to lead manager (note 12)	(147,943)	147,943	-	-	-
Share-based payments to key management personnel	-	51,811	-	-	51,811
Balance at 30 June 2024	21,869,049	199,754	(12,650,635)	845,592	10,263,760

The consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2025



	Notes	2025 \$	2024 \$
Cash flows used in operating activities			
Payments to suppliers and employees		(1,230,308)	(1,325,074)
Interest received		166,014	8,694
Sundry income received		714	-
Interest paid		-	(1,401)
Net cash used in operating activities		(1,063,580)	(1,317,781)
Cash flows used in investing activities			
Payments for exploration and evaluation assets		(428,724)	(341,772)
Payment of security deposit		(73,839)	-
Net cash used in investing activities		(502,563)	(341,772)
Cash flows used in financing activities			
Consideration received on share-based payments		100	-
Repayment of borrowing		-	(17,596)
Proceeds from the issue of ordinary shares		-	850,000
Share subscriptions received		-	6,000,000
Share issue costs paid		-	(274,495)
Net cash from financing activities		100	6,557,909
Net (decrease)/increase in cash and cash equivalents		(1,566,043)	4,898,356
Cash and cash equivalents at beginning of financial year		4,903,233	4,877
Cash and cash equivalents at end of financial year	7	3,337,190	4,903,233

The consolidated statement of cash flows should be read in conjunction with the notes to the consolidated financial statements.

1. Corporate Information

The consolidated financial statements of Earths Energy Limited (**the Company or EE1**) and its subsidiaries (**the Group**) were authorised for issue in accordance with a resolution of the directors on 4 September 2025. The Company is a for-profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The registered office is located at Level 20, 140 St Georges Terrace Perth, Western Australia.

The nature of the operations and principal activities of the Group are described in the Directors Report.

2. Summary of Material Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and other authoritative pronouncements of the Australian Accounting Standards Board.

Except for the derivative financial instruments which were measured at fair value and disclosed in note 11, the financial report has been prepared on a historical cost basis and presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also International Financial Reporting Standards (**IFRS**) as issued by the international Accounting Standards Board.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the financial year ended 30 June 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2025 and the results of all subsidiaries for the financial year then ended.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee;
- exposure or rights to variable returns from its involvement with the investee; and,
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting, or similar, rights of an investor, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee,
- rights arising from other contractual arrangements, and
- the Group's voting rights and potential voting rights.

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated statement of profit or loss and other comprehensive income from that date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interest (**NCI**).

Profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the NCIs, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets, liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Details of the Company's subsidiaries incorporated in Australia as at 30 June 2025 are as follows:

Name	Ownership		Principal activity
	%	Parent entity	
Volt Geothermal Pty Ltd (Volt)	84%	Earths Energy Limited	Renewable energy company
Within Energy Pty Ltd (Within)	84%	Earths Energy Limited	Renewable energy company
Heatflow Energy Pty Ltd	84%	Within Energy Pty Ltd	Renewable energy company

i. Asset acquisition

If the Group acquires an asset or a group of assets (**including any liabilities assumed**) that does not constitute a business, then the transaction is outside the scope of AASB 3, *Business Combination* because it cannot meet the definition of a business combination. Such transactions are accounted for as an asset acquisition in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition and does not give rise to goodwill. Transaction costs are capitalised into the carrying value of individual assets, rather than being expensed as is the case for business combinations.

In addition, the acquisition of non-financial assets that does not constitute a business in exchange for equity instruments is in scope of AASB 2, *Share-based Payments*, where the Group shall measure the goods or services received, and the corresponding increase in equity, directly at the fair value of the goods or services received, unless the fair value cannot be estimated reliably.

If the Group cannot estimate reliably the fair value of the goods or services received, the entity shall measure their fair value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

(d) Foreign currency

(i) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

(e) Exploration & evaluation assets

Exploration and evaluation assets arising out of acquisition of an area of interest are capitalised as part of Exploration & Evaluation Asset.

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken at each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. where uncertainty exists as to the future viability of an area the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

(f) Financial instruments

(i) Financial assets at initial recognition

On initial recognition, a financial asset is classified as measured at (i) amortised cost, or (ii) fair value through other comprehensive income (**FVOCI**) – equity investment; or fair value through profit or loss (**FVTPL**).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held with an objective to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents and other receivables are measured at amortised cost.

(ii) Financial assets – subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Financial liabilities – initial recognition and subsequent measurement

On initial recognition, the Company's financial liabilities are measured at its fair value.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(j) Income tax

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

(ii) Deferred income tax

Deferred tax is provided for using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses or tax credits can be utilised.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

(k) Earnings per share

Basic earnings per share is calculated as net profit attributable to the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net (loss)/profit attributable to the Company, adjusted for:

- Costs of servicing equity (other than dividends) and preference dividends;
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of the acquisition of asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(n) Segment reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker. The chief operating decision maker, who is responsible in assessing the performance and determining the allocation of resources of the operating segments, is considered to be the Board of Directors.

Discrete financial information is presented for the Company as a whole. Accordingly, the Board of Directors considers that its business operates in one segment, being that of geothermal exploration.

(o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be closed to its fair value less costs of disposal (**FVLCD**). In such cases the asset is tested for impairment as part of the cash generating unit (**CGU**) to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU. In determining FVLCD recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(q) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant.

Option fair value is measured by use of the Black-Scholes option pricing model. At the end of each reporting period, the Company revises its estimate of expected life of the options issued. The number of equity instruments expected to vest has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(r) Going concern

For the year ended 30 June 2025, the Group made a loss of \$3,919,441, which includes an impairment charge of \$2,856,827 on exploration and evaluation assets (see note 9) (2024: \$1,407,513) and the operating cash outflows amounted to \$1,063,580 (2024: \$1,317,781). At 30 June 2025, the Group's cash and cash equivalents amounted to \$3,337,190 (2024: \$4,903,233) and net current assets amounted to \$3,261,342 (2024: net current assets \$4,630,759).

