CRADLE RESOURCES LIMITED

ACN 149 637 016

Proposed to be renamed "Earths Energy Limited"

PROSPECTUS

For the offer of up to 300,000,000 Shares at an issue price of $0.02 per Share to raise up to $6,000,000 (before costs) (Capital Raising Offer).

This Prospectus also contains offers of Vendor Shares, Placement Options, Management Options, Director Options and Lead Manager Options (together, the **Additional Offers**).

This is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy ASX's requirements for re-quotation of the Shares to the Official List following a change to the nature and scale of the Company's activities.

The Securities offered pursuant to this Prospectus should be regarded as speculative in nature. Refer to Section 4 for a summary of the key risks associated with an investment in the Company.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus.

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IMPORTANT NOTICES

General

This Prospectus is dated, and was lodged with ASIC on Wednesday, 8 November 2023. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5:00pm (AWST) on the date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

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

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

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

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

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

On 31 October 2023, the Company announced that it had entered into share sale agreements with various parties to acquire:

(a) 84% of the issued share capital of Volt Geothermal Pty Ltd ACN 651 713 683; and

(b) 84% of the issued share capital of Within Energy Pty Ltd ACN 652 405 831,

(together, the **Acquisitions**). Refer to Section 3 for information on the Company and Section 9 for further details of the terms and conditions of the share sale agreements.

The Acquisitions and the Company's consequential shift to a geothermal exploration and development company will involve a significant change in the nature and scale of the Company's activities and requires the approval of Shareholders under Chapter 11 of the Listing Rules. At the Company's general meeting to be held on Wednesday, 6 December 2023 (**General Meeting**), the Company will seek Shareholders' approval, amongst other things, for the issue of the Securities the subject of the Offers, and the change in nature and scale of the Company's activities resulting from the Acquisitions.

The Company must also comply with the ASX requirements for re-quotation of the Shares on the Official List, which includes re-complying with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to meet these requirements and to facilitate the Offers. The Offers under this Prospectus are conditional on the satisfaction of certain conditions. Refer to Section 1.6 for further details.

The Company's Shares have been suspended from Official Quotation since 13 January 2022 and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of the Shares on the Official List. In the event the conditions to the Offers are not satisfied, or the Company does not receive conditional approval for re-quotation of the Shares on the Official List on terms which the Board reasonably considers are capable of satisfaction, then the Company will not proceed with the Offers or the Acquisitions, and will refund all Application Money (without interest) in accordance with the Corporations Act.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Securities. There are risks associated with an investment in Securities and some of the key risks are detailed in Section 4. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional adviser before deciding whether to invest in Securities. There may also be risks in addition to these that should be considered in light of your personal circumstances.

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

professional adviser before deciding whether to invest in Securities.

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

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

Using this Prospectus

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

Conditions

The Offers detailed in this Prospectus are subject to, and are conditional on, certain events occurring. Please refer to Section 1.7 for further information.

Proximate Statements

The Investment Overview, Sections 2 and 3, contain references to other parties either nearby or proximate to the Projects and includes references to topographical or geological similarities to that of the Projects. It is important to note that such discoveries or geological similarities do not in any way guarantee that the Company will have any success at all or similar successes in delineating a geothermal resource on the Projects.

Financial Information

Section 5 of this Prospectus details the financial information referred to in this Prospectus and the basis of preparation of that information.

The Financial Information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed by Australian Accounting Standards (which are consistent with International Financial Reporting Standards), except where otherwise stated.

The Financial Information is presented in abbreviated form. It does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information detailed in Section 5.

All financial amounts detailed in this Prospectus are expressed in Australian dollars unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables detailed in this Prospectus are due to rounding.

Risks

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, potential investors should consider the risk factors that could affect the financial performance and the assets of the Company. Refer to Section 4 for details of the key risks applicable to an investment in the Company.

Statements of past performance

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

Speculative Investment

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

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to the Investment Overview Section below and to Section 4 for details relating to the key risks applicable to an investment in the Securities.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.cradleresources.com.au/. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and an Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as provided upon request by the Company. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus. Prospective investors wishing to subscribe

for Securities under the Offers should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Foreign Investors

No action has been taken to register or qualify the Securities offered pursuant to this Prospectus, or the Offers, or otherwise to permit the offering of the Securities, in any jurisdiction outside Australia and Switzerland. The distribution of this Prospectus in jurisdictions outside of Australia and Switzerland may be restricted by law and persons who come into possession of this Prospectus outside of Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. Refer to Section 1.21 for further details on selling restrictions that apply to the Offers and the sale of Shares in jurisdictions outside Australia.

Disclaimer

As detailed in Section 1.18, it is expected that the Shares will be quoted on the ASX. The Company, the Share Registry, the Lead Manager and Co-Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

No person is authorised to give any information or make any representation in connection with the Offers that is not detailed in this Prospectus. Any information or representation not detailed in this Prospectus may not be relied on as having been authorised by the Company, the Directors, the Lead Manager, Co-Manager or any other person in connection with the Offers. You should rely only on the information in this Prospectus.

Privacy Statement

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

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities and as otherwise permitted or required by law.

If an Applicant becomes a Securityholder, the Corporations Act requires the Company to include information about the Securityholder (including name, address and details of the Securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Securityholder. Information contained in the Company's public register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Securityholders) and compliance by the Company with its legal and regulatory requirements. For further information you may also contact the Share Registry by phone on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

No cooling off rights

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

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Past performance is not a guide to future performance. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

Photographs and Diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents

or that the assets shown in them are or, will be, owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data detailed in charts, graphs and tables is based on information available as at the date of this Prospectus.

Documents available on website

Any references to documents included on the Company's website at www.cradleresources.com.au/ are for convenience only, and none of the documents or other information available on that website is incorporated in this Prospectus by reference.

Competent Person Statements

The information in this Prospectus that relates to the Projects is based on information compiled and conclusions drawn by personnel at Three60 Energy Pty Ltd.

The compilation of the information in the Independent Technical Expert's Report in Annexure B was completed by Dr. Arnout JW Everts, who holds a PhD in Geology from VU University Amsterdam, has 33 years of industry experience and a proven track record of technical leadership, project management, and technical task and project delivery. His areas of expertise include techno-commercial project due-diligence, field (re)development, oil & gas reserve and resource assessments, geothermal resources and exploitation viability, underground storage of CO2 (CCS) and hydrogen. Through his career, Dr Everts has participated in and/or led over 100 energy projects spanning the entire project life-cycle, from frontier exploration to late field-life including unconventionals. In recent years his focus has shifted to renewables, i.e., geothermal and CCS. Dr Everts is an Active Member of AAPG (American Association of Petroleum Geologists), EAGE (European Association of Geoscientists and Engineers) and GSM (Geological Society of Malaysia), a Professional Member of AGA (Australian Geothermal Association) and he has contributed as lead author or co-author to around 30 research papers and extended abstracts in international scientific journals including papers on geothermal resource potential and assessment. As EuroGeologist title holder (registration no 1435) Dr Everts is entitled to sign off on Company Reserves and Resources reports submitted to regulatory bodies.

Dr. Everts consents to the inclusion in this Prospectus of all matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Dr Everts has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

Third Party Reports

This Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon *ASIC Corporations (Consents to Statements) Instrument 2016/72* for the inclusion of these statements in this Prospectus without such consent having been obtained.

Any statements, data or other contents referenced or attributed to reports by a third party (each a **Third-Party Report**) in this Prospectus represents research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third-Party Report are based on information believed by the third-party author in good faith to be reliable, that third-party author is not able to make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or information contained in any Third-Party Report is based. Any views, opinions or predictions contained in a Third-Party Report are subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events.

Any statement made in a Third-Party Report is made as at the date of that Third-Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third-party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third-Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third-Party Report. The Third-Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offers.

Currency

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

Time

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

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 11.

CORPORATE DIRECTORY

Directors

Mr Grant Davey – Executive Chairman

Mr Chris Bath – Non-Executive Director and Chief Financial Officer

Mr David Wheeler – Non-Executive Director

Mr Matthew (Matt) Kay – Proposed Managing Director

Company Secretary

Ms Catherine Anderson

Registered Office

Level 20
140 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9200 3425
Email: info@cradleresources.com.au

Securities Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: CXX
Proposed ASX Code: EE1

Share Registry

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Telephone: 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia)

Company Website

www.cradleresources.com.au

Legal Advisers

Thomson Geer
Level 29, Central Park Tower
152-158 St Georges Terrace
Perth WA 6000

Auditor

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Investigating Accountant

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

Independent Technical Expert

Three60 Energy Pty Ltd
Level 25
108 St Georges Terrace
Perth WA Australia

Tenement Solicitor

Thomson Geer
Level 29, Central Park Tower
152-158 St Georges Terrace
Perth WA 6000

Lead Manager

Canaccord Genuity (Australia) Limited
Level 42, 101 Collins Street
Melbourne VIC 3000

Co-Manager

CPS Capital Group Pty Ltd
Level 41 108 St Georges Terrace
Perth WA 6000

LETTER FROM THE CHAIRMAN

Dear Investor,

On behalf of the Directors, I am pleased to present this Prospectus and offer you the opportunity to invest in Cradle Resources Limited (to be renamed "Earths Energy Limited") (**Cradle** or the **Company**).

Australia is party to an international treaty on climate change, which was adopted at the United Nations Climate Change Conference in Paris, France on 12 December 2015 (**Paris Agreement**). The Paris Agreement aims to strengthen the global response to the threat of climate change by holding the increase in the global average temperature to well below 2ºC above pre-industrial levels and pursuing efforts to limit temperature increase to 1.5ºC. The transition to clean energy is critical to achieve the objectives under the Paris Agreement. One of the pillars of the sustainable clean energy transition is the widespread adoption of renewable energy solutions to lower and eventually eliminate the emission of greenhouse gases from global energy systems. The accelerated deployment of renewable energy solutions such as solar, wind, hydropower, geothermal, bioenergy and ocean energy can put the Paris Agreement climate goals within reach. Geothermal energy, which is a clean and reliable source of heat and electricity, will play a critical role in the sustainable and clean energy transition alongside other renewable energy sources.

On 31 October 2023, the Company announced that it had entered into binding share sale agreements, subject to Shareholder approval and certain other conditions precedent, to acquire Volt Geothermal Pty Ltd (**Volt**) and Within Energy Pty Ltd (**Within**), which hold geothermal assets in Queensland and South Australia (**Projects**). The Projects comprise of granted geothermal exploration licences and applications for geothermal exploration licences in South Australia and Queensland. These geothermal exploration licences are surrounded by key existing infrastructure for electricity generation, including powerlines and sub power stations.

Following completion of the Acquisitions, Cradle plans to focus on systematically exploring early-stage geothermal targets and developing geothermal resources. This will involve a fit-for-purpose exploration program analysing subsurface geology to identify thermal resource potential at different well depths, undertaking preliminary survey and resource assessments based on offset well data, exploration location definition and exploration drilling. The results from these initial investigations and assessments will determine priority targets for further exploration drilling for geothermal resources.

As part of the transition into the energy sector and from completion of the Acquisitions, the Company will appoint Mr Matthew (Matt) Kay as Managing Director of the Company and Dr Lawrence (Trey) Meckel as Head of the Company's Subsurface Division. Further information regarding the Projects and the Company's plans are detailed in Section 3.

The Company will undertake a capital raise (**Capital Raising Offer**) of 300,000,000 Shares at $0.02 per Share to raise $6,000,000 (before costs), which will be used to fund the work program for the Projects and for working capital purposes. The success of the Capital Raising Offer is expected to provide for the re-quotation of the Company's Shares to the Official List. In addition to the Capital Raising Offer, this Prospectus contains additional ancillary offers.

This Prospectus contains important information regarding the Offers as well as the financial position, operations, management team and future plans of the Company. The key risks with an investment in the Company are detailed in Section 4, which include contractual and completion risk, future capital requirements, tenure and access risks, exploration costs, exploration success, and should be carefully considered. I encourage you to read this Prospectus carefully and, if you do not understand it, you should consult your professional advisers before deciding whether to apply for Securities pursuant to this Prospectus. The Securities offered by this Prospectus should be considered highly speculative.

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

Yours faithfully,

Grant Davey
Executive Chairman

INDICATIVE TIMETABLE

Event	Date [1]
Dispatch Notice of Meeting	Friday, 3 November 2023
Lodgement of Prospectus with ASIC	Wednesday, 8 November 2023
Exposure Period ends	Wednesday, 15 November 2023
Opening Date of the Offers	Wednesday, 15 November 2023
Closing Date of the Offers	Wednesday, 29 November 2023
General Meeting	Wednesday, 6 December 2023
Completion of Acquisitions	Tuesday, 12 December 2023
Satisfaction of Chapters 1 and 2 of the Listing Rules	Monday, 18 December 2023
Issue of Securities under the Offers	Thursday, 21 December 2023
Despatch of holding statements	Thursday, 21 December 2023
Expected date for re-quotation of Shares on the Official List of ASX [2]	Friday, 22 December 2023

Notes:

1. The above dates are indicative only and may change. The Company reserves the right to amend any and all of the above dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offers early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to withdraw the Offers before Securities are issued by the Company). If the Offers are withdrawn before the issue of Securities, then all Application Money will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offers open.
2. Pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, ASX will automatically remove from the Official List any entity whose securities have been suspended from trading for a continuous period of two years. As the Company's Shares have been suspended from Official Quotation since 13 January 2022, in the event the Acquisitions do not proceed and the Company is unable to meet the requirements of Chapters 1 and 2 of the Listing Rules, it will likely be removed from the Official List by ASX. The expected date for re-quotation of the Company's Shares to the Official List is subject to ASX providing the Company with a short extension of the removal deadline of 13 January 2023.

KEY DETAILS OF THE OFFERS

Total number of Shares on issue as at the date of this Prospectus[1]	229,964,218
Issue price per Share under the Capital Raising Offer	$0.02
Shares to be issued under the Capital Raising Offer	300,000,000
Cash raised under the Capital Raising Offer (before costs)	**$6,000,000**
Shares to be issued to the Vendors on completion of the Acquisitions[2]	220,360,329
Total number of Shares on re-commencement of trading on the Official List of ASX	750,324,547
Total number of Options on issue as at the date of this Prospectus	Nil
Placement Options on issue following the Offers[3]	42,500,000
Management Options on issue following the Offers[4]	35,018,016
Director Options on issue following the Offer[5]	24,000,000
Lead Manager Options on issue following the Offers[6]	15,000,000
Total number of Options on re-commencement of trading on the Official List of ASX	**116,518,016**
Ownership of Shares by existing Shareholders on completion of the Capital Raising Offer and the Acquisitions (undiluted)	30.6%
Ownership of Shares by the Vendors on completion of the Acquisitions (undiluted)	29.4%
Ownership of Shares by investors under the Capital Raising Offer on completion of the Capital Raising Offer and the Acquisitions (undiluted)	40.0%
Indicative market capitalisation[7]	**$15,000,000**

Notes:

1. Includes 42,500,000 Shares issued to the Placement Participants under the Placement at an issue price of $0.02 per Share.
2. Refer to Section 3 for further information on the Acquisitions. The Vendor Shares will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List.
3. Refer to Section 1.4(b) for further details relating to the issue of the Placement Options and Section 8.2 for their terms and conditions. The Placement Options may be subject to escrow restrictions for a period of 12 months from the date of issue.
4. Refer to Section 1.4(c) for further details relating to the issue of the Management Options and Section 8.3 for their terms and conditions. The Management Options may be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List.
5. Refer to Section 1.4(d) for further details relating to the issue of the Director Options and Section 8.4 for their terms and conditions. The Director Options may be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List.
6. Refer to Section 1.4(e) for further details relating to the issue of the Lead Manager Options and Section 8.5 for their terms and conditions. The Lead Manager Options will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List.
7. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the table above, the market capitalisation is calculated at the price of the Capital Raising Offer (being $0.02) and on an undiluted basis (i.e. before any Options are exercised). There is no guarantee that Shares will trade at or above $0.02 upon the Company's re-quotation to the Official List.

INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Topic	Summary	Further Information
A. Company Overview		
Who is the issuer of this Prospectus?	Cradle Resources Limited (ACN 149 637 016) (to be renamed "Earths Energy Limited"), a public company incorporated in Australia. The Company was admitted to the Official List (current ASX code: CXX) on 14 September 2011.	Section 3.1
What has been the Company's recent history and what is the current status of the Company?	During the half year ended 31 December 2021, the Company completed the transfer of its interest in the Panda Hill Niobium Project in Tanzania to its owned wholly owned subsidiary Panda Hill Mining Limited, and the in-specie distribution of the beneficial interest in the shares of Panda Hill Mining Limited to eligible Shareholders. Following this divestment, ASX advised that it would require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Company's Securities were suspended from Official Quotation on 13 January 2022 and have remained suspended since that date. Since suspension from Official Quotation, the Directors have focused on identifying, and conducting due diligence on, potential acquisition opportunities to facilitate the re-quotation of the Company's Shares to the Official List. Having regard to current market conditions and the expertise of the current Board, recent efforts have primarily focused on opportunities in the resources and energy sectors.	Section 3.1
How does the Company generate revenue?	At the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and operational.	Section 3.10
What are the key business objectives of the Company?	The Acquisitions will be the platform on which the Company grows its resource base, with the strategy to participate in the significant growth opportunities in the renewable energy industry via a focus on geothermal opportunities, given its unique ability to provide a base-load alternative that produces energy 24/7. The Company's vision is founded by the following three principles - renewable, reliable and ready. In order to achieve its vision, the Company's key objectives as a geothermal energy company will be to: • build government and community support; • undertake preliminary survey and inferred resource assessments based on offset well data; • assess and select preferred technology partners;	Section 3.11

Topic	Summary	Further Information
	• engage with customers and grid connections companies / authorities; • determine preferred exploration locations and basic design with an aim to be ready for drilling within 18 months; • undertake verification drilling, which will feed into the detailed design; • conduct project review and planning, engineering early definition targeted within two years; • conduct field development and production drilling; • undertake project construction; • start-up and commissioning of production; and • repeat multiple modular plants across its acreage. The Company has already begun to plan and undertake activities for further the above-mentioned objectives. Furthermore, on completion of the Offers, the Board believes the Company will have sufficient working capital to further and satisfy these objectives.	
B. Geothermal Energy Investments		
In which sector will the Company operate?	The Company is transitioning from a mining exploration company to a geothermal exploration and production company. The Acquisitions will be the platform on which the Company grows its resource base, with the strategy to participate in the significant growth opportunities in the renewable energy industry via a focus on geothermal opportunities. Geothermal energy is a renewable energy from the natural source of heat contained within the earth. It can be extracted by drilling into the ground and then transported to the surface using fluids for uses including heating, drying and electrical generation. Geothermal energy is a form of clean and reliable heat and electricity which can be extracted on a constant 24 hour basis. It has been established as a reliable and environmentally benign source of power and will play a critical role in the sustainable and clean energy transition, alongside other renewable energy sources.[1] The holistic business model for geothermal energy holds unique advantages over other renewable energy sources. Geothermal energy provides continuous and reliable power generation, the ability to generate baseload power, has a small geographical footprint, a long lifespan with low operating costs and has minimal or negligible greenhouse gas emissions.	Letter from the Chairman, Section 2

[1] IRENA and IGA (2023), Global Geothermal Market and Technology Assessment, International Renewable Energy Agency Abu Dhabi; International Geothermal Association, The Hague. The authors have not provided their consent for the statements in that publication to be included in this Prospectus.

Topic	Summary	Further Information
What future opportunities is the Company evaluating?	Initially, the Company intends to undertake a fit-for-purpose exploration program analysing subsurface geology to identify thermal resource potential at different well depths, undertaking preliminary survey and resource assessments based on offset well data, exploration location definition and exploration drilling. The results from these investigations and assessments will inform the priority targets for further exploration drilling for geothermal resources. The Company may investigate further acquisition opportunities that may complement the Projects and there may be a need to direct funds for that purpose or to raise additional equity capital.	Sections 1.8 and 3.4
C. Acquisitions		
What are the Acquisitions?	On 31 October 2023, the Company announced that it entered into share sale agreements with: (a) the Volt Vendors pursuant to which the Company agreed to acquire 84% of the issued share capital of Volt; and (b) the Within Vendors pursuant to which the Company agreed to acquire 84% of the issued share capital of Within. The consideration for the Acquisitions is 220,360,329 Vendor Shares, which will be allocated to the Vendors in the proportions detailed in Sections 7.1(a) and 7.1(b). The Vendors Shares are being issued to the Vendors under this Prospectus. Refer to Section 1.4(a) for further details of the Vendor Offer. As part of the Acquisitions, the Company has also entered into the Joint Venture Agreement with the Vendors[2] in respect to the Projects. The key terms of the Volt Agreement, Within Agreement and the Joint Venture Agreement are summarised in Section 7.1. The Acquisitions, and the Company's consequential transition to a geothermal energy company, will result in a material change to the nature and scale of the Company's activities, and require the Company to re-comply with Chapters 1 and 2 of the Listing Rules.	Sections 3.2 and 7.1
Who is Volt?	Volt (a company incorporated in Western Australia) is the registered holder of five geothermal exploration licences and one geothermal exploration licence application in South Australia, comprising the Volt Project.	Section 3.5
What is the Volt Project?	The Volt Project comprises secured blocks totalling approximately 12,035km^2 with four contiguous geothermal exploration licences capturing geothermal resource potential between Port Augusta and Olympic Dam, and one geothermal exploration licence east of Flinders Ranges. Volt has also applied for another block comprising 288 km^2.	Section 3.5

[2] Excluding Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust who will no longer be a shareholder of Volt and Within from completion of the Acquisitions.

Topic	Summary	Further Information
	Excluding GELA 768, which is still pending as at the date of this Prospectus, the Volt Licences were granted on 12 December 2022 and are valid for five years (renewable twice for maximum of five years each).	
Who is Within?	Within (a company incorporated in Western Australia) is the registered holder of one geothermal exploration licence and three geothermal exploration licence applications in Queensland, comprising the Within Project.	Section 3.6
What is the Within Project?	The Within Project comprises four contiguous blocks (registered and applications) over 10,000km^2 capturing geothermal resource potential west of Brisbane/Gold Coast to Roma. EPG 2026 was granted on 7 July 2023 and is valid for five years (renewable twice for maximum of five years each). EPG 2031, EPG 2034 and EPG 2036 are still pending geothermal exploration licence applications as at the date of this Prospectus.	Section 3.6
Is there an Independent Technical Expert's Report relating to the Projects?	Yes. The Company has engaged Three60 Energy Pty. Ltd. (ACN 154 919 436) to prepare an Independent Technical Expert's Report in relation to the Volt Project and the Within Project. The Independent Technical Expert's Report provides an assessment of the prospective geothermal resources for the licences comprising of the Projects to demonstrate attractiveness and the potential of the Projects for future geothermal development.	Annexure B
Is there a Solicitor's Tenement Report on the Projects?	Yes. The Company has engaged Thomson Geer to prepare a Solicitor's Tenement Report in relation to the Projects. The Solicitor's Tenement Report provides information on the Company's interests in the Projects and provides an overview of the relevant laws governing the Projects.	Annexure C
What are the conditions precedent for the Acquisitions?	The Acquisitions are subject to condition precedents including: (a) the parties having obtained all regulatory consents and approvals which are necessary for the acquisition of Volt, including all approvals required from the ASX; (b) the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company; (c) completion of the Capital Raising Offer; (d) the Company and the Vendors agreeing the form of the Joint Venture Agreement; and (e) in respect of the Volt Agreement, execution of the Within Agreement; and (f) in respect of the Within Agreement, execution of the Volt Agreement.	Sections 7.1(a) and 7.1(b)

Topic	Summary	Further Information
What is the Company's strategy?	Upon completion of the Acquisitions and re-quotation to the Official List, the Company aims to progressively transition to a geothermal exploration company, and subject to the results of exploration activities, technical studies and availability of suitable funding, exploiting the geothermal resource projects by undertaking project development, construction and production activities. Initially, the Company intends to undertake a fit-for-purpose exploration program analysing subsurface geology to identify thermal resource potential at different well depths, undertaking preliminary survey and resource assessments based on offset well data, exploration location definition and exploration drilling. The results from these investigations and assessments will inform the priority targets for further exploration drilling for geothermal resources. The Company's strategy is to follow a typical path for the maturation of an exploration play through the following stages: (a) exploration and appraisal activities to confirm existence of the resource and demonstrate the commercial viability; (b) study work such as pre-feasibility and definitive feasibility as part of the commercialisation of the resource; and (c) project development which involves drilling of production wells and installation of surface facilities for delivery of energy to market. In addition, the Company intends to investigate and undertake due diligence activities in respect to potential asset and company acquisition opportunities complementary to the Projects.	Section 3.4
D. Summary of the Offers		
What is the Capital Raising Offer and what are its key terms?	The Company is offering 300,000,000 Shares at an issue price of $0.02 per Share to raise $6,000,000 (before costs). The Capital Raising Offer is only open to those members of the public who are invited by the Company to participate in the Capital Raising Offer. If the Capital Raising Offer does not proceed, the Company will not proceed with the Additional Offers.	Sections 1.1 and 1.14
What are the conditions of the Capital Raising Offer?	Completion of the Capital Raising Offer is conditional on: (a) the Company receiving Shareholder approval for the issue of the Shares pursuant to the Capital Raising Offer (refer to Section 1.6(a)); (b) the Company receiving conditional approval from ASX for re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Board reasonably considers are capable of satisfaction; and (c) the Minimum Subscription being raised through the Capital Raising Offer (refer to Section 1.2).	Section 1.7

