

29 January 2024

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ASX Compliance Pty Ltd  
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**Electronic**

Dear Raj and Daniel

### **Earth's Energy Limited – Pre-Quotation Disclosure**

Earth's Energy Limited (ASX: EE1) (formerly Cradle Resources Limited (ASX:CXX)) (**Earth's Energy** or the **Company**) provides the following confirmations to satisfy the conditions for the re-quotation of the Company's securities to the official list of the ASX.

Capitalised terms used in this letter not otherwise defined have the meaning given in the Company's Prospectus dated 8 November 2023 (**Prospectus**).

#### **1 Confirmation of completion of Offers**

- (a) The Company confirms the close of the Capital Raising Offer under the Prospectus and the issue of:
  - (i) 300,000,000 Shares at an issue price of \$0.02 per Share to raise \$6 million under the Capital Raising Offer;
  - (ii) 220,360,329 Shares to the Vendors (and/or their nominees) under the Vendor Offer;
  - (iii) 42,500,000 Placement Options to the Placement Participants (and/or their nominees) under the Placement Offer;
  - (iv) 10,000,000 Director Options to Mr Grant Davey (and/or his nominees) under the Director Offer;
  - (v) 10,000,000 Director Options to Mr Chris Bath (and/or his nominees) under the Director Offer;
  - (vi) 4,000,000 Director Options to Mr David Wheeler (and/or his nominees) under the Director Offer;
  - (vii) 29,018,016 Management Options to Mr Matthew Kay (and/or his nominees) under the Management Offer;
  - (viii) 6,000,000 Management Options to Dr Trey Meckel (and/or his nominees) under the Management Offer; and
  - (ix) 15,000,000 Lead Manager Options to the Lead Manager (and/or its nominees) under the Lead Manager Offer.



- (b) The Company confirms it has received cleared funds for the complete amount of the issue price of every Share issued to each successful applicant who applied to participate in the Capital Raising Offer under the Prospectus.

## 2 Capital Structure

- (a) The Company's capital structure at the date of admission is:

	Shares	Options
Shares	750,324,547	Nil
Issue of Placement Options <sup>1</sup>	-	42,500,000
Issue of Management Options <sup>2</sup>	-	35,018,016
Issue of Director Options <sup>3</sup>	-	24,000,000
Issue of Lead Manager Options <sup>4</sup>	-	15,000,000
<b>TOTAL</b>	<b>750,324,547</b>	<b>116,518,016</b>

Notes:

1. Placement Options exercisable at \$0.05 on or before the date which is three years from the date of issue.
  2. Management Options comprising of:
    - a. Class A Management Options with a nil exercise price, exercisable subject to the satisfaction of various vesting conditions and expiring on the date which is three years from the date of issue; and
    - b. Class B Management Options with varying exercise prices (\$0.05, \$0.10 and \$0.15) and expiry dates (three years, four years and five years from the date of issue).
  3. Director Options with a nil exercise price, exercisable subject to the satisfaction of various vesting conditions and expiring on the date which is five years from the date of issue.
  4. Lead Manager Options with varying exercise prices (\$0.02, \$0.04 and \$0.06) and expiring on the date which is three years from the date of issue.
- (b) The Company confirms that it will make an announcement immediately upon the satisfaction of any milestones, the conversion or expiry of any Director Options or Management Options issued to the Directors of the Company under the Prospectus.

## 3 Escrowed Securities

- (a) The following securities (which are included in the capital structure above) are subject to escrow restrictions:

	Shares	Options	Escrow Period
RECB Shares	3,100,000	-	Subject to escrow pending commencement of commercial production at the Panda Hill Niobium Project <sup>1</sup>
Vendor Shares	220,360,329	-	24 months from the date of re-quotation to the official list
Other Shares <sup>2</sup>	73,773,673	-	12 months from the date of re-quotation to the official list
Issue of Placement Options	-	42,500,000	12 months from the date of issue



	Shares	Options	Escrow Period
Issue of Management Options to Mr Matthew Kay	-	29,018,016	24 months from the date of re-quotation to the official list
Issue of Management Options to Mr Trey Meckel	-	6,000,000	12 months from the date of issue
Issue of Director Options	-	24,000,000	24 months from the date of re-quotation to the official list
Issue of Lead Manager Options	-	15,000,000	24 months from the date of re-quotation to the official list
<b>TOTAL</b>	<b>297,234,002</b>	<b>116,518,016</b>	

Notes:

1. In November 2015, the Company issued 6,200,000 Shares to RECB Limited pursuant to the Sale of Minerals Rights Agreement dated 5 October 2015 entered into between Panda Hill Tanzania Ltd and RECB Limited as part consideration for the sale of the Panda Hill mining licences by RECB to Panda Hill Tanzania Ltd. Of these Shares, 3,100,000 Shares are subject to voluntary escrow until the commencement of commercial production at the Panda Hill Niobium Project.
  2. The Company has entered into voluntary escrow deeds with the following individuals in respect of their existing shareholdings in the Company pursuant to which the Shareholders detailed below agree that a specified portion of their Shares in the Company will be subject to a holding lock for a period of 12 months:
    - a. Avimore Capital Pty Ltd as to 32,300,000 Shares;
    - b. Arredo Pty Ltd as to 16,400,000 Shares;
    - c. Davey Holdings (Aus) Pty Ltd as to 12,117,656 Shares;
    - d. Davey Management (Aus) Pty Ltd as to 10,956,017 Shares; and
    - e. Alba Capital Pty Ltd as to 2,000,000 Shares.
- (b) The Company will have a free float of 55.54% on re-quotation to the Official List of ASX.