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company has been focused on evaluating the level and nature of further expenditure on the Projects, as well as assessing and acquiring new business opportunities and assets, specifically in the renewable energy sectors.

The Group prepared a cash flow forecast for the next 12 months from the date of authorisation of these consolidated financial statements. The cash flow forecast supports that Group has sufficient funds to finance the Projects' work programme and for working capital purposes. Therefore, the Directors believe that it is reasonable for the Group to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial statements.

3. Critical Accounting Estimates and Judgements

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities in the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below.

a) Share-based payments transactions

The Group measures the cost of equity-settled transactions with employees, consultants and key management personnel by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

b) *Impairment of Exploration & evaluation assets*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached stage that permits a reasonable assessment of the existence of reserves.

The future recoverability of exploration & evaluation assets is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. The extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which determination is made. See Note 9 for disclosure of inputs and judgments used in determining recoverable amount.

4. Segment Reporting

During the financial year ended 30 June 2025 (**2024: Nil**), the Group operated in one business segment located in Australia, being the geothermal exploration.

5. Income and Expenses

	2025 \$	2024 \$
Corporate and administrative expenses		
Accounting and audit fees	109,692	79,542
Occupancy	23,673	7,836
Compliance costs	66,055	77,646
Insurance expenses	38,364	42,381
Investor relations costs	143,544	88,357
Travel and accommodation expenses	-	32,360
Other expenses	273,602	164,401
	654,930	492,523
Consultancy fees, including directors' fees		
Directors' consulting fees	174,509	365,240
Salaries and wages	254,360	15,539
	428,869	380,779

6. Tax Expense

	2025 \$	2024 \$
a) Recognised in profit or loss:		
Current income tax	-	-
Deferred income tax:		
- Origination and reversal of temporary differences	331,876	308,245
- Unrecognised deferred tax assets	(331,876)	(308,245)
Total income tax expense	-	-
b) Reconciliation of net loss before tax to tax expense		
Net loss before tax	(3,919,441)	(1,407,513)
At the domestic income tax rate of 30% (2024: 30%)	(1,175,832)	(422,254)
Adjustment to tax expense due to:		
- Non-taxable income	(56,277)	-
- Non-deductible expenses	900,233	114,009
- Unrecognised tax losses	331,876	308,245
	-	-
c) Deferred tax assets		
Deferred income tax assets relates to the following:		
Tax losses	3,274,133	2,942,257
Deferred tax assets not brought to account	(3,274,133)	(2,942,257)
	-	-

At 30 June 2025, the Group's unused tax losses amounting to \$10,913,777 (2024: \$9,807,523). No deferred tax assets have been recognised with respect to these losses because the Directors do not believe it is appropriate to recognise the deferred tax asset at this point in time. This benefit will only be obtained if:

- the Group expects to derive future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and,
- no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

7. Cash and Cash Equivalents

	2025 \$	2024 \$
Cash at banks	57,190	903,233
Term deposits	3,280,000	4,000,000
	3,337,190	4,903,233

As at 30 June 2025, the term deposits have maturity dates of between one to three months (2024: less than three months).

	2025 \$	2024 \$
Reconciliation of cash flows cash used in operating activities		
Net loss for the financial year	(3,919,441)	(1,407,513)
Adjustments to reconcile net loss before tax to net cash flows:		
- Impairment charge	2,856,827	-
- Share-based payments expense	144,205	51,811
- Interest income	(168,903)	(28,255)
- Interest expense	4,227	1,401
Change in operating assets and liabilities:		
- Other receivables, including prepayments	16,641	(36,281)
- Trade and other payables	(159,637)	93,764
- Interest received	166,728	8,693
- Interest paid	(4,227)	(1,401)
Net cash used in operating activities	(1,063,580)	(1,317,781)

8. Other Receivables and Security Deposits

	2025 \$	2024 \$
Current		
Prepayments	42,946	32,302
Income tax recoverable ²	35,473	-
GST receivable	17,657	33,058
Interest receivable	21,737	19,562
	117,813	84,922
Non-current		
Security deposits ¹	103,335	29,496

¹ Security deposits include guarantees of \$29,496 related to tenement permits held by the Company's subsidiaries, and a \$73,839 lease rental deposit paid to Matador Capital Pty Ltd, an external service provider, in August 2024. The lease deposit is expected to remain in place for a period exceeding 12 months.

² As at 30 June 2025, the Group recognised an income tax recoverable of \$35,473 in respect of refundable research and development tax credits (**R&D claims**) claimed by its subsidiaries.

9. Exploration & Evaluation Assets

	2025 \$	2024 \$
Cost		
Volt geothermal exploration project	3,123,947	2,799,809
Within geothermal exploration project	-	2,803,696
	3,123,947	5,603,505
	2025 \$	2024 \$
Movement of exploration & evaluation assets - cost		
At 1 July	5,603,505	-
Additions	412,742	270,932
R&D claims (note 8)	(35,473)	-
Impairment charged during the financial year	(2,856,827)	-
Acquired at Acquisitions (note 15)	-	5,332,573
At 30 June	3,123,947	5,603,505
	2025 \$	2024 \$
Accumulated impairment		
At 1 July	-	-
Impairment charged during the financial year on Within	(2,856,827)	-
At 30 June 2025	(2,856,827)	-

Impairment of Within Geothermal Project (Within Project)

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and AASB 136 *Impairment of Assets* (equivalent to IFRS 6 and IAS 36), the Group assessed its exploration and evaluation assets for indicators of impairment as at 30 June 2025.