Topic	Summary	Further Information
	If the above conditions are not satisfied, the Company will not proceed with the issue of Shares pursuant to the Capital Raising Offer and will return to Applicants all the Application Money (without interest) in accordance with the provisions of the Corporations Act. If the Capital Raising Offer does not proceed, the Company will not proceed with the Additional Offers.	
What is the minimum subscription under the Capital Raising Offer?	The Minimum Subscription under the Capital Raising Offer is 300,000,000 Shares.	Section 1.2
What is the Vendor Offer and what are its key terms?	The Company is offering up to: (a) 110,180,165 Shares to the Volt Vendors (and/or their nominees); and (b) 110,180,164 Shares to the Within Vendors (and/or their nominees), (together, the **Vendor Shares**) in consideration for the Acquisitions pursuant to the Volt Agreement and the Within Agreement. Refer to Section 3.2 for details of the Acquisitions. The Vendor Offer may only be accepted by the Vendors (and/or their nominees). The Vendor Shares will rank equally in all respects with the existing Shares on issue.	Sections 1.4(a) and 3.2
What is the Placement Offer and what are its key terms?	The Company is offering up to 42,500,000 Placement Options to the Placement Participants (and/or their nominees). One Placement Option will be issued for each Share subscribed for under the Placement by a Placement Participant. The Placement Offer may only be accepted by the Placement Participants (and/or their nominees). The terms and conditions of the Placement Options are detailed in Section 8.2.	Sections 1.4(b) and 8.2
What is the Management Offer and what are its key terms?	The Company is offering: (a) 11,018,016 Class A Management Options and 18,000,000 Class B Management Options to Mr Matt Kay (and/or his nominee), proposed Managing Director of the Company on completion of the Acquisitions; and (b) 6,000,000 Class B Management Options to Dr Trey Meckel (and/or his nominee), Head of the Company's Subsurface Division on completion of the Acquisitions, to incentive their performance as Managing Director and key employee, respectively. The Management Offer may only be accepted by Messrs Kay and Meckel (and/or their nominees). The terms and conditions of the Management Options are detailed in Section 8.3.	Sections 1.4(c) and 8.3

Topic	Summary	Further Information
What is the Director Offer and what are its key terms?	The Company is offering: (a) 10,000,000 Director Options to Mr Grant Davey (and/or his nominee), Executive Chairman; (b) 10,000,000 Director Options to Mr Chris Bath (and/or his nominee), Non-Executive Director and Chief Financial Officer; and (c) 4,000,000 Director Options to Mr David Wheeler (and/or his nominee), Non-Executive Director, to incentivise their performance as Directors. The Director Offer may only be accepted by Messrs Davey, Bath and Wheeler (and/or their nominees). The terms and conditions of the Director Options are detailed in Section 8.4.	Sections 1.4(d) and 8.4
What is the Lead Manager Offer and what are its key terms?	The Company is offering 15,000,000 Lead Manager Options to the Lead Manager (and/or its nominees) as consideration for services provided as lead manager to the Capital Raising Offer. The Lead Manager Offer may only be accepted by the Lead Manager. The terms and conditions of the Lead Manager Options are detailed in Section 8.5.	Sections 1.4(e) and 8.5

What is the purpose of the Offers?	The purpose of the Offer is to:
	• assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's re-compliance and application for re-quotation to the Official List;
	• provide the Company with sufficient funding to:
	  ○ position the Company to seek to achieve the objectives detailed in Section 3.11;
	  ○ satisfy the working capital requirements for the Company's future expanded business, following completion of the Acquisitions; and
	  ○ meet the costs of the Offers;
	• provide the Company with access to equity capital markets for future funding needs;
	• facilitate the issue of other Securities to be issued in connection with the Acquisitions and the re-quotation of the Company's Shares to the Official List; and
	• remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Capital Raising Offer by retail investors or the sale of any Shares issued under, or issued upon conversion of Securities issued under, the Additional Offers.
		Section 1.5

Topic	Summary	Further Information
What is the proposed use of funds raised pursuant to the Capital Raising Offer?	Upon completion of the Acquisitions and the Offers, the funds raised from the Capital Raising Offer (over a two year period) will be utilised as follows:	Section 1.8

Use of Funds	Minimum Subscription of $6 million	
	$	%
Corporate costs[1]	$1,816,486	30.27%
Joint Venture technical services allocation	$232,138	3.87%
Accounting and support services	$158,340	2.64%
Geological services	$480,000	8.0%
Technical subsurface exploration activities	$283,000	4.72%
HSE Adviser	$320,000	5.33%
Native title and land access	$91,500	1.53%
Consultants – Drilling	$360,000	6.00%
Civil and exploration drilling	$640,000	10.67%
Engineering	$80,000	1.33%
HSEQ compliance requirements	$72,000	1.20%
Title rent and fees	$300,000	5.00%
Transaction costs	$340,000	5.67%
Broker fees	$300,000	5.00%
Working capital[2]	$526,536	8.78%
TOTAL	**$6,000,000**	**100%**

Notes:

1. Comprises of general administration expenses, including director fees, audit fees, insurance, legal, ASX fees, investor relations costs, share registry costs, occupancy costs, accounting and book-keeping costs.
2. General working capital including, but not limited to, expenditure in respect to the Company undertaking due diligence investigations on potential additional complementary project opportunities.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain aspects of the Projects reflecting a change in emphasis.

The table above is a statement of current intention as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances (such as corporate and project acquisition opportunities that become available to the Company from time to time) have the potential to affect the manner in which

Topic	Summary	Further Information
	the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis. The Directors consider that, following completion of the Offers, the Company will have sufficient working capital to meet its stated objectives and satisfy its working capital requirements for a period of at least two years following the Company's re-quotation to the Official List. Refer to Section 3.7 for further details on the Company's proposed work program. The Company may investigate further acquisition opportunities that may complement the Projects and there may be a need to direct funds for that purpose or to raise additional equity capital. The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred which are not included in the above table.	
Is the Capital Raising Offer underwritten?	The Capital Raising Offer is not underwritten.	Section 1.22
Who is the lead manager to the Capital Raising Offer?	The Company has entered into a mandate with Canaccord Genuity (Australia) Limited (**Canaccord**), pursuant to which Canaccord has been engaged as lead manager to the Capital Raising Offer (**Lead Manager Mandate**). Under the terms of the Lead Manager Mandate and subject to the completion of the Capital Raising Offer, the Company has agreed to pay Canaccord the following fees (exclusive of GST: (a) a management fee equal to 1.0% of the total funds raised under the Capital Raising Offer (exclusive of GST); (b) an equity raising fee equal to 4.0% of the total funds raised under the Capital Raising Offer (exclusive of GST); and (c) the issue of 15,000,000 Lead Manager Options. All reasonable out of pocket expenses incurred by Canaccord in connection with the Lead Manager Mandate and the Capital Raising Offer will be reimbursed by the Company.	Section 7.2
Who is the Co-Manager?	CPS Capital Group Pty Ltd ACN 088 055 636. The Co-Manager will act as Co-Manager to the Capital Raising Offer, in respect of an allocation to be agreed between the Lead Manager and the Co-Manager (**Allocation**). The Co-Manager will receive a minimum Allocation of $1 million. The Lead Manager must pay, on behalf of the Company, the Co-Manager a fee equal to 4% of the Allocation, which will form part of the Equity Raising Fee payable by the Company to the Lead Manager.	Section 7.2
What is the effect of the Offers on the capital structure of the Company?	The Company's capital structure immediately following completion of the Acquisitions and the Offers will be as follows:	Section 1.9

	Shares	Options
Existing Securities[1]	229,964,218	Nil
Issue of Shares under the Capital Raising Offer[2]	300,000,000	-
Issue of Vendor Shares[3]	220,360,329	-
Issue of Placement Options[4]	-	42,500,000
Issue of Management Options[5]	-	35,018,016
Issue of Director Options[6]	-	24,000,000
Issue of Lead Manager Options[7]	-	15,000,000
TOTAL	**750,324,547**	**116,518,016**

Notes:

1. Assumes no further Securities are issued prior to the completion of the Acquisitions, other than as detailed in the table. Includes 42,500,000 Shares issued to the Placement Participants under the Placement at an issue price of $0.02 per Share.
2. Assumes all Shares will be issued under the Capital Raising Offer.
3. Vendor Shares will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.
4. Subject to Shareholder approval, the Company will issue the Placement Options to the Placement Participants on the terms and conditions detailed in Section 8.2. The Placement Options may be subject to escrow restrictions for a period of 12 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.
5. Subject to Shareholder approval, the Company will issue the Management Options to Messrs Kay and Meckel comprising of:
    a. 11,018,016 Class A Management Options to Mr Kay; and
    b. 18,000,000 Class B Management Options to Mr Kay and 6,000,000 Class B Management Options to Dr Meckel,

    on the terms and conditions detailed in Section 8.3. The Management Options issued to Mr Kay may be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. The Management Options issued to Dr Meckel may be subject to escrow restrictions for a period of 12 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.
6. Subject to Shareholder approval, the Company will issue the Director Options to Messrs Davey, Bath and Wheeler on the terms and conditions detailed in Section 8.4. The Director Options may be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.
7. Subject to Shareholder approval, the Company will issue the Lead Manager Options to the Lead Manager for services provided in connection with the Capital Raising Offer on the terms and conditions detailed in Section 8.5. The Lead Manager Options will be subject to escrow restrictions for a period of 24 months from the date of the

<table>
<tr><th>Topic</th><th>Summary</th><th>Further Information</th></tr>
<tr><td></td><td>Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.</td><td></td></tr>
<tr><td>Who are the substantial shareholders?</td><td>No person will acquire control of, or voting power of 20% or more in, the Company as a result of the Acquisition or Offers.

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

<table><tr><th>Name</th><th>Number of Shares</th><th>Percentage of Shares (%)</th></tr><tr><td>Aviemore Capital Pty Ltd</td><td>32,300,000</td><td>14.24</td></tr><tr><td>Grant Davey</td><td>23,073,673</td><td>10.17</td></tr><tr><td>Sunset Capital Management Pty Ltd</td><td>24,424,017</td><td>10.77</td></tr><tr><td>Arredo Pty Ltd</td><td>16,400,000</td><td>7.23</td></tr></table>
Based on the information known as at the date of this Prospectus, on completion of the Acquisitions and the Capital Raising Offer, the following persons (including their associates) will have a relevant interest in 5% or more of the Shares on issue:

<table><tr><th>Name</th><th>Number of Shares</th><th>Percentage of Shares (%)</th></tr><tr><td>Mimo Strategies Pty Ltd as trustee for Mimo Trust</td><td>105,772,958</td><td>14.1</td></tr><tr><td>Stephen Biggins as trustee from the Rescap Family Trust</td><td>70,515,305</td><td>9.4</td></tr><tr><td>Jadematt Investments Pty Ltd as trustee for K Upstream Trust</td><td>44,072,747</td><td>5.9</td></tr></table></td><td>Section 1.10</td></tr>
<tr><td colspan="3">E. Re-compliance with Chapters 1 and 2 of the Listing Rules</td></tr>
<tr><td>What approvals will be sought at the General Meeting?</td><td>At the General Meeting to be held on Wednesday, 6 December 2023, Shareholder approval will be sought for (amongst other matters):

(a) the change in the nature and scale of the Company's activities as a result of the Acquisitions;

(b) the issue of the Vendor Shares to the Vendors;</td><td>Section 1.6(a)</td></tr>
</table>

Topic	Summary	Further Information
	(c) the issue of Shares under the Capital Raising Offer; (d) the participation of the Messrs Davey, Bath, Wheeler and Kay, being related parties of the Company, in the Capital Raising Offer; (e) the issue of the Management Options to Messrs Kay and Meckel; (f) the issue of Director Options to Messrs Davey, Bath and Wheeler; (g) the issue of the Lead Manager Options to the Lead Manager; and (h) the issue of the Placement Options to the Placement Participants.	
Why does the Company need to re-comply with Chapters 1 and 2?	The Company acknowledges that: (a) Listing Rule 11.1.2 applies in respect of the Acquisitions and that the Company will need to obtain Shareholder approval to undertake the Change of Activities; and (b) Listing Rule 11.1.3 applies in respect of the Acquisitions and accordingly the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. At the General Meeting, Shareholder approval will be sought for the Change of Activities. To give effect to these changes, the Listing Rules require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements. There is a risk that the Company may not be able to meet the requirements of the re-quotation of the Shares to the Official List. If the conditions of the Capital Raising Offer are not satisfied, or the Company does not receive conditional approval for re-quotation of the Shares to the Official List on the terms which the Board reasonably believes are capable of satisfaction, then the Company will not proceed with the Capital Raising Offer and will refund all Application Money received (without interest).	Section 1.6(b)
F. Financial Information		
What is the Company's financial position?	The Company's pro forma statement of financial position, as at 30 June 2023, has net assets of $11,645,225. This takes into account a range of subsequent events and transactions, including the completion of the Offers, the Acquisitions and is made up of total assets of $12,509,053 (including cash of $6,332,742) and total liabilities of $863,828. Relevant financial information in respect of the Company, including a pro forma statement of financial position detailing the effects of the Offers, is detailed in Section 5. Section 5 also contains statements of financial position, statements of profit or loss and other comprehensive	Section 5

Topic	Summary	Further Information
	income and statements of cash flows for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021.	
What is the financial outlook for the Company following completion of the Acquisitions and Offers?	The long-term financial prospects of the Company is largely dependent on the outcome of the Company's exploration activities. The historical and pro forma statements of financial position, after completion of the Acquisitions and the Offers, is detailed in Section 5.	Section 5
Will the Company have sufficient funds for its activities?	The Board believes that its current cash reserves and the funds raised from the Capital Raising Offer will provide the Company with sufficient working capital to achieve the Company's objectives as detailed in this Prospectus.	Section 1.8
What is the Company's dividend policy?	The Board does not intend to declare or pay any dividends in the immediately foreseeable future. Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 1.24
G. Key Strengths and Key Risks		
What are the key strengths of the Company?	The Board considers that Company has a number of competitive strengths as follows: (a) **First Mover Advantage**: having assembled material core geothermal positions in Australia's most supportive states; (b) **The Right Locations**: the Company's acreage is near existing infrastructure and customers for early commercialisation and scale; (c) **The Right Team**: high calibre team of proven energy industry leaders; (d) **The Right Solution**: geothermal is proven, reliable and one of few 100% renewable solutions available on a continuous 24 hour basis and the levelized cost of electricity is competitive with conventional sources of electricity such as gas peaking plants and intermittent renewables; (e) **The Right Sustainability**: geothermal is the optimal energy source to address energy security and global warming issues, with minimal unintended consequences and undesired secondary impacts on valuable natural resources; (f) **The Right Time**: geothermal markets in the Asia Pacific region are estimated to grow to US$3.2 billion by 2030; (g) **The Right Technology**: binary cycle power plants and closed loop technology can utilise lower	Section 3.12

Topic	Summary	Further Information
	temperature geothermal reservoir water of between 80-180°C; (h) **The Right Policies**: major industry support exists from both Federal and State Governments for a rapid energy transition; and (i) **The Right Skills**: the oil and gas sector, and the power sector have the ideal skills for overlap into geothermal teamed with proven international geothermal expertise.	
What are the key risks of investing in the Company?	Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment of the Company are detailed in Section 4. (a) **Contractual and completion risk** The Company has agreed to undertake the Acquisitions subject to the satisfaction of certain conditions precedent detailed in Section 7.1(a), which includes completion of the Capital Raising Offer. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisitions may be deferred or not occur. Furthermore, completion under the Volt Agreement is conditional upon completion under the Within Agreement (and vice versa). Failure to complete the Acquisitions would mean the Company may not be able to meet the requirements of ASX for re-quotation of the Shares to the Official List, and the Company's Shares will remain suspended from quotation until such time as the Company does re-comply with the Listing Rules. If this occurs, all Application Money will be refunded in full (without interest) in accordance with the Corporations Act. If the Company's Shares are not reinstated to Official Quotation by 13 January 2024, then ASX will likely remove the Company from the Official List in accordance with ASX Guidance Note 33. (b) **Requirements for Additional Capital** The Company's capital requirements depend on numerous factors. To develop the Projects, the Company will require further financing in addition to amounts raised pursuant to the Offers. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company in developing the Projects or otherwise for the Company to undertake its business. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be	Section 4

Topic	Summary	Further Information
	required to reduce the scope of its operations or adapt the scope of the development of the Projects. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. (c) **Grant of Applications** As at the date of this Prospectus, geothermal exploration licences GELA 768, EPG 2031, EPG 2034 and EPG 2036 (**Applications**) are pending grant from the Department for Energy and Mining (South Australia) and Department of Resources (Queensland), respectively. There is no guarantee that the Applications will be granted, or if they are granted, that they will be granted in their entirety. The Department for Energy and Mining South Australia will require Volt to reach agreement with BHP (the proponent of the Olympic Dam Statement Agreement) on terms to access the area of GELA 768 and submit a proposed work program consistent with those access terms before GELA 768 will be considered for grant. The Applications have been validly made and, except as otherwise disclosed in this Prospectus, the Company is not aware, as at the date of this Prospectus, of any further requirements for these Applications as required by the Department for Energy and Mining (South Australia) and Department of Resources (Queensland), respectively. If the Applications are not granted, the Company will not acquire an interest in these geothermal exploration licences and may seek to apply for alternative geothermal exploration licences. (d) **Exploration Risk** The exploration costs of the Company as summarised in Section 1.8 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and, accordingly, the actual costs may materially differ from the estimates and assumptions. Therefore, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability. One of the biggest risks facing the Company is that the proposed exploration programs will not result in discovery of a geothermal resource. Exploration by its nature is a high-risk endeavour and consequently there can be no assurance that the exploration described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic	

Topic	Summary	Further Information
	geothermal resource. Should a discovery be made, there is no guarantee that it will be commercially viable for a host of technical factors beyond the control of the Company. While the Directors will make an effort to reduce the above risks through their geological knowledge and exploration experience, and in employing the best expertise, a commercially viable discovery is not at all certain and success can never be guaranteed. Exploration, project development and exploitation of resources by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as: (i) the discovery of a suitably large and economically exploitable geothermal resource; (ii) access to adequate capital for flow testing; (iii) successful conclusions to bankable feasibility studies; (iv) access to adequate capital for project development; (v) securing and maintaining title to geothermal licences and leases; (vi) obtaining consents and approvals necessary for the conduct of exploration and energy generation; (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees; and (viii) costs overruns in drilling and other equipment failure. Adverse weather conditions over a prolonged period can adversely affect exploration and development operations and the timing of revenues. Whether or not income will result from development within any of the geothermal licences and leases depends on the successful establishment of operations. Factors including costs, geological reality, consistency and reliability of the geothermal reservoir, will affect successful project development and production operations. (e) **Resource Estimate Risk** The Company is engaged in exploration appraisal and development which is inherently highly speculative and involves significant risk.	

Topic	Summary	Further Information
	Estimating prospective Geothermal Energy Resources is subject to significant assumptions and uncertainties associated with technical data and interpretation of that data, the application of technology to access and recover the Geothermal Energy Resources, future electricity prices and future development and operating costs. There can be no guarantees that the Company will successful be able to convert prospective Geothermal Energy Resources into Contingent Geothermal Energy Resources and eventually to Geothermal Energy Reserves. For these reasons, estimates of the economically recoverable Geothermal Energy Resources attributable to any particular group of properties, classification of such Geothermal Energy Resources based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineer at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to these Geothermal Energy Resources will vary from such estimates, and such variances could be material. Geothermal Energy Resources and Geothermal Energy Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Geothermal Energy Resources and Geothermal Energy Reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alternations to development plans which may, in turn, adversely affect the Company's operations. (f) **Reliance on Key Personnel** The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Directors or employees ceases their involvement with the Company. (g) **Market Conditions** Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:	

Topic	Summary	Further Information
	(i) general economic outlook; (ii) introduction of tax reform or other new legislation; (iii) interest rates and inflation rates; (iv) changes in investor sentiment toward particular market sectors; (v) the demand for, and supply of, capital; and (vi) terrorism or other hostilities. The market price of securities can fall and rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.	
H. Directors and Related Party Interests and Arrangements		
Who are the Directors and senior management of the Company?	The Directors and senior management of the Company are: (a) Mr Matt Kay – Proposed Managing Director, on and from completion of the Acquisitions; (b) Mr Grant Davey – Executive Chairman; (c) Mr Chris Bath – Non-Executive Director; (d) Mr David Wheeler – Non-executive Director; (e) Ms Catherine Anderson – Company Secretary; and (f) Dr Trey Meckel – Head of the Company's Subsurface Division.	Sections 6.1 and 6.2
What benefits are being paid to Directors and what interests do Directors have in the securities of the Company?	The interests of the Directors, including details of their remuneration and the Securities held by them are detailed in Sections 9.7 and 9.8.	Sections 9.7 and 9.8
What contracts and/or arrangements with related parties is the Company a party to?	The only material contracts with related parties that the Company is party to are the following: (a) consultancy agreement and non-executive director appointment letters with each of the	Sections 7.1, 7.3, 7.4, 7.5 and 9.9

Topic	Summary	Further Information
	Directors and Mr Matt Kay, proposed Managing Director, for their engagement; (b) deeds of indemnity, insurance and access with each of the Directors and Mr Matt Kay, proposed Managing Director; (c) the Volt Agreement and Within Agreement to which an entity associated with Mr Matt Kay is a party; and (d) the Cost Sharing Agreement and the Office Use Agreement with Matador Capital, which is an entity associated with Mr Grant Davey, Executive Chairman.	
Are the Directors participating in the Capital Raising Offer?	Subject to Shareholder approval at the General Meeting, the Directors intend to participate in the Capital Raising Offer by subscribing for the following: (a) Mr Grant Davey: 10,000,000 Shares; (b) Mr Chris Bath: 5,000,000 Shares; (c) Mr David Wheeler: 1,250,000 Shares; and (d) Mr Matt Kay: 5,000,000 Shares, to raise gross proceeds of approximately $425,000.	Section 9.7
I. Applications and Other Information		
How can I apply for Shares under the Capital Raising Offer?	Applications for Shares under the Capital Raising Offer must be made using the Capital Raising Offer Application Form in accordance with the instructions set out in Section 1.14 and the Capital Raising Offer Application Form. The Directors will determine the allocation of Shares under the Capital Raising Offer at their sole discretion. The Directors reserve the right to reject any Application under the Capital Raising Offer or to issue fewer Shares than the number applied for by an Applicant under the Capital Raising Offer. Completed Capital Raising Offer Application Forms and EFT payments must be submitted by the Closing Date.	Sections 1.14 and 1.20
How can I apply for Shares under the Vendor Offer?	Applications for Shares under the Vendor Offer may only be made by the Vendors (and/or their nominees). A personalised Vendor Offer Application Form will be issued to each Vendor, together with a copy of this Prospectus.	Section 1.15(a)
How can I apply for Shares under the Placement Offer?	Applications for Placement Options under the Placement Offer may only be made by the Placement Participants (and/or their nominees). A personalised Placement Offer Application Form will be issued to each Placement Participant, together with a copy of this Prospectus.	Section 1.15(b)
How can I apply for Shares under the Management Offer?	Applications for Management Options under the Management Offer may only be made by Messrs Kay and Meckel (and/or their nominees).	Section 1.15(c)

Topic	Summary	Further Information
	A personalised Management Offer Application Form will be issued to Messrs Kay and Meckel, together with a copy of this Prospectus.	
How can I apply for Shares under the Director Offer?	Applications for Director Options under the Director Offer may only be made by Messrs Davey, Bath and Wheeler (and/or their nominees). A personalised Director Offer Application Form will be issued to Messrs Davey, Bath and Wheeler, together with a copy of this Prospectus.	Section 1.15(d)
How can I apply for Shares under the Lead Manager Offer?	Applications for Lead Manager Options under the Lead Manager Offer may only be made by the Lead Manager (and/or its nominees). A personalised Lead Manager Offer Application Form will be issued to the Lead Manager, together with a copy of this Prospectus.	Section 1.15(e)
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be dispatched on Thursday, 21 December 2023.	Indicative Timetable
When can I sell my shares on the ASX?	It is expected that trading of Shares on the ASX will commence on or around Friday, 22 December 2023.	Indicative Timetable
Will any Securities be subject to escrow?	The Shares issued pursuant to the Capital Raising Offer will not be subject to escrow restrictions. However, subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, certain Securities in the Company will be classified by ASX as Restricted Securities, and will be required to be held in escrow for up to 24 months from the Company's re-quotation to the Official List. Refer to Section 1.13 for further details of the Restricted Securities and escrow arrangements.	Section 1.13
Can the Offers be withdrawn?	The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case the Company will return all Application Money (without interest) in accordance with the provisions of the Corporations Act.	Section 1.29
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by the Applicants on subscription or issue of Securities pursuant to the Offers.	Section 1.28
What are the tax implications of investing in the Company?	The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest in the Company.	Section 1.26
How can I obtain further information?	Further information can be obtained by reading this Prospectus in its entirety and consulting your professional advisers. You can also contact the Company Secretary via cosec@cradleresources.com.au.	Section 1.30

1 Details of the Offers

1.1 Capital Raising Offer

This Prospectus invites investors to apply for a total of up to 300,000,000 Shares at an issue price of $0.02 per Share to raise up to $6,000,000 (before costs) (**Capital Raising Offer**).

The Shares offered under the Capital Raising Offer will rank equally with the existing Shares on issue. Refer to Section 8.1 for details of the rights and liabilities attaching to Shares.

Details of how to apply for Shares and the allocation policy under the Capital Raising Offer are detailed in Sections 1.14 and 1.20.

1.2 Minimum Subscription

The minimum subscription under the Capital Raising Offer is 300,000,000 Shares to raise $6,000,000 (before associated costs) (**Minimum Subscription**).

