FRONTIER ENERGY LTD

Annual Report

31 DECEMBER 2023

ABN 64 139 522 553

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Corporate Information

Directors

Mr Grant Davey - Executive Chairman
Mr Chris Bath - Executive Director
Ms Dixie Marshall - Non-Executive Director
Ms Amanda Reid - Non-Executive Director

Company Secretary

Ms Catherine Anderson

Registered Office and Principal Place of Business

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Perth WA 6000

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Share Registry

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Website

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Securities Exchange Listing

Australian Securities Exchange – code FHE
OTCQB® market United States – code FRHYF

Frontier Energy Limited

ABN 64 139 522 553

All dollar figures in this annual report are expressed in Australian dollars unless otherwise stated.

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Sustainability Report

Sustainability Update

Reducing global carbon emissions is more important now than ever before. The impact of climate change is being increasingly felt worldwide. In recent years, we've seen more frequent extreme weather events, rising global temperatures and ever-increasing spending on disaster recovery.

In December 2022, the Federal Government published its first Annual Climate Change Statement, highlighting Australia's commitment to an 82% national renewable electricity target by 2030.

Frontier's development strategy aligns closely with Australia's ambitious renewable energy targets aimed at reducing greenhouse gas emissions. As a responsible corporate citizen, Frontier acknowledges the urgency of addressing climate change and is committed to developing renewable energy projects that create long term sustainable value.

Sustainability Reporting

In May 2023, Frontier achieved a significant milestone with the release of our inaugural Sustainability Report, marking a pivotal moment in our commitment to responsible business practices and environmental stewardship. This report is a proud addition to the Company's annual reporting suite and reflects Frontier's dedication to transparency and accountability.

As part of our ongoing commitment to transparency and continuous improvement, Frontier is currently preparing our second Sustainability Report. This report is anticipated for release in March 2024 and will provide an update of our sustainability efforts, showcasing our environmental, social and governance performance over the past year.

Stakeholder Engagement

During 2023, Frontier continued to grow its stakeholder communications. This included meeting with local landholders and businesses, hosting a booth at the Waroona Show, holding a community meeting and drop-in day at the Waroona Memorial Hall, regular meetings with government, regulators and the Shire of Waroona, and presenting at industry forums such as the Australia Hydrogen Council and WA Major Projects Conference.

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Directors Report

The Directors present their report together with the consolidated financial statements of the Group comprising Frontier Energy Limited (the "Company" or "Frontier") and its subsidiaries for the year ended 31 December 2023.

Review of activities

Overview

Frontier has made substantial progress during the year in delivering its strategy to create a significant vertically integrated renewable energy company in Western Australia.

Significant activities during the year included:

- Completing a green hydrogen definitive feasibility study;
- Achieving pre-certification for the Zero-carbon Certification Scheme;
- Entering into a Collaboration Agreement with Australian Gas Infrastructure Group;
- Completing the acquisition of additional freehold land parcels;
- Commencing a definitive feasibility study for Stage One solar farm; and
- Completing the acquisition of Waroona Energy Inc ("WHE").

The acquisition of WHE, which was completed in December 2023, combines two highly complementary and synergistic projects, located adjacent to each other and in close proximity to key infrastructure. In addition, the acquisition simplifies communications with all key stakeholders, including government, financiers and the community as well as strengthening Frontier's balance sheet and ensuring Frontier is fully funded through to a final investment decision ("FID") during 2024.

The projects are surrounded by world class existing infrastructure, including roads, power infrastructure, one of Australia's largest natural gas pipelines as well as a highly skilled local workforce, which give the Project a major competitive advantage compared to many other regional renewable energy projects.

The location of this surrounding infrastructure relative to the Project is illustrated in Figure 1 below.

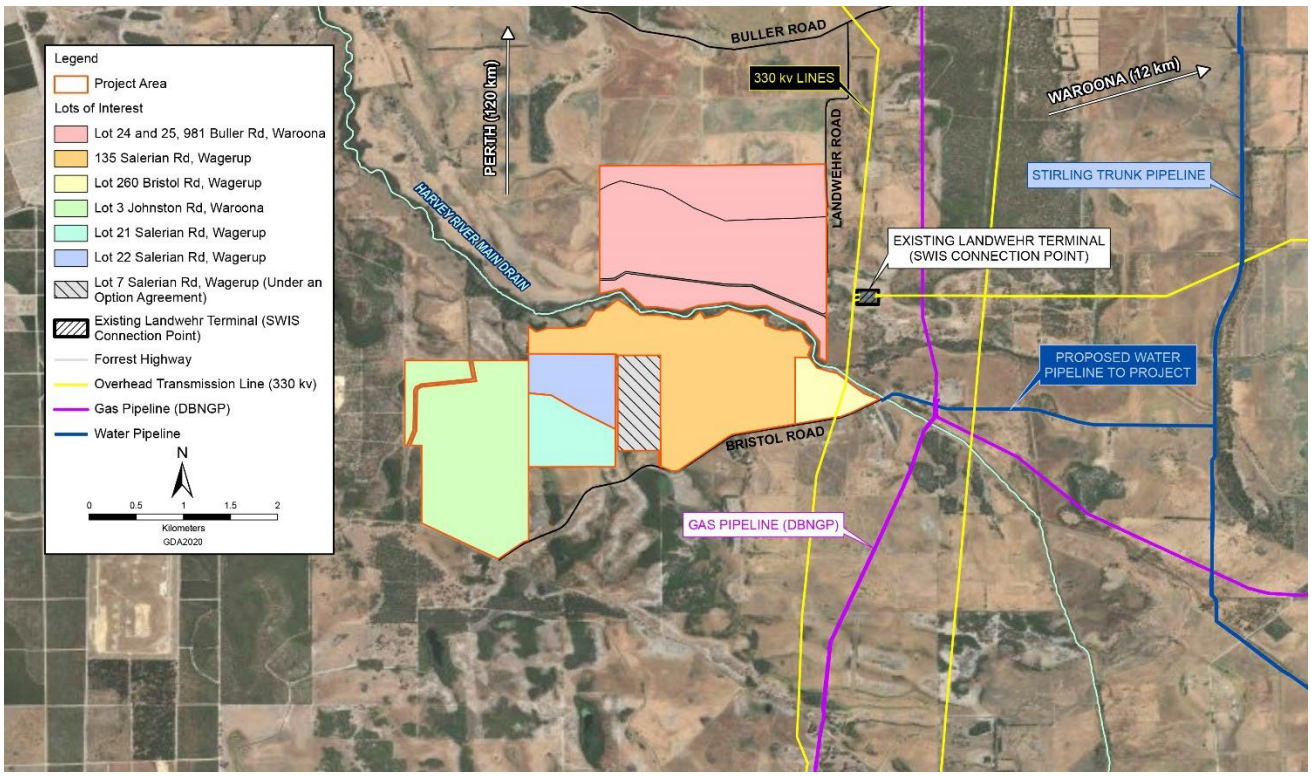

Figure 1: Frontier freehold land and nearby infrastructure in South-West WA.

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Following completion of the acquisition of WHE, Frontier now has one of Australia's largest renewable energy development projects, with approvals in place for 355MW of solar power generation. Frontier is fully committed to developing its existing projects into one of WA's largest renewable energy hubs, with multiple value adding initiatives being considered, including green hydrogen production and hydrogen consumption in a peaking power plant.

The outlook for the electricity market is positive with Australian Energy Market Operator ("AEMO") forecasting in its 2023 Wholesale Electricity Market Statement of Opportunities that "*The supply-demand outlook indicates an urgent need for investment by capacity providers to supply the SWIS to meet the WEM reliability standard*".

In late 2023, Energy Policy WA issued a consultation paper on the potential change in the reference technology for the Benchmark Reserve Capacity Mechanism from an open cycle gas turbine ("OCGT") to a battery energy storage system ("BESS"). Frontier concluded that the optimal strategy for a Stage One development consists of a 120MW solar facility and an 80MW battery. A direct current ("DC") coupled battery integrated in the solar facility, sharing the solar inverters, will have a lower capital cost and will also provide a greater efficiency compared to an alternating ("AC") coupled, separate BESS facility.

Initial results indicated this strategy provides the strongest potential financial returns with least risk. Revision of the solar farm design and inclusion of a BESS, which is anticipated to have significantly better economics than solar alone, will be released during 1Q2024.

In December 2023, the Company announced a restructure of its senior management team with a specific focus on project execution ahead of planned FID for its 120MWdc solar farm and 80MW battery in 1H2024. The Company appointed Adam Kiley as Chief Executive Officer ("CEO") and Warren King as Chief Operating Officer ("COO"). Sam Lee Mohan steps down as Managing Director. Mr Kiley was previously the CEO of WHE and has 20 years' experience in equity capital markets and debt financing sectors. Mr King is an engineer with 25 years of experience, specialising in project management of engineering, design, procurement and construction.

Waroona Energy Inc

At the beginning of the year, Frontier's subsidiary, Ophiolite Holdings Pty Ltd ("OPH"), held approximately 45.5% of the shares in Metallum Resources Inc. ("Metallum").

In May 2023, the shareholders of Metallum approved the acquisition of Waroona Energy Pty Ltd ("Acquisition") and a change of name from Metallum to Waroona Energy Inc. ("Waroona"). At the same time, Waroona also completed a private placement of 150,000,000 shares at C$0.06 to raise gross proceeds of C$9 million.

Frontier participated in the placement by subscribing for 19,695,883 shares at a total cost of approximately $1.3 million. Following participation in the placement, Frontier and OPH owned a total of 147.6 million shares in Waroona, which represented a total ownership interest in Waroona of approximately 20%. As a result, Frontier assessed that it had lost control over Waroona effective 15 May 2023, and Frontier deconsolidated its interest from the date this change occurred and as a result Frontier classified Waroona as an associate.

Following completion of the Acquisition, Waroona has been focused on developing its Waroona Renewable Energy Project (the "Waroona Solar Project") in WA and also continuing to progress its Superior Lake Zinc and Copper Project (the "Superior Lake Project") in Ontario, Canada.

On 6 October 2023, Frontier and Waroona entered into a binding agreement, whereby Frontier agreed to acquire all of the outstanding shares of Waroona that it did not already own or control (the "Waroona Transaction").

The key terms of the Waroona Transaction are summarised below:

- Frontier acquired all the issued and outstanding common shares of Waroona not currently held by Frontier or OPH and also acquired 100% of shares issued on conversion of options ("Waroona Options") and restricted share units ("RSUs") on the basis that Waroona shareholders receive 1 new Frontier Share for every 4.27 WHE shares ("Exchange Ratio") held on the record date; and
- Each outstanding warrant of Waroona remains outstanding and the holders are entitled to new Frontier options based on the Exchange Ratio, subject to vesting conditions.

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On 14 December 2023 (the "Completion date"), the Group completed the acquisition of Waroona and Frontier issued 146,887,556 shares to the Waroona shareholders.
In addition, effective from the Completion date, the Group will become a reporting issuer in Canada which comes with filing obligations as a designated foreign issuer. These obligations can be satisfied for the most part by filing the Australian disclosure documents.

The Group has accounted for the Waroona Transaction as an asset acquisition where the consideration issued was in the form of equity under AASB 2 *Share-based Payments*. The Group calculated the fair value of the consideration given based on the fair value of Frontier shares issued to Waroona at the completion date.

For the year ended 31 December 2023, the Group's results were accounted for as follows:

- Consolidated the financial results of Waroona at 45.5% shareholdings with non-controlling interests ("NCI") from 1 January 2023 to 15 May 2023;
- Deconsolidated Waroona at 15 May 2023 and equity accounted its share in the net assets at 20% (i.e., effective shareholdings) from 15 May 2023 to 14 December 2023; and
- Consolidated the financial position as at 31 December 2023 and the results of operations from 15 December 2023 to 31 December 2023 of Waroona as at 100% shareholdings as the Group effectively controlled Waroona from the completion of Waroona Transaction.

Further information is disclosed in Note 31 to the Notes to the Consolidated Financial Statements.

Waroona Solar Project

The Waroona Solar Project is an advanced stage solar development asset located 120 km south of Perth in WA and is located near major infrastructure which is critical for the production and dispatch of both renewable electricity and green hydrogen.

The Waroona Solar Project comprises of 303 hectares of flat, cleared land. It has a development approval granted by the local planning authority, environmental approvals for preparation of the site, and an access and connection agreement entered into with Western Power (the operator of the electricity transmission and distribution system in the southwest of Western Australia; the South-West Interconnected System known as the "SWIS").

During the year a study was commenced to assess a minimum 120MW hydrogen-fuelled (dual fuel) peaking power facility at the location. Dual-fuel peaking plants are designed to balance the fluctuating power requirement in the electricity network and operate during periods of high-level demand for electricity or shortfalls of electricity supply. Peaking Plant is a mature technology, with multiple operations already in production throughout the world including WA.

Bristol Springs Project

The Bristol Springs Project ("BSS Project") is a large, utility-scale renewable energy project sitting alongside the Waroona Solar Project 11km from the rural town of Waroona and 60km from the major population centre of Bunbury.

In March 2023 the Company released its Stage One Definitive Feasibility Study ("DFS" or the "Study"). The Study forecasts annual green hydrogen production of up to approximately 4.9 million kilograms per annum. Based on the assumptions and key inputs adopted in the Study, the Study results in a total unit cost[1] of approximately $2.77 per kilogram of hydrogen.