The Group applied the following key inputs and judgment in determining whether the impairment indicators existed and in estimating the recoverable amount:

a.) Technical assessment

During the financial year, the Group engaged an independent external expert to conduct a qualitative assessment of the technical merits of its geothermal exploration permits (**EPGs**) located in Queensland, Australia, held under the Within. The assessment concluded that:

- None of the four EPGs were considered prospective for convection-dominated geothermal play types.
- None of the four EPGs were considered prospective for conduction-related geothermal play types.
- EPGs 2026, 2031, and 2036 were specifically assessed as not prospective for conduction-related geothermal systems.
- EPG 2034 was identified as having limited potential for conduction-related hot sedimentary aquifer geothermal play types.
- All four EPGs were considered to have some potential for hot dry rock geothermal play types; however, this potential is significantly constrained by a range of technical and commercial risks, including:
 - High well costs and complex, high-risk well designs,
 - Dependence on unproven and early-stage technologies,
 - Uncertainty regarding reservoir response and deliverability of heat and fluids, and,
 - Risks related to native title, stakeholder engagement, and environmental permitting.

b.) Commercial viability

The Group considered the economic feasibility of continuing exploration, including:

- The minimum expenditure commitment over the license term of \$4 million associated with EPG 2026 which was granted on 7 July 2023 and the,
- The status of remaining permits still under application.

Under AASB 6, the above factors were considered indicators of impairment. Accordingly, the Group estimated the recoverable amount of the related exploration and evaluation assets in accordance with the aforementioned accounting standard. Since management currently has no plans to continue exploration activities, the recoverable amount was determined to be negligible. Notwithstanding this, the Group continues to hold the licence for future strategic purposes, including potential development with other projects. Accordingly, the exploration and evaluation assets are not derecognised in the consolidated financial statements.

The recoverable amount of the asset was reasonably based on the FVLCD. In accordance with the relevant accounting standards, the Group calculated the FVLCD based on qualitative assessment performed by the independent external party. The fair value measurement on the basis of the qualitative assessment is considered to be Level 3 input in the fair value hierarchy.

Sensitivity disclosures for a reasonably possible change in management's assumptions have not been included in this note as a reasonably possible change in the assumptions would not result in a material adjustment to the carrying amount of the exploration and evaluation assets or the impairment loss currently recognised.

As a result, an impairment loss of \$2,856,827 was recognised in the consolidated statement of profit or loss for the year ended 30 June 2025. The portion of this impairment attributable to NCI was \$457,092.

10. Trade and Other Payables

	2025	2024
	\$	\$
Trade creditors	58,485	217,316
Accrued expenses	117,873	67,428
Other payables	17,303	71,114
	193,661	355,858

11. Financial risk management objectives and policies

Overview

The Group's principal financial instruments comprise, cash and cash equivalents, interest receivable, security deposit and trade and other payables. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed in this note, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security. Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains.

The Board of Directors has the overall responsibility in the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, interest receivables and security deposit.

The Group's short-term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the reporting date. The Group considers the credit standing of counterparties when making deposits to manage the credit risk.

The carrying amounts of the Group's cash and cash equivalents and other financial assets (interest receivables and security deposit) represents the maximum credit risk exposure, as represented below:

	2025	2024
	\$	\$
Cash and cash equivalents	3,337,190	4,903,233
Other receivables	21,737	19,562
	3,358,927	4,922,795

The Company does not have any significant exposure to bad or doubtful debts.

b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. As at 30 June 2025, and as at authorisation of these financial statements, the Group has sufficient liquid assets to meet its financial obligations.

Derivative liability

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

As discussed in note 15, The Vendors have an option to require the Company to purchase all of their JVA interests, which may be exercised at any time prior to the third anniversary of the commencement date (**Put Option**). The purchase price for the Put Option will be equal to the fair value of the shareholders' interests at that time.

The Group is accounting for the Put Option over non-controlling interests as a derivative financial liability presented on a net basis measured at fair value if the group has a right to settle the obligation in a variable number of own equity instruments. As at 30 June 2025, the estimated potential gross outflow of future settlement amounted to \$167,894 (2024: \$503,681).

The contractual maturities of financial liabilities, including estimated interest payments and estimated gross outflow from the future settlement of derivative liability for the Group, are provided below. There are no netting arrangements in respect of these financial liabilities.

	Current \$	Less than 6 Months \$	6-12 Months \$	1-5 Years \$	Total \$
2025					
Financial Liabilities					
Trade and other payables	(165,033)	(28,628)	-	-	(193,661)
Derivative liability				(167,894)	(167,894)
	(165,033)	(28,628)	-	(167,894)	(361,555)
2024					
Financial Liabilities					
Trade and other payables	(221,219)	(134,639)	-	-	(355,858)
Derivative liability	-	-	-	(503,681)	(503,681)
	(221,219)	(134,639)	-	(503,681)	(859,539)

c) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to cash and cash equivalents with a floating interest rate.

At the reporting date, the Company did not have any material exposures to interest rate risk.

d) Fair Value

The fair value of financial assets and financial liabilities approximates the carrying value as at 30 June 2025 (2024: fair value approximates the cost).