None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Money (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Money refunded to them (without interest) in accordance with the Corporations Act.

1.3 Oversubscriptions

There will be no oversubscriptions in respect of the Capital Raising Offer.

1.4 Additional Offers

In additional to the Capital Raising Offer, this Prospectus also contains the following Additional Offers, subject to Shareholder approval at the General Meeting:

(a) Vendor Offer

This Prospectus includes an offer of:

(i) 110,180,165 Shares to the Volt Vendors (and/or their nominees); and

(ii) 110,180,164 Shares to the Within Vendors (and/or their nominees),

(together, the **Vendor Shares**) in consideration for the Acquisitions pursuant to the Volt Agreement and the Within Agreement. Refer to Section 3.2 for details of the Acquisitions.

The Vendor Shares to be issued under the Vendor Offer are of the same class and will rank equally in all respect with the existing Shares on issue. Refer to Section 8.1 for details of the rights and liabilities attaching to Shares.

Vendors should refer to Section 1.15(a) for details of how to accept the Vendor Offer.

The Vendor Shares will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.

(b) Placement Offer

On 10 July 2023, the Company completed a placement of 42,500,000 Shares to sophisticated and professional investors at an issue price of $0.02 to raise $850,000 (**Placement**).

The following sophisticated and professional investors participated in the Placement, none of whom are related parties, members of key management personnel, substantial holders or advisers of the Company:

(i) Bella Brodie Pty Ltd;

(ii) Cove Securities Pty Ltd;

(iii) Mrs Emma Morrison;

(iv) Sunset Capital Management Pty Ltd;

(v) Spring Plains Pastoral Co (Vic) Pty Ltd;

(vi) Mr Michael Morrison; and

(vii) Aralad Management Pty Ltd,

(together, the **Placement Participants**).

This Prospectus includes an offer of 42,500,000 Options to the Placement Participants (and/or their nominees) on the terms and conditions detailed in Section 8.2 (**Placement Options**) (**Placement Offer**). One Placement Option will be issued for every Share subscribed for under the Placement.

The Placement Offer is being made with disclosure under this Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Placement Options. Issuing the Placement Options under this Prospectus will enable persons who are issued the Placement Options (being, the Placement Participants (and/or their nominees)) to on-sell the Shares issued on exercise of the Placement Options without further disclosure from the Company pursuant to ASIC Instrument 2016/80.

The Placement Participants should refer to Section 1.15(b) for details of how to accept the Placement Offer.

The Placement Options may be subject to escrow restrictions for a period of 12 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.

(c) **Management Offer**

This Prospectus also includes an offer of:

(i) 29,018,016 Management Options to Mr Matt Kay (and/or his nominee), proposed Managing Director of the Company on completion of the Acquisitions as follows:

(A) 11,018,016 Class A Management Options, comprising of:

(I) 5,509,008 Tranche 1 Class A Management Options; and

(II) 5,509,008 Tranche 2 Class A Management Options; and

(B) 18,000,000 Class B Management Options, comprising of:

(I) 6,000,000 Tranche 1 Class B Management Options;

(II) 6,000,000 Tranche 2 Class B Management Options; and

(III) 6,000,000 Tranche 3 Class B Management Options; and

(ii) 6,000,000 Class B Management Options to Dr Trey Meckel (and/or his nominee), Head of the Company's Subsurface Division on completion of the Acquisitions as follows:

(A) 2,000,000 Tranche 1 Class B Management Options;

(B) 2,000,000 Tranche 2 Class B Management Options; and

(C) 2,000,000 Tranche 3 Class B Management Options,

on the terms detailed in Section 8.3 (**Management Options**) (**Management Offer**).

The Company considers that the grant of the Management Options to Messrs Kay and Meckel is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Messrs Kay and Meckel in respect of their roles and is consistent with the strategic goals and targets of the Company. The issue of the Management Options to Messrs Kay and Meckel will preserve the cash reserves of the Company, will align the respective interests of Messrs Kay and Meckel with those of the Company's Shareholders, and will incentivise Messrs Kay and Meckel to remain employed by the Company for an extended period of time.

The Company considers the number of Management Options to be issued to the Messrs Kay and Meckel to be appropriate and equitable, having regard to the market levels of remuneration for comparable roles, Messrs Kay and Meckel's particular skills and experience, the Company's need to attract and retain key individuals with the desired skills and experience, and the services that each of Messrs Kay and Meckel will be providing to the Company following re-quotation to the Official List.

Subject to the satisfaction of the applicable vesting conditions, each Management Option entitles the holder to subscribe for one Share upon exercise of the Management Option. The exercise of all of the Management Options issues to Messrs Kay and Meckel will result in a dilution of all other Shareholders' holding in the Company of approximately 15% based on the issued Shares as at the date of this Prospectus, and approximately 5% based on the issued Shares on completion of the Acquisitions and the Offers.

The Management Offer is being made with disclosure under this Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Management Options. Issuing the Management Options under this Prospectus will enable persons who are issued the Management Options (being, Messrs Kay and Meckel (and/or their nominees)) to on-sell the Shares issued on exercise of the Management Options without further disclosure from the Company pursuant to ASIC Instrument 2016/80.

Messrs Kay and Meckel should refer to Section 1.15(c) for details of how to accept the Management Offer.

The Management Options may be subject to escrow restrictions for a period of 24 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.

(d) **Director Offer**

This Prospectus also includes an offer of:

(i) 10,000,000 Options to Mr Grant Davey (and/or his nominee), Executive Chairman;

(ii) 10,000,000 Options to Mr Chris Bath (and/or his nominee), Non-Executive Director and Chief Financial Officer; and

(iii) 4,000,000 Options to Mr David Wheeler (and/or his nominee), Non-Executive Director,

on the terms detailed in Section 8.4 (**Director Options**) (**Director Offer**).

The Company considers that the grant of the Director Options to Messrs Davey, Bath and Wheeler is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Messrs Davey, Bath and Wheeler in respect of their roles as Directors and is consistent with the strategic goals and targets of the Company. The issue of the Director Options to Messrs Davey, Bath and Wheeler will preserve the cash reserves of the Company, will align the respective interests of Messrs Davey, Bath and Wheeler with those of the Company's Shareholders, and will incentivise Messrs Davey, Bath and Wheeler to remain employed by the Company for an extended period of time.

The Company considers the number of Director Options to be issued to the Messrs Davey, Bath and Wheeler to be appropriate and equitable, having regard to the market levels of remuneration for comparable roles, Messrs Davey, Bath and Wheeler's particular skills and experience, the Company's need to attract and retain key individuals with the desired skills

and experience, and the services that each of Messrs Davey, Bath and Wheeler will be providing to the Company following re-quotation to the Official List.

Subject to the satisfaction of the applicable vesting conditions, each Director Option entitles the holder to subscribe for one Share upon exercise of the Director Option. The exercise of all of the Director Options issued to Messrs Davey, Bath and Wheeler will result in a dilution of all other Shareholders' holding in the Company of approximately 9% based on the issued Shares as at the date of this Prospectus, and approximately 3% based on the issued Shares on completion of the Acquisitions and the Offers.

The Director Offer is being made with disclosure under this Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Director Options. Issuing the Director Options under this Prospectus will enable persons who are issued the Director Options (being, Messrs Davey, Bath and Wheeler (and/or their nominees)) to on-sell the Shares issued on exercise of the Director Options without further disclosure from the Company pursuant to ASIC Instrument 2016/80.

Messrs Davey, Bath and Wheeler should refer to Section 1.15(d) for details of how to accept the Director Offer.

The Director Options may be subject to escrow restrictions for a period of 24 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.

(e) **Lead Manager Offer**

This Prospectus also includes an offer of 15,000,000 Options to the Lead Manager (and/or their nominees) on the terms detailed in Section 8.5 (**Lead Manager Options**) as consideration for services provided to the Company as lead manager to the Capital Raising Offer (**Lead Manager Offer**).

The Lead Manager Offer is being made with disclosure under this Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Lead Manager Options. Issuing the Lead Manager Options under this Prospectus will enable persons who are issued the Lead Manager Options (being, the Lead Manager and/or its nominees) to on-sell the Shares issued on exercise of the Lead Manager Options without further disclosure from the Company pursuant to ASIC Instrument 2016/80.

The Lead Manager should refer to Section 1.15(e) for details of how to accept the Lead Manager Offer.

The Lead Manager Options will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.

1.5 Purpose of the Prospectus

The purpose of this Prospectus is to:

(a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company’s re-compliance and application for re-quotation to the Official List as detailed in Section 1.6;

(b) provide the Company with sufficient funding to:

(i) position the Company to seek to achieve the objectives detailed in Section 3.11;

(ii) satisfy the working capital requirements for the Company's future expanded business following completion of the Acquisitions; and

(iii) meet the costs of the Offers;

(c) provide the Company with access to equity capital markets for future funding needs;

(d) facilitate the issue of other Securities to be issued in connection with the Acquisitions and the re-quotation of the Company's Shares to the Official List; and

(e) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Capital Raising Offer by retail investors or the sale of any Shares issued under, or issued upon conversion of Securities issued under, the Additional Offers.

Refer to Section 1.8 for further information about the use of proceeds from the Offers.

1.6 Re-compliance with the Listing Rules

(a) General Meeting

At the General Meeting, scheduled for Wednesday, 6 December 2023, the Company will seek Shareholder approval for (amongst other matters):

(i) the change in the nature and scale of the Company's activities as a result of the Acquisitions (**Change of Activities**);

(ii) the issue of the Vendor Shares to the Vendors (and/or their nominees);

(iii) the issue of Shares under the Capital Raising Offer;

(iv) the participation of the Messrs Davey, Bath, Wheeler and Kay (being related parties of the Company) in the Capital Raising Offer up to an aggregate of 21,250,000 Shares;

(v) the issue of the Management Options to Messrs Kay and Meckel (and/or their nominees);

(vi) the issue of Director Options to Messrs Davey, Bath and Wheeler (and/or their nominees);

(vii) the issue of the Lead Manager Options to the Lead Manager (and/or its nominees); and

(viii) the issue of the Placement Options to the Placement Participants (and/or their nominees).

(b) Re-Compliance with Chapters 1 and 2 of the Listing Rules

To give effect to the Change of Activities, the ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

Trading in Shares on the ASX has been suspended since 13 January 2022 and will not be reinstated until the Company re-complies with the requirements of Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements for re-quotation to the Official List. In the event the conditions of the Offers are not satisfied or the Company does not receive conditional approval for re-quotation to the Official List on terms which the Board reasonably believes are capable of satisfaction, the Company will not proceed with the Offers and will repay Application Money received (without interest) in accordance with the Corporations Act.

The Company will apply to the ASX no later than seven days from the date of this Prospectus for Official Quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Money will be refunded in full (without interest) in accordance with the Corporations Act. The Company will not apply to the ASX for Official Quotation of the other Securities to be issued pursuant to this Prospectus.

Neither the ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that the ASX may grant Official Quotation of the Shares issued pursuant to this Prospectus is not taken in any way as an indication by the ASX as to the merits of the Company or the Shares.

1.7 Conditional Offer

Completion of the Capital Raising Offer is conditional on:

(a) the Company receiving Shareholder approval for the issue of the Securities under this Prospectus (refer to Section 1.6(a));

(b) the Company receiving conditional approval from ASX for re-compliance with Chapters 1 and 2 of the Listing Rules on terms which the Board reasonably considers are capable of satisfaction; and

(c) the Minimum Subscription being raised through the Capital Raising Offer (refer to Section 1.2),

(together, the **Conditions**).

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

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

1.8 Uses of Proceeds

As at 30 September 2023, the Company had cash reserves of approximately $473,943 (refer to Section 5).

Upon completion of the Acquisitions and the Offers, the funds raised from the Capital Raising Offer (over a two year period) will be utilised as follows:

Use of Funds	Minimum Subscription of $6 million	
	$	%
Corporate costs[1]	$1,816,486	30.27%
Joint Venture technical services allocation	$232,138	3.87%
Accounting and support services	$158,340	2.64%
Geological services	$480,000	8.0%
Technical subsurface exploration activities	$283,000	4.72%
HSE Adviser	$320,000	5.33%
Native title and land access	$91,500	1.53%
Consultants – Drilling	$360,000	6.00%
Civil and exploration drilling	$640,000	10.67%
Engineering	$80,000	1.33%
HSEQ compliance requirements	$72,000	1.20%
Title rent and fees	$300,000	5.00%
Transaction costs	$340,000	5.67%
Broker fees	$300,000	5.00%
Working capital[2]	$526,536	8.78%
TOTAL	**$6,000,000**	**100%**

Notes:

1. Comprises of general administration expenses, including director fees, audit fees, insurance, legal, ASX fees, investor relations costs, share registry costs, occupancy costs, accounting and book-keeping costs.

2. General working capital including, but not limited to, expenditure in respect to the Company undertaking due diligence investigations on potential additional complementary project opportunities.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain aspects of the Projects reflecting a change in emphasis.

The table above is a statement of current intention as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances (such as corporate and project acquisition opportunities that become available to the Company from time to time) have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The Directors consider that, following completion of the Offers, the Company will have sufficient working capital to meet its stated objectives and satisfy its working capital requirements for a period of at least two years following the Company's re-quotation to the Official List. Refer to Section 3.7 for further details on the Company's proposed work program.

The Company may investigate further acquisition opportunities that may complement the Projects and there may be a need to direct funds for that purpose or to raise additional equity capital. The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred which are not included in the above table.

1.9 Capital Structure

On the basis that the Company completes the Offers, the Company's capital structure will be as follows:

	Shares	Options
Existing Securities[1]	229,964,218	Nil
Issue of Shares under the Capital Raising Offer[2]	300,000,000	-
Issue of Vendor Shares[3]	220,360,329	-
Issue of Placement Options[4]	-	42,500,000
Issue of Management Options[5]	-	35,018,016
Issue of Director Options[6]	-	24,000,000
Issue of Lead Manager Options[7]	-	15,000,000
TOTAL	**750,324,547**	**116,518,016**

Notes:

1. Assumes no further Securities are issued prior to the completion of the Acquisitions, other than as detailed in the table. Includes 42,500,000 Shares issued to the Placement Participants under the Placement at an issue price of $0.02 per Share.
2. Assumes all Shares will be issued under the Capital Raising Offer.
3. Vendor Shares will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.
4. Subject to Shareholder approval, the Company will issue the Placement Options to the Placement Participants on the terms and conditions detailed in Section 8.2. The Placement Options may be subject to escrow restrictions for a period of 12 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.
5. Subject to Shareholder approval, the Company will issue the Management Options to Messrs Kay and Meckel comprising of:
   a. 11,018,016 Class A Management Options to Mr Kay; and
   b. 18,000,000 Class B Management Options to Mr Kay and 6,000,000 Class B Management Options to Dr Meckel,
   on the terms and conditions detailed in Section 8.3. The Management Options issued to Mr Kay may be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. The Management Options issued to Dr Meckel may be subject to escrow restrictions for a period of 12 months from the date of issue. Refer to Section 1.13 for further information on the Company's Restricted Securities.
6. Subject to Shareholder approval, the Company will issue the Director Options to Messrs Davey, Bath and Wheeler on the terms and conditions detailed in Section 8.4. The Director Options may be subject to escrow restrictions for

a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.

7. Subject to Shareholder approval, the Company will issue the Lead Manager Options to the Lead Manager for services provided in connection with the Capital Raising Offer on the terms and conditions detailed in Section 8.5. The Lead Manager Options will be subject to escrow restrictions for a period of 24 months from the date of the Company's re-quotation to the Official List. Refer to Section 1.13 for further information on the Company's Restricted Securities.

1.10 Effect on Control and Substantial Shareholders

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

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

Name	Number of Shares	Percentage of Shares (%)
Aviemore Capital Pty Ltd	32,300,000	14.24
Grant Davey	23,073,673	10.17
Sunset Capital Management Pty Ltd	24,424,017	10.77
Arredo Pty Ltd	16,400,000	7.23

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

Name	Number of Shares	Percentage of Shares (%)
Mimo Strategies Pty Ltd as trustee for Mimo Trust	105,772,958	14.1
Stephen Biggins as trustee from the Rescap Family Trust	70,515,305	9.4
Jadematt Investments Pty Ltd as trustee for K Upstream Trust	44,072,747	5.9

1.11 Forecasts

Geothermal exploration is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues (if any) and expenses associated with the Company's proposed activities.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 3 for further information in respect to the Company’s existing activities.

1.12 Market Price of Shares

The Company has been suspended from trading on ASX since 13 January 2022. The closing price of Shares on 13 January 2022 was $0.041.

1.13 Restricted Securities

RECB Limited, being a major shareholder of the Company, holds a total of 6,200,000 Shares of which 3,100,000 Shares are subject to an orderly market restriction pending commencement of commercial production at the Panda Hill Niobium Project. In 2022, the Company disposed of its interest in Panda Hill Tanzania Limited, which held the Panda Hill Niobium Project, however, this market restriction remains on foot.

Other than as disclosed in this Prospectus, none of the Shares on issue are currently Restricted Securities or subject to escrow restrictions imposed by the ASX.

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, certain Securities to be issued by the Company may be classified by the ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of the Company's re-quotation to the Official List. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

In summary, it is expected that the Vendor Shares, the Placement Options, Management Options, Director Options and Lead Manager Options will be subject to mandatory escrow by the ASX for a period between 12 months from the date of issue to 24 months from the date of the Company's re-quotation to the Official List. ASX will make its final determinations with respect to the application of escrow to the Vendor Shares, the Placement Options, Management Options, Director Options and Lead Manager Options prior to the Company's re-quotation to the Official List.

The total number of 220,360,329 Vendor Shares that are expected to be subject to the ASX imposed escrow restrictions represents approximately 29.37% of the total number of Shares on issue on completion of the Acquisitions and the Offers.

None of the Shares issued pursuant to the Capital Raising Offer will be subject to escrow restrictions.

Prior to the Company's re-quotation to the Official List, if required by ASX, the Company will enter into Restriction Agreements with the relevant individuals in respect of the Vendor Shares, the Placement Options, Management Options, Director Options and/or Lead Manager Options (and any other person as required by ASX) in accordance with Chapter 9 of the Listing Rules.

The Company will announce to the ASX full details (quantity and duration) of the Securities in the Company required to be held in escrow prior to the re-quotation of the Shares to the Official List.

1.14 How to Apply for the Capital Raising Offer

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for Shares under the Capital Raising Offer. To participate in the Capital Raising Offer, the relevant Application Form must be completed and received, together with the Application Money, in accordance with the instructions on the reverse side of the Application Form.

The Capital Raising Offer is only open to those members of the public who are invited by the Company to participate in the Capital Raising Offer.

A person who is invited and wishes to apply for Shares under the Capital Raising Offer may apply for Shares online using the URL link included in the Capital Raising Offer Application Form. An Applicant must comply with the instructions on the website. An Applicant paying the Application Money by Electronic Funds Transfer (**EFT**) must use the unique payment reference number that corresponds to the online Applicable Form.

It is the Applicant's responsibility to ensure payments are received prior to 5:00pm (AWST) on the Closing Date. If you make an EFT payment, your bank, credit union or building society may impose a limit on the amount that you can transact on EFT and policies with respect to timing for processing EFT transactions may vary between bank, credit union or building society. The Company takes no responsibility for any failure to receive Application Money by EFT before 5:00pm (AWST) on the

Closing Date arising as a result of, among other things, delays in processing of payments by financial institutions.

An original completed and lodged Application Form (or a paper copy of the Application Form from the electronic Prospectus), together with confirmation of EFT payment, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form or the number of Shares represented by the EFT payment. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If you require assistance in completing any of the Applications, please contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

1.15 How to Apply for Additional Offers

(a) Vendor Offer

The Vendor Offer is an offer to the Vendors (and/or their nominees) only.

Only the Vendors (and/or their nominees) can accept an offer under the Vendor Offer. A personalised Vendor Offer Application Form will be issued to the Vendors (and/or their nominees), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by the Vendors (and/or their nominees) on subscription or issue of the Vendor Shares pursuant to the Vendor Offer.

Completed Vendor Offer Application Forms should be received by the Company at its registered office, prior to 5:00pm (AWST) on the Closing Date.

(b) Placement Offer

The Placement Offer is an offer to the Placement Participants (and/or their nominees) only.

Only the Placement Participants (and/or their nominees) can accept an offer under the Placement Offer. A personalised Placement Offer Application Form will be issued to the Placement Participants (and/or their nominees), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by the Placement Participants (and/or their nominees) on subscription or issue of the Placement Options pursuant to the Placement Offer.

Completed Placement Offer Application Forms should be received by the Company at its registered office, prior to 5:00pm (AWST) on the Closing Date.

(c) Management Offer

The Management Offer is an offer to Messrs Kay and Meckel (and/or their nominees) only.

Only Messrs Kay and Meckel (and/or their nominees) can accept an offer under the Management Offer. A personalised Management Offer Application Form will be issued to Messrs Kay and Meckel (and/or their nominees), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by Messrs Kay and Meckel (and/or their nominees) on subscription or issue of the Management Options pursuant to the Management Offer.

Completed Management Offer Application Forms should be received by the Company at its registered office, prior to 5:00pm (AWST) on the Closing Date.

(d) Director Offer

The Director Offer is an offer to Messrs Davey, Bath and Wheeler (and/or their nominees) only.

Only Messrs Davey, Bath and Wheeler (and/or their nominees) can accept an offer under the Director Offer. A personalised Director Offer Application Form will be issued to Messrs Davey, Bath and Wheeler (and/or their nominees), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by Messrs Davey, Bath and Wheeler (and/or their nominees) on subscription or issue of the Director Options pursuant to the Director Offer.

Completed Director Offer Application Forms should be received by the Company at its registered office, prior to 5:00pm (AWST) on the Closing Date.

(e) **Lead Manager Offer**

The Lead Manager Offer is an offer to Lead Manager (and/or their nominees) only.

Only the Lead Manager (and/or their nominees) can accept an offer under the Lead Manager Offer. A personalised Lead Manager Offer Application Form will be issued to the Lead Manager (and/or their nominees), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by the Lead Manager (and/or their nominees) on subscription or issue of the Lead Manager Options pursuant to the Lead Manager Offer.

Completed Lead Manager Offer Application Forms should be received by the Company at its registered office, prior to 5:00pm (AWST) on the Closing Date.

1.16 **Representations by Applicants**

By completing and returning an Application Form or paying any Application Money by EFT, in addition to the representations set out elsewhere in this Prospectus and the Application Form, you:

(a) acknowledge that you have received a copy of this Prospectus and an accompanying Application Form, and read them both in their entirety;

(b) agreed to be bound by the terms of the Offers, the provisions of this Prospectus and the Constitution;

(c) authorise the Company to register you as the holder(s) of Securities allotted to you;

(d) declare that all details and statements in the Application Form are complete and accurate;

(e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;

(f) acknowledge that once the Application Form is returned, or EFT payment instruction is given in relation to any Application Money, the Application may not be varied or withdrawn except as required by law;

(g) agree to accept and be issued up to the number of Securities specified in the Application Form or paid for by EFT at the issue price of $0.02 per new Share;

(h) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;

(i) acknowledge the statement of risks in Section 4 and that an investment in the Company is subject to risk;

(j) acknowledge and agree that the Offers may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus;

(k) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Application Form, nor does it prohibit you accepting Securities and that if you participate in the Offers, that you are eligible to do so; and

(l) if you (or any person for whom you are acquiring the new Shares) are in Switzerland, you (and any such person) are a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act (**FinSA**) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA.

1.17 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Settlement Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. These two sub-registers together make up the Company's register of Shareholders.

The Company will not issue certificates of title to investors. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Securities issued to them under this Prospectus. A holding statement will also provide details of a Securityholder's Holder Reference Number (in the case of a holding on the CHESS sub-register) or Security Holder Reference Number (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Securities held by securityholders. Securityholders may also request statements at any other time (although the Company may charge an administration fee).

1.18 ASX Listing and Official Quotation

Within seven days after the date of this Prospectus, the Company will apply to ASX for re-quotation to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Securities that may be designated by ASX as Restricted Securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Money will be refunded to Applicants (without interest) in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

1.19 Powers of the Company in relation to Applications

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant has applied. The Board may in its absolute discretion, without notice to any Applicant and without giving any reason:

(a) withdraw the Capital Raising Offer at any time before the issue of Securities to successful Applicants;

(b) decline an Application;

(c) accept an Application for its full amount or any lower amount;

(d) determine a person to be eligible or ineligible to participate in the Capital Raising Offer;

(e) waive or correct any errors made by an Applicant in completing their Application Form;

(f) amend or waive the application procedures or requirements in compliance with applicable laws; or

(g) aggregate any Applications that they believe may be multiple Applications from the same person.

1.20 Allocation Policy

The Directors will determine the allocation of Shares under the Capital Raising Offer at their sole discretion. The Directors reserve the right to reject any Application under the Capital Raising Offer or to issue fewer Shares than the number applied for by an Applicant under the Capital Raising Offer, including to ensure that an Applicant does not increase their voting power in the Company from:

(a) 20% or below to more than 20%; or

(b) a starting point that is above 20% and below 90%.

Application Money will be held by the Company on trust for Applicants in a separate bank account maintained solely for the purpose of depositing Application Money until the allotment of Shares. Any interest that accrues will be retained by the Company and each Applicant waives the right to claim any part of such interest.

Where the number of Shares issued is less than the number applied for, surplus Application Money will be refunded in full (without interest) in accordance with the Corporations Act. Any decision on allocation will be made after the Capital Raising Offer has closed.

Subject to the Conditions being satisfied (refer to Section 1.7), Securities under the Offers are expected to be issued as soon as practicable after the Closing Date. It is the responsibility of Applicants to determine their allocation prior to trading in Shares issued under the Offers. Applicants who sell their Shares before they receive their holding statement will do so at their own risk.