Water Supply Secured

In March 2023, the Company and Water Corporation signed a binding agreement ("Agreement") for the supply of up to 1,250 Kl/day of water to be used at the Project. This volume of water is not only sufficient for Stage One but will also support major expansion into the future. The Agreement is conditional on the Project achieving a FID by 31 December 2024.

[1]Total unit costs = (total operating costs direct (annual) / annual production) + (total initial capital + total sustaining capital /life of operation production).

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Pre-certification for zero carbon

During the year, the Smart Energy Council completed pre-certification for the Zero Carbon Certification Scheme for the BSS Project. This is a major milestone as it gives assurance to all stakeholders, including shareholders, financiers and offtakers that the production process will deliver zero-carbon hydrogen, or green hydrogen.

Collaboration Agreement signed with Australian Gas Infrastructure Group ("AGIG")

AGIG is the owner of the Dampier to Bunbury Natural Gas Pipeline ("DBNGP"), the major gas pipeline connecting the North-West Shelf gas fields near Dampier with markets principally located in the South-West of WA, terminating at Bunbury.

In May 2023, the Company and AGIG signed a Collaboration Agreement to work together for injection of an agreed percentage of hydrogen into the Mainline South section of the Dampier to DBNGP. As part of the agreement, the parties will make joint submissions to the relevant WA Government departments in relation to this hydrogen injection. AGIG completed a positive Feasibility Study in 2022 assessing the injection of hydrogen into the DBNGP. This Study found the pipeline adjacent to the Project (Mainline South) is already capable of injecting up to 9% hydrogen without any major modifications.

Land Acquisition

During the year Frontier completed the acquisition of significant freehold land parcels. In July 2023, Frontier acquired two land parcels with a total area of 93 hectares immediately adjacent to the Bristol Springs Stage One development for a cost of $1.1 million (excluding transaction costs). In November 2023, Frontier settled the acquisition of two land parcels with a total land area of 238 hectares for a cost of $4.80 million (excluding transaction costs). Securing this land is strategically important to the Company's longer term renewable energy expansion strategy.

Lead Agency Status

The Western Australian Government has awarded the BSS Project lead agency status. This status recognises the importance of the Project for the development of the renewable energy industry in Western Australia, including the development of a green hydrogen industry. The Lead Agency Framework is designed to ensure proponents can be guided effectively through approvals processes. Lead Agency Case Management support, as confirmed for BSSP, is only awarded to projects that are of significance to the State.

Superior Lake Zinc and Copper Project

Following the completion of the acquisition of WHE, the Group retains its 100% ownership of the Superior Lake Zinc and Copper Project in Ontario, Canada ("Superior Lake Project"). The Superior Lake Project is located approximately 200km east of Thunder Bay in the province of Ontario, Canada, and is an advanced stage asset surrounded by substantial existing infrastructure.

The Superior Lake Project ranks as one of the highest-grade zinc projects in North America. WHE completed a positive Feasibility Study that highlights that the Superior Lake Project will rank in the lowest quartile of operating costs (C1 costs – C$0.44 / lb; AISC C$0.51 / lb). These low costs combined with the high grade of the Superior Lake Project drive robust economic returns. The majority of permits and licenses are in place allowing for a quick re-development following an FID.

Funding and Capital Management

During the financial year, there were 4,303,378 shares issued via exercise of options for a total cash consideration of $960,000 (excluding $440,744 non-monetary consideration through exercise of options). A further 2,380,953 shares were issued for cash proceeds of $1,000,000 via a placement to Executive Chairman Grant Davey in May 2023.

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Material business risks

Offtake and commercialisation
The Company's ability to successfully develop and commercialise the Waroona Solar Energy Project and the BSS Project may be affected by numerous factors including but not limited to macro-economic conditions, obtaining required approvals, securing customer offtakes, delays in commissioning or ramp up, the plant not performing in accordance with expectations and cost overruns.

If the Company is unable to mitigate these factors this could result in delays in the development of the projects or the Company not realising the development plans for the projects, which would have a material adverse effect on the Company's business, financial performance and prospects.

Future capital requirements
The development of the BSS Project and Waroona Solar Energy Project will require substantial development expenditures.

Although the Company believes that additional funding can be obtained, no assurances can be given that the Company will be able to raise this additional funding, which may be a combination of debt and/or equity financing. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be potentially dilutive to Shareholders depending on their participation in any equity raising. Debt financing, if available, may involve certain restrictions on operating activities or other financings.

The Company's ability to raise further equity or debt, and the terms of such transactions, will vary according to a number of factors, including the results achieved by the Company, stock market conditions, the overall risk appetite of investors along with access to credit markets and other funding sources.

An inability to obtain the required additional finance as and when required would delay progress on the development of the BSS Project and Waroona Solar Energy Project, which would have a material adverse effect on the Company's business, financial performance and prospects.

Loss of key personnel
The Company relies heavily on the abilities of key employees and management. The Company's performance is reliant on its ability to both retain and attract skilled individuals and to appropriately incentivise them. Although the Company expects to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so. The Company intends to mitigate these risks by entering into service contracts with any new employees and, where appropriate, may utilise existing and establish new employee incentive plans to encourage employees' loyalty to the Company.

Reliance on third party providers
There is a risk that goods and services that are required for the BSS Project and Waroona Solar Energy Project's development are difficult to procure or will not be delivered on time or to the necessary quality or expected cost which may affect the operation of both projects. The Company does not have in place formal written contracts with all of its key suppliers. The deterioration of any such key relationships or a change in the circumstances or requirements of the key suppliers, or market conditions generally, could therefore have significant operational and financial implications for the Company. Moreover, a failure by any one of those suppliers to perform their services, or a disruption to the supply chain, may have an adverse effect on the operations of the Company and its financial performance.

Changes in energy policy
Investors in the wholesale electricity market ("WEM") are reliant on stable policy settings by State and Federal Governments. The Australian renewable energy market is currently in its infancy. Due to the current low cost of producing electricity via traditional coal fired generation, the commercialisation of renewable energy projects currently relies heavily, and is dependent upon, obtaining Government subsidies and grants sufficient to achieve a competitive cost per watt of renewable energy produced.

The government policies for Australia's renewable energy industry are uncertain. This may reduce new investment in the renewable energy industry in Australia which could reduce the number of available new business prospects for the Company.

Business performance may be impacted by changes in the design and rules of the existing energy market and the uncertainty that arises from debate in relation to the energy market's future design and rules. These changes may be orderly rule changes or in response to political imperatives of the government from time to time.

Construction
There is a risk that the BSS Project and Waroona Solar Energy Project may not proceed as planned. This could be the result of matters within or outside the Company's control. Examples may include weather events, natural disasters, contractor risk, regulatory intervention or failure to obtain or retain suitably qualified expertise. The occurrence of any such event could result in the BSS Project and Waroona Solar Energy Project costing more or not proceeding as planned, including delayed completion, commissioning or failure to perform to technical specifications.

Assets under construction are exposed to risks associated with the BSS Project and Waroona Solar Energy Project not being completed on time, on budget, in accordance with specifications, or at all. Any delays in or failure of construction or increases in costs may adversely affect the yield of the investment and consequently impact the Company's operating and financial performance.

Climate
Frontier's activities may be impacted in the future by the effects of climate change, including factors such as increased rainfall and increased cloud cover, and increased severity of weather events. The effects of these risks could materially adversely affect the Group's activities and performance.

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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** Appointed 27 February 2018
Experience and expertise	Mr Davey is an entrepreneur with 30 years of senior management and operational experience in the development, construction and operation of precious metals, base metals, uranium and bulk commodities throughout the world. More recently, he has been involved in venture capital investments in several exploration and mining projects and has been instrumental in the acquisition and development of the Panda Hill niobium project in Tanzania, the Cape Ray gold project in Newfoundland and recently the acquisition of the Kayelekera Uranium mine in Malawi from Paladin Energy Limited. He is a member of the Australian Institute of Company Directors ("AICD").
Other directorships	Earths Energy Limited Lotus Resources Limited
Former directorships	Waroona Energy Inc. from 16 March 2022 to 15 May 2023.

Mr Chris Bath	**Executive Director and Chief Financial Officer** Appointed 1 December 2021
Experience and expertise	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	Earths Energy Limited
Former directorships	Nil (in the past three years)

Ms Dixie Marshall	**Non-Executive Director** Appointed 1 December 2021
Experience and expertise	Ms Marshall has over 40 years' experience in media, advertising, government relations and communications. She has worked across a range of platforms, including television, radio, newspapers, and digital. Ms Marshall is currently Chair of GRA Partners, and Chief Growth Officer of Marketforce, WA's oldest advertising and communication agency. She worked from the Premier's Office for 6 years as the Director of Strategic Communications for the WA Government. Ms Marshall is Deputy Chair of the WA Football Commission and a Commissioner of the Australian Sports Commission.
Other directorships	Lotus Resources Limited
Former directorships	Nil (in the past three years)

Ms Amanda Reid	Non-Executive Director Appointed 8 August 2022
Experience and expertise	Ms Reid has a significant background in government relations and corporate communications providing strategic advice to a wide cross section of companies and organisations. She currently runs her own strategic advisory business. For more than 15 years Ms Reid worked for two national government relations and corporate communications firms, including five years as a Partner at GRA Partners. She was senior adviser in previous WA State Governments, including managing a strategic communications unit. Ms Reid has held non-executive board positions across both private companies and not-for-profit organisations and is a member of the AICD. Ms Reid is Chair of the Sustainability Committee.
Other directorships	Nil
Former directorships	Nil (in the past three years)

Mr Sam Lee Mohan was appointed Managing Director on 3 October 2022 and resigned as Managing Director on 19 December 2023.

Company Secretary

On 10 January 2023, Ms Catherine Anderson was appointed Company Secretary and Mr Chris Bath resigned as Company Secretary.

Ms Anderson (B Juris (Hons), LLB (UWA)) is a legal practitioner admitted in Western Australia and Victoria with over 30 years' experience in both high-level private practice and in-house roles from working in both Melbourne and Perth particularly in the area of capital raisings, corporate acquisitions and structures and regulatory compliance. During her career, Ms Anderson has advised on all aspects of corporate and commercial law and brings extensive experience over a range of industries, in particular the mining and IT/cyber security sectors.

Ms Anderson is an experienced company secretary for both listed and unlisted public companies and has served as a director of an ASX listed junior explorer. She has provided consultancy services to entities wishing to proceed to IPO and ASX listing and has twice been nominated for the Telstra Businesswoman of the Year Award.

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Directors' interests

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

	Ordinary Shares		Options over
	Held directly	Held indirectly	Ordinary shares
Mr G Davey	192,881	40,793,834	9,464,989
Mr C Bath	-	3,121,379	8,711,966
Ms D Marshall	384,615	-	1,000,000
Ms A Reid	68,213	-	1,000,000

Principal activities

Frontier is a renewable energy company whose principal activity is the development of a large scale integrated renewable energy facility.

Financial results

The net profit of the Group for the year ended 31 December 2023 was $2,072,780 (2022: net loss of $6,149,324), which included a gain on the deconsolidation of Waroona Energy Inc. of $7,052,175.

Cash and cash equivalents at 31 December 2023 amounted to $11,573,748 (2022: $13,455,335).

Changes in the state of affairs

As noted above, the Group's interest in WHE reduced from 45% to 20% during the half year, resulting in WHE being deconsolidated from the date this change in interest occurred and the Group equity accounting its interest in WHE from this point until 14 December 2023.

Effective 15 December 2023, the Group's interest in WHE increased to an effective 100% ownership interest as a result of the Waroona Transaction which was discussed above.

Events occurring after the balance sheet date

There are no other matters or circumstances which have arisen since 31 December 2023, which have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

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.

Dividends

No dividends were paid or declared during the financial year (2022: None). No recommendation for payment of dividends has been made.

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Shares under option

As at the date of this report, the Company has unissued shares under option (excluding options issued to third party) as follows:

Expiry date	Exercise price	Number
20 April 2024	$0.679	21,419,563
31 December 2024	$0.000	2,158,981
23 February 2025[1]	$0.200	7,250,000
23 February 2025[1]	$0.250	6,625,000
23 February 2025[1]	$0.400	6,625,000
31 December 2025	$0.000	4,150,500
31 December 2026	$0.000	1,833,000
31 December 2027	$0.000	4,833,000
		54,895,044

[1]ASX escrow restrictions apply for a period of 24 months commencing on the date on which official ASX quotation of the Shares commenced, which was 3 March 2022.

Shares issued on exercise of options

During the financial year, the Company issued ordinary shares of the Company as a result of the exercise of options as follow:

Date	Amount paid per share	Number
3 March 2023	$0.00	33,613
5 April 2023	$0.00	24,994
14 April 2023	$0.00	80,154
27 April 2023	$0.22	2,000,000
27 April 2023	$0.26	2,000,000
16 October 2023	$0.00	164,617
		4,303,378

Indemnification and insurance of directors and officers

During the financial year, the Company endeavour to insure the Directors and Officers of the Company and related bodies corporate against those liabilities for which insurance is permitted under section 199B of the of the Corporations Act 2001.