12. Contributed Equity

	2025 \$	2024 \$
a) Issued capital		
750,324,547 fully paid ordinary shares (2024: 750,324,547)	21,869,049	21,869,049
	Number	\$
b) Movement in issued capital		
1 July 2023 Opening balance	187,464,218	11,034,280
7 July 2023 Issuance of shares for capital raising	42,500,000	850,000
28 December 2023 Shares issue at Acquisitions (note 15)	220,360,329	4,407,207
28 December 2023 Capital raising share issue (note 15)	300,000,000	6,000,000
28 December 2023 Capital raising costs	-	(422,438)
30 June 2024, 1 July 2024		
30 June 2025 Closing balance	750,324,547	21,869,049

c) Capital raising share issue

In December 2023, the Group issued 300,000,000 shares at an issue price of \$0.02 per share to raise up to \$6,000,000 capital to fund the work program of the projects disclosed in note 15. The aforementioned shares offered will rank equally with the existing shares on issued.

d) Capital raising costs

The capital raising cost was an amount paid to lead managers for the capital raising in November 2023 and at the completion of the Acquisitions of Volt and Within as disclosed in note 15.

e) Capital Management

The Group defines its capital as total equity of the Group of \$6,488,624 as at 30 June 2025 (2024: \$10,263,760 net equity). The Company manages its capital to ensure that entities within the Group will be able to continue as a going concern while financing the development of its projects primarily through equity-based financing. The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Company, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the financial year.

13. Reserves and Non-controlling Interests

	2025 \$	2024 \$
a) Share-based payments reserve		
At 1 July	199,754	-
Share-based payments recognised during the financial year	144,305	199,754
Transfer of share-based payments reserves of forfeited options to accumulated losses	(3,205)	-
At 30 June	<u>340,854</u>	<u>199,754</u>

As part of the acquisitions of Volt and Within and disclosed in note 15, on 6 December 2023, the Company's shareholders approved the issue of lead manager options of up to 15,000,000 as part of the capital offer in the Prospectus or equivalent to \$147,943.

	2025 \$	2024 \$
b) Non-controlling interests		
At 1 July	845,592	-
Additions - net	(481,113)	(7,369)
At Acquisitions	-	852,961
At 30 June	<u>364,479</u>	<u>845,592</u>

14. Accumulated Losses

	2025 \$	2024 \$
At July	12,650,635	11,250,491
Net loss for the financial year	3,438,328	1,400,144
Transfer of share-based payments reserves of forfeited portion to accumulated losses	(3,205)	-
	<u>16,085,758</u>	<u>12,650,635</u>

15. Acquisition of Volt Geothermal Pty Ltd (Volt) and Within Energy Pty Ltd (Within)

On 7 July 2023, the Company entered into a binding agreement to acquire 84% of the issued share capital of Volt Geothermal Pty Ltd (**Volt**) and Within Energy Pty Ltd (**Within**) (together, the **Acquisitions**). These entities hold geothermal assets located in Queensland and South Australia (the **Projects**).

On 31 October 2023, the Company executed binding share sale agreements formalising the acquisitions.

On 6 December 2023, shareholder approval was obtained for the following resolutions associated with the Acquisitions and capital restructuring:

- Change in the nature and scale of the Company's activities resulting from the Acquisitions.
- Issue of 300,000,000 ordinary shares under a capital raising offer, with total proceeds of \$6,000,000.
- Issue of 220,360,329 ordinary shares ("Vendor Shares") to the shareholders of Volt and Within ("the Vendors") as consideration.
- Director participation in the capital raising offer totaling up to 21,250,000 shares.
- Grant of director options:
 - 10,000,000 options each to Mr. Grant Davey and Mr. Chris Bath;
 - 4,000,000 options to Mr. David Wheeler.
- Issue of 15,000,000 lead manager options to the lead manager.

- Issue of 42,500,000 free-attaching placement options to investors (none of whom are related parties or members of key management personnel).
- Grant of management options as follows:
 - (i) *Mr. Matt Kay (CEO): 29,018,016 options*
 - Class A Management Options (11,018,016):
 - Tranche 1: 5,509,008
 - Tranche 2: 5,509,008
 - Class B Management Options (18,000,000):
 - Tranche 1: 6,000,000
 - Tranche 2: 6,000,000
 - Tranche 3: 6,000,000
 - (ii) *Dr. Trey Meckel (Head of Subsurface): 6,000,000 Class B Management Options*
 - Tranche 1: 2,000,000
 - Tranche 2: 2,000,000
 - Tranche 3: 2,000,000

All options issued are subject to escrow restrictions for up to 24 months from the Company's re-quotation to the Official List, effective 7 February 2024.

On 28 December 2023, the Acquisitions were completed. The Company issued 220,360,329 ordinary shares at an issue price of \$0.02 per share to the Vendors.

Only the lead manager options were valued and recognised as part of share-based payments reserve as at Completion date as these options vested immediately. These options were also issued as part of the capital offer. All other options have vesting periods and expenses are recognised over the vesting period.

On 31 May 2024, Mr Matt Kay and Mr Trey Meckel resigned and pursuant to the terms of their engagements their management options were forfeited.

At the Completion date, the cost of consideration and net assets acquired were summarised as follows:

	2024 \$
Fair value of Earths Energy shares (220,360,329 shares at \$0.02 cents per share)	4,407,207
Share of minority shareholders	839,468
Transaction costs	84,333
	<u>5,331,008</u>
Identifiable fair value of net assets acquired:	
Trade and other receivables	32,266
Exploration & evaluation assets	5,332,573
Trade and other payables	(33,831)
	<u>5,331,008</u>

Joint Venture Agreement

As part of the Acquisitions, on 28 December 2023, the Company entered into a Joint Venture Agreement (**JVA**) with Volt and Within. The JVA governs the terms under which the parties operate the Projects.

The arrangement was assessed under AASB 11 *Joint Arrangements*, and it was determined that no joint control existed over the relevant activities of the Projects. Accordingly, the JVA was not classified as a joint arrangement based on the accounting standard.