1.21 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside of Australia and Switzerland.

The distribution of this Prospectus within jurisdictions outside of Australia and Switzerland may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

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

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to their Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the FinSA or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as “professional clients” (as defined in the FinSA). This document is personal to the recipient and not for general circulation in Switzerland.

1.22 Underwriting

The Offers are not underwritten.

1.23 Interests of the Lead Manager in the Offers

Canaccord has been appointed as Lead Manager to the Capital Raising Offer on the terms and conditions summarised in Section 7.1(b).

There are, as at the date of this Prospectus, no ongoing mandates between the Company and the Lead Manager for services beyond the Capital Raising Offer.

As at the date of this Prospectus, the Lead Manager does not have any interest in the Securities of the Company outside of the Lead Manager Options to be issued to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate. Refer to Section 7.1(b) for further details.

1.24 Interests of the Co-Manager in the Offers

Canaccord has appointed CPS Capital Group Pty Ltd as the Co-Manager to the Capital Raising Offer pursuant to an appointment letter between the Lead Manager and the Co-Manager, details of which are provided in Section 7.2.

The Lead Manager must pay, on behalf of the Company, the Co-Manager a fee equal to 4% of the Allocation, which will form part of the Equity Raising Fee payable by the Company to the Lead Manager.

Expenses incurred by the Co-Manager in connection with its appointment letter with the Lead Manager and its role as the Co-Manager are for its own account.

As at the date of this Prospectus, the Co-Manager does not have any interests in any Securities of the Company.

There are, as at the date of this Prospectus, no ongoing mandates between the Company and the Co-Manager for services beyond the Capital Raising Offer.

1.25 Dividend Policy

The Board anticipates that significant expenditure will be incurred on activities associated with advancement of the Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

1.26 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities, pursuant to the Offers, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

1.27 Investment Risks

As with any securities investment, there are risks associated with investing in the Company. Key risk factors that could affect the financial and market performance of the Company are detailed in Section 4. The Securities offered under this Prospectus should be considered highly speculative. Before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

1.28 Commission

The Company reserves the right to pay a commission of up to 5% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications for the Offers lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made at the Directors' sole discretion and subject to the receipt of a proper tax invoice from the Australian financial services licensee.

No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Securities pursuant to the Offers.

1.29 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will return all Application Money (without interest) in accordance with the requirements of the Corporations Act.

1.30 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Company Secretary via cosec@cradleresources.com.au.

2 Industry Overview

2.1 Geothermal Energy Background and Use

The global use of renewable energy has grown substantially over the past decade, driven by increasing awareness of the effects of climate change and the urgency of reducing emissions of greenhouse gas by minimising the use of fossil fuels. The transition to clean energy is critical to achieving the aim of Paris Agreement to limit the increase in global average temperatures to less than 1.5°C above pre-industrial levels.

Geothermal energy is a renewable energy from the natural source of heat contained within the earth. It can be extracted by drilling into the ground and then transported to the surface using fluids for uses including heating, drying and electrical generation. Geothermal energy is a form of clean and reliable heat and electricity which can be extracted on a constant 24 hour basis. It has been established as a reliable and environmentally benign source of power and will play a critical role in the sustainable and clean energy transition, alongside other renewable energy sources.[3]

The holistic business model for geothermal energy holds unique advantages over other renewable energy sources. Geothermal energy provides continuous and reliable power generation, the ability to generate baseload power, has a small geographical footprint, a long lifespan with low operating costs and has minimal or negligible greenhouse gas emissions.

Globally, the geothermal energy industry has been active for over 100 years. The first geothermal power plant was built in 1904 at the Larderello dry steam field in Tuscany, Italy. Since this time, geothermal power plants have been installed in more than 29 countries. While well developed in other countries, the Australian geothermal industry is in infancy, given Australia's historic abundance and acceptance of fossil fuels.

Geothermal energy has seen a strong growth over the past decade as the world drives towards zero carbon emissions. Compared to other renewable energy solutions, geothermal energy is unique as it provides a base-load alternative that produces energy on a constant 24 hour basis, which is the major challenge for alternative renewable energy solutions, such as solar and wind.

Geothermal energy can be found at various depths and temperatures. The utilisation of geothermal energy depends largely on the resource temperature. Resource temperatures can be divided into three categories: high (> 150°C), medium (90-150°C) and low (less than 90°C).

Electricity can be produced from geothermal resources of medium to high temperatures. Historically, a minimum resource temperature of between 150-180°C was required to operate flash steam power plants. However, binary cycle power plants can operate at lower temperatures, typically 90-150°C by transferring heat from the geothermal fluid to a secondary fluid with a lower boiling point. The secondary fluid vaporises to drive a turbine and generate electricity.

Most high-temperature geothermal resources are found around volcanoes in areas that are tectonically and volcanically active. Low and medium temperature resources are more widely distributed geographically, with significant resources along faults and fractures in tectonically active areas, as well as deep in sedimentary basins.

Growth in the use of geothermal energy worldwide is driven by multiple factors: a desire for energy security and independence, government support and incentives, cost competitiveness, technological advancements and environmental credibility. While energy demand is increasing due to economic growth, there has been shift towards a green economy to counteract the impact of this increased energy demand on climate change, including a global effort to transition to renewable energy sources, as evidenced by the Paris Agreement. The demand for sustainable heat sources is also increasing, leading to a growing trend towards the use of geothermal resources for heating and cooling applications where technically and economically feasible.

Given the renewable nature of geothermal energy, the geothermal energy industry has continued to grow globally, and regional growth in Australasia is expected to accelerate. The global use of

[3] IRENA and IGA (2023), Global Geothermal Market and Technology Assessment, International Renewable Energy Agency Abu Dhabi; International Geothermal Association, The Hague. The authors have not provided their consent for the statements in that publication to be included in this Prospectus.

geothermal energy in electricity generation has increased at a rate of approximately 3.5% annually, reaching a total installed capacity of approximately 15.96 gigawatts electric (**GWe**) in 2021[4].

As with all resource projects, geothermal resource development contains its own risks and challenges that need to be managed. Legacy competition from low cost fossil fuels such as gas and coal has traditionally eliminated the need for geothermal energy developments in Australia. Geothermal resource exploration involves a level of resource uncertainty, including the risks of drilling unsuccessful wells or not achieving desired heat outcomes which can delay or challenge developments. Other challenges relate to financing, policy and regulatory frameworks, institutional and technical expertise, and technological advancement, which affect electricity generation and heating.

Despite the challenges, there are many opportunities to support geothermal energy growth. Examples include:

(a) expanding and interconnecting regional electricity grids;

(b) leveraging oil and gas expertise and technology to scale up geothermal resource development;

(c) increasing synergies with wind, solar and green hydrogen production;

(d) improving the efficiency of electricity production from medium-temperature geothermal resources;

(e) advancing the development of enhanced geothermal systems; and

(f) promoting the use of geothermal resources for heating and cooling and expanding the use of geothermal heat in agriculture, food processing and industry.

Over the last several decades, the geothermal energy industry has developed in different ways around the world. Each region has distinct geography, geologic conditions, electricity and heat market conditions, policies and regulatory frameworks, development ambitions and implementation capacity. These factors have combined to produce different patterns in the development and use of geothermal resources.

Growing concern over climate change has intensified public and private efforts to develop technologies, which permit geothermal energy to be easily accessible.[5] Many countries (including the United States, Indonesia, Kenya, New Zealand, and Turkey) have seen significant increases in geothermal energy installed electricity capacity over the last ten years.

2.2 Geothermal electricity generation

Geothermal energy is estimated to contribute 1.2% of the world's electricity generation capacity. As of January 2023, global geothermal power generation capacity was 16,127 MWe.[6]

There are three primary power plant technologies used to convert the energy in geothermal resources to electricity - (i) dry steam, (ii) flash steam and (iii) the binary cycle. Most legacy geothermal energy plants in operation for electricity generation are dry steam or flash plants that harness geothermal resources at temperatures of more than 150°C. However, medium temperature resources are increasingly being developed for electricity generation or combined heat and electricity using binary cycle technology. For further information on binary cycle technology, refer to Section 2.7.

[4] IRENA and IGA (2023), Global Geothermal Market and Technology Assessment, International Renewable Energy Agency Abu Dhabi; International Geothermal Association, The Hague.
[5] IRENA and IGA (2023), Global Geothermal Market and Technology Assessment, International Renewable Energy Agency Abu Dhabi; International Geothermal Association, The Hague.
[6] Alexander Richter, (2023), ThinkGeoEnergy's Top 10 Geothermal Countries 2022 – Power General Capacity (MW), Think GeoEnergy, https://www.thinkgeoenergy.com/thinkgeoenergys-top-10-geothermal-countries-2022-power-generation-capacity-mw/. The author has not provided his consent for the statements in that publication to be included in this Prospectus.

One of the advantages of geothermal energy power plant developments is that they require a small land footprint of about 33-463m^2/GWh, which is up to 1.2-45 times smaller than legacy fossil fuel developments and 1.5-66 times smaller than wind or solar.[7]

Geothermal energy power plants have historically been assessed at producing around one-sixth of the carbon dioxide emissions of a natural gas fired power plant. However, with binary-cycle plants, there are essentially zero emissions.

2.3 Competitive advantages of geothermal energy

Geothermal is a sustainable energy resource that is widespread in different geological and geographical settings. It occurs over a wide range of temperatures that enables it to be utilised as a renewable and clean energy for electricity generation and heat and cooling applications.

Geothermal energy supports the transition to Net Zero and reduces reliance on fossil fuels. Significant advantages from the use of geothermal energy include:

(a) reliable, dispatchable and flexible source of baseload energy - available 24 hours per day;

(b) clean energy (which is 100% renewable) with low environmental impact;

(c) small acreage area required for geothermal plant and facilities;

(d) no storage or transportation requirements;

(e) energy extraction without the use of fossil fuels;

(f) the highest renewable energy capacity and generation of all renewable energies; and

(g) geothermal energy is modular and scalable, allowing decentralised power generation that has many applications in Australia.

2.4 Diversity of the electricity generation mix

Australia is vulnerable to the impact of climate change including droughts and extreme weather events. Increasing diversity in the renewable electricity mix is crucial to reduce greenhouse gas emissions.

Australia has made commitments in the Paris Agreement to limit global warming below 2ºC. To meet these commitments, Australia must transition to a low-carbon economy, which requires progressing all available renewable energy sources, including geothermal.

Renewable energy, including geothermal energy, provides Australia with the opportunity to invest in renewable projects that will create jobs, stimulate investment, economic growth and technological innovation that is required to shift Australia's electricity generation away from fossil fuels.

Geothermal energy is not only a cleaner solution, it is also cost competitive in the electricity generation mix, particularly as geothermal energy has the potential to produce energy on a continuous 24 hour basis, which cannot be achieved commercially with most other renewable energy sources.

2.5 Installed capacity and energy use

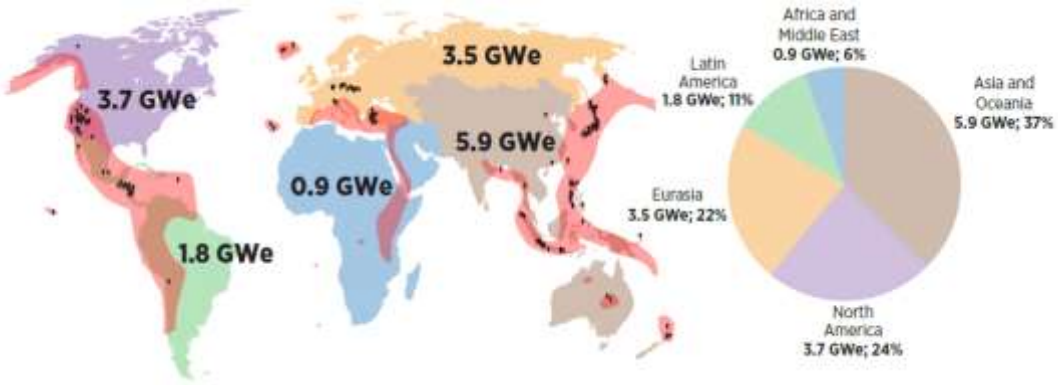
Geothermal energy provides electricity generation in more than 30 countries[8]. Installed capacity per country ranges from less than 1MWe to 3.7GWe.

The global installed capacity for geothermal generation of electricity was 15.96GWe at the end of 2021, distributed across five main regions (refer to Figure 1 for further details). The regions with the largest installed capacity are Asia and Oceania (5.9GWe), North America (3.7GWe) and Eurasia (3.5GWe).

[7] Saeed Hadian & Kaveh Madani (2015), A system of systems approach to energy sustainability assessment: Are all renewables really green?, Ecological Indicators 52, 194-206. The authors have not provided their consent for the statements in that publication to be included in this Prospectus.

[8] IRENA and IGA (2023), Global Geothermal Market and Technology Assessment, International Renewable Energy Agency Abu Dhabi; International Geothermal Association, The Hague.

Figure 1: Installed geothermal electricity capacity, by region, 2021[9]



Note: The red zones on the map indicate high-temperature geothermal zones. The black symbols indicate geothermal electric plants, many of which are located in high-temperature zones.[9]

There are also an increasing number of "non-traditional" geothermal countries with access to low-enthalpy resources with lower temperatures that are generating geothermal electricity today. The predominant example is Turkey, with an installed power generation capacity of around 1,682MW as of January 2023 (refer to the table below for further details). Germany, France, and Austria are other notable examples.

Today, there are approximately 400 geothermal power plants (often consisting of several units/ plants) all around the world.

The largest producer of geothermal energy is the United States of America, with power generation capacity of approximately 3,800MWe as at the beginning of 2023. The top 10 producing countries around the world are highlighted in table below.

Top 10 power generators for geothermal energy[10]

Ranking	Country	Capacity (MWe)
1	United States	3,794
2	Indonesia	2,356
3	Philippines	1,935
4	Turkey	1,682
5	New Zealand	1,037
6	Mexico	963
7	Italy	944
8	Kenya	944
9	Iceland	754
10	Japan	621

Geothermal energy is becoming a major part of multiple countries total power solution. A total of seven countries produce 10% or more of their power from geothermal energy, as highlighted in the table below.

Percentage of geothermal in total electricity generation by country[11]

[9] IRENA and IGA (2023), Global Geothermal Market and Technology Assessment, International Renewable Energy Agency Abu Dhabi; International Geothermal Association, The Hague.
[10] Alexander Richter, (2023), ThinkGeoEnergy's Top 10 Geothermal Countries 2022 – Power General Capacity (MW), Think GeoEnergy, https://www.thinkgeoenergy.com/thinkgeoenergys-top-10-geothermal-countries-2022-power-generation-capacity-mw/.
[11] Think Geoenergy, Geothermal Energy Production & Utilisation, Think Geoenergy, https://www.thinkgeoenergy.com/geothermal/geothermal-energy-production-utilisation/.

Ranking	Country	% of geothermal in total electricity generation
1	Kenya	46%
2	El Salvador	29%
3	Iceland	27%
4	New Zealand	17%
5	Nicaragua	17%
6	Philippines	11%
7	Costa Rica	10%

2.6 Geothermal in Australia

Given Australia's historical abundant supply and acceptance of fossil fuels, there have been limited attempts to develop a geothermal energy industry in Australia. The Projects are positively differentiated by proven technological improvements resulting in potential developments at lower temperatures and lower depths.

Geothermal energy projects have several existing building blocks for success in Australia:

(a) Australia's "Rewiring the Nation Policy" has led to a renewable target of 82% renewable energy power for the national electricity market (**NEM**) by 2030 but in 2022 Australia was at approximately 35%. Financial assistance is available from Federal and State governments to support energy transition including through the Australian Renewable Energy Agency, Clean Energy Finance Corporation, Renewable Energy Target Scheme and the Emissions Reduction Fund. Australian geology is well understood and generally supported by legacy oil and gas well and seismic data.

(b) Australia also has the infrastructure in place for geothermal energy advancement. For example, the NEM on the East Coast is one of the world's longest interconnected power system with access to market.

(c) There is a strong capability overlap between geothermal energy and the oil and gas sector, which can be supported by international geothermal expertise.

(d) Geothermal energy projects can, subject to determination, be eligible for both carbon credits (**ACCUs**) and renewable energy certificates (**RECs**). ACCUs are generated through the Emissions Reduction Fund, wherein geothermal projects will reduce greenhouse gas emissions. RECs are generated under the Renewable Energy Target scheme that provides a financial assistance for renewable energy projects.

2.7 Geothermal Plants

Three primary power plant technologies are used to convert the energy in geothermal resources to electricity: (i) dry steam, (ii) flash steam and (iii) binary cycle. Dry and flash steam plants harness geothermal resources at temperatures of more than 150°C-180°C (refer to Figure 3 for further details). However, medium-temperature (80-180°C) are increasingly being developed for electricity generation or combined heat and electricity using binary cycle technology (refer to Figure 3 for further details).

Binary cycle geothermal plants have been operating for over 70 years,[12] with the first plant constructed in Italy in 1940. In 2018, there were approximately 150 operating binary cycle plants (41% of all geothermal plants globally, accounting for 2,200 MWe (17% of the global capacity). 120 of the operating binary plants (80%) were built since 2000. In these plants, warm geothermal water (typically) is pumped to the surface and passed through a heat exchanger that contains a secondary working fluid with a much lower boiling point than water. The heat from the geothermal water causes this secondary or 'binary' fluid to vaporise. The vapor created by heating the secondary fluid causes a turbine to spin, thus powering the generator. The cooled geothermal fluid is injected back into the

[12] Colonna di Paliano, P., Casati, EIM., Trapp, C., Mathijssen, T., Larjola, J., Turunen-Saaresti, TE., & Uusitalo, A. (2015). Organic Rankine Cycle Power Systems: From the Concept to Current Technology, Applications, and an Outlook to the Future. Journal of Engineering for Gas Turbines and Power, 137(10), 100801-1-100801-19. https://doi.org/10.1115/1.4029884.

formation where it heats up again and is available to eventually re-circulate through the heat exchanger.

Technological advancements over the past decade have enabled another technology, closed loop systems, which utilize the same medium temperatures as binary systems, but in rocks with a lack of permeability. In a closed loop system, a working fluid is circulated inside the well casing without any exchange of fluid between rock and formation. Heat recovered to surface is converted to electricity. The working fluid is contained in a closed loop that transports heat from the reservoir to the surface (refer to Figure 2 below), an emission-free operation that does not require permeability of hot rocks.

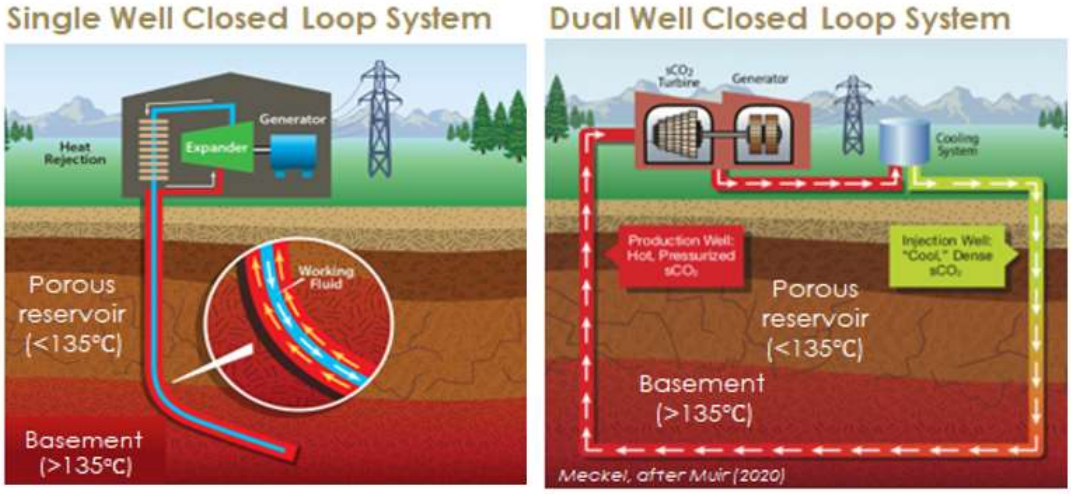
Closed loop technology has been proven and is currently being scaled. These systems have certain advantages over other types of geothermal systems:

(a) they not impact the sub-surface by way of fluid injection or extraction;

(b) they are not subject to seismicity issues that may occur as a consequence of hydraulic stimulation, or to issues arising from corrosion or mineral scale deposition and reservoir contamination that can occur when extracting sub-surface fluids; and

(c) they offer renewable energy without concerns around fracking, or planning permission issues that relate to wind and solar, as the surface footprint is comparatively small.

Figure 2: Closed loop geothermal power plant systems[13]



The Company has not selected a preferred technology to generate power. Accordingly, the Company intends to engage skills, knowledge and learning from international binary cycle projects and contractors and will also assess closed-loop technologies as ways to overcome legacy challenges for geothermal in Australia.

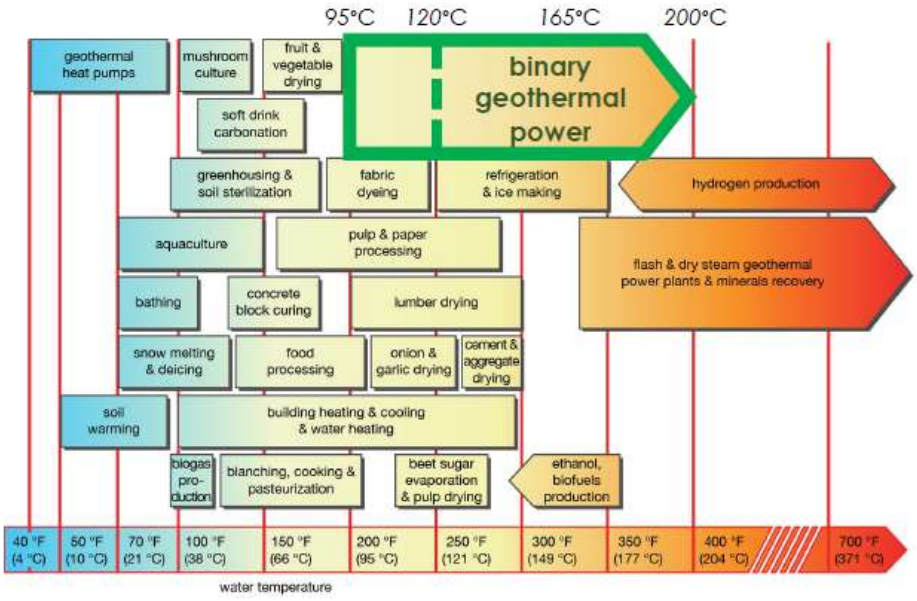
2.8 Resource Temperatures Required for Closed-loop Geothermal Power Plants

The temperature of the geothermal resource dictates the most appropriate use. Historically temperatures of more than 150°C were required to produce electricity, even with binary cycle plants. However, technological advancements can now see power being generated from temperatures as low as 70°C.

Closed loop and binary geothermal energy power plants are suitable for low to medium temperatures ranging from 80ºC to 180ºC (refer to Figure 3 for further details). In contrast, historic geothermal energy projects in Australia focused on high temperature reservoirs above 200°C which exist only in remote and deep formations.

[13] Muir, JR (2020). New Opportunities and Applications for Closed-Loop Geothermal Energy Systems. Geothermal Rising Bulletin 49(4). Available at: https://www.greenfireenergy.com/wp-content/uploads/2020/12/GR-20-Bulletin-Article-Dec-Green-Fire-1.pdf.

Figure 3: Geothermal energy power generation and use[14]



2.9 Resource / Reserve Reporting Framework

The Company proposes to adopt the United Nations Framework Classification for Resources (**UNFC**) when assessing the Projects, which is the global best practice for sustainable management of all energy and mineral resources. The framework ensures harmonized decision-making on technical feasibility, socio-environmental concerns, and the commercial potential of projects to develop resources. The UNFC was also used by the Independent Technical Expert in assessing the Projects for the purposes of the Independent Technical Expert's Report in Annexure B. The *de facto* global standard for geothermal reporting is now the Specifications for the Application of the United Nations Framework Classification to Geothermal Energy Resources (**UNFC Geothermal Specifications**).

In 2022, the Australian Geothermal Association provided advice to the Queensland Government as part of a scheduled revision of the Queensland Geothermal Regulations, including adoption of the UNFC Geothermal Specifications. The recommendation was accepted, and the revised Geothermal Regulations were enacted into law on 18 August 2022. These amended Geothermal Regulations were intended to replace any reference to the Australian Geothermal Reporting Code and associated terminology (proved and probable reserves) with classified geothermal resources under the UNFC Geothermal Specifications.

A 'Geothermal Energy Source' is the thermal energy contained in a body of rock, sediment and/or soil, including any contained fluids, which is available for extraction and conversion into energy products. Heat and electricity are the two possible 'Geothermal Energy Products'. A 'Geothermal Energy Project' operates for a defined 'Project Lifetime' and includes all the systems and equipment connecting the Geothermal Energy Source to a 'Reference Point' at which the Geothermal Energy Products are sold, used, transferred or discarded.

The Geothermal Energy Project, therefore, includes all equipment and systems required for the extraction and/or conversion of geothermal energy, including production and injection wells, ground or surface heat exchangers, connecting pipework, energy conversion systems, and any necessary ancillary equipment. A Geothermal Energy Project provides the basis for investment evaluation and decision-making.

A key definition in UNFC is that the 'Geothermal Energy Resource' is the cumulative quantity of heat or electrical energy estimated to be produced by the Geothermal Energy Project over its lifetime. For an exploration project still at an early stage of assessment, the Geothermal Energy Resource must still be estimated as the predicted production from a Geothermal Energy Source by a notional Geothermal Energy Project. The definition of the Geothermal Energy Project, therefore, is a fundamental prerequisite to quantifying the Geothermal Energy Resource.