The Company has entered into Deeds of Indemnity, Insurance and Access with each director and officer, which in summary, provides for access to corporate records for a period after ceasing to hold office in the Company. The provision includes the directors and officers' liability insurance and indemnity for legal costs incurred by the directors and officers in carrying out the business affairs of the Company.

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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.

Directors' meetings

The following table sets out the number of directors' meetings and the number of meetings attended by each director of the Company during the financial year:

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

	Board		Committee	
			Environmental, Social and Governance	
Director	Held	Attended	Held	Attended
Mr G Davey	9	9	-	-
Mr S Lee Mohan	9	9	4	4
Mr C Bath	9	9	-	-
Ms D Marshall	9	7	4	4
Ms A Reid	9	9	4	4

Non-audit services

Details of amounts paid or payable to the Company's auditor, Ernst & Young, for audit and non-audit services provided during the year are set out in note 28.

The Board is satisfied that the provision of the non-audit services is compatible with general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

(a) all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and

(b) none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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. The Company's corporate governance key statements, frameworks, policies and charges are all available on the Company's website at https://frontierhe.com/corporate-governance/.

Auditor's independence declaration

The Directors received the Auditor's Independence Declaration, as set out on page 24, from Ernst & Young.

Remuneration Report

The Remuneration Report set out on pages 17 to 23 forms part of the Directors' Report and is signed as part of it.

Auditors

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

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Remuneration report (audited)

The Directors present the Remuneration Report (the "Report"), which forms part of the Directors' Report of the Group for the year ended 31 December 2023 and has been audited in accordance with section 300A of the *Corporations Act 2001* and its regulations.

The Report details the remuneration arrangements for Key Management Personnel ("KMP") being the:

- Non-executive directors; and
- Executive directors and senior executives (the "executives").

KMP are those, who directly, or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group.

Details of KMP are set out below:

Name	Position	Appointed	Resigned
Mr G Davey	Executive Chairman	27/02/2018	-
Mr S Lee Mohan	Managing Director	3/10/2022	19/12/2023
Mr C Bath	Executive Director	1/12/2021	-
Ms D Marshall	Non-Executive Director	1/12/2021	-
Ms A Reid	Non-Executive Director	8/08/2022	-
Mr Adam Kiley	Chief Executive Officer	19/12/2023	-
Mr Warren King	Chief Operating Officer	19/12/2023	-

Remuneration and nomination procedures

The Board considers that the Company is not of a size to justify the formation of a remuneration or nomination Committee. The Board is able to address these aspects of the Company's activities and will adhere to the appropriate ethical standards and with the relevant remuneration and nomination procedures.

The Board will review the remuneration policies and packages of all directors and senior executive officers on a periodic basis. However, there was no meeting held in relation to review of remuneration policies and packages during the year. The Board will also periodically review the composition of the Board and make necessary changes to ensure that it comprises persons who have the skill and experience appropriate for the business activities and operations undertaken by the Company.

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional director, the Board will select and appoint the most suitable candidate. Any such appointee would be required under the Constitution to retire at the next annual general meeting and is eligible for re-election by the shareholders at that meeting.

Relationship structure

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

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Company's Constitution provides that the remuneration of non-executive directors will not be more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration has been set at an amount not to exceed $450,000 per annum. Fees for non-executive directors are not linked to the performance of the Company.

Each of the non-executive directors receives a fixed fee for their services as directors. There is no direct link between remuneration paid to any of the directors and corporate performance such as bonus payments for achievement of certain key performance indicators. There are no retirement benefits for non-executive directors.

Non-executive directors are encouraged to hold shares in the Company and align their interests with the Company's shareholders. The shares are purchased by the directors at the prevailing market share price.

Executive remuneration

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and consistent with market standards;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood;
- Reward superior performance within an objective and measurable incentive framework; and
- acceptable to shareholders.

The Group's approach to remuneration is designed to ensure remuneration is competitive, performance-focused, clearly links appropriate reward with business objectives and is simple to administer and understand by executives and shareholders.

The Executive KMP remuneration comprises the following:

- Fixed (base remuneration):
- At risk component:
  - Short-term incentive ("STI") – described further in the table below; and
  - Long-term incentive ("LTI") – described further in the table below.

Element	Purpose	Performance metrics	Potential value
Base (fixed) remuneration	Provide a market competitive salary, including superannuation.	Nil	Within industry averages for the position's required skill and experience. Third party advice is sought periodically to ensure these are at or close to market median.
STI	Equity-based reward for 12-month performance.	Corporate and project development objectives. Company strategy is set at the Board level and is used to determine the KPIs. STI objectives are set out below in detail.	Up to 40% of base remuneration.
LTI	Alignment with growth in long-term shareholder value over a three-year period.	Achievement of key company objectives, linked to long-term performance such as project milestones and share price performance.	Up to 60% of base remuneration.

Balancing short-term and long-term performance

The Company considers performance-based remuneration to be a critical component of the overall remuneration framework, by providing a remuneration structure that rewards employees for achieving goals that are aligned to the Group's strategy and objectives. Both STIs and LTIs are issued under the Employee Share and Options Plan ("ESOP").

The purpose of the ESOP is to assist in the reward, retention and motivation of key management personnel, senior executives and other employees ("eligible participants"), link reward to performance and the creation of shareholder value, align the interests of eligible participants more closely with the interests of shareholders and provide an opportunity for eligible participants to share in the future growth in value of the Company.

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Short-term incentives

The STI scheme operates to link performance and reward with key measurable financial and non-financial performance indicators to provide employees with clear and understandable targets that are aligned with the Group's objectives.

STIs are in the form of options which vest on completion of the one-year period. The number of options that vest is determined based on assessment of individual performance against stated objectives to determine the percentage of objectives that has been achieved. This percentage is then applied to the options granted in order to determine the number of options that vest. The employee then has three years in which to exercise the options. Each vested STI option represents a right to be issued one share.

The STI performance objectives are communicated to KMPs at the beginning of the twelve-month performance period, with performance evaluations conducted following the end of the respective twelve-month performance period. The key performance indicators ("KPIs") for STIs granted during the financial year related to the development of the Bristol Springs renewable energy project are as follows:

1. Safety and environmental
    - Zero fatalities, life changing events and zero major environmental incidents
2. Commercial
    - Hydrogen supply agreement
3. Corporate
    - Market capitalisation target
    - Publish sustainability report
    - Budget target
    - Zero-emission certification

During the year, the Company issued 7,566,556 STI options, with 2,731,500 options subsequently being cancelled.

Long-term incentives

The KMP remuneration structure also seeks to drive performance and align with shareholder interests through LTI equity-based remuneration. This involves the issue of options to KMP as LTIs. Subject to performance against agreed vesting criteria, LTIs vest three years from the grant date and expire five years from the grant date. Each vested LTI option represents a right to be issued one share. KMPs are assessed against applicable KPIs on the third anniversary from the date of issue.

The selection of the KPIs are aligned to the Group's strategy, which is to develop its existing projects into one of WA's largest renewable energy hubs.

The vesting criteria for LTIs related to KPIs for the 1 January 2023 to 31 December 2025 performance period are:

1. Solar
    - Land securitisation (i.e., increase holding to 1,200 hectares)
    - Solar construction commenced (i.e., 114MW commissioned substantial commercial terms for expansion for an additional 100MW)
2. Hydrogen
        - Hydrogen production plant construction (i.e., 36MW commissioned substantial commercial terms for expansion for an additional of 36MW)
    - Hydrogen refuelling station construction and final investment decision
3. Growth
    - New business opportunity – industrial refuelling feasibility and business case approval
    - Merger and acquisition ("M&A") completed
    - Peaking plant (i.e., 30MW peaking plant final investment decision to commissioning)
4. Corporate

- Market capitalisation targeted to at least $250 million
- Environmental, Social & Governance ("ESG") – (i.e., report against selected rating agency and continuous improvement)

The above KPI's are linked to key Company performance objectives, such as project milestones and share price performance.

During the year, the Company issued 8,372,000 LTI options, with 3,539,000 options subsequently being cancelled. Details of all options held by KMP of the Group, at the date of this report are shown below.

Remuneration of Directors and KMP

Actual remuneration earned by KMP for their services as directors and executives of the Company during the financial year ended 31 December 2023 and 31 December 2022 is set out below.

31 December 2023

Name	Short-term employee benefits Salary and fees $	Post-employment benefits Super-annuation $	Share-based payment options $	Termination benefits $	Total $	Proportion of remuneration performance related %
Directors						
Mr G Davey[3]	270,000	-	347,580	-	617,580	56
Mr S Lee Mohan[2]	362,562	28,083	130,774	203,941	725,360	18
Mr C Bath	159,750	-	161,830	-	321,580	50
Ms D Marshall	45,147	4,853	-	-	50,000	-
Ms A Reid	45,147	4,853	-	-	50,000	-
Mr A Kiley[1]	9,846	1,132	-	-	10,978	-
Mr W King[1]	10,026	-	-	-	10,026	-
TOTAL	**902,478**	**38,921**	**640,184**	**203,941**	**1,785,524**	**36**

[1] Appointed 19 December 2023.
[2] Resigned on 19 December 2023 and the termination payments comprised $185,913 of salary and fees and $18,028 of superannuation.
[3] The Company makes payments to Matador Capital Pty Ltd ("Matador") under a Shared Services Agreement in which Matador provides office space, general office costs, bookkeeping services, and technical staff to the Company. Refer to note 26 (e) for further details.

31 December 2022

Name	Short-term employee benefits Salary and fees $	Short-term employee benefits Other services $	Post-employment benefits Super-annuation $	Share-based payment options $	Total $	Proportion of remuneration performance related %
Directors						
Mr G Davey	200,000	-	-	253,276	453,276	56
Mr M Young[1]	168,479	300	12,554	-	181,333	-
Mr S Lee Mohan	89,813	-	6,875	340,518	437,206	79
Mr C Bath	131,372	-	-	406,397	537,770	76
Ms D Marshall	45,369	-	4,650	50,655	100,674	50
Ms A Reid	17,984	-	1,888	129,625	149,497	87
TOTAL	**653,017**	**300**	**25,967**	**1,180,471**	**1,859,756**	**63**

[1]Resigned on 22 July 2022.

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Key management personnel equity holdings

(i) Shareholdings of key management personnel

	Balance held at 1 January 2023	Acquired before appointment	Shares acquired at market	WHE Acquisition[4]	Sold	Balance held at 31 December 2023
Mr G Davey	26,527,092	-	2,874,043	5,592,653	-	34,993,788
Mr S Lee Mohan[1]	-	-	58,000	524,093	-	582,093
Mr C Bath	1,923,076	-	-	807,971	-	2,731,047
Ms D Marshall	384,615	-	-	-	-	384,615
Ms A Reid	-	-	-	-	-	-
Mr A Kiley[2]	-	3,523,876[3]	-	3,712,115	-	7,235,991
Mr W King[2]	-	-	-	-	-	-

[1] *Resigned on 19 December 2023*
[2] *Appointed on 19 December 2023*
[3] *Acquired before appointment*
[4] *Acquired upon acquisition of WHE by Frontier as disclosed in note 31.*

(ii) Option holdings of key management personnel

	Balance at 1 January 2023	Acquired before Appointment	Part of remunerat -ion	WHE Acquisition	Exercised	Cancelled	Balance at 31 December 2023
Mr G Davey	5,000,000	-	3,489,189	975,800	-	-	9,464,989
Mr S Lee Mohan[1]	7,039,000	-	5,158,367	-	-	(11,401,000)	796,367
Mr C Bath	6,662,000	-	1,871,000	195,160	-	(16,194)	8,711,966
Ms D Marshall	1,000,000	-	-	-	-	-	1,000,000
Ms A Reid	1,000,000	-	-	-	-	-	1,000,000
Mr A Kiley[2]	-	3,382,537	-	292,740	-	-	3,675,277
Mr W King[2]	-	-	-	-	-	-	-
	20,701,000	3,382,537	10,518,556	1,463,700	-	(11,417,194)	24,648,599

[1] *Resigned on 19 December 2023*
[2] *Appointed on 19 December 2023*

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(iii) Fair value of options of key management personnel