The key terms of the JVA, which supported this conclusion, included:

- No funding obligation by the Vendors during the Free Carried Period, defined as the earlier of a feasibility study completion, cumulative expenditure of \$15,000,000 (less any amounts reimbursed to the Vendors or otherwise provided to Volt or Within), or five years from commencement.
- Formation of an operating committee comprising three nominees from EE1 and one each from the Company and Within, with decisions passed by majority vote (excluding reserved matters requiring unanimity).
- EE1's appointment as manager of the JVA, subject to specific termination conditions.
- Put and Call Options enabling EE1 and the Vendors to respectively acquire or dispose of their JVA interests at fair value.
- EE1 and the Vendors' intention to jointly investigate geothermal potential across the designated Area of Interest.

During the financial year, there were no material changes to the structure, terms, or financial implications of the JVA.

16. Loss per Share

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2025 \$	2024 \$
Net loss for the financial year	3,438,328	1,400,144
Weighted average number of ordinary shares outstanding during the financial year used in calculating basic and dilutive loss per share	750,324,547	493,712,910
Basic and diluted loss per share (cents per share)	(0.46)	(0.28)

17. Share based payments

a. Recognised share-based payments expense

The expense recognised for services received during the financial year is shown in the table below:

	2025	2024
	\$	\$
Expense arising from equity-settled share-based payments	144,205	51,811

b. Grant of share options

The Company considers that the grant of the options to key management personnel, consultants and lead managers is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of the latter in respect of their roles and is consistent with the strategic goals and targets of the Company.

The Company further considers the number options to be issued to the respective key management personnel, consultants and lead managers to be appropriate and equitable, having regard to the market levels of remuneration for comparable roles, particular skills and experience of the respective key management personnel and consultants, the Company's need to attract and retain key individuals with the desired skills and experience, and the services that each of the key management personnel, consultants and lead managers will be providing to the Company.

Valuation of share-based payments

The fair value of the equity-settled share-based payments granted to key management personnel, consultants and lead managers is estimated at the date of grant using a Black-Scholes option pricing model, which considers factors including the exercise price, volatility of the underlying share price, the risk-free interest rate, market price of the underlying share at grant date, historical and expected dividends, the expected life of the option and, the probability of fulfilling the required hurdles.

Below are the options granted by the Company during the financial year where the vesting criteria contains service, performance and market conditions (2024: nil).

2025

Grant date	Vesting date	Expiry date	No. of options	Exercise price	Fair value at grant date	Spot price at grant date	Dividend Yield	Risk-free interest rate
Various	01/07/2025	30/06/2027	9,781,000	\$0.00	\$0.0140	\$0.0140	Nil	3.991%
Various	01/07/2027	30/06/2029	12,136,000	\$0.00	\$0.0140	\$0.0140	Nil	4.065%
11/02/2025	11/02/2025	01/01/2027	5,833,332	\$0.02	\$0.0024	\$0.0080	Nil	3.680%
11/02/2025	11/02/2025	01/01/2027	5,833,332	\$0.04	\$0.0013	\$0.0080	Nil	3.680%
11/02/2025	11/02/2025	01/01/2027	5,833,336	\$0.06	\$0.0009	\$0.0080	Nil	3.680%

Below are the options granted by the Company in the previous financial year where the vesting criteria contains service and market conditions.

2024

Grant date	Vesting date	Expiry date	No. of options	Exercise price	Fair value at grant date	Spot price at grant date	Dividend Yield	Risk-free interest rate
28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020	\$0.041	Nil	3.616%
28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020	\$0.041	Nil	3.616%
28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020	\$0.041	Nil	3.616%
28/12/2023	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.020	\$0.041	Nil	3.616%
28/12/2023	27/12/2028	01/01/2029	2,000,000	\$0.00	\$0.020	\$0.041	Nil	3.616%
28/12/2023	27/12/2028	01/01/2029	2,000,000	\$0.00	\$0.020	\$0.041	Nil	3.616%
28/12/2023	28/12/2023	01/01/2027	5,000,000	\$0.02	\$0.012	\$0.041	Nil	3.593%
28/12/2023	28/12/2023	01/01/2027	5,000,000	\$0.04	\$0.009	\$0.041	Nil	3.593%
28/12/2023	28/12/2023	01/01/2027	5,000,000	\$0.06	\$0.008	\$0.041	Nil	3.593%
28/12/2023	28/12/2023	01/01/2027	42,500,000	\$0.05	\$0.040	\$0.041	Nil	3.593%
04/06/2024	04/06/2027	04/06/2027	2,814,000	\$0.00	\$0.012	\$0.012	Nil	3.936%
04/06/2024	04/06/2027	04/06/2027	3,752,000	\$0.00	\$0.012	\$0.012	Nil	3.936%
04/06/2024	04/06/2027	04/06/2027	4,690,000	\$0.00	\$0.012	\$0.012	Nil	3.936%

Vesting conditions of the Short-term incentives (**STI**) and (**LTI**)

The Board-approved key performances indicators (**KPIs**) for outstanding STIs and LTIs as at 30 June 2025 were as follows:

2025 STIs

Performance Measure	Target	Range	Outcome
Technical and Economic Feasibility Study Completed	Publication of the completed Technical and Economic Feasibility Study to ASX before end of January 2025	10%	10%
Capital Raise	Raise >= \$1 million capital at \$0.02 cents per share	10%	0%
Share price	Maintain a market capitalisation with a volume-weighted average price (VWAP) for 15 consecutive trading days during October 2025 to end of March 2025 of \$18.5 million	70%	0%
Queensland Study	Complete Queensland Data Centre Study before 30 June 2025	5%	0%
Queensland Merger & Acquisition (M&A) or Joint Venture (JV) Event	Enter into any form of M&A or JV type agreement regarding Queensland Projects before 30 June 2025	5%	0%
Total		100%	10%

Based on an assessment of performance against the KPIs for the year ended 30 June 2025, 10% of the eligible STI vested, with the remaining 90% lapsing due to performance thresholds not being met.