[14] Government of South Australia, Energy & Mining – Geothermal, https://www.energymining.sa.gov.au/industry/energy-resources/geology-and-prospectivity/geothermal.

Once quantified, a Geothermal Energy Resource is classified under the UNFC according to the status of the Geothermal Energy Project. Therefore, the definition of the Geothermal Energy Project and related mass and energy balances are the fundamental starting points for resource classification. Resource estimates are classified, under the UNFC, according to three fundamental criteria combined within a three-dimensional system as follows:

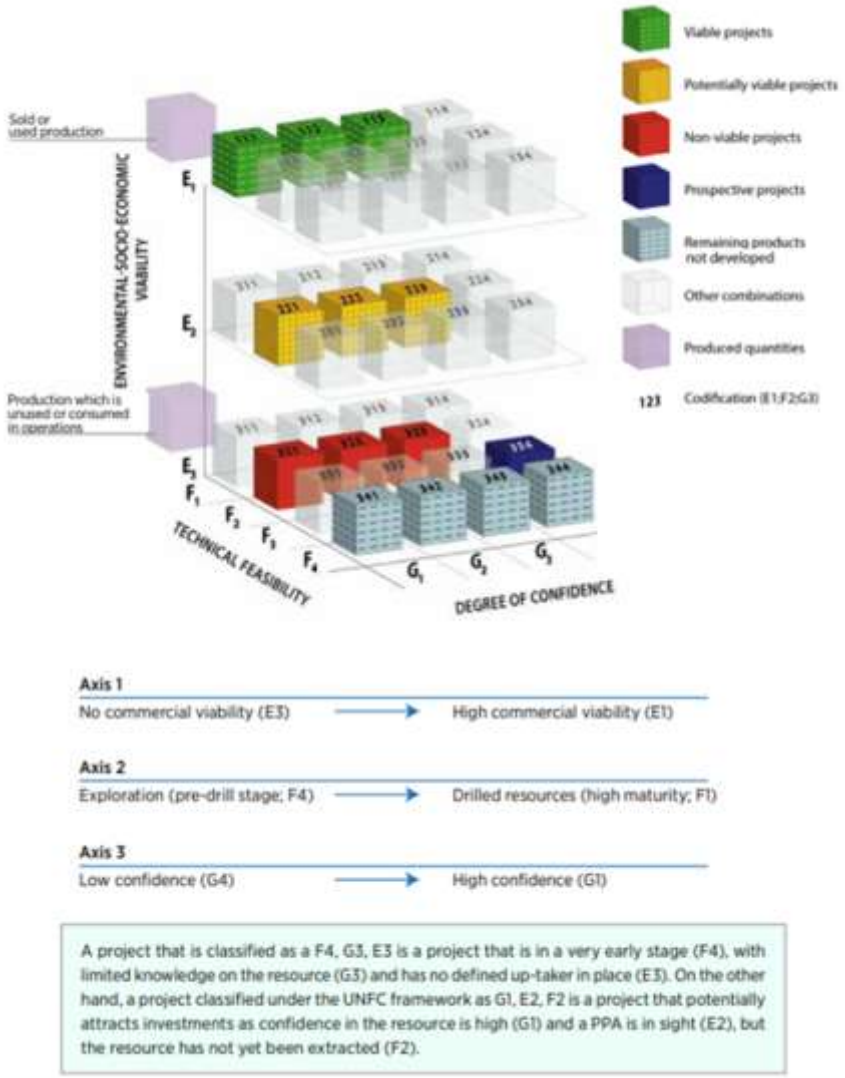
(a) The first criterion (the E-axis) defines three possible categories (E1, E2 and E3) for the degree of favourability of social and economic conditions for establishing the commercial viability of the Geothermal Energy Project, including consideration of market prices and relevant legal, regulatory, environmental and contractual conditions. E1 is the most favourable rating, and E3 the least favourable.

(b) The second criterion (the F-axis) defines four possible categories (F1 to F4) for the maturity of studies and commitments necessary to implement development plans, and parallels standard value chain management principles. A normal project would move through categories from F4 to F1 as it progressed from early exploration before a productive geothermal reservoir has been confirmed, to a plant that is producing and selling electricity (or heat).

(c) The third criterion (the G-axis) defines three categories (G1 to G3 for a 'Known' Geothermal Energy Source, and G4.1 to G4.3 for a 'Potential' Geothermal Energy Source) designating the level of confidence in the quantification of the Geothermal Energy Resource quantities, encompassing uncertainties in the geological knowledge, energy conversion efficiency, and predicted future production profiles. G1 (and G4.1) designates highest confidence, and G3 (and G4.3) lowest confidence.

Refer to Figure 4 below for further details of the classification of resource estimates under the UNFC.

Figure 4: Criterion for Geothermal Energy Projects



The UNFC Geothermal Specifications also incorporate the primary UNFC concept of reporting the 'probability of discovery' (**POD**) for projects based on a 'Potential' Geothermal Energy Source, where the existence of a significant quantity of recoverable thermal energy has not yet been demonstrated by direct evidence, but is assessed as potentially existing based primarily on evidence from geophysical measurements, geochemical sampling and other surface or airborne measurements or methods. POD is an estimate of the chance that future exploration drilling will find a Geothermal Energy Resource.

A three-digit code incorporating E, F and G-axis values is required to fully classify a Geothermal Energy Resource estimate. The UNFC texts define sub-categories for many of the categories, and several unique category combinations can optionally be grouped together into 'classes'.

Geothermal resource reporting under the UNFC Geothermal Specifications require that resources assessments are undertaken by qualified and competent persons under an internationally recognised framework set out in the Guidance Note on Competent Person Requirements and Options for Resources Reporting. While this framework is currently only legislated in Queensland, it is used across other Australian States and Territories as it is a higher standard than the currently used Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves.

Resources are categorised under a 3D classification system outlined below.

(d) **Classification Framework**

The Classification Framework is based on three fundamental criteria:

(i) economic and social viability;

(ii) field project status and feasibility; and

(iii) geological knowledge.

(e) **E category definitions**

Categories	Definition
E1	Extraction and sale have been confirmed to be economically viable.
E2	Extraction and sale are expected to become economically viable in the foreseeable future.
E3	Extraction and sale are not expected to become economically viable in the foreseeable future or evaluation is at too early a stage to determine economic viability.

(f) **F category definitions**

Categories	Definition
F1	Feasibility of extraction by a defined development project or mining operation has been confirmed.
F2	Feasibility of extraction by a defined development project or mining operation is subject to further evaluation.
F3	Feasibility of extraction by a defined development project or mining operation cannot be evaluated due to limited technical data.
F4	No development project or mining operation has been identified.

(g) **G category definitions**

Categories	Definition
G1	Quantities associated with a known deposit which can be estimated with a high level of confidence.
G2	Quantities associated with a known deposit which can be estimated with a moderate level of confidence.
G3	Quantities associated with a known deposit which can be estimated with a low level of confidence.
G4	Estimated quantities associated with a potential deposit, based primarily on indirect estimated quantities associated with a potential deposit, based primarily on indirect evidence.

3 Overview of the Company

3.1 Background

The Company is an Australian public company which has been admitted to the Official List (current ASX code: CXX) since September 2011.

During the half year ended 31 December 2021, the Company completed the transfer of its interest in the Panda Hill Niobium Project in Tanzania to its owned wholly owned subsidiary Panda Hill Mining Limited, and the in-specie distribution of the beneficial interest in the shares of Panda Hill Mining Limited to eligible Shareholders. Following this divestment, ASX advised that it would require the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

The Company's Shares were suspended from Official Quotation on 13 January 2022 and have remained suspended since that date. Since suspension from Official Quotation, the Directors have focused on identifying, and conducting due diligence on, potential acquisition opportunities to facilitate the Company re-quotation to the Official List. Having regard to current market conditions and the expertise of the current Board, recent efforts have primarily focused on opportunities in the resources and energy sectors.

3.2 Overview of the Acquisitions

On 31 October 2023, the Company announced that it entered into share sale agreements with:

(a) the Volt Vendors (**Volt Agreement**) pursuant to which the Company agreed to acquire 84% of the issued share capital of Volt; and

(b) the Within Vendors (**Within Agreement**) pursuant to which the Company agreed to acquire 84% of the issued share capital of Within,

(together, the **Acquisitions**). The Company has also entered into an incorporated joint venture agreement with the Vendors[15] (**Joint Venture Agreement**) in respect to the Projects.

The consideration for the Acquisitions is 220,360,329 Vendor Shares, which will be allocated to the Vendors in the proportions detailed in Sections 7.1(a) and 7.1(b). The Vendors Shares are being issued to the Vendors under this Prospectus. Refer to Section 1.4(a) for further details of the Vendor Offer.

Volt (a company incorporated in Western Australia) is the registered holder of the geothermal exploration licences in South Australia comprising the Volt Project.

Within (a company incorporated in Western Australia) is the registered holder of the geothermal exploration licences in Queensland comprising the Within Project. Within has a 100% equity interest in Heatflow Energy Pty Ltd, which is an entity incorporated in Western Australia. Heatflow Energy Pty Ltd currently has no assets or liabilities.

Subject to the satisfaction of certain conditions precedent (refer to Section 7.1), completion of the:

(a) Volt Agreement will result in the Company acquiring an 84% ownership interest in the Volt Project; and

(b) Within Agreement will result in the Company acquiring an 84% ownership interest in the Within Project.

Refer to:

(a) Section 3.5 for details of the Volt Project;

(b) Section 3.6 for details of the Within Project; and

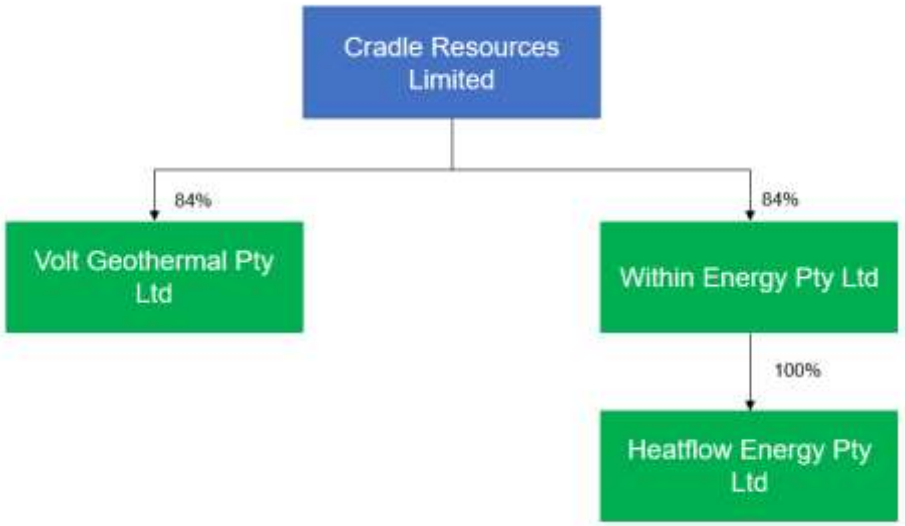
[15] Excluding Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust who will no longer be a shareholder of Volt and Within from completion of the Acquisitions.

(c) Section 7.1 for summaries of the material terms of the Volt Agreement, Within Agreement and the Joint Venture Agreement.

3.3 Corporate Structure

The corporate structure of the Company on completion of the Acquisitions is as set out in the following diagram:

Figure 5: Corporate Structure of the Company Group



3.4 Overarching Strategy and Purpose of the Offer

Upon completion of the Acquisitions and re-quotation to the Official List, the Company aims to progressively transition to a geothermal exploration company. Subject to the results of exploration activities, technical studies and the availability of suitable funding, the Company will progress and develop the Projects by undertaking project development, construction and production activities.

Initially, the Company intends to undertake a fit-for-purpose exploration program analysing subsurface geology to identify thermal resource potential at different well depths, undertaking preliminary survey and resource assessments based on offset well data, exploration location definition and exploration drilling. The results from these investigations and assessments will inform the priority targets for further exploration drilling for geothermal resources.

The Company's strategy is to follow a typical path for the development of an exploration project through the following stages:

(a) exploration and appraisal activities to confirm the existence of geothermal resources and demonstrate the commercial viability of the project;

(b) study work such as pre-feasibility and definitive feasibility as part of the commercialisation of the geothermal resource; and

(c) project development which involves drilling of production wells and installation of surface facilities for the delivery of energy to the market.

The Company's success with the strategy outlined above will determine future exploration and funding programs to advance the Projects.

The Acquisitions will form the platform on which the Company grows its resource base, with the strategy to participate in the significant growth opportunities in the renewable energy industry via a focus on geothermal opportunities, given its unique ability to provide a base-load alternative that produces energy on a continuous 24 hour basis.

In addition, the Company intends to investigate and undertake due diligence activities in respect of potential asset and company acquisition opportunities complementary to the Projects.

3.5 Volt Project Overview

(a) Overview and Location

The Volt Project is located in South Australia, which is Australia's largest renewable energy hub, and leads Australia in the transition to renewable energy.

The Volt Project comprises secured blocks totalling approximately 12,035 km^2 with four contiguous geothermal exploration licences capturing geothermal resource potential between Port Augusta and Olympic Dam, and one geothermal exploration licence east of Flinders Ranges. Volt has also applied for another block comprising 288 km^2. Refer to the map of the Volt Project in Figure 6 for further details.

The Volt Licences have connected substations and power transmission grids between Port Augusta and Olympic Dam either within or adjacent to the licences. Regional mines, including those operated by BHP, using several hundred MW from diesel generation plants and the electricity grid, represent potential direct customers for Volt as the mining industry transitions to Net Zero.

The Volt Licences allow the Company to explore for geothermal resources within the licence areas and evaluate the feasibility of geothermal energy production for a period of five years from the grant date. The Company believes that, following successful appraisal and testing, geothermal resources at high-graded locations within the licence areas could be developed using "closed-loop" well technology or binary cycle plant technology. Refer to Section 2.7 for further details of "closed-loop" well technology.

The Company intends to target medium temperature reservoir water of between 100-150°C and a heat exchanger process to operate a turbine in a closed loop. The Company believes it can achieve the required formation temperatures at relatively shallow drill depths (2,000-3,000m) adjacent to customers and distribution networks.

(b) Infrastructure and Opportunities

The Volt Licences intercept South Australia's main transmission line, running north from Port Augusta and owned by Electranet, and the BHP-owned transmission line running through to Olympic Dam (refer to Figure 6 for further details). The proximity of infrastructure and potential market close to the Volt Project provides material support for the commercialisation of any geothermal discoveries.

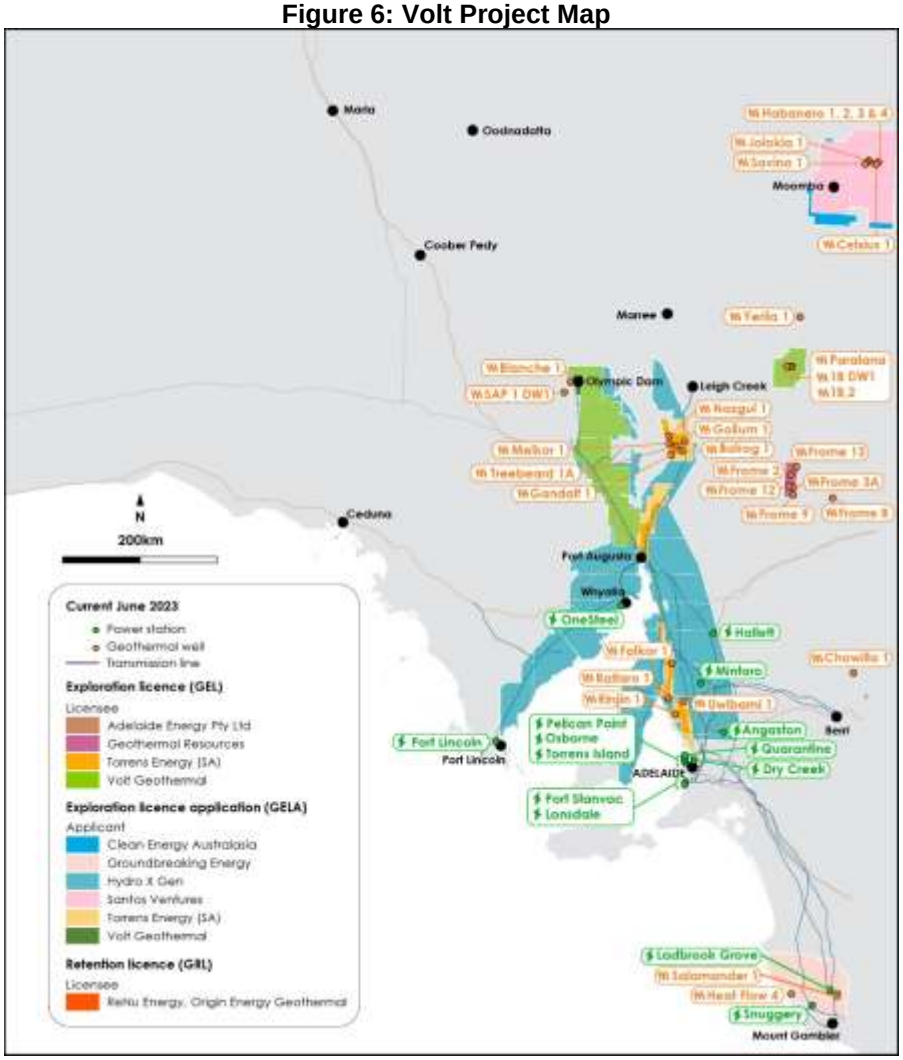
The Company's proposed strategy, in respect of its proposed exploration of the Volt Project for prospective geothermal resources, is consistent with the South Australian Government's renewable expansion plans and those of industry, including BHP. South Australia is at the vanguard of the global energy transition, having transformed its energy system from 1% to over 70% renewable energy in just over 20 years. By 2025/2026, the Australian Energy Market Operator forecasts this could rise to approximately 85%. South Australia's aspiration is to achieve 100% net renewables by 2030.[16]

South Australia is rich in the minerals the global economy increasingly requires as it decarbonises. This includes BHP's existing Olympic Dam facility, one of the world's most significant deposits of copper, gold and uranium, along with other known copper and mineral resources throughout the state. The projected mining developments and growth in South Australia is expected to create further demand for renewable energy as the State and mining industry transition towards Net Zero.

South Australia has the conditions required for the connection of other potential large flexible loads that benefit from connection to a renewable energy system, including data centres, hydrogen production, and bioplastics or sustainable aviation fuel plants. As such, South Australia is at the forefront of gigawatt-scale, zero emission electrical systems globally.

[16] Ross Garnaut, South Australia's Climate Change Challenge and Opportunity (September 2020).

Figure 6: Volt Project Map



(c) **Volt Licences**

Licences	Status	Area	Grant Date	Expiry Date	Volt Interest prior to completion of Acquisitions
Volt Project					
GEL 692	Granted	2,964 km^2	12/12/2022	11/12/2027	100%
GEL 693	Granted	2,968 km^2	12/12/2022	11/12/2027	100%
GEL 694	Granted	2,789 km^2	12/12/2022	11/12/2027	100%
GEL 695	Granted	1,538 km^2	12/12/2022	11/12/2027	100%
GEL 696	Granted	1,776 km^2	12/12/2022	11/12/2027	100%
GELA 768	Application	288 km^2	N/A	N/A	100%
TOTAL		**12,323km^2**			

(d) **Resource Assessment Approach**

In assessing the Volt Project, the Independent Technical Expert has reviewed available data, estimated Heat-in-Place across the licence areas classified under UNFC, and provided an

indicative assessment of Recoverable Thermal Heat and Electrical Resource Potential. Refer to the Independent Technical Expert's Report in Annexure B.

The methodology adopted by the Independent Technical Expert included review of geological and geophysical mapping, review of reservoir properties and geothermal gradients, assessment of minimum temperature requirements for a closed-loop well using mathematical models of conductive heat transfer, probabilistic estimation of heat-in-place and estimation of the indicative ranges in thermal recovery and thermal-to-electric energy conversion using a combination of mathematical models and, where available, analogues.

For potential recoverable reserve estimates, it was assumed that closed-loop wells circulate a working fluid inside the casing only without any exchange of fluid between rock and formation. Heat recovered to surface is then converted to electricity using Organic Ranking Cycle (ORC) plant technology, and supplied to the domestic grid.

(e) **Geology**

The geology of the Volt Project consists of grabens of various shapes and sizes filled with Tertiary and Cretaceous mudstones, Cambrian sediments and Neoproterozoic metasediments and intrusives, overlying Mesoproterozoic crystalline basement.

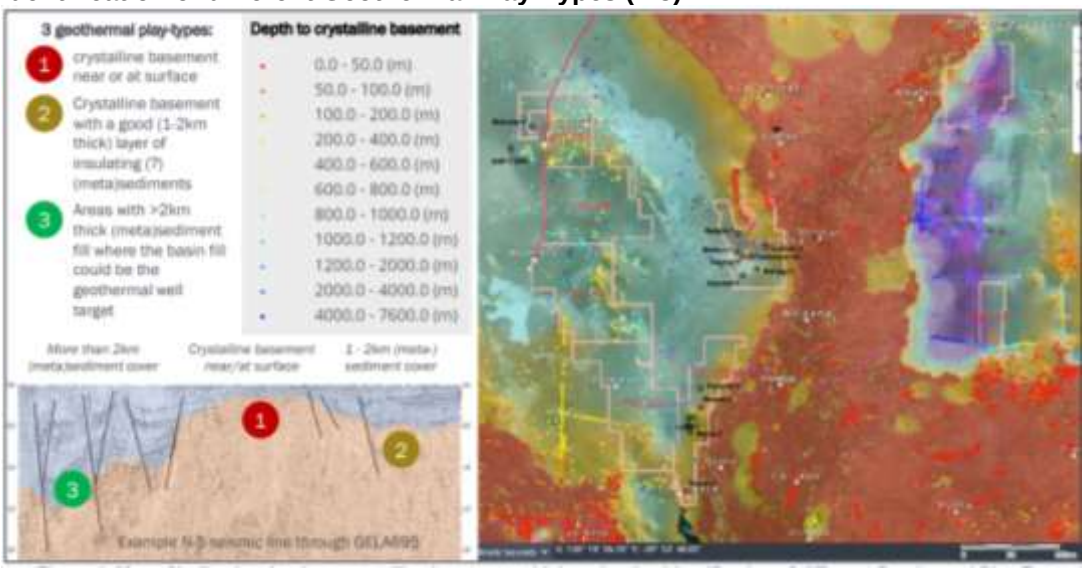
There have been three Geothermal Play-Types identified in the study area:

- Play Type-1 are areas with crystalline basement near or at surface and hence poor heat retention, considered unattractive for geothermal exploitation.
- Play Type-2 are areas with a 1-2km thick layer of insulating (meta)sediments cover on top of crystalline basement. Where the sediment cover is thick enough and consisting of rocks with insulating properties (e.g., shales), heat retention in basement below could be good.
- Play Type-3 are areas with a sediment cover in excess of 2km and in some places over 5km on top of crystalline basement. The thick sediment cover acts as an excellent thermal insulator, giving rise to elevated temperatures in deeper parts of the basin fills and in the basement.

As depicted in the table below, regional maps of approximate depth to crystalline basement suggest that across GEL 692 to 695 and GELA 768 (to the west of the Flinders range), about 30% to 80% of the licence area is occupied by Play Type-2, and about 80% of the GEL 696 licence area consists of Play Type-3. Remaining areas are Play Type-1 (deemed unattractive). Based on a review of geothermal gradient data, temperatures in excess of 135°C may be encountered between 3 to 4.5km depth in Play Type-2 areas and between 2.5 to 3km depth in Play Type-3 areas.

Licence	Area (km^2)	% of Area Occupied by Play 2	% if Area Occupied by Play 3
GEL 692	2,964	50%	0%
GEL 693	2,968	60%	0%
GEL 694	2,789	80%	0%
GEL 695	1,538	30%	0%
GEL 696	1,776	0%	80%
GELA 768	288	70%	0%

Figure 7: Map of indicative depth to crystalline basement which underpins identification of different Geothermal Play-Types (1-3)



(f) **Volt Project's Resource Potential**

The bulk of geothermal resource-potential in GEL 692 to 696 and GELA 768 is considered Prospective, G4-class in UNFC terminology.

The presence of such geothermal resources requires confirmation via appraisal drilling and testing and the Independent Technical Expert's assessment of GEL 692-696 (inclusive) and GELA 768, which has reflected by assigning a Chance of Geological Discovery (COS).

Heat-In-Place (reported in petajoules thermal, PJth) across the different UNFC categories that reflect different degrees of confidence in Resource Quantity (G4.1 - High Confidence, G4.2 - Medium Confidence and G4.3 - Low-Confidence) as well as the associated COS, are listed in the table below.

Along the E and F axes of the UNFC classification matrix, resources assessed as:

- E3.2 (exploratory, at too early a stage to determine economic viability); and
- F4.1 (recovery technology under development, not yet proven technically feasible for the style and nature of the resources assessed here).