Name	Grant date	Vesting date	Expiry date	No. of options	Exercise price	Fair value per share
Grant Davey	20/01/2022	20/01/2022	19/01/2025	2,500,000	0.20	0.057
Chris Bath	20/01/2022	20/01/2022	19/01/2025	2,500,000	0.20	0.057
Dixie Marshall	20/01/2022	20/01/2022	19/01/2025	500,000	0.20	0.057
Adam Kiley	20/01/2022	20/01/2022	19/01/2025	750,000	0.20	0.057
Amanda Reid	02/08/2022	08/08/2022	19/01/2025	500,000	0.20	0.144
Grant Davey	20/01/2022	20/01/2022	19/01/2025	1,250,000	0.25	0.051
Chris Bath	20/01/2022	20/01/2022	19/01/2025	1,250,000	0.25	0.051
Dixie Marshall	20/01/2022	20/01/2022	19/01/2025	250,000	0.25	0.051
Adam Kiley	20/01/2022	20/01/2022	19/01/2025	375,000	0.25	0.051
Amanda Reid	02/08/2022	08/08/2022	19/01/2025	250,000	0.25	0.130
Grant Davey	20/01/2022	20/01/2022	19/01/2025	1,250,000	0.40	0.037
Chris Bath	20/01/2022	20/01/2022	19/01/2025	1,250,000	0.40	0.037
Dixie Marshall	20/01/2022	20/01/2022	19/01/2025	250,000	0.40	0.037
Adam Kiley	20/01/2022	20/01/2022	19/01/2025	375,000	0.40	0.037
Amanda Reid	02/08/2022	08/08/2022	19/01/2025	250,000	0.40	0.101
Chris Bath	31/05/2022	31/12/2022	31/12/2024	537,806	-	0.244
Adam Kiley	10/06/2022	31/12/2022	31/12/2024	358,537	-	0.220
Samuel Lee Mohan	31/05/2022	31/12/2022	31/12/2024	485,000	-	0.220
Grant Davey	26/05/2023	26/05/2023	31/12/2024	373,189	-	0.420
Samuel Lee Mohan	26/05/2023	26/05/2023	31/12/2024	311,367	-	0.420
Chris Bath	31/05/2022	31/12/2024	31/12/2026	1,108,000	-	0.240
Adam Kiley	10/06/2022	31/12/2024	31/12/2026	554,000	-	0.220
Adam Kiley	21/03/2023	31/12/2023	31/12/2025	416,000	-	0.430
Grant Davey	26/05/2023	31/12/2023	31/12/2025	1,039,000	-	0.420
Chris Bath	26/05/2023	31/12/2023	31/12/2025	624,000	-	0.420
Adam Kiley	21/03/2023	31/12/2025	31/12/2027	554,000	-	0.430
Grant Davey	26/05/2023	31/12/2025	31/12/2027	2,077,000	-	0.420
Chris Bath	26/05/2023	31/12/2025	31/12/2027	1,247,000	-	0.420
Adam Kiley	14/12/2023	14/12/2023	20/04/2024	292,740	0.679	0.003
Grant Davey	14/12/2023	14/12/2023	20/04/2024	975,800	0.679	0.003
Chris Bath	14/12/2023	14/12/2023	20/04/2024	195,160	0.679	0.003
TOTAL				**24,648,599**		

Refer to further disclosures in Note 27.

Performance of Frontier

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years to 31 December 2023.

	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Net profit / (loss) attributable to owners	$2,760,495	($5,342,712)	($2,590,940)	($2,422,158)	($7,017,034)
Share price at end of year[1]	$0.365	$0.450	-	$0.1545	$1.10
Basic earnings per share (cents per share)	0.68	(2.13)	(1.51)	(1.84)	(7.20)

[1]The Company's shares were suspended from trading on 31 December 2021.

End of remuneration report.

Signed in accordance with a resolution of the directors.



Mr Grant Davey
Executive Chairman
Perth, 27 February 2024

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Auditor's independence declaration to the directors of Frontier Energy Ltd

As lead auditor for the audit of the financial report of Frontier Energy Ltd for the financial year ended 31 December 2023, 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 Frontier Energy Ltd and the entities it controlled during the financial year.

Ernst & Young

Pierre Dreyer
Partner
27 February 2024

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Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023	2022
		$	$
Other income	5	292,849	124,600
Amortisation of right-of-use asset	11	(85,662)	(72,959)
Depreciation expense	12	(696)	(3,725)
Exploration and evaluation expenses		(3,297)	(624,577)
Study expenses		(10,314)	(178,235)
Corporate expenses	6, 33	(1,864,814)	(1,888,542)
Employee benefit expenses and consultancy fees	6	(1,207,655)	(1,583,201)
Gain on deconsolidation of Waroona Energy Inc.	21	7,052,175	-
Share in losses of equity-accounted investee	21	(863,778)	-
Share-based payments expense	27	(1,093,367)	(1,818,285)
Finance costs		(21,613)	(29,400)
Other expenses	6	(121,048)	(75,000)
Net profit/(loss) before income tax		**2,072,780**	**(6,149,324)**
Income tax expense	8	-	-
Net profit/(loss) for the year		**2,072,780**	**(6,149,324)**
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations	18	1,073,942	64,290
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of financial assets	10	-	141,455
Other comprehensive income for the year		**1,073,942**	**205,745**
Total comprehensive income/(loss) for the year		**3,146,722**	**(5,943,579)**
Profit/(Loss) attributable to:			
Owners of the Company		2,053,556	(5,522,389)
Non-controlling interests		19,224	(626,935)
		2,072,780	**(6,149,324)**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		2,760,495	(5,342,712)
Non-controlling interest		386,227	(600,867)
		3,146,722	**(5,943,579)**
Basic earnings/ loss) per share (cents per share)	22	0.68	(2.13)
Diluted earnings/ (loss) per share (cents per share)	22	0.55	(2.13)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 $	2022 $
Current Assets			
Cash and cash equivalents	7	11,573,748	13,455,335
Trade and other receivables	9	365,558	272,536
Total Current Assets		**11,939,306**	**13,727,871**
Non-Current Assets			
Other financial assets	10	255,896	182,057
Right-of-use asset	11	105,173	184,751
Property, plant and equipment	12	60,676,673	15,731,866
Exploration & evaluation assets	13	16,103,227	2,108,781
Total Non-Current Assets		**77,140,969**	**18,207,455**
Total Assets		**89,080,275**	**31,935,326**
Current Liabilities			
Trade and other payables	14	1,748,578	5,168,609
Provision for annual leave		17,311	9,460
Lease liability	15	87,005	100,000
Other liability	16	3,777,880	-
Total Current Liabilities		**5,630,774**	**5,278,069**
Non-Current Liability			
Lease liability	15	8,350	75,277
Total Non-Current Liability		**8,350**	**75,277**
Total Liabilities		**5,639,124**	**5,353,346**
Net Assets		**83,441,151**	**26,581,980**
Equity			
Contributed equity	17	104,683,243	46,465,228
Reserves	18	4,082,103	3,871,185
Non-controlling interests	19	(722,023)	3,232,900
Accumulated losses	20	(24,602,172)	(26,987,333)
Total Equity		**83,441,151**	**26,581,980**

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

Year ended 31 December 2023

	Contributed equity $	Accumulated losses $	Share-based payments reserve $	Foreign currency translation reserve $	Non-controlling interests $	Total $
Balance at 1 January 2023	**46,465,228**	**(26,987,333)**	**3,731,135**	**140,050**	**3,232,900**	**26,581,980**
Net profit for the year	-	2,053,556	-	-	19,224	2,072,780
Foreign exchange translation differences	-	89,530	-	617,409	367,003	1,073,942
Total comprehensive income for the year	-	**2,143,086**	**-**	**617,409**	**386,227**	**3,146,722**
Transactions with owners in their capacity as owners						
Issue of shares (note 17)	1,000,000	-	-	-	-	1,000,000
Deconsolidation of Waroona Energy Inc. (note 21)	-	-	-	(817,039)	(4,341,150)	(5,158,189)
Acquisition of Waroona Energy Inc. (note 31)	55,817,271	-	-	-	-	55,817,271
Proceeds from exercise of employee share options (note 17)	960,000	-	-	-	-	960,000
Exercise of employee share options (note 18a)	440,744	-	(440,744)	-	-	-
Expiry of employee share options (note 18a)	-	242,075	(242,075)	-	-	-
Share-based payments (note 27)	-	-	1,093,367	-	-	1,093,367
At 31 December 2023	**104,683,243**	**(24,602,172)**	**4,141,683**	**(59,580)**	**(722,023)**	**83,441,151**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

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Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Contributed equity $	Accumulated losses $	Share-based payments reserve $	Foreign currency translation reserve $	Investment revaluation reserve $	Non-controlling interests $	Total $
Balance at 1 January 2022	**24,744,840**	**(24,594,492)**	**1,494,474**	**99,891**	**(141,455)**	**543,382**	**2,146,640**
Net loss for the year	-	(5,522,389)	-	-	-	(626,935)	(6,149,324)
Foreign exchange translation differences	-	(1,937)	-	40,159	-	26,068	64,290
Reversal of fair value gain on disposal of investment (note 10)	-	-	-	-	141,455	-	141,455
Total comprehensive loss for the year	-	**(5,524,326)**	**-**	**40,159**	**141,455**	**(600,867)**	**(5,943,579)**
Transactions with owners in their capacity as owners							
Issue of shares (note 17)	17,000,000	-	-	-	-	-	17,000,000
Less: Share issue costs	(864,780)	-	-	-	-	-	(864,780)
WHE share issue and NCI dilution	-	2,060,862	-	-	-	3,290,385	5,351,247
Acquisition of Bristol Springs Solar Project	5,416,667	-	1,657,500	-	-	-	7,074,167
Proceeds from exercise of share options	122,852	-	(122,852)	-	-	-	-
Expiry of employee share options	-	997,622	(997,622)	-	-	-	-
Share-based payments (note 27)	45,649	73,001	1,699,635	-	-	-	1,818,285
At 31 December 2022	**45,465,228**	**(26,987,333)**	**3,731,135**	**140,050**	**-**	**3,232,900**	**26,581,980**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 $	2022 $
Operating Activities			
Payments to suppliers and employees (inclusive of GST)		(2,825,535)	(4,223,077)
Interest received		276,578	83,418
Interest paid		(14,912)	(17,567)
Rent received		14,214	-
Payments for exploration activities and evaluation activities		(3,272)	(531,082)
Payments for studies		(2,818)	(178,235)
Net cash used in operating activities	7	**(2,555,745)**	**(4,866,543)**
Investing Activities			
Purchases of property, plant and equipment	12	(6,995,317)	(3,828,986)
Release of cash on deconsolidation of Waroona Energy Inc.	21	(13,440,833)	-
Cash acquired from acquisition of Waroona Energy Inc.	31	11,008,548	-
Research and development tax incentive received	12	210,843	62,882
Payment of exploration costs	13	(110,373)	-
Proceeds from disposal of investment in publicly-listed shares	10	-	250,734
Proceeds from disposals property, plant and equipment		1,790	-
Cash paid for security deposits		-	(177,057)
Net cash used in investing activities		**(9,325,342)**	**(3,692,427)**
Financing Activities			
Lease payments		(86,006)	(82,433)
Proceeds from issue of shares by Waroona Energy Inc.	3	8,636,612	-
Proceeds from issue of shares	17	1,000,000	22,730,942
Proceeds from exercise of options	17	960,000	-
Capital raising costs of WHE before deconsolidation		(341,663)	-
Capital raising costs of the Company		-	(1,162,865)
Net cash from financing activities		**10,168,943**	**21,485,644**
Net (decrease)/increase in cash and cash equivalents		(1,712,144)	12,926,674
Effects of exchange rate changes on cash and cash equivalents		(169,443)	(12,686)
Cash and cash equivalents at the beginning of the year		13,455,335	541,347
Cash and cash equivalents at the end of the year	7	**11,573,748**	**13,455,335**

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes

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Notes to the Consolidated Financial Statements

1. Corporate information

The consolidated financial statements of Frontier Energy Limited (the **Company** or **FHE**) and its subsidiaries (the **Group**) were authorised for issue in accordance with a resolution of the directors on 28 February 2024. FHE is a for profit company limited by shares incorporated and domiciled in Australia and whose shares are publicly traded on the Australian stock Exchange and has a secondary listing on the OTCQB® ("OTC") market in the United States.

The nature of the operations and principal activities of the Group are described in the Directors Report.
The registered office is at Level 20, 140 St Georges Terrace, Perth WA 6000.

2. Summary of 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.

The financial report has been prepared on a historical cost basis except for certain financial assets which have been measured at fair value through profit and loss. Certain comparative figures have been reclassified to be consistent with current period presentation.

The financial report is 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 annual reporting period ended 31 December 2023. 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 31 December 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed or has rights to variable returns from his involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls and 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
- the ability to use its power over the investee to affect its returns.

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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
- 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 year are included in the consolidated statement of profit 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 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.

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) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in an associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. They are initially recognised at cost (equivalent to fair value at the date of acquisition), which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which

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significant influence ceases.

(e) Foreign currency translation

Functional and presentation currency

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of transactions. Both the functional and presentation currency of the parent entity and the Australian-based subsidiaries is in Australian dollars ($), with the exception of Waroona Energy Inc. ("WHE") whose functional currency is in Canadian dollars (C$).

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(f) Exploration and evaluation assets

Exploration and evaluation assets arising out of acquisition of an area of interest are capitalised as part of Exploration and Evaluation Asset. Subsequent exploration expenditure is expensed as incurred.

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.

(g) Property, plant and equipment

Recognition and measurement

Items of plant and equipment, including construction-in-progress are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

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Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Plant and equipment, including computer equipment:20% per annum

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(h) Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(i) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset (e.g. interest on borrowings). All other finance gains or losses are realised when earned or expensed in the period in which they are incurred, respectively. These are mainly foreign currency gains or losses on financial assets and financial liabilities.

(j) Government grants

Government grants are recognised where there is a reasonable assurance the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over periods that relates to the costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognised on the profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

(k) Income tax

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rights 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 Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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tax credits can be utilised.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward tax losses can be utilised.

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

In assessing the recoverability of deferred tax asset the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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

(l) Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members of the parent entity adjusted for cost of servicing equity, the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised and other non-discriminatory 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 order shares; adjusted for any bonus element.

(m) 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 close 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.