The STI is delivered in the form of ordinary shares to be issued, subject to annual performance assessment and Board approval. These shares form part of the executive's total remuneration and are intended to align executive interests with shareholder value. Vested shares are issued at no cost to the participant, while unvested entitlements lapse if performance conditions are not met.

During the year, the Company issued 15,109,000 STI options and 5,328,000 forfeited prior to year-end. In addition, 17,500,000 options were issued and vested immediately to consultants. There were no STIs granted in the previous financial year.

2025 LTIs

Performance Measure	Target	Range	Outcome
Definitive Feasibility Study	Completed and published before end of calendar year 2026	30%	15%
Share price	Maintain a market capitalisation with a VWAP for 15 consecutive trading days from 1 April 2025 to 1 April 2026 of \$50 million	70%	0%
Total		100%	15%

During the year, the Company issued 13,392,000 LTI options and 7,992,000 forfeited prior to year-end.

2024 LTIs

Class	Tranche	Number of Options	Vesting Condition*	Expiry Date
Directors (Executive and Non-executive) Options at \$0.00 exercise price:				
A	1	12,000,000	The Company's shares trade at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 20 trading days.	01/01/2029
B	2	12,000,000	The Company's Shares trade at a daily volume weighted average price of at least \$0.05 for a consecutive period of at least 20 trading days.	01/01/2029

*The Company was re-listed with ASX on 7 February 2024.

The following table represents the Company's outstanding balance of options as at 30 June 2025.

Grant date	Vesting date	Expiry date	No. of options	Exercise price	Fair value per share
28/12/2023 ¹	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.0410
28/12/2023 ¹	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.0410
28/12/2023 ¹	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.0410
28/12/2023 ¹	27/12/2028	01/01/2029	5,000,000	\$0.00	\$0.0410
28/12/2023 ¹	27/12/2028	01/01/2029	2,000,000	\$0.00	\$0.0410
28/12/2023 ¹	27/12/2028	01/01/2029	2,000,000	\$0.00	\$0.0410
28/12/2023 ¹	28/12/2023	01/01/2027	5,000,000	\$0.02	\$0.0410
28/12/2023 ¹	28/12/2023	01/01/2027	5,000,000	\$0.04	\$0.0410
28/12/2023 ¹	28/12/2023	01/01/2027	5,000,000	\$0.06	\$0.0410
28/12/2023 ¹	28/12/2023	01/01/2027	42,500,000	\$0.05	\$0.0410
Various	01/07/2025	30/06/2027	9,781,000	\$0.00	\$0.0160
Various	01/07/2027	30/06/2029	12,136,000	\$0.00	\$0.0160
11/02/2025	11/02/2025	01/01/2027	5,833,332	\$0.02	\$0.0024
11/02/2025	11/02/2025	01/01/2027	5,833,332	\$0.04	\$0.0013
11/02/2025	11/02/2025	01/01/2027	5,833,336	\$0.06	\$0.0009
Total			120,917,000		

¹ All these options are on issue however ASX escrow restrictions apply for a period of 24 months commencing on the date of re-listing of the Company's shares on 7 February 2024.

² Placement options granted to investors where none of whom are related parties, members of key management personnel, substantial holders or advisers of the Company as disclosed in note 15. These options are outside the scope of share-based payments.

Weighted average remaining contractual life of share-based payments

The weighted average remaining contractual life for the share-based payments outstanding at 30 June 2025 is 2.57 years (2024: 3.6 years).

Range of exercise price of share-based payments

The range of exercise price for share-based payments outstanding at 30 June 2025 is \$0.00 to \$0.06 (2024: \$0.00 to \$0.06).

Weighted average fair value of share-based payments

The weighted average fair value of share-based payments granted during the year was \$0.014 (2024: \$0.02).

18. Dividends Paid or Provided for on Ordinary Shares

No dividend has been paid or provided for during the financial year ended 30 June 2025 (2024: \$nil).

19. Related parties transactions

a) Ultimate parent

Earth's Energy Limited is the ultimate holding entity.

b) Subsidiaries

Interests in subsidiaries are set out in note 2(c).

c) Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2025	2024
	\$	\$
Short-term employee benefits	440,868	430,376
Post-employment benefits	24,291	23,967
Share-based payments	103,494	51,811
	568,653	506,154

d) Loans to related parties

No loans were advanced to related parties during the financial year ended 30 June 2025 (2024: \$Nil).

e) Other transactions with related parties

Mr Grant Davey is Executive Chairman of the Group and is a director and shareholder of Matador Capital Pty Ltd (**Matador Capital**). From May 2021, Matador Capital has provided various services under a Shared Services Agreement in which Matador Capital provides office space, technical staff including geologists and project management, and general office costs to the Group at cost plus 5%. The total cost incurred for the year ended 30 June 2025 was \$382,566 (2024: \$196,631).

20. Parent entity information

For the financial year ended 30 June 2025, the parent entity of the Group was Earths Energy Limited. The details of its financial information are summarised as follows:

	2025 \$	2024 \$
Statement of Financial Position		
Assets		
Current assets	3,379,925	5,291,111
Non-current assets	2,674,811	4,407,207
Total assets	6,054,736	9,698,318
Liabilities		
Current liabilities	(125,747)	(312,303)
Non-current liabilities	-	-
Total liabilities	(125,747)	(312,303)
Equity		
Contributed equity	21,869,049	21,869,049
Reserves	340,854	199,754
Accumulated losses	(16,280,914)	(12,682,788)
Total equity	5,928,989	9,386,015
	2025 \$	2024 \$
Statement of Profit or Loss and Other Comprehensive income		
Net loss for the financial year	(3,598,126)	(1,361,456)
Other comprehensive income	-	-
Total comprehensive loss for the year	(3,598,126)	(1,361,456)

Guarantee

The Company has no outstanding guarantee as at 30 June 2025 (2024: None).