GLA696 - Discovered Resources, Additional Heat-In-Place					
Project	Heat-In-Place (PJth)			UNFC-E (Environmental -Socio-Economic feasibility)	UNFC-F (Technical viability)
	G1	G2	G3		
	High-confidence	increment to G1	increment to G2		
GELA696 Discovered Resource Area (Geothermal Play-Type 3)	3,000	4,600	5,800	E3.2	F4.1

GLA692 / 693 / 694 / 695 / 696 / 768 - Prospective Resources, Additional Heat-In-Place						
Project	Heat-In-Place (PJth)			UNFC-E (Environmental -Socio-Economic feasibility)	UNFC-F (Technical viability)	Chance of Discovery (%)
	G4.1	G4.2	G4.3			
	High-confidence	increment to G4.1	increment to G4.2			
GELA696 Exploration potential in Metasediments (Geothermal Play-Type 3)	214,900	159,700	188,700	E3.2	F4.1	90%
GELA692 Exploration potential (Play-Type 2)	144,000	145,800	293,400	E3.2	F4.1	80%
GELA693 Exploration potential (Play-Type 2)	173,100	175,200	352,600	E3.2	F4.1	80%
GELA694 Exploration potential (Play-Type 2)	216,800	219,400	441,700	E3.2	F4.1	80%
GELA695 Exploration potential (Play-Type 2)	44,800	45,400	91,400	E3.2	F4.1	80%
GELA768 Exploration potential (Play-Type 2)	19,600	19,900	39,900	E3.2	F4.1	80%

(g) **Estimates of Volt Project's Resource Recovery Potential**

Over and above the UNFC-compliant estimates of Prospective Heat-In-Place, the Independent Technical Expert provided indicative estimates of Recovery Potential derived on the basis of a mathematical model of conductive heat-transfer of closed-loop wells and associated reservoir thermal-recharge. This was combined with the plant thermal-to-electrical conversion efficiency ranges from theoretical models and analogues.

Across the full Play-Type 2 areas of GEL 692-695 (inclusive) and GELA 768 and the Play-Type 3 area of GEL 696, estimated resource densities could result in ranges of Electrical-Power Resource (in units of MegaWatt electrical) as follows (P90 to P10):

- GEL 692 (Play-Type 2): 1,700 to 10,300 MWe;
- GEL 693 (Play-Type 2): 2,000 to 12,300 MWe;
- GEL 694 (Play-Type 2): 2,500 to 15,500 MWe;
- GEL 695 (Play-Type 2): 500 to 3,200 MWe;
- GELA 768 (Play-Type 2): 200 to 1,400 MWe;
- GEL 696 (Play-Type 3): 2,800 to 11,400 MWe.

Therefore, the total combined P90 to P10 Electrical-Power Resource range is 9,700MWe to 43,800MWe. South Australia's annualised peak demands circa 2,750 MWe.[17]

[17] Australian Energy Regulator, Season Peak Demand – Regions, https://www.aer.gov.au/industry/charts/seasonal-peak-demand-regions.

Given the large areas over which resources are calculated versus the much smaller area from which an individual closed-loop well may effectively withdraw heat, recovering all these resources might require drilling many hundreds of wells. A more focused development, drilling fewer wells targeting high-graded areas within the larger “geothermal sweet-spots”, may be more feasible and is essential as a pilot project to confirm technical viability and commercial scalability of the development concept.

3.6 Within Project Overview

(a) Overview and Location

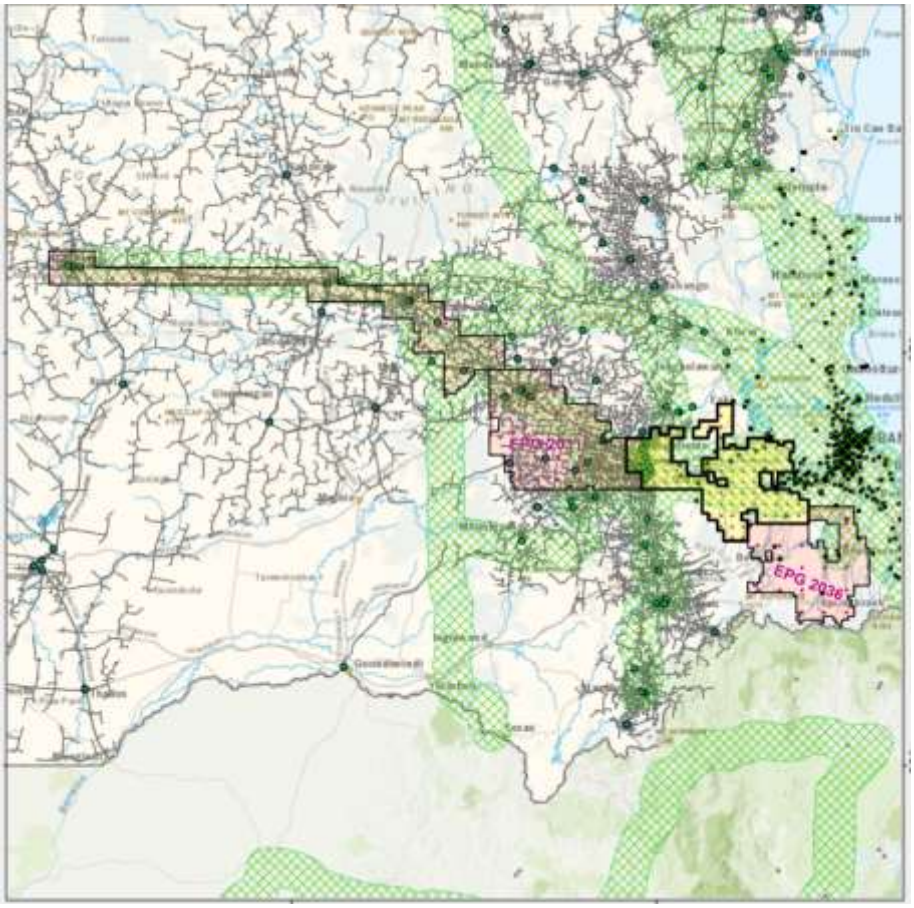
Within was incorporated in 2021 for the purposes of entering the renewable energy market in Queensland, with a particular focus on geothermal energy in Australia.

In 2023, the Queensland State Government announced a $19 billion budget to be spent over four years to support renewable energy, storage and transmission.

The Within Project comprises four contiguous blocks (registered and applications) over 10,000 km^2 capturing geothermal resource potential west of Brisbane/Gold Coast to Roma. As at the Prospectus Date, the Within Project comprises of one granted geothermal exploration licence and three applications.

The Within Licences allow the Company to explore for geothermal resources within the licence areas and evaluate the feasibility of geothermal production, including by production testing, for a period of five years. The Company believes that following successful appraisal and testing, geothermal resources at high-graded locations within the licence areas could be developed using "closed-loop” well technology or binary cycle plant technology. Refer to Section 2.7 for further details of "closed-loop" well technology.

Figure 8: Within Project Map



(b) Local Resources and Infrastructure

Within's granted exploration licence EPG 2026 covers 3,129km^2 and runs from near Ipswich and through to the Dalby region.

The Within Licences cover an area of 13,029km^2 which includes approximately 40 substations with access to densely populated areas.

(c) **Within Licences**

Licence	Status	Area [1]	Grant Date	Expiry Date	Interest prior to completion of Acquisitions
Within Project					
EPG 2026	Granted	3,129 km^2	07/07/2023	06/07/2028	100%
EPG 2031	Application	3,642 km^2	N/A	N/A	100%
EPG 2034	Application	3,669 km^2	N/A	N/A	100%
EPG 2036	Application	2,589 km^2	N/A	N/A	100%
TOTAL		**13,029 km^2**			

Note:

1. The Within Licences are granted as sub-blocks. Please refer to the Solicitor's Tenement Report in Annexure C for further details. The Within Licences have been converted from sub-blocks into km^2, and therefore are approximate indication of the area of each Within Licence.

(d) **Geology**

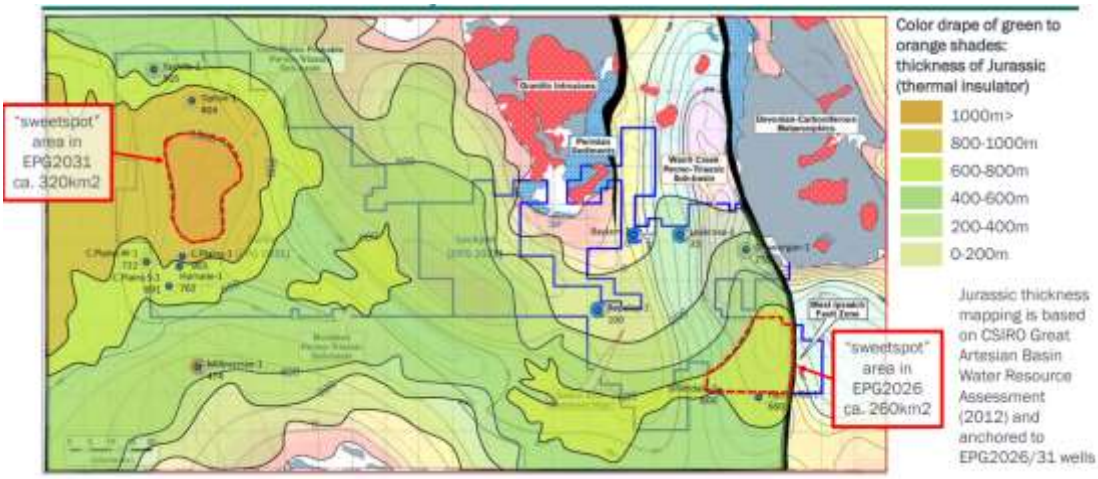
The granted Within Licences are located in the Clarence-Moreton basin, a small and relatively shallow Mesozoic basin that underlies large parts of southeast Queensland and northeast New South Wales.[18] Sediment fill of this basin can reach a maximum of about 1700 m. Jurassic to Quaternary sediments of the basin fill serve as a thermal caprock due to low thermal conductivity, retaining heat in the Permo-Triassic sediments and in the basement underneath. In areas with a relatively thick Jurassic-to-Quaternary cover, subsurface temperatures may exceed 135°C at 3.5 to 4 km depth.

Regional mapping anchored to available well penetrations suggest that "sweet-spot areas for geothermal development" with thick Jurassic-to-Quaternary "thermal caprock" may occupy some 260 km^2 in EPG 2026 and 320 km^2 in EPG 2031 (refer to Figure 9).

The south-east portion of EPG 2026 is a potential geothermal "sweetspot" due to geothermal caprock thickness (Jurassic low-conductivity sediments) of around 600m. Similarly, the western part of EPG 2031 may be a geothermal "sweetspot" due to Jurassic caprock thickness of 1000m.

[18] https://www.bioregionalassessments.gov.au/assessments/11-context-statement-clarence-moreton-bioregion/113-geology; https://www.ga.gov.au/scientific-topics/energy/province-sedimentary-basin-geology/petroleum/onshore-australia/clarence-moreton-basin

Figure 9: EPG 2026 & EPG 2031 Map Showing Basement Depth / Geology with Jurassic Thickness Overlay



(e) **Within Project's Resource Potential**

In accordance with the Independent Technical Expert's Report, geothermal resource-potential in the granted Within Licences is considered Prospective, G4-class in UNFC terminology. Presence of such geothermal resources requires confirmation via appraisal drilling and testing and this is reflected by assigning a Chance Of Geological Discovery (**COS**).

Heat-In Place across the different UNFC categories that reflect different degrees of confidence in Resource Quantity (G4.1 - High Confidence, G4.2 - Medium Confidence and G4.3 - Low-Confidence) as well as the associated COS, are listed in the table below.

Along the E and F axes of the UNFC classification matrix, Resources assessed as:

- E3.2 (exploratory, at too early a stage to determine economic viability) and
- F4.1 (recovery technology under development, not yet proven technically feasible for the style and nature of the resources assessed here).

Under UNFC guidelines, deposits of this nature are considered "Additional Heat-In-Place" (reported in petajoules thermal, PJth), an uncertain portion of which may be recoverable in future pending proof of concept for the proposed recovery-technology (i.e., a successful closed-loop pilot) in addition to geological de-risking and overcoming commercial hurdles.

EPG2026 and 2031 – Additional Prospective Heat-In-Place						
Project	Heat-In-Place (PJth)			UNFC-E (Environmental-Socio-Economic feasibility)	UNFC-F (Technical viability)	Chance of Geological Discovery (%)
	G4.1	G4.2	G4.3			
	High-confidence	increment to G4.1	increment to G4.2			
EPG2026 sweet-spot areas (260km²)	20,800	18,700	22,700	E3.2	F4.1	40%
EPG2031 sweet-spot areas (320km²)	26,900	32,800	41,500	E3.2	F4.1	70%

Table 1: Heat-In-Place Estimates for CRADLE Energy's Queensland Geothermal Exploration Licenses

(f) **Estimates of Within Project's Resource Recovery Potential**

Over and above UNFC-compliant estimates of Prospective Heat-In-Place, indicative estimates of Recovery Potential were derived on the basis of a mathematical model of conductive heat-transfer of closed-loop wells and associated reservoir thermal-recharge.

Combined with plant thermal-to-electrical conversion efficiency ranges from theoretical models and analogues, Within's Recoverable Energy-Resource (in units of MegaWatt electrical) for the geothermal "sweet-spots" is estimated at:

- EPG2026: Resource densities in the 260 km^2 "sweetspot" could result in ranges of Electrical Power Resource of 200 to 1,100 MWe; and
- EPG2031: Resource densities in the 320 km^2 "sweetspot" could result in ranges of Electrical Power Resource of 300 to 1,800 MWe.

However, given the large area over which resources are calculated versus the much smaller area from which an individual closed-loop well may effectively withdraw heat, recovering all these resources might require drilling many hundreds of wells. A more focused development, drilling fewer wells targeting high-graded areas within the larger geothermal "sweetspots" may be more feasible and is essential as a pilot project to confirm technical viability and commercial scalability of the development concept.

3.7 Proposed Work Program and Budget

The Company's proposed budget for its work program on the Projects is detailed below:

Activity	Minimum Subscription		
	Year 1	Year 2	Total
Exploration			
Joint Venture technical services allocation	116,550	115,588	232,138
Geological services	240,000	240,000	480,000
Technical subsurface exploration activities	227,000	56,000	283,000
HSE adviser	160,000	160,000	320,000
Native title and land access	30,000	61,500	91,500
Consultants – Drilling	180,000	180,000	360,000
Civil and exploration drilling	10,000	630,000	640,000
Engineering	40,000	40,000	80,000
HSEQ compliance requirements	36,000	36,000	72,000
Project Maintenance			
Accounting and support services	79,170	79,170	158,340
Title rent and fees	150,000	150,000	300,000
TOTAL	**1,268,720**	**1,748,258**	**3,016,978**

The above work program is a statement of current intentions as at the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 4) actual activities may differ significantly to the above proposed work program.

3.8 Additional Information regarding the Projects

Prospective investors are referred to and encouraged to read in their entirety:

(a) the Independent Technical Expert Report in Annexure B for further details about the Projects; and

(b) the Solicitor's Tenement Report in Annexure C for further details in respect to the Company's tenure in South Australia and Queensland.

3.9 Competent Person's Statement

The information in this Prospectus that relates to the Projects is based on information compiled and conclusions drawn by personnel at Three60 Energy Pty Ltd.

The compilation of the information in the Independent Technical Expert's Report in Annexure B was completed by Dr. Arnout JW Everts, who holds a PhD in Geology from VU University Amsterdam, has 33 years of industry experience and a proven track record of technical leadership, project management, and technical task and project delivery. His areas of expertise include techno-commercial project due-diligence, field (re)development, oil & gas reserve and resource assessments, geothermal resources and exploitation viability, underground storage of CO_2 (CCS) and hydrogen. Through his career, Dr Everts has participated in and/or led over 100 energy projects spanning the entire project life-cycle, from frontier exploration to late field-life including unconventionals. In recent years his focus has shifted to renewables, i.e., geothermal and CCS. Dr Everts is an Active Member of AAPG (American Association of Petroleum Geologists), EAGE (European Association of Geoscientists and Engineers) and GSM (Geological Society of Malaysia), a Professional Member of AGA (Australian Geothermal Association) and he has contributed as lead author or co-author to around 30 research papers and extended abstracts in international scientific journals including papers on geothermal resource potential and assessment. As EuroGeologist title holder (registration no 1435) Dr Everts is entitled to sign off on Company Reserves and Resources reports submitted to regulatory bodies.

Dr. Everts consents to the inclusion in this Prospectus of all matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Dr Everts has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

3.10 Business Model

The Company is a speculative geothermal exploration company. Upon completion of the Offers and re-quotation of the Company to the Official List, the Company will be a publicly listed geothermal exploration and development company.

Although the Company will be well funded to conduct its stated objectives for the next two years, the Company has no history of earnings, and does not have any producing geothermal operations. Until such time as the Company carries on geothermal production activities, it expects to incur losses. It is likely that the Company will require additional funding in the future, and as such the intention is to add Shareholder value and also progressively reduce risks associated with its current or any new mineral projects that may be acquired.

As the development of relevant Projects progress, the Company may also consider corporate actions that may also provide the opportunity to increase Shareholder value, which may include joint ventures, asset sales (whole or part), strategic partnerships or product off-take arrangements.

The Company also intends to continue identifying, evaluating and, if warranted, acquiring additional resource projects and assets in Australia and/or overseas, if the Board considers that they have the potential to add Shareholder value. The Company will consider acquiring these additional interests by way of direct project acquisition, farm in, joint venture or direct equity in the project owners.

3.11 Strategy and Objectives

The Company's vision is to be Australia's leading renewable energy solution provider by bringing clean geothermal energy. The Company's vision is founded by the following three principles - renewable, reliable and ready.

The primary objective of the Company is to create value for Shareholders through the exploration, discovery and development of geothermal deposits.

In order to achieve its vision, the Company's key objectives as a geothermal energy company will be to:

(a) build government and community support;

(b) undertake preliminary survey and inferred resource assessments based on offset well data;

(c) assess and select preferred technology partners;

(d) engage with customers and grid connections companies and authorities;

(e) determine preferred exploration locations and basic design with an aim to be ready for drilling within 18 months;

(f) undertake verification drilling, which will feed into the detailed design;

(g) conduct project review and planning, engineering early definition targeted within two years;

(h) conduct field development and production drilling;

(i) undertake project construction;

(j) start-up and commissioning of production; and

(k) repeat multiple modular plants across its acreage.

The Company has already begun to plan and undertake activities to further the above-mentioned objectives. Furthermore, on completion of the Offers, the Board believes the Company will have sufficient working capital to further and satisfy these objectives.

3.12 Key Strengths

The Board considers that Company has a number of competitive strengths as follows:

(a) **First Mover Advantage**: having assembled material core geothermal positions in Australia's most supportive states;

(b) **The Right Locations**: the Company's acreage is near existing infrastructure and customers for early commercialisation and scale;

(c) **The Right Team**: high calibre team of proven energy industry leaders;

(d) **The Right Solution**: geothermal is proven, reliable and one of few 100% renewable solutions available on a continuous 24 hour basis and the levelized cost of electricity is competitive with conventional sources of electricity such as gas peaking plants and intermittent renewables;

(e) **The Right Sustainability**: geothermal is the optimal energy source to address energy security and global warming issues, with minimal unintended consequences and undesired secondary impacts on valuable natural resources;

(f) **The Right Time**: geothermal markets in the Asia Pacific region are estimated to grow to US$3.2 billion by 2030;

(g) **The Right Technology**: binary cycle power plants and closed loop technology can utilise lower temperature geothermal reservoir water of between 80-180°C;

(h) **The Right Policies**: major industry support exists from both Federal and State Governments for a rapid energy transition; and

(i) **The Right Skills**: the oil and gas sector, and the power sector have the ideal skills for overlap into geothermal teamed with proven international geothermal expertise.

3.13 Financial Information

The Company previously operated in the precious metals mining industry and has no operating history in the geothermal resources sector. Accordingly, the Company is not in a position to disclose key financial ratios or other financial information, other than its statement of profit or loss and other comprehensive income, statement of cash flows and pro-forma statement of financial position which is included in the Independent Limited Assurance Report in Annexure A.

4 Risk Factors

4.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors:

(a) consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities; and

(b) consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in Section 4, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Company Specific

(a) Conditional Acquisition and Re-compliance with Chapters 1 and 2 of the Listing Rules

As part of the Company's Change of Activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus has been issued to assist the Company to re-comply with these requirements. It is anticipated that the Shares will remain suspended until completion of the Offers, completion of the Acquisitions, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from quotation.

Further, pursuant to ASX's long term suspended entities policy in ASX Guidance Note 33, ASX will automatically remove from the Official List any entity whose securities have been suspended from trading for a continuous period of two years. As the Company's Shares have been suspended from Official Quotation since 13 January 2023, in the event the Acquisitions do not proceed and the Company is unable to meet the requirements of Chapters 1 and 2 of the Listing Rules, it will likely be removed from the Official List by ASX.

(b) Contractual and completion risk

The Company has agreed to undertake the Acquisitions subject to the satisfaction of certain conditions precedent detailed in Section 7.1(a), which includes completion of the Capital Raising Offer. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisitions may be deferred or not occur. Furthermore, completion under the Volt Agreement is conditional upon completion under the Within Agreement (and vice versa).

Failure to complete the Acquisitions would mean the Company may not be able to meet the requirements of ASX for re-quotation of the Shares to the Official List, and the Company's Shares will remain suspended from quotation until such time as the Company does re-comply with the Listing Rules. If this occurs, all Application Money will be refunded in full (without interest) in accordance with the Corporations Act.

If the Company's Shares are not reinstated to Official Quotation by 13 January 2024, then ASX will likely remove the Company from the Official List in accordance with ASX Guidance Note 33.

(c) Requirements for Additional Capital

The Company's capital requirements depend on numerous factors. To develop the Projects, the Company will require further financing in addition to amounts raised pursuant to the

Offers. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company in developing the Projects or otherwise for the Company to undertake its business.

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

(d) **Conditionality of the Offer**

The obligation of the Company to issue Shares under this Prospectus is conditional on certain matters, as set out in Section 1.7. If the Conditions are not satisfied, the Company will not proceed with the Offers. Failure to complete the Offers will have a material adverse effect on the Company's financial position.

(e) **Restricted Securities Reducing Liquidity**

Subject to the Company being re-admitted to the Official List, certain Securities will be classified by ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of the Company's re-quotation to the Official List. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

It is expected that the Vendor Shares, the Placement Options, Management Options, Director Options and Lead Manager Options will be subject to mandatory escrow by the ASX for a period between 12 months from the date of issue to 24 months from the date of the Company's re-quotation to the Official List. ASX will make its final determinations with respect to the application of escrow to the Vendor Shares, the Placement Options, Management Options, Director Options and Lead Manager Options prior to the Company's re-quotation to the Official List.

The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the re-quotation of the Shares to the Official List.

Refer to Section 1.13 for further information on the Company's Restricted Securities.

(f) **Uninsurable Risks**

The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to geothermal properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability.

The Company will maintain insurance coverage that is substantially consistent with the natural resource industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(g) **Grant of Applications**

As at the date of this Prospectus, geothermal exploration licences GELA 768, EPG 2031, EPG 2034 and EPG 2036 (**Applications**) are pending grant from the Department for Energy and Mining (South Australia) and Department of Resources (Queensland), respectively. There is no guarantee that the Applications will be granted, or if they are granted, that they will be granted in their entirety.

The Department for Energy and Mining South Australia will require Volt to reach agreement with BHP (the proponent of the Olympic Dam Statement Agreement) on terms to access the area of GELA 768 and submit a proposed work program consistent with those access terms before GELA 768 will be considered for grant.

The Applications have been validly made and, except as otherwise disclosed in this Prospectus, the Company is not aware, as at the date of this Prospectus, of any further requirements for these Applications as required by the Department for Energy and Mining (South Australia) and Department of Resources (Queensland), respectively. If the Applications are not granted, the Company will not acquire an interest in these geothermal exploration licences and may seek to apply for alternative geothermal exploration licences.

(h) **Tenure and Access**

With respect to the Projects, the Company's geothermal activities are dependent upon the maintenance (including renewal) of the geothermal licences or leases in which the Company has, or acquires, an interest. Maintenance of the Company's current and future geothermal licences and leases is dependent on, amongst other things, the Company's ability to meet any conditions imposed on such licences or leases by relevant authorities, including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. There can be no assurance that any of the obligations required to maintain each geothermal licence or lease will be met. The termination or expiration of the Company's geothermal licences or leases may have a material adverse effect on results of operations and the business of the Company. Although, the Company has no reason to think that the geothermal exploration licences in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. To mitigate this risk, the Company intends to carefully monitor its undeveloped land position and plan operations in order to keep key licences and leases from terminating or expiring.

(i) **Renewal**

With respect Projects, geothermal licences and leases are subject to periodic renewal. The renewal of the term of granted geothermal licences and leases is subject to compliance with the applicable legislation and regulations and the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the geothermal licences and leases. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Cradle.

(j) **Access Risk**

Cradle may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a geothermal licence or lease. Cradle's ability to resolve compensation issues and compensation costs when, and if, they arise will have an impact on the future success and financial performance of Cradle's operations. If Cradle is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of Cradle. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.

(k) **Native Title**

The *Native Title Act 1993* (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans on the Projects.

The Company is not aware of any claims that have been made in respect of the Projects, however, if a claim arose and was successful the Company may need to comply with the procedures in the Native Title Act in order to carry out its operations or to be granted any additional geothermal licences or leases. Such procedures may take considerable time, involve negotiations of significant agreements, involve negotiations for access rights and require the payment of compensation to those persons holding or claiming native title in the land which is subject of a geothermal licence or lease. Administration and determination of native title issues may result in delays or alterations to exploration programmes and additional operational costs of which may have a material adverse effect on the viability of a Project or the business of the Company.