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(n) 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.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) 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.

(p) Lease liabilities and right-of-use assets

The Group as a lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentive received).

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The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

(q) Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

(r) Other taxes

Revenues, expenses, and assets are recognised net of the amount of goods and services tax ("GST") except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Financial instruments

Financial assets at initial recognition

On initial recognition, a financial asset is classified as measured at (i) amortised cost, or (ii) financial assets designated at fair value through other comprehensive income ("FVTOCI") – equity investment; or financial assets at fair value through profit and 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 Group's trade and other receivables, excluding prepayments are measured at amortised cost.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis. This includes investments as disclosed in Note 10.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. The Group has no financial assets measured at FVTPL.

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Financial assets – subsequent measurements

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment 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.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Equity instruments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement

The Group's financial liabilities are classified as measured at amortised cost. 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.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises financial liability when its contractual obligations are discharged or cancelled, or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to assessment when circumstances exist and warrant that the value are recoverable subject to the guidance of the accounting standards on asset recognition.

(t) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate of the consideration required to settle the present obligation at the reporting date, taking into account 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.

(u) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and term deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(v) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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(w) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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 managements 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) Deconsolidation of Waroona Energy Inc.

On 15 May 2023, WHE completed a C$9 million (A$8,636,612) private placement by issuing 150,000,000 shares at C$0.06 each. The Company participated in the placement purchasing 19,695,883 shares for a consideration of C$1,181,753 (A$1,296,834). This placement diluted OPH's holding in WHE to 17.33%. As at 30 June 2023, the Company held 2.67% voting power directly and had a total interest of 20.0%. The Company controlled OPH and as such controlled OPH's voting in WHE.

Accordingly, after collectively considering the Group's power, rights to variable returns and the ability to use the power over the investee to affect amount of the returns on investment over WHE, the Group assessed that it had lost control over WHE effective 15 May 2023 however it exercised significant influence over WHE from that date. As a result, it was required to deconsolidate its interest in WHE and account for its remaining interest in WHE as an associate. The deconsolidation and subsequent recognition of an interest in an associate was accounted for in these financial statements. The recognition of the remaining investment in WHE as an associate and the application of equity accounting took place from 15 May 2023 to 14 December 2023. Effective 15 December 2023, the Group acquired control over WHE via the acquisition of the latter as discussed in notes 31 and 3 (b).

b) Asset Acquisition of Waroona Energy Inc.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Estimates and judgements are required by the Group, taking into consideration all available information at the acquisition date, to assess the fair value of assets acquired and liabilities assumed.

c) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees 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.

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d) Exploration and evaluation costs

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.

Estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely the relevant capitalised amount is written off to the consolidates statement of profit or loss and other comprehensive income in the period when the new information becomes available.

4. Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The Group's activities are primarily related to two geographical and business segments being, mineral exploration in Canada, through WHE, and renewable energy in Australia.

	Operating Loss		Total Assets		Total Liabilities	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Renewable energy	(4,999,470)	(4,599,361)	72,959,754	26,014,534	5,053,063	5,217,225
Corporate	7,052,175	-	-	-	-	-
Mineral exploration	20,075	(1,549,963)	16,120,521	5,920,792	586,061	136,121
	2,072,780	(6,149,324)	89,080,275	31,935,326	5,639,124	5,353,346

	2023 $	2022 $
5. Other income		
Interest income calculated using effective interest method	276,845	102,470
Rent income	14,214	-
Gain on disposals of property, plant and equipment	1,790	-
Gain on disposals of investments in equity instruments at FVTOCI	-	1,734
Gain on debtor settlement	-	20,396
	292,849	124,600
6. Expenses		
(a) Corporate expenses		
Accounting, audit and taxation fees	100,175	144,260
Compliance costs	217,435	390,326
Investor relations	284,774	527,651
Occupancy expenses	137,127	103,948
Stakeholder management expenses	129,301	258,039
Travel and accommodation expenses	45,028	65,735
Other expenses, includes $469,200 (2022: $158,197) shared costs charged by Matador Capital Pty Ltd)	950,974	398,583
	1,864,814	1,888,542

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	2023 $	2022 $
6. Expenses (continued)		
(b) Employee benefit expenses and consultancy fees		
Directors' salaries and consulting fees	1,134,516	678,984
Salaries and wages	70,642	515,588
Other consultants	2,497	388,629
	1,207,655	1,583,201
(c) Other expenses		
Foreign currency losses	121,048	-
Land option fees - expired	-	75,000
	121,048	75,000
7. Cash and cash equivalents		
Cash at banks	3,768,775	13,455,335
Term deposits	7,804,973	-
	11,573,748	13,455,335
Reconciliation of net profit/(loss) for the year to net cash flows used in operating activities:		
Loss for the year	2,072,780	(6,149,324)
Non-cash expenses:		
Amortisation of right-of-use asset	85,662	72,959
Depreciation expense	696	3,725
Share-based payments	1,093,367	1,818,285
Gain on deconsolidation of WHE	(7,052,175)	-
Share on losses of WHE (as an associate)	863,778	-
Net foreign exchange differences	234,280	(190)
Changes in working capital:		
Trade and other receivables, excluding prepayments	76,156	(59,984)
Prepayments	(56,508)	(53,363)
Other financial assets	-	66,060
Trade and other payables, excluding accruals	661,296	(880,342)
Accruals	(526,651)	316,011
Provision for annual leave	(6,634)	(380)
Gain on disposal of property, plant and equipment	(1,790)	-
Net cash used in operating activities	(2,555,745)	(4,866,543)

As at 31 December 2023, the term deposits have maturity dates of less than three months. In addition, the cash and cash equivalents acquired from WHE as at 14 December 2023 amounted to $11,008,548 which includes term deposits amounting to $7,813,112.

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	2023 $	2022 $

8. Income tax

(a) Income tax expense

The income tax expense for the year differs from the prima facie tax as follows:

Net profit/(loss) for the year	2,072,780	(6,149,324)
At statutory income tax rate of 30% (2022: 30%)	621,834	(1,844,797)
Non-taxable income	(2,236,911)	-
Non-deductible expenses	618,069	545,425
Deferred tax assets not brought to account	994,851	1,299,372
Others	2,157	-
Total income tax expense	-	-

(b) Deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

Gross:		
- Tax losses	20,175,671	16,859,502
- Deductible temporary differences	(20,175,671)	(16,859,502)
Tax effect:	-	-
- Tax Losses*	6,052,702	5,057,851
- Deferred tax assets not brought to account	(6,052,702)	(5,057,851)
**2022 tax loss was adjusted to reflect the revised amounts submitted to tax authority*	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if (i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and (iii) no changes in tax legislation adversely affect the Group in realising the benefit.

	2023 $	2022 $

9. Trade and other receivables

Trade debtors	42,164	9,839
Prepayments	270,402	123,015
GST receivables	52,992	139,682
	365,558	272,536

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	2023 $	2022 $
10. Other financial assets		
Security deposits	255,896	182,057
Financial assets at FVTOCI	-	-
	255,896	182,057
Financial assets at fair value through other comprehensive income		
Listed securities – Shares		
Balance at 1 January	-	107,545
Disposal of investment	-	(250,734)
Gain on disposal of investments	-	1,734
Fair value movement	-	141,455
Balance at 31 December	-	-

The Group sold its 8,300,000 shares in Athena Resources Limited ("AHN"), on 16 June 2022 at $0.031 per share for a gross consideration of $253,267 less $2,533 in brokerage costs, representing a gain on sale of $1,734. The balance of $141,455 in the investment revaluation reserve was derecognised upon disposal of the investment.

	2023 $	2022 $
11. Right-of-use asset		
Land right-of-use	270,446	257,710
Less: Accumulated amortisation	(165,272)	(72,959)
	105,173	184,751

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	2023 $	2022 $
12. Property, plant and equipment		
Land	11,278,665	5,658,323
Land option fees	1,532,604	1,592,604
Solar Project in progress	46,866,268	8,024,842
Hydrogen Project in progress	493,601	455,000
Peaking Plant Project in progress	505,133	-
Plant and equipment – at cost	10,353	13,576
Accumulated depreciation	(9,951)	(12,479)
Balance at 31 December	60,676,673	15,731,866
Movement in property, plant and equipment		
Cost		
Balance at 1 January	15,744,345	13,519
Additions, net of research and development costs incentive of $210,843 (2022: $62,882)	1,769,021	15,730,826
Acquisition of Waroona Energy Inc. (note 31)	43,176,482	-
Write-off/Disposal	(3,224)	-
Balance at 31 December	60,686,624	15,744,345
Accumulated depreciation		
Balance at 1 January	(12,479)	(8,754)
Write-off/Disposal	3,224	-
Depreciation for the year	(696)	(3,725)
Balance at 31 December	(9,951)	(12,479)
Additions agreed to statement comprises the following:		
Solar Project-in-progress[1]	229,026	8,024,899
Hydrogen Project-in-progress[1]	38,601	455,000
Land[2]	1,495,394	5,658,323
Peaking Plant Project	6,000	-
Solar Project-in-progress acquired from Waroona Energy Inc. (note 31)	43,176,482	-
Land Option Fees[3]	-	1,592,604
Total additions	44,945,503	15,730,826

[1]On 23 February 2022, the Group acquired 100% of the shares in Bristol Springs Solar Pty Ltd. The acquisition in 2022 was accounted for as an asset acquisition via the issue of equity under AASB 2 *Share Based Payments*.

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12. Property, plant and equipment (continued)

The table below outlined the consideration and identifiable assets and liabilities acquired in 2022:

	2022 $
Consideration	
41,666,667 Consideration Shares with a fair value of $0.13	5,416,667
12,750,000 Tranche A Performance Shares with a fair value of $0.13	1,657,500
	7,074,167
Fair of net assets acquired and liabilities assumed	
Cash and cash equivalents	8,427
Trade and other receivables	5,096
Property, plant and equipment	301,957
Trade and other payables	(10,000)
Net assets acquired	305,480
Bristol Springs Solar Project construction work in progress acquired	6,768,687

In addition to the Consideration Shares, Tranche A and Tranche B Performance shares were issued as consideration for the acquisition of Bristol Springs Solar Pty Ltd. Both Tranche A and Tranche B shares are subject to separate non-vesting conditions.

Tranche A non-vesting conditions are not under the control of the entity and as such have been recognised on acquisition date.

Tranche B non-vesting conditions are considered under control of the entity and as such the recognition as part of the cost of the acquisition is delayed until the condition for conversion crystallises.

During the year $224,144 of expenditure relating to the Solar Project in progress was capitalised as it was necessarily incurred in the development of the asset (2022: $1,319,094). Additionally, $38,601 of expenditure relating to the Hydrogen Project in progress was capitalised (2022: $455,000).

Government grants totalling $210,843 was received for research and development has been deducted from the total cost capitalised for the Solar Project (2022: $62,882).

[2] On 1 August 2022, the Group entered into option agreements ("**Options**") to purchase land ("**Properties**") in Wagerup, Western Australia. The consideration paid for the Options was $75,000. The Options were subsequently exercised by the Group on 30 November 2022 and as a result contracts were executed for the Sale of Land by Offer and Acceptance ("**Contracts**"). To exercise the Options, the Group was required to pay deposits of $405,000 ("**Deposits**"). A summary of payments made can be found below:

	2022 $
Purchase price	4,800,000
Deposit of 10%	480,000
Less: Option fee	(75,000)
Net deposit	405,000

The remaining balance payable for the Properties was originally required to be settled on 31 December 2022. However, a Variation of Contract for Sale of Land by Offer and Acceptance was executed on 21 December 2022 for both Properties ("**Variation**"). Under the Variation, the parties to the Contracts agreed to amend the settlement date for both Properties to 30 November 2023 and as part of this variation, a further non-refundable

sum of $240,000 was paid, being in addition to the purchase price of both Properties. The outstanding balance of $4,320,000 was fully paid in cash in November 2023.

12. Property, plant and equipment (continued)

Furthermore, on 5 July 2023 the Group exercised additional Options to acquire two land parcels immediately adjacent to the Bristol Springs Renewable Energy Project Stage One development. The acquisition cost was $1.1 million (excluding transaction costs) for the ground acquired.

[3] The Group has acquired a sole and exclusive option to purchase the land associated with the Bristol Springs Project during the five-year period from the completion of the acquisition at a fixed value of $5,000,000. A first option fee of $1,500,000 was payable on entry into the Option Deed. Amounts have also been paid to acquire options over additional land parcels.

	2023	2022
	$	$
13. Exploration & evaluation assets		
Balance at 1 January	2,108,781	2,107,920
Additions	110,373	-
Deconsolidation of WHE in May 2023	(2,284,391)	-
Acquisition of WHE in December 2023 (note 31)	16,120,521	-
Foreign exchange adjustment	47,943	861
Balance at 31 December	16,103,227	2,108,781
14. Trade and other payables		
Trade creditors	656,458	459,760
Sundry creditors and accruals	1,064,000	374,491
Other payables[1]	28,120	4,334,358
	1,748,578	5,168,609

[1]In 2022, the outstanding balance included $4,320,000 payable as consideration for the purchase of land in Wagerup, Western Australia. The settlement occurred on 30 November 2023.