Other Commitments

The Company has no commitments as at 30 June 2025 (2024: None).

21. Commitments and Contingencies

a) Exploration Project commitments

Commitments for tenement rentals due within one year amounted to \$32,000 (2024: \$Nil).

Maintaining an exploration licence in good standing does not require the licence holder to meet the expenditure commitments set out in the work programs included in the licence application. If a licence holder does not meet the expenditure commitments set out in the work programs included in the licence application, this is a factor expected to be considered by regulators in the assessment of the renewal of an exploration licence, which in the case of EPG 2026, would be July 2028.

b) Contingent liabilities

The Group occasionally receives claims which arise in the normal course of business. Where the Group is in receipt of such claims it reviews its nature and substance in order to assess the need for accounting recognition or disclosure. The directors are of the opinion that, based on information currently available, there is currently no material exposure to the Group arising from actual or pending claim at the reporting date.

22. Auditors' remuneration

The auditor of the Group is Ernst & Young. The following amounts were paid or payable for services provided by the auditors of the Group and its related practices.

	2025 \$	2024 \$
Ernst & Young (Australia):		
- Audit and review of the financial report of the Group	58,863	62,031
Stantons		
- Audit of the financial report of the subsidiaries in accordance with the JVA	36,430	-
	95,293	62,031

23. Events Subsequent to Reporting Date

At the date of this report there are no matters or circumstances which have arisen since 30 June 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2025, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2025 of the Group.

The consolidated entity disclosure statement (**CEDS**) as at 30 June 2025 was as follows:

Name	Body Corporate, partnership or trust	Country of Incorporation	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign Tax residency*
Earth's Energy Limited (the Company)	Body Corporate	Australia	-	Australian
Volt Geothermal Pty Ltd	Body Corporate	Australia	84%	Australian
Within Energy Pty Ltd	Body Corporate	Australia	84%	Australian
Heatflow Energy Pty Ltd*	Body Corporate	Australia	84%	Australian

*Heatflow Energy Pty Ltd is a wholly-owned subsidiary of Within Energy Pty Ltd.

**All body corporate are Australian tax resident with no foreign tax residency.

Basis of preparation

Determination of Tax Residency

In accordance with Section 295 (3A) of the *Corporations Act 2001*, tax residency has been assessed for entities included in the consolidated entity disclosure statement (**CEDS**).

As the Company and all its subsidiaries operate entirely within Australia and has no foreign operations, employees, directors, offices, or transactions, all entities within the consolidated group are considered Australian residents under the Income Tax Assessment Act 1997.

The Group has applied current legislation and the Commissioner of Taxation's guidance in Tax Ruling TR 2018/5 in determining tax residency.

- 1) In the opinion of the directors of Earths Energy Ltd:
 - (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on the date; and
 - (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and
 - (b) the financial statements and notes comply with International Financial Reporting Standards;
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - (d) the consolidated entity disclosure statement as required by Section 295(3A) of the *Corporations Act 2001* is true and correct.
- 2) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read "Grant Davey", written over a faint circular stamp or watermark.

Grant Davey
Executive Chairman
4 September 2025
Perth

Independent auditor's report to the members of Earth's Energy Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Earth's Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value assessment of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
<p>As at 30 June 2025, the Group held capitalised exploration and evaluation assets of \$3,123,947, after an impairment loss of \$2,856,827 as disclosed in Note 9 to the financial report.</p> <p>The carrying amount of exploration and evaluation ("E&E") assets is assessed for impairment by the Group when facts and circumstances indicate that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators of impairment and subsequent estimation of recoverable amount, if indicators are identified involves a number of judgments. These include whether the Group has tenure, will be able to perform ongoing expenditure, whether there is sufficient information for a decision to be made that the area of interest is not commercially viable and the determination of recoverable amount if impairment indicators are identified.</p> <p>At 30 June 2025, the Group identified impairment indicators for the Within geothermal project (Within project). Accordingly, it undertook an impairment assessment to estimate the recoverable amount of the Within project's E&E assets. The Group estimated the Within project's recoverable amount was below its carrying amount and, accordingly, recognised an impairment charge of \$2,856,827 in the consolidated profit and loss. The Group did not identify any impairment indicators in respect of the Volt geothermal project (Volt project) at 30 June 2025.</p> <p>Due to the judgment involved in determining whether any impairment indicators existed at balance date and the subsequent determination of the estimated recoverable amount of E&E assets, we consider this to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing the Group's determination that impairment indicators were present for the Within project whilst no impairment indicators were present for the Volt project. As indicators of impairment were identified for the Within project, we assessed the reasonableness of the Group's impairment process for this project. Our audit procedures included: <ul style="list-style-type: none"> Obtaining an understanding of the Group's process for estimating recoverable amount and evaluating the reasonableness of the methodology used. Assessing the competence, capability and objectivity of the Group's external expert involved in estimating recoverable amount. Assessing whether the process for estimating recoverable amount was in accordance with the requirements of Australian Accounting Standard AASB 136 <i>Impairment of Assets</i>. Recalculating the impairment charge recognised in the consolidated profit and loss by comparing the carrying amount of the Within project's to its estimated recoverable amount. Considering whether the Group's right to explore was current for both projects, which included obtaining and assessing supporting documentation such as license and permit agreements. Considering the Group's intention to carry out significant ongoing exploration and evaluation activities, specifically for the Volt project, which included reviewing the Group's cash-flow forecast and enquiring of senior management and the directors as to their intentions and the strategy of the Group for both projects. Assessing whether exploration and evaluation data existed for both projects to indicate that the carrying value of capitalised exploration and evaluation was unlikely to be recovered through development or sale. Assessing the adequacy of the Group's disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



**Shape the future
with confidence**

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Earth's Energy Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Pierre Dreyer
Partner
Perth
4 September 2025

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 11 August 2025.