(l) **Environmental and Other Regulatory Risk**

The Projects are subject to regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with most natural resource exploration and development projects, Cradle's current and future activities are expected to have an impact on the environment. Cradle intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Geothermal operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products. The occurrence of any such safety or environmental incidents could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Further, Cradle may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent Cradle from undertaking its desired activities. Cradle is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase Cradle's cost of doing business or affect its operations in any area.

There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on Cradle's business, financial condition and results of operations.

(m) **Operations**

The operations of the Company may be affected by various operational risks and hazards, including:

(i) inability to develop the Company's assets into an economic business;

(ii) failure to locate or identify economically recoverable geothermal resources due to poor geological and reservoir conditions;

(iii) limitations on activities due to seasonable or adverse weather patterns;

(iv) alternations to programmes and budgets;

(v) operational and technical difficulties encountered in geophysical surveys, drilling and brush activities;

(vi) mechanical failure of operating plant and equipment, industrial and environmental accidents and other force majeure events;

(vii) industrial action, disputes or disruptions;

(viii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;

(ix) shortage or unavailability of manpower or appropriately skilled manpower;

(x) unexpected shortages or increases in the cost of consumables, spare parts and plant and equipment; or

(xi) prevention or restriction of access by reason of inability to obtain consents or approvals.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and potential legal liability. While the Company intends to maintain insurance with coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover such claims.

The exploration and operational costs of the Company will be based on certain assumptions with respect to the method and timing of exploration and the nature of the operating activity. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that any cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

There can be no assurance that any geothermal exploration licence, or any other geothermal licence or lease acquired in the future, will result in the discovery of a geothermal resource. Even if an apparently viable geothermal resource is identified, there is no guarantee that it can be economically exploited. The development timeframe for a project is dependent in part on obtaining various approvals and permits. The time it requires to obtain such approvals is in many cases not certain. To the extent that these approvals, permits and licences are issued at the discretion of the relevant regulatory authorities, there is no certainty that the Company will be able to obtain the grant of these approvals within any proposed timeframe, or at all.

(n) **Exploration**

Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company, being able to maintain title to the geothermal licences and leases comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the geothermal exploration licences comprising the Projects.

4.3 **Industry Specific Risks**

(a) **Exploration Risk**

The exploration costs of the Company as summarised in Section 1.8 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

One of the biggest risks facing the Company is that the proposed exploration programs will not result in discovery of a geothermal resource. Exploration by its nature is a high-risk endeavour and consequently there can be no assurance that the exploration described in

this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic geothermal resource. Should a discovery be made, there is no guarantee that it will be commercially viable for a host of technical factors beyond the control of the Company. While the Directors will make an effort to reduce the above risks through their geological knowledge and exploration experience, and in employing the best expertise, a commercially viable discovery is not at all certain and success can never be guaranteed.

Exploration, project development and exploitation of resources by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

(i) the discovery of a suitably large and economically exploitable geothermal resource;

(ii) access to adequate capital for flow testing;

(iii) successful conclusions to bankable feasibility studies;

(iv) access to adequate capital for project development;

(v) securing and maintaining title to geothermal licences and leases;

(vi) obtaining consents and approvals necessary for the conduct of exploration and energy generation;

(vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees; and

(viii) costs overruns in drilling and other equipment failure.

Adverse weather conditions over a prolonged period can adversely affect exploration and development operations and the timing of revenues.

Whether or not income will result from development within any of the geothermal licences and leases depends on the successful establishment of operations. Factors including costs, geological reality, consistency and reliability of the geothermal reservoir, will affect successful project development and production operations.

(b) **Resource Estimate Risk**

The Company is engaged in exploration appraisal and development which is inherently highly speculative and involves significant risk. Estimating prospective Geothermal Energy Resources is subject to significant assumptions and uncertainties associated with technical data and interpretation of that data, the application of technology to access and recover the Geothermal Energy Resources, future electricity prices and future development and operating costs. There can be no guarantees that the Company will successful be able to convert prospective Geothermal Energy Resources into Contingent Geothermal Energy Resources and eventually to Geothermal Energy Reserves.

For these reasons, estimates of the economically recoverable Geothermal Energy Resources attributable to any particular group of properties, classification of such Geothermal Energy Resources based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineer at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to these Geothermal Energy Resources will vary from such estimates, and such variances could be material.

Geothermal Energy Resources and Geothermal Energy Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Geothermal Energy Resources and Geothermal Energy Reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result

in alternations to development plans which may, in turn, adversely affect the Company's operations.

(c) **Project Development**

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

If the Company commences production on any of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.

The risks associated with the development of a geothermal licence or lease will be considered in full should any of the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

(d) **Equipment and Availability**

The Company's ability to undertake geothermal exploration activities is dependent upon its ability to source and acquire appropriate equipment. Equipment is not always available and the market for geothermal exploration equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(e) **Changes in Legislation**

Any material adverse changes in government, policies, legislation or shifts in political attitude in Australia that affect geothermal licences and leases, and exploration activities, tax, laws, royalty regulations, government subsidies and environmental issues may affect the viability of a Project or Cradle.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect Cradle's exploration.

4.4 **General Risks**

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Climate Change Risk**

There has been increasing concern by the public and regulators globally on climate change issues. As a natural resources company, Cradle is exposed to physical risks associated with climate change. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect the Company's operating and financial performance.

(c) **Competition Risk**

There is a risk that the Company will not be able to compete profitably in supplying geothermal energy. The potential exists for the nature and extent of the competition to change, which may impact the viability of the Company's Projects or future operations.

The natural resource industry is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Projects.

(d) **Occupational Health and Safety Risk**

Geothermal exploration activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company will provide appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. While the Company is dedicated to achieving high quality safety performance at its sites, a serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These liabilities may not be covered by the Company's insurance policies (when in place) or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies (when in place) could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results.

It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation. Changes to this legislation may have an adverse impact on the financial performance and/or financial position of the Company.

(e) **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall and rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) **Reliance on Key Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Directors or employees ceases their involvement with the Company.

(h) **Agents and Contractors**

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(i) **Counterparty Risk**

The Company will likely enter into a number of commercial agreements with third parties. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of the Company to achieve its stated objectives will depend on the performance by the counterparties, with whom the Company has contracted, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(j) **Force Majeure**

The Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(k) **Litigation Risks**

The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(l) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a geothermal licence or lease. Any failure to comply with applicable laws and regulations or

permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the geothermal licences or leases.

(m) **Accounting Standards**

Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ.

Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

4.5 Investment Highly Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares.

Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5 Financial Information

5.1 Introduction

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

All information presented in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Annexure A.

5.2 Basis of preparation

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards and the accounting policies adopted by the Company as detailed in Appendix 3 of the Independent Limited Assurance Report in Annexure A.

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company, after adjusting for the effects of the subsequent events described in Section 5.6.

The financial information contained in this Section 5 is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and the Australian Accounting Standards and Interpretations.

The following information is detailed in respect of the financial information detailed in this Section 5:

(a) the historical financial information comprises the following:

  (i) the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the periods ended 30 June 2023, 30 June 2022 and 30 June 2021 for the Company;

  (ii) the audited historical Statement of Profit and Loss and Other Comprehensive Income and Statement of Cashflows for the year ended 2023 and the period ended 30 June 2022 for Volt and Within; and

  (iii) the audited historical Statement of Financial Position as at 30 June 2023 for the Company, Volt and Within,

  (together, the **Historical Financial Information**); and

(b) the pro forma financial information comprises the pro forma Statement of Financial Position as at 30 June 2023 prepared on the basis that the pro forma adjustments detailed in Section 5.6 had occurred as at 30 June 2023 (the **Pro Forma Financial Information**),

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

The Historical Financial Information has been extracted from the financial statements of the Company for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 which were audited by Ernst & Young in accordance with the Australian Auditing Standards. Ernst & Young issued unmodified audit opinions with an emphasis of matter related to material uncertainty on going concern on the financial statements for each of the years ended 30 June 2023, 30 June 2022 and 30 June 2021.

The Historical Financial Information has been extracted from the financial statements of Volt and Within for the year ended 30 June 2023 and the period ended 30 June 2022, which were audited by William Buck Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. William Buck (WA) Pty Ltd issued unmodified audit opinions on the financial statements.

5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

The historical statement of profit or loss and other comprehensive income detailed in this Section 5.3 is to be read in conjunction with the notes to and forming part of the Historical Financial Information detailed in Section 5.7.

(a) Historical Statement of Profit or Loss and Other Comprehensive Income of the Company

	Audited year ended 30-Jun-23	Audited year ended 30-Jun-22	Audited year ended 30-Jun-21
Statement of Profit and Loss and Other Comprehensive Income	**$**	**$**	**$**
Interest income	55	952	3,229
Sundry income	11,847	-	88,430
Total Revenue	**11,902**	**952**	**91,659**
Expenses			
Corporate services fees	(155,151)	(363,897)	(479,196)
Consultant fees, directors fees, employee expenses	(213,557)	(291,108)	(210,000)
Share Loss of joint venture interests	-	-	(16,376)
Loss on sale of interest in joint venture	-	-	(1,307,508)
Foreign exchange loss	-	(4,534)	-
Foreign exchange gain on foreign operations reclassified from reserves	-	1,534,612	448,058
Impairment loss	-	-	(615,015)
Loss before income tax expense	**(356,806)**	**876,025**	**(2,088,378)**
Income tax benefit/(expense)	-	-	-
Net Loss for the period	**(356,806)**	**876,025**	**(2,088,378)**
Other comprehensive income, net of tax	-	(1,534,612)	(1,846,472)
Total comprehensive loss for the period	**(356,806)**	**(658,587)**	**(3,934,850)**

(b) Historical Statement of Profit or Loss and Other Comprehensive Income of Volt

	Audited for the year ended 30-Jun-23	Audited for the period ended 30-Jun-22
Statement of Profit and Loss and Other Comprehensive Income	**$**	**$**
Interest income	-	-
Total Revenue	**-**	**-**
Expenses		
Exploration costs	(59,720)	(28,725)
Administration costs	(24,561)	(19,012)
Loss before income tax expense	**(84,281)**	**(47,737)**
Income tax benefit/(expense)	-	-
Net Loss for the period	**(84,281)**	**(47,737)**
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	**(84,281)**	**(47,737)**

(c) **Historical Statement of Profit or Loss and Other Comprehensive Income of Within**

Statement of Profit and Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23	Audited for the period ended 30-Jun-22
	$	$
Other income	91,337	-
Total Revenue	**91,337**	**-**
Expenses		
Exploration costs	(226,423)	(229,647)
Administration costs	(73,886)	(33,104)
Occupancy expenses	(24,000)	(8,000)
Employee benefits expenses	(399,155)	(183,514)
Depreciation and amortisation expense	(725)	(320)
Loss before income tax expense	**(632,852)**	**(454,585)**
Income tax benefit/(expense)	-	-
Net Loss for the period	**(632,852)**	**(454,585)**
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	**(632,852)**	**(454,585)**

5.4 Pro Forma Statement of Financial Position

The historical statement of financial position detailed in this Section 5.4 is to be read in conjunction with the notes to and forming part of the Historical Financial Information detailed in Section 5.7. The pro-forma statement of financial position after the Offer is as per the historical statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of Shares pursuant to this Prospectus.

(a) **Consolidated Historical Statement of Financial Position of the Company**

		Cradle	Volt	Within			
		Audited 30-Jun-23	Audited 30-Jun-23	Audited 30-Jun-23	Subsequent events	Pro-forma adjustments	Pro-forma after issue
	Note	$	$	$	$	$	$
CURRENT ASSETS							
Cash and cash equivalents	2	4,877	13,461	104,404	850,000	5,360,000	6,332,742
Trade and other rec.		26,309	4,956	6,139	-		37,404
TOTAL CURRENT ASSETS		31,186	18,417	110,543	850,000	5,360,000	6,370,146
NON CURRENT ASSETS							
Exploration expenditure	3	-	-	-	-	6,137,052	6,137,052
Intangible		-	-	1,855	-	-	1,855
TOTAL NON CURRENT ASSETS		-	-	1,855	-	6,137,052	6,138,907
TOTAL ASSETS		31,186	18,417	112,398	850,000	11,497,052	12,509,053
CURRENT LIABILITIES							
Trade and other payables		(247,397)	(70,930)	(71,072)	-	-	(389,399)
Employee benefits		-	-	(37,844)	-	-	(37,844)
TOTAL CURRENT LIABILITIES		(247,397)	(70,930)	(108,916)	-	-	(427,243)
NON CURRENT LIABILITIES							
Borrowings	4	-	(843)	(435,742)	-	-	(436,585)
TOTAL NON CURRENT LIABILITIES		-	(843)	(435,742)	-	-	(436,585)
TOTAL LIABILITIES		(247,397)	(71,773)	(544,658)	-	-	(863,828)
NET ASSETS/(LIABILITIES)		**(216,211)**	**(53,356)**	**(432,260)**	**850,000**	**11,497,052**	**11,645,225**
EQUITY							
Contributed equity	5	11,034,280	78,662	655,177	850,000	9,218,710	21,836,829
Reserve	6	-	-	-	-	154,657	154,657
Accumulated losses	7	(11,250,491)	(132,018)	(1,087,437)	-	1,219,455	(11,250,491)
Non-controlling interest	8	-	-	-	-	904,230	904,230
TOTAL EQUITY		**(216,211)**	**(53,356)**	**(432,260)**	**850,000**	**11,497,052**	**11,645,225**

(b) **Historical Statement of Financial Position of Volt**

Statement of Financial Position	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
CURRENT ASSETS		
Cash and cash equivalents	13,461	8,050
Trade and other receivables	4,956	15,225
TOTAL CURRENT ASSETS	18,417	23,275
TOTAL ASSETS	**18,417**	**23,275**
CURRENT LIABILITIES		
Trade and other payables	70,930	16,000
Borrowings	843	25,012
TOTAL CURRENT LIABILITIES	71,773	41,012
TOTAL LIABILITIES	71,773	41,012
NET ASSETS	**(53,356)**	**(17,737)**
EQUITY		
Issued capital	78,662	30,000
Accumulated losses	(132,018)	(47,737)
TOTAL EQUITY	**(53,356)**	**(17,737)**

(c) **Historical Statement of Financial Position of Within**

	Audited for the year ended 30-Jun-23	Audited for the period ended 30-Jun-22
Statement of Financial Position	**$**	**$**
CURRENT ASSETS		
Cash and cash equivalents	104,404	1,751
Trade and other receivables	6,139	50,977
TOTAL CURRENT ASSETS	110,543	52,728
NON-CURRENT ASSETS		
Intangibles	1,855	2,580
NON-CURRENT ASSETS	1,855	2,580
TOTAL ASSETS	**112,398**	**55,308**
CURRENT LIABILITIES		
Trade and other payables	71,072	16,001
Borrowings	435,742	36,491
Employee benefits	37,844	14,389
TOTAL CURRENT LIABILITIES	544,658	66,881
TOTAL LIABILITIES	544,658	66,881
NET ASSETS	**(432,260)**	**(11,573)**
EQUITY		
Issued capital	655,177	443,012
Accumulated losses	(1,087,437)	(454,585)
TOTAL EQUITY	**(432,260)**	**(11,573)**

5.5 Historical Statements of Cash Flows

The historical statement of cash flows detailed in this Section 5.5 is to be read in conjunction with the notes to and forming part of the Historical Financial Information detailed in Section 5.7.

(a) **Historical statements of cash flows of the Company**

Statement of Cash Flows	Audited year ended 30-Jun-23 $	Audited year ended 30-Jun-22 $	Audited year ended 30-Jun-21 $
Cash flows from operating activities			
Payments to suppliers and employees	(210,893)	(629,890)	(607,328)
Business development costs	(6,000)	(92,880)	-
Interest received	55	952	3,229
Interest paid	(118)	-	-
Sundry income	11,847	-	-
Net cash flows from operating activities	**(205,109)**	**(721,818)**	**(604,099)**
Cash flows from investing activities			
Proceeds from return of security deposits	62,018	-	-
Payment of security deposits	-	(62,018)	-
Contributions to joint venture	-	-	(91,014)
Payment of share subscription in Panda Hill Mining Limited	-	(200,000)	-
Net cash flows (used in) investing activities	**62,018**	**(262,018)**	**(91,014)**
Cash flows from financing activities			
Repayment of borrowings	(1,836)	-	-
Proceeds from issue of ordinary shares	-	694,312	-
Share issue costs	-	(47,637)	-
Net cash flows (used in)/from financing activities	**(1,836)**	**646,675**	**-**
Net increase/(decrease) in cash and cash equivalents	**(144,927)**	**(337,161)**	**(695,113)**
Cash and cash equivalents at the beginning of the period	**149,804**	**486,965**	**1,182,078**
Cash and cash equivalents at the end of the period	**4,877**	**149,804**	**486,965**

(b) **Historical statements of cash flows of Volt**

Statement of Cash Flows	Audited for the year ended 30-Jun-23	Audited for the period ended 30-Jun-22
	$	$
Cash flows from operating activities		
Payments to suppliers and employees	(34,082)	(31,962)
Net cash flows from operating activities	**(34,082)**	**(31,962)**
Cash flows from investing activities		
Loans from/(to) related and other parties	(9,169)	10,012
Net cash flows (used in) investing activities	**(9,169)**	**10,012**
Cash flows from financing activities		
Proceeds from issue of shares	48,662	30,000
Net cash flows (used in)/from financing activities	**48,662**	**30,000**
Net increase/(decrease) in cash and cash equivalents	**5,411**	**8,050**
Cash and cash equivalents at the beginning of the period	**8,050**	**-**
Cash and cash equivalents at the end of the period	**13,461**	**8,050**

(c) **Historical statements of cash flows of Within**

	Audited for the year ended 30-Jun-23	Audited for the period ended 30-Jun-22
Statement of Cash Flows	**$**	**$**
Cash flows from operating activities		
Payments to suppliers and employees	(650,207)	(427,646)
Net cash flows from operating activities	**(650,207)**	**(427,646)**
Cash flows from investing activities		
Loans from/(to) related and other parties	485,556	(49,814)
Net cash flows (used in) investing activities	**485,556**	**(49,814)**
Cash flows from financing activities		
Proceeds from issue of shares	212,165	443,012
Repayment of borrowings	55,139	36,199
Net cash flows (used in)/from financing activities	**267,304**	**479,211**
Net increase/(decrease) in cash and cash equivalents	**102,653**	**1,751**
Cash and cash equivalents at the beginning of the period	**1,751**	**-**
Cash and cash equivalents at the end of the period	**104,404**	**1,751**

5.6 **Subsequent Events**

The pro-forma statement of financial position reflects the completion of the Placement and the issue of the Placement Shares which have occurred since 30 June 2023.

5.7 **Notes to and forming part of the Historical Financial Information**

(a) **Statement Of Significant Accounting Policies**

The significant accounting policies adopted in the preparation of the Historical Financial Information have been detailed below.

(i) Basis of preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards (**AIFRS**), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act.

The Financial Information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

(ii) Going Concern

The Historical Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

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

(iii) Reporting Basis and Conventions

The Financial Information has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(iv) Functional and presentation currency

The financial statements have been prepared on a historical cost basis and presented in Australian dollars which is the Company's functional currency and presentation currency. The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(v) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the 'Equity' section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

(vi) Income Tax

Current Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

Deferred Income Tax

Deferred tax is provided using the liability 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:

(A) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(B) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements (where applicable), when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

(vii) Share Capital

Ordinary Shares are classified as equity.

(viii) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(ix) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(x) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(xi) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(xii) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

(xiii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(xiv) Goods and Services Tax (**GST**)

Revenues, expenses and assets are recognised net of GST except where 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.

Receivables and payables 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 statement of financial position.

Cash flows are included in the statement of cash flow 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 authorities 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.

(xv) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(A) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

(B) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient date exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

(xvi) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Contributed Equity

Ordinary Shares are classified as equity.

Costs directly attributable to the issue of new Shares or Options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new Shares or Options associated with the acquisition of a business are included as part of the purchase consideration.

(xvii) Financial Instruments

Initial Recognition

On initial recognition, a financial asset is classified as measured at (i) amortised cost, or (ii) FVOCI – equity investment; or FVTPL.

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

(A) it is held with an objective to hold assets to collect contractual cash flows; and

(B) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Subsequent Measurement

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 liabilities – classification and subsequent measurement

The Company'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 Company 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:

(A) substantially all of the risks and rewards of ownership of the financial asset are transferred; or

(B) the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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 Company 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.

(xviii) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(xix) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Determination of fair values on exploration and evaluation assets acquired in business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

NOTE 2. CASH AND CASH EQUIVALENTS	Audited 30-Jun-23 $	Pro-forma after Offer $
Cash and cash equivalents	4,877	6,332,742
Audited balance of Cradle as at 30 June 2023		4,877
Audited balance of Volt as at 30 June 2023		13,461
Audited balance of Within as at 30 June 2023		104,404
		122,742
Subsequent events:		
Proceeds from Initial Offer		850,000
		850,000
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus		6,000,000
Transaction costs		(340,000)
Capital raising costs		(300,000)
		5,360,000
Pro-forma Balance		6,332,742

NOTE 3. EXPLORATION ACQUISITION COSTS	Audited 30-Jun-23 $	Pro-forma after Offer $
Exploration acquisition costs	-	6,137,052
Audited balance of Cradle as at 30 June 2023		-
Audited balance of Volt as at 30 June 2023		-
Audited balance of Within as at 30 June 2023		-
		-
Pro-forma adjustments:		
Acquisition of Volt Project (see Note 7)		2,879,074
Acquisition of Within Project (see Note 7)		3,257,978
		6,137,052
Pro-forma Balance		6,137,052

(b) **Borrowings**

Borrowings balances in Volt and Within are with related parties, being the vendors of Volt and Within. The related party loans are repayable at call and have no interest payable.

As part of Cradle's acquisition of Volt and Within, the outstanding borrowings balances will be assigned to Cradle as agreed in the Deed of Novation between Cradle, Volt, Within and the vendors of Volt and Within.

	Audited 30-Jun-23	Pro-forma after Offer
NOTE 4. BORROWINGS	**$**	**$**
Borrowings	-	(436,585)
Audited balance of Cradle as at 30 June 2023		-
		-
Audited balance of Volt as at 30 June 2023		
Entity with significant influence		(843)
		(843)
Audited balance of Within as at 30 June 2023		
Related Party		(335,202)
Entity with significant influence		(100,540)
		(435,742)
		(436,585)

	Audited 30-Jun-23	Pro-forma after Offer
Note 5: CONTRIBUTED EQUITY	**$**	**$**
Contributed equity	11,034,280	21,836,829
	Number of Shares	
Audited balance of Cradle as at 30 June 2023	187,464,218	11,034,280
Audited balance of Volt as at 30 June 2023	-	78,662
Audited balance of Within as at 30 June 2023	-	655,177
	187,464,218	11,768,119
Subsequent events:		
Proceeds from Initial Offer	42,500,000	850,000
	42,500,000	850,000
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus	300,000,000	6,000,000
Capital raising costs	-	(300,000)
Lead Manager Options	-	(154,657)
Elimination of issued capital of Volt under Cradle acquisition	-	(78,662)
Elimination of issued capital of Within under Cradle acquisition	-	(655,177)
Issue of Consideration Shares as part of Volt & Within acquisition	220,360,329	4,407,206
	520,360,329	9,218,710
	750,324,547	21,836,829

	Audited 30-Jun-23	Pro-forma after Offer
Note 6: RESERVES	**$**	**$**
Reserves	-	154,657
Audited balance of Cradle as at 30 June 2023		-
Pro-forma adjustments:		
Lead Manager Options		154,657
		154,657
		154,657

	Audited 30-Jun-23	Pro-forma after Offer
Note 7: ACCUMULATED LOSSES	**$**	**$**
Accumulated losses	(11,250,491)	(11,250,491)
Audited balance of Cradle as at 30 June 2023		(11,250,491)
Audited balance of Volt as at 30 June 2023		(132,018)
Audited balance of Within as at 30 June 2023		(1,087,437)
		(12,469,946)
Pro-forma adjustments:		
Elimination accumulated losses of Volt under the Cradle acquisition		132,018
Elimination accumulated losses of Within under the Cradle acquisition		1,087,437
		1,219,455
		(11,250,491)

	Audited 30-Jun-23	Pro-forma after Offer
Note 8: NON-CONTROLLING INTEREST	**$**	**$**
Non-controlling interest	-	(904,230)
Audited balance of Cradle as at 30 June 2023		-
Pro-forma adjustments:		
16% of Volt Shares retained by Volt shareholders		(452,115)
16% of Within Shares retained by Within shareholders		(452,115)
		(904,230)
		(904,230)

(c) **Asset Acquisition**

A summary of the details of the Acquisitions is shown below. These details have been determined for the purpose of the pro-forma adjustments as at 30 June 2023.

(i) Provisional accounting for the Volt acquisition

The Company has considered whether the acquisition of Volt falls within the scope of AASB 3 Business Combinations and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more business by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors.

The Company does not consider that the acquisition of Volt meets the definition of a business combination in accordance with AASB 3 Business Combinations as Volt is not deemed to be a business for accounting purposes. Therefore, Cradle has provisionally accounted for the transaction as an asset acquisition and under the guidance of RG 228, specifically RG 228.96 to RG 228.98, the assets acquired have been taken up in the pro forma Statement of Financial Position at their fair value. The exploration licences held in Volt are considered to be 'exploration projects' that are intrinsically speculative. The Volt Project is at a relatively early exploration stage. As such, the fair value cannot be measured reliably. Accordingly, the fair value of the exploration assets is based on the fair value of the consideration issued at the date of acquisition:

(A) Share Consideration: The fair value of the Consideration Shares will be based on the Offer Share price. Therefore, assuming the $0.02 Share price on the completion date, the 110,180,165 Consideration Shares will be recognised at $2,203,603.