	2023	2022
	$	$
15. Lease liability		
Lease liability -current	87,005	100,000
Lease liability land – non-current	8,350	75,277
	95,355	175,277
Amount recognised in profit or loss:		
Interest on lease liability, recorded as part of finance costs	13,994	17,567
Short-term lease expenses, recorded as part of occupancy fees	95,801	52,973
Amount recognised in consolidated statement of cash flows:		
Total cash outflow for leases	(86,006)	(82,433)

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	2023	2022
	$	$

16. Other liability

Balance acquired at acquisition date (Note 31)	3,773,241	-
Accretion for the period	4,639	-
Balance at 31 December 2023	3,777,880	-

The outstanding other liability of $3,777,880 represents the contract liability of Waroona Energy Pty Ltd, a wholly-owned subsidiary of Waroona to a third-party seller of land located in Western Australia. The other liability will be due on 14 July 2024 and the outstanding balance was discounted at the transaction date using the Australian 2-year Government Bond yield of 2.675%, to reflect a significant financing component inherent in the contract for sale.

17. Issued capital

	2023	2022
	$	$
446,049,780 (2022: 292,477,893) ordinary shares fully paid	104,683,243	46,465,228

Movement in ordinary shares on issue

Date	Details	No. of shares	$
1 January 2022	Balance at beginning of the year	166,561,155	24,744,840
23 February 2022	Shares issued	61,538,462	8,000,000
23 February 2022	Shares issued for BSS acquisition[1]	41,666,667	5,416,667
23 February 2022	Share issue costs	-	(314,530)
21 June 2022	Shares issued for consultancy services	351,153	45,650
24 October 2022	Shares issued	21,428,571	9,000,000
24 October 2022	Share issue costs	-	(550,250)
Various	Issued shares on conversion of ESS options	931,885	122,852
31 December 2022	Balance at end of the year	**292,477,893**	**46,465,229**
1 January 2023	Balance at beginning of the period	**292,477,893**	**46,465,229**
Various	Issued shares on conversion of ESS options	303,378	66,744
27 April 2023	Shares issued on conversion of ESS options[2]	4,000,000	1,334,000
26 May 2023	Shares issued	2,380,953	1,000,000
14 December 2023	Shares issued on acquisition of WHE	146,887,556	55,817,271
31 December 2023	Balance at end of the period	446,049,780	104,683,244

[1] *Escrowed shares 24 months from quotation*
[2] *Out of $1,334,000 share value, $960,000 was paid in cash*

All shares issued or on issue are fully paid ordinary shares with the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Group does not have a defined share buy-back plan. No dividends were paid or declared in the years ended 2023 and 2022. The Group is not subject to any externally imposed capital requirements.

	Note	2023 $	2022 $
18. Reserves			
Share based payments reserve	(a)	4,141,683	3,731,135
Investment revaluation reserve	(b)	-	-
Foreign currency translation reserve	(c)	(59,580)	140,050
Balance at 31 December		4,082,103	3,871,185
a) Share-based payments reserve			
Balance at 1 January		3,731,135	1,494,474
Payments to directors, executives, and contractors		1,093,367	1,699,635
Acquisition of Bristol Springs Solar Project		-	1,657,500
Exercise of employee share options		(440,744)	(122,852)
Expiry of employee share options		(242,075)	(997,622)
Balance at 31 December		4,141,683	3,731,135

The share-based payments reserve is used to recognise the fair value of options issued and shares granted to directors, executives and suppliers as share-based payments.

	Number of Options	$
2023		
Balance at 1 January	61,500,894	3,731,135
Share-based payments to directors, executives, and consultants	15,938,556	1,093,367
Expiry and cancellation of employee share options	(14,160,591)	(440,744)
Exercise of employee share options	(4,303,378)	(242,075)
Acquisition of Waroona Energy Inc. (note 31)	21,419,563	-
Balance at 31 December	80,395,044	4,141,683
2022		
Balance at 1 January	9,822,779	1,494,474
Share-based payments to directors, executives, and consultants	66,940,999	3,357,135
Expiry of employee share options	(14,330,999)	(997,622)
Exercise of employee share options	(931,885)	(122,852)
Balance at 31 December	61,500,894	3,731,135

All options expenses are recognised over the expected vesting period with reference to the probability that any vesting criteria hurdles will be successfully completed.

During the year, the Company issued 15,938,556 (2022: 66,940,999) unlisted options to directors, executives, and consultants under the Company's Employee Securities and Incentive Plan. The fair value of the options was estimated using a Black Scholes option pricing model. The Company's total share-based payment expense for the relevant year has been recognised in relation to both these options issued during the year as well as unlisted options issued in prior periods which vest over varying time periods.

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	2023 $	2022 $
18. Reserves (continued)		
b) Investment revaluation reserve		
Balance at 1 January	-	(141,455)
Change in investment revaluation reserve	-	141,455
Balance at 31 December	-	-

As disclosed in note 10, the Group sold its holdings in AHN on 16 June 2022.

c) Foreign currency translation reserve		
Balance at 1 January	140,050	99,891
Foreign exchange translation differences of foreign operations	617,409	-
Deconsolidation of Waroona Energy Inc.	(817,039)	-
Change in investment revaluation reserve	-	40,159
Balance at 31 December	(59,580)	140,050

The foreign currency translation reserve represents the cumulative gain and losses arising on the revaluation of a subsidiary with a functional currency other than Australian Dollars which was recognised in the other comprehensive income.

19. Non-controlling interests ("NCI")

Balance at 1 January	3,232,900	543,382
NCI - share of profit/ (loss)	19,224	(626,935)
NCI – Deconsolidation of Waroona Energy Inc.	(4,341,150)	-
Waroona Energy Inc. share issue and NCI dilution	-	3,290,385
NCI on share of foreign exchange translation differences	367,003	26,068
Balance at 31 December	(722,023)	3,232,900

WHE share issue and NCI dilution

In April 2022, WHE completed a placement and issued 87,371,674 additional shares to participating shareholders. OPH did not participate in this placement, resulting in dilution of OPH's holding from 58.6% to 45.5%. FHE controls OPH and as such controls OPH's voting in WHE.

NCI – Deconsolidation of Waroona Energy Inc.

As disclosed in note 3 (a), on 15 May 2023, WHE completed another placement and issued 150,000,000 shares. FHE participated in the placement by acquiring 19,695,883 shares for a consideration of C$1,181,752.98 (A$1,296,834). This placement resulted in a further dilution of OPH holding to 17.33%. Effective on that date, FHE's direct shareholdings reduced to 2.67%; with both FHE and OPH held 20% share interests in aggregate.

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	2023 $	2022 $

20. Accumulated losses

Balance at the beginning of the year	(26,987,333)	(24,594,492)
Net profit/(loss) for the year	2,053,556	(5,522,389)
WHE share-based payments	-	73,001
Gain on change of NCI ownership	-	2,060,862
Expiry of employee share options transferred to accumulated losses	242,075	997,622
Foreign exchange translation differences	89,530	(1,937)
Balance at the end of the year	(24,602,172)	(26,987,333)

21. Equity-accounted investment

Investment in Waroona Energy Inc	-	-

As discussed in note 19, on 15 May 2023, WHE issued additional shares which resulted in a dilution of FHE's and OPH's aggregate shareholding to 20.00%.

In accordance with *AASB 10 Consolidated Financial Statements,* the reduction in FHE's shareholding in WHE to 20% resulted to FHE losing control over WHE. The Group, however, determined that whilst it had lost control over WHE, it had significant influence over WHE with effect from 15 May 2023. Accordingly, it was determined that WHE should be deconsolidated and be accounted for using the equity method of accounting from the date on which the Company obtained significant influence based on the guidance in *AASB 128 Investment in Associates and Joint Ventures*.

As a result of the deconsolidation on 15 May 2023, the Group recognised its investment in WHE at a fair value of $9,794,582 (equivalent to 147,615,883 shares at C$0.06 or A$0.07 per share) as well as a net gain on deconsolidation of $7,052,175 recognised as part of profit or loss.

	15 May 2023 $
Fair value of investment at date significant influence obtained	9,794,582
Add: Foreign currency translation reserve	817,039
Add: Dilution of non-controlling interest	4,341,150
Less: Net assets at 15 May 2023	(7,900,596)
Net gain on deconsolidation	7,052,175

The following table summarises the financial information of WHE as included in its own financial statements, adjusted for fair value adjustments at the date of deconsolidation (i.e., 15 May 2023). The table also reconciles the summarised financial information to the carrying amount of the Group's interest in WHE at 14 December 2023 (the re-acquisition date of Waroona). The 2022 comparative is not presented as the deconsolidation took effect on 15 May 2023. The comparative financial statements of the group included the financial results and performance of WHE. The results of WHE in the table below were for the period from 16 May 2023 to 14 December 2023 only, as WHE became an associate of the Group effective on 15 May 2023 until 14 December 2023. Full control over WHE was acquired from 15 December 2023 to 31 December 2023 as disclosed in Note 31.

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	2023 $	2022 $
21. Equity-accounted investment (continued)		
Percentage of ownership	**20%**	**-**
Non-current assets	41,750,983	-
Current assets	11,152,219	-
Current liabilities	(5,268,323)	-
Net assets (100%)		-
Group's share of net assets (20%)	9,526,976	-
Carrying value adjustments, including foreign currency differences	(564,674)	-
Carrying value of interest in associate at 14 December 2023 (before re-acquisition)	8,962,302	-
Net loss before income tax (100%)	(4,318,889)	-
Other comprehensive income loss (100%)	-	-
Total comprehensive loss (100%)	(4,318,889)	-
Group's share of total comprehensive loss (20%)	(863,778)	-

22. Profit/(Loss) per share

(a) Reconciliation of earnings used in calculating profit/(loss) per share

Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	2,053,556	(5,522,389)

	31 December 2023 Number of shares	31 December 2022 Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	304,024,340	259,554,260
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	372,420,488	259,554,260
(c) Basic earnings/(loss) per share – cents per share	0.68	(2.13)
(d) Diluted earnings/(loss) per share – cents per share	0.55	(2.13)

At the end of the 2023 financial year, the Group had 66,296,044 unissued shares under option (2022: 36,000,894), refer note 27. During the 2023 financial year the Group's unissued shares under option were dilutive.

(e) Information on the classification of options/ unissued shares

As the Company has made a profit for the year ended 31 December 2023, all options on issue and unissued shares are considered dilutive.

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23. Dividends

No dividends were paid during the financial year (2022: Nil). No recommendation for payment of dividends has been made (2022: Nil).

24. Commitments

a) Exploration commitments

The Group has $359,486 (2022: Nil) expenditure commitments on its mining tenements held by a subsidiary in Canada.

b) Executive and shared services commitments are as follows:

	2023	2022
	$	$
0 to 1 year	412,500	270,000
1 to 5 years	450,000	-
5+ years	-	-
	862,500	270,000

25. Financial instruments

a) Financial risk management objectives

The Group's principal financial instruments comprise trade and other receivables, excluding prepayments, trade and other payables and, cash and cash equivalents. The Company manages its exposure to key financial risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.

Financial assets		
Cash and cash equivalents	11,573,748	13,455,335
Trade and other receivables, excluding prepayments	95,156	149,521
Other financial assets	255,896	182,057
	11,924,800	13,786,913
Financial liabilities		
Trade and other payables	1,748,578	5,168,609
Lease liability	95,355	175,277
Other liability	3,777,880	-
	5,621,813	5,343,886

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates.

Ageing analysis of and monitoring of receivables are used to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

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25. Financial instruments (continued)

b) Market risk management

Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash and cash equivalents. The Company constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternatives financing positions and the mix of fixed and variable interest rates. As the Company has no interest bearing borrowing its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

2023	Floating Interest Rate	Fixed Interest Rate		Non-Interest Bearing	Total	Weighted Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	$	$	$	$	$	
Financial Assets						
Cash and cash equivalents	3,768,775	7,804,973	-	-	11,573,748	5.30%
Trade and other receivables	-	-	-	95,156	95,156	-
Other financial assets	-	-	-	255,896	255,896	-
Total Financial Assets	3,768,775	7,804,973	-	351,052	11,924,800	
Financial Liabilities						
Trade and other payables	-	-	-	1,748,578	1,748,578	-
Lease liability	-	87,005	8,350	-	95,355	8.00%
Other liability	-	3,777,880	-	-	3,777,880	1.84%
Total Financial Liabilities	-	3,864,885	8,350	1,748,578	5,621,813	

2022	Floating Interest Rate	Fixed Interest Rate		Non-Interest Bearing	Total	Weighted Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	$	$	$	$	$	
Financial Assets						
Cash and cash equivalents	9,328,490	3,265,806	-	861,039	13,455,335	2.17%
Trade and other receivables	-	-	-	149,521	149,521	-
Other financial assets	-	-	-	182,057	182,057	-
Total Financial Assets	9,328,490	3,265,806	-	1,192,617	13,786,913	
Financial Liabilities						
Trade and other payables	-	-	-	5,168,609	5,168,609	-
Lease liability	-	100,000	75,277	-	175,277	8%
Total Financial Liabilities	-	100,000	75,277	5,168,609	5,343,886	

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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25. Financial instruments (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group does not believe that foreign currency risk is material.

c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through and adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

The tables below have been drawn up based on the undiscounted cash flows (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Group can be required to pay financial liabilities. Amounts for financial assets include interest earned on those assets except where it is anticipated the cash flow will occur in a different period.