#### 4 Confirmations on Acquisitions

The Company confirms that:

- (a) all conditions precedent relating to the Acquisitions between the Company and the Vendors for the acquisitions of 84% of the issued share capital of Volt and Within, respectively, have been satisfied and have not been waived; and
- (b) the Acquisitions have completed.

#### 5 Change of Company Name

The Company confirms that it has changed its name to "Earths Energy Limited".

#### 6 Reporting

The Company confirms that it will adopt the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) and Specifications for the application of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) to Geothermal Energy Resources when reporting on the Projects.



## **7 No legal, regulatory, statutory or contractual impediments**

The Company confirms there are no legal, regulatory, statutory or contractual impediments to the Company entering the Volt Licences or the Within Licences and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

## **8 ASX Waivers and Confirmations**

ASX has granted the Company waivers from the following ASX Listing Rules:

- (a) Listing Rule 6.1: Confirmation that the terms of the Class A Management Options and Director Options are appropriate and equitable, subject to the following conditions:
  - (i) the Prospectus including:
    - (A) details of the party / parties to whom the Class A Management Options and Director Options will be issued, and the number of Class A Management Options and Director Options to be issued to each of them;
    - (B) details of the relationship between the Company and the holder of the Class A Management Options and Director Options;
    - (C) where the Class A Management Options and Director Options are being issued to incentivise Directors, a statement to that effect, details of the role the Directors will play in meeting the relevant vesting conditions, details of the existing total remuneration package of the Directors, details of the Directors' (or their associates') equity holdings in the Company and the consideration they paid for those equity securities, an explanation as to why the Company considered it necessary to further remunerate or incentivise the Directors to achieve the applicable performance milestones and details of how the Company determined the number of Class A Management Options and Director Options to be issued to Directors;
    - (D) the number of Shares that the Class A Management Options and Director Options will convert into if the applicable vesting conditions are satisfied and the impact this will have on the Company's capital structure; and
    - (E) the full terms and conditions of the Class A Management Options and Director Options including:
      - (I) the vesting conditions applicable to each tranche;
      - (II) the lapse dates applicable to each tranche;
      - (III) that the Class A Management Options and Director Options are not transferable;
      - (IV) that the Class A Management Options and Director Options do not confer any right to vote, except as otherwise required by law;
      - (V) that the Class A Management Options and Director Options do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues;



- (VI) that the Class A Management Options and Director Options do not carry an entitlement to a dividend;
  - (VII) that the Class A Management Options and Director Options do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
  - (VIII) that the Class A Management Options and Director Options do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company;
  - (IX) each Class A Management Option and Director Option is converted into a Share on satisfaction of the relevant vesting condition; and
  - (X) if a relevant class of Class A Management Options and Director Options is not converted into a Share by the relevant expiry date then all Class A Management Options and Director Options of that class lapse;
- (ii) the Company making an announcement immediately upon the satisfaction of any vesting conditions, the conversion of any Class A Management Options or Director Options and the expiry of any Class A Management Options or Director Options;
- (iii) the terms and conditions of the Class A Management Options and Director Options (including the vesting conditions) must not be amended without the prior approval of ASX and Shareholders;
- (iv) the Company must apply for the quotation of Shares issued on conversion of the Class A Management Options and Director Options within the requisite time period; and
- (v) the Company must disclose the following in each annual report in respect of any period during which any of the Class A Management Options and Director Options remain on issue or were converted or cancelled:
  - (A) the number of Class A Management Options and Director Options on issue during the relevant period;
  - (B) a summary of the terms and conditions of the Class A Management Options and Director Options;
  - (C) whether any Class A Management Options and Director Options were converted or cancelled during the relevant period; and
  - (D) whether any vesting conditions were satisfied during that period;
- (b) Listing Rule 2.1 Condition 2: A waiver to permit the Company to issue Shares (including pursuant to the Capital Raising Offer) at an issue price below \$0.20 per Share subject to the issue price being at least \$0.02 per Share, subject to the following conditions:
  - (i) the issue price of the Shares issued under the Capital Raising Offer must not be less than \$0.02 per share;
  - (ii) the terms of the waiver and the Shares being clearly disclosed in the Notice and in the Prospectus; and



- (iii) the Company's Shareholders approve the issue price of the Shares offered under the Capital Raising Offer in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the proposed Acquisitions; and
- (c) Listing Rule 1.1 condition 12: A waiver to the extent necessary to permit the Company to have Options on issue with exercise prices below \$0.20 (i.e. the Director Options, Management Options, Lead Manager Options and Placement Options), subject to the terms of the waiver and the Options being clearly disclosed in the Notice and in the Prospectus.

This announcement has been authorised for release by the Board of Directors of Earths Energy.

Yours sincerely,

**Catherine Anderson**  
Company Secretary