1. Twenty Largest Shareholders

The names of the twenty largest shareholders are as follows:

Name	Number of Ordinary Shares	%
MIMO STRATEGIES PTY LTD	79,363,223	10.58%
STEPHEN BIGGINS	70,447,615	9.39%
JADEMATT INVESTMENTS PTY LTD	44,072,747	5.87%
SUNSET CAPITAL MANAGEMENT PTY LTD	43,264,493	5.77%
AVIEMORE CAPITAL PTY LTD	32,300,000	4.30%
DAVEY HOLDINGS (AUS) PTY LTD	29,602,600	3.95%
NINETY35 PTY LTD	26,476,744	3.53%
ARREDO PTY LTD	21,400,000	2.85%
DAVEY MANAGEMENT (AUS) PTY LTD	19,947,400	2.66%
MR JEREMY TOBIAS	18,000,000	2.40%
BNP PARIBAS NOMS PTY LTD	16,270,995	2.17%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,405,569	1.79%
TROCA ENTERPRISES PTY LTD	13,150,000	1.75%
AYERS CAPITAL PTY LTD	9,000,000	1.20%
TECCA PTY LTD	7,962,500	1.06%
HELMET NOMINEES PTY LTD=	6,889,653	0.92%
DAVEY HOLDINGS (AUS) PTY LTD	6,300,000	0.84%
RECB LIMITED	6,200,000	0.83%
NOWAK INVESTMENTS PTY LTD	5,750,000	0.77%
PALM BEACH NOMINEES PTY LIMITED	5,705,027	0.76%
Total twenty largest shareholders	475,508,566	63.39%
Balance of register	274,815,981	36.61%
Total ordinary shares on issue	750,324,547	100.00%

2. Distribution of Equity Securities

The distribution of ordinary shares ranked according to size was as follows:

Category	Ordinary Shares	%	No. of holders	%
100,001 and over	738,144,240	98.37%	310	43.85%
10,001 to 100,000	11,301,769	1.51%	223	31.54%
5,001 to 10,000	676,293	0.09%	82	11.60%
1,001 to 5,000	198,362	0.03%	62	8.77%
1 to 1,000	3,883	0.00%	30	4.24%
Total	750,324,547	100.00%	707	100.00%

Based on a price of \$0.005 per Ordinary Share, there are 347 holders of a less than marketable parcel of shares, representing a total of 7,180,307 Ordinary Shares.

3. Voting Rights

The rights attaching to fully paid ordinary shares (**Shares**) arise from a combination of the Company's Constitution, statute and general law.

- (i) Shares - The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the *Corporations Act 2001*, ASX Listing Rules and any rights attached to any special class of shares.
- (ii) Voting - Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll, each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

4. Substantial Shareholders

Substantial Shareholder notices have been received from the following:

	Number of Shares
Mimo Strategies Pty Ltd	80,539,358
Stephen Biggins	75,447,615
Mr Grant Davey	50,000,000
Jade Theresa Kay	44,072,066
Mr Jason Peterson	42,374,017

5. Unquoted Equity Securities

Category	Ordinary Shares	%	No. of holders
100,001 and over	-	-	-
10,001 to 100,000	-	-	-
5,001 to 10,000	-	-	-
1,001 to 5,000	-	-	-
1 to 1,000	120,917,000	100.00%	23
Total	120,917,000	100.00%	23

6. Unquoted Equity Securities by Class

Class	Number of Securities	Number of Holders
EXERCISABLE @ \$0.02, ESCROWED TO 7/2/26 EXPIRING 1/1/27	5,000,000	1
EXERCISABLE @ \$0.04, ESCROWED TO 7/2/26 EXPIRING 1/1/27	5,000,000	1
EXERCISABLE C @ \$0.06, ESCROWED TO 7/2/26 EXPIRING 1/1/27	5,000,000	1
EXERCISABLE @ \$0 EXPIRING 01/01/2029	12,000,000	3
EXERCISABLE @ \$0 EXPIRING 01/01/2029	12,000,000	3
EXERCISABLE @ \$0 EXPIRING 30/06/2027	9,781,000	10
EXERCISABLE @ \$0 EXPIRING 30/06/2029	12,136,000	6
EXERCISABLE @ \$0.02 EXPIRING 01/01/2027	5,833,332	4
EXERCISABLE @ \$0.04 EXPIRING 01/01/2027	5,833,332	4
EXERCISABLE @ \$0.06 EXPIRING 01/01/2027	5,833,336	4
EXERCISABLE @ \$0.05 EXPIRING 01/01/2027	42,500,000	7
Total	120,917,000	44

7. On-Market Buy Back

There are currently no on-market buyback programs for any of Earths Energy Limited's listed securities.

8. Restricted Securities

3,100,000 ordinary shares are subject to an orderly market restriction until the commencement of commercial production at the Panda Hill Niobium Mine.

220,360,329 ordinary shares issued as consideration for the acquisition of Volt Geothermal Pty Ltd (**Volt**) and Within Energy Pty Ltd (**Within**) are subject to market restriction until 2 January 2026.

9. Corporate Governance

The Company's Corporate Governance Statement for the year ended 30 June 2025, which explains how the Company complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition', is available in the Corporate Governance section of the Company's website, www.eel.com.au and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

10. Interest in Tenements

The Group's tenement interests are shown in the table below:

Tenement	Registered Holder	Location	Ownership
EPG 2026	Within	Queensland Australia	100%
GEL 692	Volt	South Australia	100%
GEL 693	Volt	South Australia	100%
GEL 694	Volt	South Australia	100%
GEL 695	Volt	South Australia	100%
GEL 696	Volt	South Australia	100%