	2023				2022			
	≤6 months $	6 – 12 months $	1-5 Years $	Total $	≤6 months $	6 – 12 months $	1-5 Years $	Total $
Financial liabilities								
Trade and other payables	1,748,578	-	-	1,748,578	610,293	4,558,316	-	5,168,609
Lease liability	-	87,005	8,350	95,355	-	100,000	75,277	175,277
Other liability	-	3,777,880	-	3,777,880	-	-	-	-
Total Financial Liabilities	**1,748,578**	**3,864,885**	**8,350**	**5,621,813**	**610,293**	**4,658,316**	**75,277**	**5,343,886**

d) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's potential concentration of credit risk consists mainly of cash deposits with banks. 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.

Considering the nature of the business at present, none of such financial assets are past due, the Group believes that the credit risk is not material to the Group's operations.

e) Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values.

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26. Key management personnel

a) Details of key management personnel

The following persons were directors of Frontier Energy Limited during the financial year:

Mr G Davey	Executive Chairman
Mr S Lee Mohan	Managing Director (resigned 19 December 2023)
Mr C Bath	Executive Director
Ms D Marshall	Non-Executive Director
Ms A Reid	Non-Executive Director (appointed 8 August 2022)

b) Compensation of key management personnel

	2023	2022
	$	$
Short-term benefits	902,478	653,317
Post-employment benefits	38,921	25,967
Termination benefits	203,941	-
Share-based payments	640,184	1,180,471
	1,785,524	1,859,755

The termination benefits of $203,941 was paid to the managing director (inclusive of $18,028 superannuation payment).

c) Loans to key management personnel

There were no loans to key management personnel during the current or previous financial year.

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26. Key management personnel (continued)

d) Interest held by key management personnel under the Employee Share and Option Plan

Share options held by key management personnel under the Company's Employee Share and Options Plan (**ESOP**).

Name	Type	Grant date	Vesting date	No. of options	Total expense In 2023
Grant Davey	Management options @ 20c	20/01/2022	20/01/2022	2,500,000	-
Chris Bath	Management options @ 20c	20/01/2022	20/01/2022	2,500,000	-
Dixie Marshall	Management options @ 20c	20/01/2022	20/01/2022	500,000	-
Amanda Reid	Management options @ 20c	02/08/2022	02/08/2022	500,000	-
Adam Kiley	Management options @ 20c	20/01/2022	20/01/2022	750,000	-
Grant Davey	Management options @ 25c	20/01/2022	20/01/2022	1,250,000	-
Chris Bath	Management options @ 25c	20/01/2022	20/01/2022	1,250,000	-
Dixie Marshall	Management options @ 25c	20/01/2022	20/01/2022	250,000	-
Amanda Reid	Management options @ 25c	02/08/2022	02/08/2022	250,000	-
Adam Kiley	Management options @ 25c	20/01/2022	20/01/2022	375,000	-
Grant Davey	Management options @ 40c	20/01/2022	20/01/2022	1,250,000	-
Chris Bath	Management options @ 40c	20/01/2022	20/01/2022	1,250,000	-
Dixie Marshall	Management options @ 40c	20/01/2022	20/01/2022	250,000	-
Amanda Reid	Management options @ 40c	02/08/2022	02/08/2022	250,000	-
Adam Kiley	Management options @ 40c	20/01/2022	20/01/2022	375,000	-
Sam Lee Mohan	STI	31/05/2022	31/12/202	485,000	-
Grant Davey	STI	26/05/2023	26/05/2023	373,189	156,739
Chris Bath	STI	31/05/2022	31/12/2022	537,806	-
Adam Kiley	STI	10/06/2022	31/12/2022	358,537	-
Chris Bath	LTI	31/05/2022	31/12/2024	1,108,000	47,226
Adam Kiley	LTI	21/03/2023	31/12/2025	554,000	-
Grant Davey	STI	26/05/2023	31/12/2023	1,039,000	130,914
Chris Bath	STI	26/05/2023	31/12/2023	624,000	78,624
Adam Kiley[1]	STI	21/03/2023	31/12/2023	416,000	53,664
Grant Davey	LTI	26/05/2023	31/12/2025	2,077,000	59,927
Sam Lee Mohan	STI	26/05/2023	31/12/2022	311,367	130,774
Chris Bath	LTI	26/05/2023	31/12/2025	1,247,000	35,979
Adam Kiley[1]	LTI	21/03/2023	31/12/2025	554,000	21,744
Adam Kiley	Share options @ 67.9c	14/12/2023	14/12/2023	292,740	-
Grant Davey	Share options @ 67.9c	14/12/2023	14/12/2023	975,800	-
Chris Bath	Share options @ 67.9c	14/12/2023	14/12/2023	195,160	-
TOTAL				**24,648,599**	**715,591**

[1] Appointed 19 December 2023. Remuneration is based on services in Mr Kiley's capacities as executives of the Company. The share-based expenses included on the table represent total expenses for the year.

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e) Transactions with related parties

Mr Grant Davey is a director and shareholder of Matador Capital Pty Ltd (Matador). The Company makes payments to Matador under a Shared Services Agreement in which Matador provides office space, general office costs, bookkeeping services, and technical staff to the Company. The services provided by Matador are recovered from the Company on a cost-plus basis. As at 31 December 2023 the Company had an amount outstanding in trade creditors of $107,433 (2022: $124,215) for services rendered under this arrangement to Matador.

27. Share based payments

a. Recognised share-based payments expense

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

	2023	2022
Expense arising from equity-settled share-based payments	1,093,367	1,818,285

b. Employee share option plan

The purpose of the Employee Share and Option Plan ("**ESOP**") is to assist in the reward, retention and motivation of key management personnel, senior executives and other employees ("**eligible participants**"), link reward to performance and the creation of shareholder value, align the interests of eligible participants more closely with the interests of shareholders and provide an opportunity for eligible participants to share in the future growth in value of the Company.

ESOP grants are delivered in the form of share options which vest over periods as determined by the Board of Directors. The Board sets both short term ("**STI**") and long term ("**LTI**") incentives to be satisfied by the issue of options under the ESOP.

Vesting conditions of the STI and LTI

Short-term incentives

Vesting of the STI's is dependent on completion of targets set and assessed by the Board. For options issued in the previous financial years, these vesting conditions included: (i) obtaining project financing; (ii) all permits, licenses and necessary approval must be in place to commence construction; (iii) completion of a Bankable Feasibility Study with the economics materially in line with the Restart Study; (iv) and to enter into binding offtakes.

Long-term incentives

Vesting of the LTI's is dependent on completion of targets set and assessed by the Board. For options issued in the previous financial years, these vesting conditions include: project development; share price performance; and extension to the life of mine.

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27. Share based payments (continued)

The following table represents the Company's outstanding balance of options as at 31 December 2023:

							Number of options at the end of year	
Grant date	Vesting date	Expiry date	Exercise price	Number of options	Options lapsed / forfeited	Options exercised	On issue	Vested
15/07/2019	01/07/2022	01/07/2024	-	890,894	(890,894)	-	-	-
29/01/2021	29/01/2021	29/01/2024	$0.220	2,000,000	-	(2,000,000)	-	-
29/01/2021	29/01/2021	29/01/2024	$0.260	2,000,000	-	(2,000,000)	-	-
20/01/2022	20/01/2023	19/01/2025	$0.250	3,000,000	-	-	3,000,000	3,000,000
20/01/2022	20/07/2023	19/01/2025	$0.400	3,000,000	-	-	3,000,000	3,000,000
20/01/2022	20/01/2022	19/01/2025	$0.200	6,750,000	-	-	6,750,000	6,750,000
20/01/2022	20/01/2022	19/01/2025	$0.250	3,375,000	-	-	3,375,000	3,375,000
20/01/2022	20/01/2022	19/01/2025	$0.400	3,375,000	-	-	3,375,000	3,375,000
31/05/2022	31/12/2022	31/12/2024	-	1,969,000	(191,197)	(303,378)	1,474,425	1,474,425
31/05/2022	31/12/2024	31/12/2026	-	2,641,000	(808,000)	-	1,833,000	-
02/08/2022	02/08/2022	19/01/2025	$0.200	500,000	-	-	500,000	500,000
02/08/2022	02/08/2022	19/01/2025	$0.250	250,000	-	-	250,000	250,000
02/08/2022	02/08/2022	19/01/2025	$0.400	250,000	-	-	250,000	250,000
03/10/2022	03/10/2023	03/10/2025	$0.200	2,000,000	(2,000,000)	-	-	-
03/10/2022	03/10/2024	03/10/2025	$0.250	2,000,000	(2,000,000)	-	-	-
03/10/2022	03/10/2024	03/10/2025	$0.400	2,000,000	(2,000,000)	-	-	-
21/03/2023	31/12/2023	31/12/2025	-	1,511,000	(115,500)	-	1,395,500	1,395,500
21/03/2023	31/12/2025	31/12/2027	-	1,694,000	(308,000)	-	1,386,000	-
19/04/2023	31/12/2023	31/12/2025	-	92,000	-	-	92,000	92,000
19/04/2023	31/12/2025	31/12/2027	-	123,000	-	-	123,000	-
08/05/2023	31/12/2023	31/12/2025	-	2,000,000	(1,000,000)	-	1,000,000	1,000,000
26/05/2023	26/05/2023	31/12/2024	-	684,556	-	-	684,556	684,556
26/05/2023	31/12/2023	31/12/2025	-	3,279,000	(1,616,000)	-	1,663,000	1,663,000
26/05/2023	31/12/2025	31/12/2027	-	6,555,000	(3,231,000)	-	3,324,000	-
14/12/2023	14/12/2023	20/04/2024	$0.679	21,419,563	-	-	21,419,563	21,419,563
Total				73,359,013	(14,160,591)	(4,303,378)	54,895,044	48,229,044

Weighted average remaining contractual life of share-based payments

The weighted average remaining contractual life for the share-based payments outstanding at 31 December 2023 is 1.4 years (2022: 2.2 years).

Range of exercise price of share-based payments

The range of exercise price for share-based payments outstanding at the end of the year is $0.00 to $0.679 (2022: $0.00 to $0.40).

Weighted average fair value of share-based payments

The weighted average fair value of share-based payments granted during the year was $0.14 (2022: $0.11).

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27. Share based payments (continued)

Valuation of share-based payments

The fair value of the equity-settled share-based payments granted under the ESOP is estimated at the date of grant using a Black and Scholes 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.

28. Remuneration of auditors

Amounts received or due and receivable by the auditors for services provided by the auditor of the Company:

	2023 $	2022 $
Fees for auditing the statutory financial report of the Company[1]	74,854	61,320
Fees for auditing the statutory financial report of WHE Group[2]	-	44,743
Fees for other assurance and agreed upon procedures[3]	-	100,288
	74,854	**206,351**

[1]*Ernst & Young Australia*

[2]Smythe LLP for FY2022

[3] *Ernst & Young Australia for the Group in FY2022*

29. Contingent liabilities

The directors are not aware of any contingent liabilities as at 31 December 2023 (2022: None).

30. Parent entity information

As at, and throughout, the financial year ended 31 December 2023, the parent entity of the Group was Frontier Energy Limited. Details of its financial information is summarised below:

Statement of Financial Position		
Assets		
Current assets	799,869	9,881,776
Non-current assets	64,658,054	178,154
Total assets	65,457,923	10,059,930
Liabilities		
Current liabilities	539,033	405,944
Non-current liabilities	-	-
Total liabilities	539,033	405,944
Equity		
Contributed equity	104,683,243	46,465,228
Reserves	4,141,684	3,731,135
Accumulated losses	(43,906,037)	(40,542,377)
Total equity	64,918,890	9,653,986
Statement of Comprehensive income		
Net loss for the year	(3,542,852)	(14,656,510)
Other comprehensive income	179,192	141,455
Total comprehensive loss for the year	(3,363,660)	(14,515,055)

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30. Parent entity information (continued)

Details of controlled entities

Set out below is a list of material subsidiaries of the Group.

	Country of Incorporation	Percentage Owned %	
		2023	2022
Superior Mining Pty Ltd	Australia	100.0%	100.0%
Bristol Springs Solar Pty Ltd	Australia	100.0%	100.0%
Ophiolite Holdings Pty Ltd	Australia	87.5%	87.5%
Waroona Energy Inc.	Canada	100.0%	39.8%
Waroona Energy Pty Ltd	Australia	100.0%	-
SE Waroona Development Pty Ltd	Australia	100.0%	-
Pick Lake Mining Limited	Canada	100.0%	39.8%

31. Acquisition of Waroona Energy Inc.

On October 6, 2023, the Company entered into a binding agreement with WHE to acquire all of the outstanding shares of WHE that it did not already own or control (the "Waroona Acquisition") by way of statutory plan of arrangement under the Business Corporations Act (British Columbia). The Waroona Acquisition was completed on 15 December 2023 with the following consideration:

- FHE acquired all the issued and outstanding common shares of Waroona not currently held by Frontier or OPH and also acquired 100% of shares issued on conversion of options ("WHE Options") and restricted share units ("RSUs") on the basis that Waroona shareholders received 1 new Frontier Share for every 4.27 WHE shares ("Exchange Ratio") held on the record date. At completion, FHE issued 146,887,556 shares to WHE shareholders;
- The 91,461,674 WHE warrants were converted to 21,419,530 FHE options with an exercise price of $0.679) and an expiry date of 20 April 2024. At the completion date, the fair value of the options amounted to $nil with the estimated probability of being exercised at 0% after taking into account the FHE share price compared to strike price and the time remaining until expiration.

	2023 $
Fair value of Frontier shares (146,887,556 shares at $0.38 cents per share)	55,817,271
Carrying value of previously owned WHE shares at 20% of the shareholdings (note 21)	8,962,302
Transaction costs	481,484
	65,261,057
Identifiable net assets of WHE acquired:	
Cash and cash equivalents	11,008,548
Trade and other receivables	34,941
Prepayments	120,707
Property, plant and equipment	43,176,482
Exploration and evaluation assets	16,120,521
Security deposits	73,839
Trade and other payables	(1,486,255)
Provisions	(14,485)
Other liability	(3,773,241)
	65,261,057

The above transaction was accounted for as an asset acquisition and the transaction costs are capitalised into the carrying value of individual assets.

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32. Events occurring after the reporting date

No other matters or circumstance have arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

33. Reclassifications

The Group's expenses are classified based on its nature in the consolidated statement of profit or loss and other comprehensive income. Accordingly, the following components of expenses in the previous financial year were reclassified for comparative purposes:

	As previously reported 2022 $	Reclassification $	Adjusted 2022 $
Corporate expenses	854,644	1,033,898	1,888,542
Investor relations	527,651	(527,651)	-
Stakeholder engagement expense	258,039	(258,039)	-
Accounting, audit and taxation fees	144,260	(144,260)	-
Occupancy expenses	103,948	(103,948)	-
	1,888,542	-	1,888,542

Directors Declaration

In accordance with a resolution of directors of Frontier Energy Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2023 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 also 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) 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 31 December 2023.

On behalf of the Board.



Mr Grant Davey
Executive Chairman
27 February 2024

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Independent auditor's report to the members of Frontier Energy Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Frontier Energy Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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, 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 31 December 2023 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 each 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 these matters. 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.

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Accounting for changes in interests in Waroona Energy Inc (WHE)

Why significant	How our audit addressed the key audit matter
WHE was previously controlled by the Group and consolidated into the Group's financial position and results. As disclosed in Note 21 of the financial report, WHE completed a private placement of shares on 15 May 2023. Although the Group participated in this placement, its shareholding in WHE was diluted to approximately 20%. As a result, the Group determined that it had lost control over WHE and consequentially deconsolidated its interest in WHE from that date, with its remaining interest in WHE being remeasured at its fair value. The Group recognised a gain of $7,052,175 in the consolidated statement of profit or loss arising from this remeasurement of its remaining interest in WHE. Following the placement, the Group determined its remaining shareholding in WHE gave it significant influence over WHE and consequently it commenced equity accounting its share of WHE's results from 15 May 2023 accordance with AASB 128 *Investments in Associates and Joint Ventures*. As disclosed in Note 31 of the financial report, the Group executed a further agreement with WHE on 6 October 2023 to acquire all of the outstanding shares of WHE not otherwise owned by the Group. This agreement was finalised on 15 December 2023 and was settled via the issue of the Company' shares at an agreed ratio. The Group determined this acquisition should be accounted for as an asset acquisition via the issue of equity in accordance with AASB 2 *Share Based Payments*. The Group determined it gained control of WHE at 15 December 2023 and consolidated WHE's financial position and results from that time to 31 December 2023, in accordance with the requirements of AASB 10 *Consolidated Financial Statements* ("AASB 10").	Our audit procedures included the following: ► Evaluating the Group's determination it lost control over WHE following the dilution of its interest on 15 May 2023 but exercised significant influence from that date. ► Recalculating the gain arising on the remeasurement of the Group's remaining shareholding in WHE following the dilution of its interest on 15 May 2023. ► Reading WHE's Information Circular issued to shareholders as part of the understand the key terms of the acquisition. ► Evaluating the Group's determination that the acquisition of WHE's shares, not already held by it, represented an asset acquisition and the appropriate acquisition date. ► Evaluating the Group's determination it exercised control, as defined by AASB 10, over WHE following completion of its acquisition on 15 December 2023. ► Assessing and recalculating the fair value of the Company's shares issued as part of the acquisition (including the treatment of its existing shareholding) in determining the purchase consideration for the acquisition and reperforming the allocation the purchase consideration based on the relative fair values of assets and liabilities acquired. This assessment was performed with support from our technical accounting specialists. ► Assessing the adequacy of the disclosures in the notes to the financial report.

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This was considered to be a key audit matter because of:

- The judgement involved in determining the Group had lost control over its investment in WHE on 15 May 2023 (but exercised significant influence) and the significance of the gain arising on the remeasurement of the Group's remaining interest in WHE, and
- The significance of the acquisition of WHE to the Group's financial position as well as complexity and judgement involved in accounting for the acquisition, including the determination, measurement of the purchase consideration for the acquisition and allocation of the purchase consideration based on the relative fair values of the assets and liabilities acquired.

Carrying amount of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As at 31 December 2023, the Group held capitalised exploration and evaluation assets of $16,103,227 as disclosed in the Note 13 to the financial report. The carrying amount of capitalised exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the carrying amount of capitalised exploration and evaluation assets may exceed its recoverable amount. The determination as to whether there are any indicators of impairment, involves a number of judgements including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The directors did not identify any impairment indicators as at 31 December 2023. Given the size of the balance and the judgmental nature of impairment indicator assessments for exploration and evaluation assets, we consider this to be a key audit matter.	We considered and challenged the Group's assessment as to whether there were impairment indicators present that required the capitalised exploration and evaluation assets to be tested for impairment as at 31 December 2023 Our audit procedures included the following: • Assessing whether the Group's right to explore was current, which included obtaining supporting documentation such as license agreements. • Considering the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reading minutes of directors' meetings, inspecting Board approved cash flow budgets, and inquiring of senior management and the Directors as to their intentions and the strategy for the Group's areas of interest. • Assessing whether exploration and evaluation data existed to indicate that the carrying amount of capitalised exploration and evaluation assets is unlikely to be recovered through development or sale. • Assessing the adequacy of the disclosures in the notes to the financial report.

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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 2023 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 that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.

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:

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- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance 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.

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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 31 December 2023.

In our opinion, the Remuneration Report of Frontier Energy Ltd for the year ended 31 December 2023, 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
27 February 2024

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ASX Additional Information

As at 20 February 2024

1. Top Twenty shareholders

	Name	Number of Shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,643,624	5.75%
2	CITICORP NOMINEES PTY LIMITED	21,242,329	4.76%
3	COMPUTERSHARE INVESTOR SERVICE <UNEXCHANGED WAROONA SHARES>	20,678,261	4.64%
4	MS ALICIA GOYDER <J&A GOYDER FAMILY A/C>	20,000,001	4.48%
5	SECTOR ONE PTY LTD	13,333,333	2.99%
6	DAVEY HOLDINGS (AUS) PTY LTD <BURNAFORD A/C>	11,427,000	2.56%
7	FIDELITY CLEARING CANADA ULC	10,281,244	2.31%
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,254,577	2.30%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,775,419	1.97%
10	DAVEY HOLDINGS (AUS) PTY LTD	8,719,348	1.95%
11	PEARL CLEAN ENERGY PTY LTD	8,333,333	1.87%
12	ILWELLA PTY LTD	7,740,220	1.74%
13	TAURUS CORPORATE SERVICES PTY LTD	7,352,284	1.65%
14	MRS PAMELA JULIAN SARGOOD	6,800,000	1.52%
15	DAVEY MANAGEMENT (AUS) PTY LTD <DAVEY FAMILY SUPER FUND A/C>	6,570,144	1.47%
16	SHANDONG ISHINE MINING INDUSTRY CO	6,315,130	1.42%
17	MRS TARA ELIZABETH KILEY & MR ADAM LEE KILEY <KILEY FAMILY A/C>	6,303,772	1.41%
18	TR NOMINEES PTY LTD	5,648,814	1.27%
19	DAVEY HOLDINGS (AUS) PTY LTD	5,592,653	1.25%
20	RL HOLDINGS PTY LTD <AIRLIE A/C>	5,547,798	1.24%
		216,559,284	**48.55%**

Voting rights

The voting rights attached to the ordinary shares of the Company are set out below:

i. at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

ii. on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

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2. Distribution of quoted ordinary shares

Analysis of numbers of ordinary shares by size of holding:

Range	Holders	Total Units
above 0 up to and including 1,000	207	138,116
above 1,000 up to and including 5,000	1,004	2,630,663
above 5,000 up to and including 10,000	328	2,627,299
above 10,000 up to and including 100,000	675	23,870,686
above 100,000	316	416,783,016
Totals	2,530	446,049,780

3. Substantial shareholders

Holder name	No. shares	%
Grant Davey	40,986,715	9.19
Alicia Jane Goyder	20,000,001	4.48

4. Performance shares

	No. shares	%
Tranche A		
Alicia Jane Goyder	6,993,167	54.85
Sector One Pty Ltd	3,542,667	27.78
Pearl Clean Energy Pty Ltd	2,214,166	17.37
	12,750,000	**100.00**
Tranche B		
Alicia Jane Goyder	6,993,167	54.85
Sector One Pty Ltd	3,542,666	27.78
Pearl Clean Energy Pty Ltd	2,214,167	17.37
	12,750,000	**100.00**

The Performance Shares are comprised of the following two tranches:

(a) Tranche A: 12,750,000 performance shares that convert into Shares upon the Company or Bristol Springs Solar Pty Ltd having received a binding offer from Western Power to provide the BSS Project with access to the grid which contains the terms of the Electricity Transfer Access Contract; and

(b) Tranche B: 12,750,000 performance shares that convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project.

5. ASX Listing Rule 4.10.19

The Company advises that in accordance with Listing Rule 4.10.19, it has used the cash and assets in a form readily convertible to cash that it had at the time of its re-admission to the Official List of ASX on 3 March 2022, in a way consistent with its business objectives during the year ended 31 December 2023.

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6. Escrowed securities

The following securities (which are included in the capital structure above) are subject to ASX escrow restrictions for a period of 24 months commencing on the date on which official ASX quotation of the Shares commences.

Class	Number of Restricted Securities
Shares	41,666,667
Performance Shares	25,500,000
Options	20,500,000
•CEO Options	-
•Director Options	14,500,000
•Lead Manager Options	3,000,000
•Adviser Options	3,000,000

7. Unquoted equity securities

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	54	3,346,650	2.75%
above 100,000	58	118,230,061	97.25%
Totals	**112**	**121,576,711**	**100.00%**

Unquoted securities by class

Class	Number
Performance shares restricted until 3/3/24	25,500,000
Ordinary and fully paid restricted	41,666,667
Options @ $0.20 exp 19/01/2025	1,250,000
Options @ $0.25 exp 19/01/2025	625,000
Options @ $0.40 exp 19/01/2025	625,000
Options @$0.20 exp 19/01/2025	6,000,000
Options @$0.25 exp 19/01/2025	3,311,367
Options @$0.40 exp 19/01/2025	3,000,000
Options @$0.25 exp 19/01/2025	3,000,000
Options @$0.40 exp 19/01/2025	3,000,000
Options - STI exp 31/12/24	537,806
Options - LTI exp 31/12/26	1,833,000
Options @ $0 exp 31/12/2024	824,808
Options - STI @$0 exp 31/12/2025	4,150,500
Options - LTI @$0 exp 31/12/2027	4,833,000
Options @ $0.679 exp 20/04/2024	21,419,563
	121,576,711

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Country	Entity	Tenement	Interest	Status
Ontario, Canada	Pick Lake Mining Ltd	117859	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	152325	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	168944	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	169024	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	172104	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	181763	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	198338	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	206270	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	209404	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	250023	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	264851	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	272321	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	275425	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	284404	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	284407	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	291726	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	311369	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	321021	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	320935	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	343842	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	343927	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535117	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535108	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535016	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535116	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535119	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535120	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535121	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535106	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535109	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535110	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535111	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535118	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535113	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535115	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535107	100%	Granted

Country	Entity	Tenement	Interest	Status
Ontario, Canada	Pick Lake Mining Ltd	535112	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535017	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	535015	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	101307	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	103721	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	110861	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	110862	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	116128	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	114012	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	128641	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	135278	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	135279	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	135280	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	140125	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	143152	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	157778	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	161749	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	161750	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	161751	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	162597	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	162598	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	162599	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	162600	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	167794	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	175304	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	182220	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	181227	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	187277	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	202441	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	209168	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	214845	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	216569	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	216570	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	216571	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	221892	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	221893	100%	Granted

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Country	Entity	Tenement	Interest	Status
Ontario, Canada	Pick Lake Mining Ltd	229858	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	229859	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	235678	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	236644	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	236645	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	238387	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	242037	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	242038	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	238291	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	238292	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	238293	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	263763	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	264878	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	270269	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	275050	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	282565	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	284423	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	284424	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	300308	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	300718	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	312363	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	312364	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	318298	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	320958	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	320959	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	342212	100%	Granted
Ontario, Canada	Pick Lake Mining Ltd	344450	100%	Granted

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