(B) Transaction Costs: Transaction costs incurred will be capitalised into the carrying value of the assets acquired, rather than expensed as is the case for business combinations.

Details of the Volt net assets acquired, purchase consideration and notional non-controlling interest are attributed in the below.

Consideration paid as part of Volt acquisition	$
Consideration	
Value of Consideration Shares issued to vendors of Volt	2,203,603
Transaction costs attributed to the acquisition	170,000
Total Consideration paid	2,373,603
84% acquired by Cradle	2,373,603
Remaining 16% retained by vendors of Volt	452,115
Value of 100% of Volt shares	2,825,718

Fair Value Assessment Of Volt Exploration Assets	
Value of 100% of Volt shares	2,825,718
Net Assets of Volt (see Appendix 5)	(53,356)
Fair value assessment of Volt's exploration assets	2,879,074

(ii) Provisional accounting for the Within acquisition

The accounting treatment for the acquisition of Within is considered to be identical to the above mentioned acquisition of Volt, being an asset acquisition.

The exploration licences held in Within are considered to be 'exploration projects' that are intrinsically speculative. The Within Project is at a relatively early exploration stage. As such, the fair value cannot be measured reliably. Accordingly, the fair value of the exploration assets is based on the fair value of the consideration issued at the date of acquisition:

(A) Share Consideration: The fair value of the Consideration Shares will be based on the Offer Share price. Therefore, assuming the $0.02 Share price on the completion date, the 110,180,164 Consideration Shares will be recognised at $2,203,603.

(B) Transaction Costs: Transaction costs incurred will be capitalised into the carrying value of the assets acquired, rather than expensed as is the case for business combinations.

Details of the Within net assets acquired, purchase consideration and notional non-controlling interest is attributed in the below.

Consideration paid as part of Within acquisition	$
Consideration	
Value of Consideration Shares issued to the vendors of Within	2,203,603
Transaction costs attributed to the acquisition	170,000
Total Consideration paid	2,373,603
84% acquired by Cradle	2,373,603
Remaining 16% retained by vendors of Within	452,115
Value of 100% of Within shares	2,825,718

Fair Value Assessment Of Within Exploration Assets	
Value of 100% of Within shares	2,825,718
Net Assets of Within (see Appendix 5)	(432,260)
Fair value assessment of Within's exploration assets	3,257,978

(d) **Options Issued**

The Options and right issued as part of the Ancillary Offers under this Prospectus are described below. It is noted that all of the Options described below have a vesting period, apart from the Lead Manager Options and therefore will be expensed over the vesting period of the Options, and therefore, no expense is recorded as at the date of Pro Forma Statement of Financial Position.

It can be noted that the Lead Manager Options do not have a vesting period and therefore the amounts have been capitalised against contributed equity as they have been issued as part of the Offer.

The Company will issue the following Class A Management Options to Mr Matt Kay over two tranches:

Item	Class A Management Options	
	Tranche 1	Tranche 2
Valuation/Modification date	08-Sep-23	08-Sep-23
Underlying security spot price	$0.020	$0.020
Exercise price	$0.000	$0.000
Last vesting date	07-Sep-26	07-Sep-26
Performance period (years)	3.00	3.00
Expiry date	07-Sep-26	07-Sep-26
Life of the Options (years)	3.00	3.00
Volatility	100%	100%
Risk-free rate	3.780%	3.780%
Dividend yield	Nil	Nil
Number of Options	5,509,008	5,509,008
Valuation per Option	$0.016	$0.013
Valuation per Tranche	**$90,809**	**$71,617**

Notes:

1. Tranche 1 Class A Management Options: Tranche 1 Class A Management Options are subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 with a 3-year expiry.
2. Tranche 2 Class A Management Options: Tranche 2 Class A Management Options will vest subject to a performance hurdle on the Company's market capitalisation (calculated by reference to the 30-day VWAP) being four-times that of the market capitalisation at the time of the acquisition of Volt and Within, and have a 3-year expiry.

	Class B Management Options			Director Options		Lead Manager Options		
Item	Tranche 1	Tranche 2	Tranche 3	Class A	Class B	Class A	Class B	Class C
Valuation date	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23
Underlying spot price	$0.020	$0.020	$0.020	$0.020	$0.020	$0.020	$0.020	$0.020
Exercise price	$0.050	$0.100	$0.150	$0.000	$0.000	$0.020	$0.040	$0.060
Last vesting date	07-Sep-24	07-Sep-25	07-Sep-26	07-Sep-28	07-Sep-28	07-Sep-26	07-Sep-26	07-Sep-26
Performance period (yr)	1.00	2.00	3.00	5.00	5.00	3.00	3.00	3.00
Expiry date	07-Sep-26	07-Sep-27	06-Sep-28	07-Sep-28	07-Sep-28	07-Sep-26	07-Sep-26	07-Sep-26
Life of the Options (yr)	3.00	4.00	5.00	5.00	5.00	3.00	3.00	3.00
Volatility	100%	100%	100%	100%	100%	100%	100%	100%
Risk-free rate	3.780%	3.780%	3.815%	3.815%	3.815%	3.780%	0.000%	3.780%
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number of Options	8 million	8 million	8 million	12 million	12 million	5 million	5 million	5 million
Valuation per Option	$0.009	$0.009	$0.009	$0.018	$0.018	$0.013	$0.010	$0.008
Valuation per Tranche	**$72,219**	**$68,269**	**$72,658**	**$220,059**	**$213,558**	**$63,520**	**$49,719**	**$41,418**

(i) Management Options:

The Company will issue a total of 35,018,016 options to Mr Matt Kay and Dr Trey Meckel:

(A) 11,018,016 Class A Management Options comprising of:

(I) 5,509,008 Tranche 1 Class A Management Options, which are subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 and have a 3-year expiry (Tranche 1 Class A Management Options); and

(II) 5,509,008 Tranche 2 Class A Management Options, which are subject to a performance hurdle based on the Company's market capitalisation (calculated by reference to the 30-day VWAP) being four-times the market capitalisation immediately post completion of the acquisitions of Volt and Within, and have a 3-year expiry (Tranche 2 Class A Management Options); and

(B) 24,000,000 Class B Management Options comprising of:

(I) 8,000,000 Tranche 1 Class B Management Options will have a life of 3-years, exercise price of $0.05 and vest 12-months from

the date of the Company's re-quotation to the Official List (Tranche 1 Class B Management Options);

(II) 8,000,000 Tranche 1 Class B Management Options will have a life of 4-years, exercise price of $0.10 and vest 24-months from the date of the Company's re-quotation to the Official List (Tranche 2 Class B Management Options); and

(III) 8,000,000 Tranche 1 Class B Management Options will have a life of 5-years, exercise price of $0.15 and vest 36-months from the date of the Company's re-quotation to the Official List (Tranche 3 Class B Management Options).

(ii) Director Options:

The Company will issue 24,000,000 options with nil exercise price with a five-year life to Directors:

(A) **Class A:** Class A vest subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 with an expiry life of five years and nil exercise price.

(B) **Class B:** Class B vest subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.05 with an expiry life of five years and nil exercise price.

(iii) Lead Manager Options:

The Company will issue of 15,000,000 options to the Lead Manager in three tranches:

(A) **Class A**: Class A will expiry 36-months post issue with an exercise price of $0.02.

(B) **Class B**: Class B will expiry 36-months post issue with an exercise price of $0.04.

(C) **Class C:** Class C will expiry 36-months post issue with an exercise price of $0.06.

(e) **Related party disclosures**

Transactions with related parties and Directors Interests are disclosed in Sections 7 and 9.5.

(f) **Commitments and contingencies**

At the Prospectus Date, no material commitments or contingent liabilities exist that the Company is aware of, other than those disclosed in the Prospectus.

6 Board, Management & Corporate Governance

6.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

(a) Mr Grant Davey – Executive Chairman;

(b) Mr Chris Bath – Non-Executive Director; and

(c) Mr David Wheeler – Non-Executive Director.

Mr Matt Kay will be appointed as the Managing Director of the Company on and from completion of the Acquisitions.

The Company is aware of the need to have sufficient management to properly supervise the advancement of the Projects and any future projects in which the Company has an interest and the Board will continually monitor the management roles in the Company. As the Projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure adequate oversight and management of the Projects and the Company's business activities.

6.2 Directors and Senior Management

(a) Grant Davey – Executive Chairman

Mr Grant 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, Mr Davey 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 Kaylekera Uranium mine in Malawi from Paladin Energy Limited. He is currently a Director of Frontier Energy Limited (ASX:FHE), Lotus Resources Limited (ASX:LOT) and is a member of the Australian Institute of Company Directors.

(b) Chris Bath – Non-Executive Director and Chief Financial Officer

Mr Chris 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 been Chief Financial Officer for companies listed on AIM, ASX and JSX. Mr Bath is currently a Director and the Chief Financial Officer of Frontier Energy Limited (ASX:FHE).

(c) David Wheeler – Non-Executive Director

Mr David Wheeler has more than 30 years of senior executive management, directorships, and corporate advisory experience both in Australia and foreign countries and regions including the USA, UK, Europe and Asia. He is a foundation director and partner of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of a range of clients including ASX listed companies.

Mr Wheeler is a Fellow of the Australian Institute of Company Directors and has experience on both public and private boards and currently holds a number of directorships and advisory positions in Australian companies. He is currently a director of listed companies PVW Resources Limited (previously Thred Limited), Avira Resources Limited, Protean Energy Ltd, Ragnar Metals Limited, Tyranna Resources Limited, Cycliq Group Limited, Cradle Resources Limited, ColorTV Limited and OZZ Resources Limited.

(d) Matt Kay – Proposed Managing Director

Mr Matt Kay BEc, MBA, FCPA, GAICD is a seasoned energy industry executive with more than 30 years of experience. Most recently he was the Managing Director of Beach Energy Limited, having quadrupled the size of the company over a 6-year period, to a circa $4 billion

listed ASX company. Mr Kay had oversight of more than 500 staff working across 10 locations in Australia and New Zealand with an annual capital expenditure of approximately $1 billion. Despite the growth during his tenure, Mr Kay drove material sustained improvements in Beach Energy Limited's HSE performance and a commitment to Net Zero Emissions targets.

Mr Kay is also a former member of the Australian Petroleum Production and Exploration Association board and was chair of the Executive Committee. Mr Kay has extensive experience in dealing with government policy and relationships through to Prime Minister / President level.

Prior to Beach Energy Limited, Mr Kay was the Executive General Manager of strategy and commercial at Oil Search, where he led the strategy, commercial, supply chain, economics, marketing, M&A and legal functions. Prior to Oil Search, Mr Kay worked at Woodside Energy for over a decade in various leadership roles including Vice President of Corporate Development and also General Manager of Production Planning overseeing 80 production professionals including the operations reservoir management, HSE, operations finance, operations HR, engineering optimisation of LNG, domestic gas and oil production facilities and product shipping and offtake.

(e) **Catherine Anderson – Company Secretary**

Ms Catherine Anderson is the company secretary of the Company.

Ms Anderson (B Juris (Hons), LLB) 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 areas 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, and is an experienced company secretary for both listed and unlisted public companies, as well as having served as a director of an ASX listed junior explorer.

(f) **Dr Lawrence ("Trey") Meckel – Head of Subsurface Division**

Dr Trey Meckel has more than has more than 30 years of experience at the forefront of the global energy sector, including significant experience in decarbonised energy solutions, petroleum E&P, and energy R&D.

Before joining the Company, Dr Meckel was the Subject Matter Expert for Strike Energy Limited's geothermal resource assessment in the North Perth Basin, the Storage Program Manager at CO2CRC (Australia) and Vice President of Global Exploration, New Ventures, & Geosciences for Pluspetrol, Latin America's most successful private, diversified energy company. Earlier in his career, Dr Meckel worked for Shell Global and Woodside Energy, and was a co-founder and managing partner of a SE Asian E&P start-up.

Dr Meckel is the Secretary of the Australian Geothermal Association, a Global Ambassador for the Geothermal Energy Advancement Association, and a tutor for the University of Cambridge (UK) Institute for Sustainability Leadership.

Dr Meckel received his PhD from the Swiss Federal Institute of Technology (ETH Zürich), his MA in Geology from the University of Texas at Austin, USA, and his BA with Honors from Williams College, USA.

6.3 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is responsible for and committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at https://www.cradleresources.com.au/company-profile/corporate-governance/.

6.4 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(a) leading and setting the strategic direction and objectives of the Company;

(b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of executives and the Company Secretary;

(c) overseeing the implementation of the Company's strategic objectives and the performance the executive team generally;

(d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;

(e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

(f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and

(h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

6.5 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

However, subject thereto:

(a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives of the Company.

The Board currently comprises two non-executive directors, one of whom is considered independent. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity and enable new Directors to gain an understanding of the Company's policies and procedures.

6.6 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

6.7 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

6.8 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

6.9 Remuneration arrangements

Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Remuneration Committee. Accordingly, the responsibilities ordinarily ascribed to a Remuneration Committee will by subsumed by the Board.

The Board will decide the remuneration of an executive Director without the affected executive Director participating in the decision-making process.

The total maximum remuneration of non-executive Directors is currently $500,000, and may be amended by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Director's remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The fees paid to Directors are detailed in Section 9.8.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them, respectively, in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered appropriate for a company of its size and level of activity as well as the relevant Director's time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity based plans, including the appropriateness of performance hurdles and total payments proposed.

6.10 Code of Conduct

The purpose of this policy is to provide a framework for decisions and actions in relation to the ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders, This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

6.11 Continuous Disclosure Policy

As an entity listed on the ASX, the Company must comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

6.12 Risk Management Policy

This policy is designed to assist the Company to identify assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be reoccurring items for deliberation at Board meetings.

6.13 Securities Trading Policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The policy generally provides that for directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

6.14 Shareholder Communications Policy

The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. This policy details the practices which the Company will implement to ensure effective communication with its shareholders.

6.15 Diversity Policy

The Company is committed to workplace diversity. The Company recognises the benefits from diversity in the workplace and at the Board level, including access to different perspectives and ideas, benefitting from a wide range of talent. The Company's diversity policy will be included in the corporate governance section of the Company's website.

6.16 Whistleblower Policy

The Company has adopted a whistleblower policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which employees are responsible and accountable and behave with honesty and integrity.

6.17 Anti-Bribery and Corruption Policy

The Company is committed to conducting all of its business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. Its Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. The purpose of the anti-bribery and corruption policy is to educate and inform personnel and representatives of the Company of the Company's commitment to anti-corruption and bribery requirements arising out of anti-bribery and corruption laws and the various laws prohibiting fraudulent and corrupt behaviour more generally.

6.18 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

6.19 Internal audit

The Company does not have an internal audit function. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

6.20 Audit and Risk Committee

The Company will not have a separate Audit and Risk Committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

6.21 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations will also be announced prior to re-quotation to the Official List.

7 Material Contracts

Set out below is a brief summary of certain contracts to which the Company is a party and which the Directors have identified as being material to the Company or as being of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

7.1 Acquisition Agreements

(a) Volt Agreement

The Company has entered into the Volt Agreement with the Volt Vendors pursuant to which the Company will acquire an 84% interest in the entire issued share capital of Volt. In consideration for the acquisition of Volt, the Company will issue to the Volt Vendors a total of 110,180,165 Vendor Shares in the following proportions:

Volt Vendor	Number of Vendor Shares
Mimo Strategies Pty Ltd ACN 140 796 112 as trustee for Mimo Trust	26,476,744
Ninety35 Pty Ltd ACN 649 281 881 as trustee for 2Gen Family Trust	26,476,744
Stephen Biggins as trustee for The Rescap Family Trust	35,189,963
Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust	22,036,714

With effect on and from completion of the Acquisitions, Mr Matt Kay will be appointed as Managing Director of the Company.

Completion of the Volt Agreement is subject to, and conditional upon, the satisfaction or waiver of (amongst others) the following conditions precedent:

(i) the parties having obtained all regulatory consents and approvals which are necessary for the acquisition of Volt, including all approvals required from the ASX;

(ii) the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company;

(iii) completion of the Capital Raising Offer;

(iv) the Company and the Volt Vendors agreeing the form of the Joint Venture Agreement; and

(v) execution of the Within Agreement.

If the above conditions are not satisfied or waived by 29 February 2024 (or such other date as agreed between the parties), the Volt Agreement may be terminated by written notice by either party.

In addition, either the Company or the Volt Vendors may terminate the Volt Agreement if the other party is in breach of an obligation under the Volt Agreement and has not rectified that breach within five business days of notice to the other party setting out the substance of the breach.

Subject to the Volt Vendors providing sufficient evidence of expenditure (to the Company's satisfaction) and ASX approval (if required), the Company has agreed to reimburse the Volt

Vendors for expenditure on the Projects up to a maximum aggregate amount of $350,000, and any such reimbursed amount will reduce the Company's obligations to expend, or procure the expenditure of, a minimum of $3,016,978 on the Volt Project and/or the Within Project in accordance with the Joint Venture Agreement.

The Company's obligation to make further payments to the Volt Vendors as detailed the paragraph above has also been duplicated in the Within Agreement in respect of the Within Vendors. However, to the extent that any further payments are made to the Volt Vendors, such payment will reduce the entitlements of the Within Vendors to recover the equivalent payments under the Within Agreement.

The Volt Agreement also contains other standard clauses customary to an agreement of this nature, including representations, warranties and indemnities by the parties.

(b) **Within Agreement**

The Company has entered into the Within Agreement with the Within Vendors pursuant to which the Company will acquire an 84% interest in the entire issued share capital of Within. In consideration for the acquisition of Within, the Company will issue to the Within Vendors a total of 110,180,164 Vendor Shares in the following proportions:

Within Vendor	Number of Vendor Shares
Mimo Strategies Pty Ltd ACN 140 796 112 as trustee for Mimo Trust	52,886,479
Stephen Biggins as trustee for The Rescap Family Trust	35,257,652
Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust	22,036,033

With effect on and from completion of the Acquisitions, Mr Matt Kay will be appointed as Managing Director of the Company.

Completion of the Within Agreement is subject to, and conditional upon, the satisfaction or waiver of (amongst others) the following conditions precedent:

(i) the parties having obtained all regulatory consents and approvals which are necessary for the acquisition of Within, including all approvals required from the ASX;

(ii) the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company;

(iii) completion of the Capital Raising Offer;

(iv) the Company and the Within Vendors agreeing the form of the Joint Venture Agreement; and

(v) execution of the Volt Agreement.

If the above conditions are not satisfied or waived by 29 February 2024 (or such other date as agreed between the parties), the Within Agreement may be terminated by written notice by either party.

In addition, either the Company or the Within Vendors may terminate the Within Agreement if the other party is in breach of an obligation under the Within Agreement and has not rectified that breach within five business days of notice to the other party setting out the substance of the breach.

Subject to the Within Vendors providing sufficient evidence of expenditure (to the Company's satisfaction) and ASX approval (if required), the Company has agreed to reimburse the Within

Vendors for expenditure on the Projects up to a maximum aggregate amount of $350,000, and any such reimbursed amount will reduce the Company's obligations to expend, or procure the expenditure of, a minimum of $3,016,978 on the Volt Project and/or the Within Project in accordance with the Joint Venture Agreement.

The Company's obligation to make further payments to the Within Vendors as detailed in the paragraph above has also been duplicated in the Volt Agreement in respect of the Volt Vendors. However, to the extent that any further payments are made to the Within Vendors, such payment will reduce the entitlements of the Volt Vendors to recover the equivalent payments under the Volt Agreement.

The Within Agreement also contains other standard clauses customary to an agreement of this nature, including representations, warranties and indemnities by the parties.

(c) **Joint Venture Agreement**

The Company has entered into the Joint Venture Agreement with the Vendors[19], which governs the terms and conditions upon which Volt and Within will operate and the conduct of the joint venture which encompasses the Projects (**Joint Venture**). The terms and conditions of the Joint Venture Agreement are as follows (amongst other matters):

(i) the Vendors[19] will have no obligation to contribute funds to the Joint Venture from the Commencement Date until the earlier to occur of:

(A) completion of a feasibility study in respect of the Volt Project and/or the Within Project;

(B) expenditure in respect of the Joint Venture equalling $15,000,000 less any amounts reimbursed to the Vendors or otherwise provided to Volt or Within in accordance with the Volt Agreement and/or the Within Agreement; or

(C) the fifth anniversary of the Commencement Date,

(**Free Carried Period**);

(ii) the Company has agreed to expend, or procedure the expenditure of, a minimum of $3,016,978 on the Volt Project and/or the Within Project in accordance with an approved program and budget by the second anniversary of the Commencement Date;

(iii) after the Free Carried Period, Volt and Within may issue cash calls to the shareholders of Volt and Within requiring them to contribute funds to the Joint Venture in proportion to their respective Joint Venture interests, and a failure to answer a cash call will result in the dilution of the relevant shareholder's Joint Venture interest;

(iv) from the Commencement Date. the board of directors of Volt and Within will comprise of the Company's nominees;

(v) decisions relating to certain reserved matters will only be valid if approved by the board of directors of Volt and Within;

(vi) subject to applicable law, any decision approved by the operating committee that requires an action to be taken by Volt and/or Within will be approved and ratified by the board of directors of Volt and/or Within (as applicable);

(vii) the Company and the Vendors[19] will form an operating committee which will be responsible for the overall management and operation of the Joint Venture, including the approval of work programs and budgets. The operating committee will comprise of:

[19] Excluding Jadematt Investments Pty Ltd ACN 617 788146 as trustee for K Upstream Trust who will no longer be a shareholder of Volt and Within from completion of the Acquisitions.

(A) three nominees of Cradle;

(B) one nominee of the Volt Vendors;[19] and

(C) one nominee of the Within Vendors;[19]

(viii) the decisions of the operating committee will be made by simple majority approval, excluding certain reserved matters which will require the unanimous approval of the operating committee;

(ix) the quorum for a meeting of the operating committee is two members, with one having been nominated by the Company and one having been nominated by the Vendors;[19]

(x) the Company will be appointed as the manager of the Joint Venture. The Company's appointment as manager may be terminated if (amongst other matters), the Company's Joint Venture interest is reduced to less than 25%. The Company's appointment as manager may be terminated by:

(A) the Vendors[19] if the Company's Joint Venture interest is reduced to less than 25%;

(B) the Company with 30 days written notice;

(C) by any shareholder of Volt and/or Within if the Company has been determined by a court to have committed fraud or negligence or has wilfully defaulted on its obligations under the Joint Venture Agreement or the Company is subject to any insolvency event;

(xi) the Company's obligations as manager are to use all reasonable endeavours to, among other duties:

(A) prepare a work program for consideration and approval by the operating committee;

(B) determine the nature, location, times and manner of activities in accordance with the work program;

(C) prepare proposals (including Project plans or management plans) for consideration by the operating committee;

(D) carry out the Joint Venture operations in accordance with the work program and budget approved by the operating committee; and

(E) be responsible for all day to day operations of the Joint Venture;

(xii) the Company has an option to purchase the Joint Venture interests held by the Vendors[19] which may be exercised at any time following the third anniversary of the Commencement Date;

(xiii) the Vendors[19] have an option to require the Company to purchase all of their Joint Venture interests, which may be exercised at any time prior to the third anniversary of the Commencement Date;

(xiv) the Company and the Vendors[19] agree to jointly investigate and explore for geothermal resources in Queensland and South Australia (or such other region as agreed between the parties) (**Area of Interest**);

(xv) if either the Company or the Vendors,[19] or their respective related bodies corporate, acquire or propose to acquire an interest in any geothermal resource project, geothermal or exploration licence or application or similar within the Area of Interest (**New Business Opportunity**), then the relevant party must bring the New Business Opportunity to the operating committee for consideration and the operating committee may resolve by simple majority approval:

(A) to bring the New Business Opportunity within the scope of the Joint Venture, in which case the New Business Opportunity will be deemed to be a part of the Joint Venture; or

(B) that is not interested in the New Business Opportunity, in which case the New Business Opportunity may be pursued by the party bringing it to the attention of the operating committee.

The Joint Venture Agreement also contains other standard clauses customary to an agreement of this nature, including drag and tag provisions, representations, warranties and indemnities by the parties.

7.2 Lead Manager Mandate

The Company engaged Canaccord Genuity (Australia) Limited to act on an exclusive basis as lead manager and bookrunner to the Capital Raising Offer (**Lead Manager Mandate**).

The Company will pay the following remuneration to the Lead Manager (exclusive of GST):

(a) a management fee equal to 1% of the total proceeds raised under the Capital Raising Offer;

(b) an equity raising fee equal to 4% of the total proceeds raised under the Capital Raising Offer (**Equity Raising Fee**);

(c) the issue of up to 15,000,000 Lead Manager Options each with a nil exercise price and expiring five years from the date of issue. Refer to Section 8.5 for a summary of the terms and conditions of the Lead Manager Options.

The Company will reimburse the Lead Manager for all reasonable out-of-pocket expenses (including applicable GST) incurred by the Lead Manager in connection with the Lead Manager Mandate and Capital Raising Offer including:

(d) legal fees of the Lead Manager up to a maximum of $20,000, provided that the Lead Manager must seek prior approval from the Company;

(e) all other reasonable costs and expenses including, marketing and communication costs, printing, couriers, postage and other distribution costs and travel and accommodation expenses provided that the Lead Manager must seek prior approval from the Company before incurring any expense in an amount greater than $2,000; and

(f) any stamp duty or similar taxes (but excluding any income tax or capital gains tax of the Lead Manager).

The Lead Manager has entered into an appointment letter with CPS Capital Group Pty Ltd (**Co-Manager**) for the Co-Manager to provide Co-Manager services. The Co-Manager will act as Co-Manager to the Capital Raising Offer, in respect of an allocation to be agreed between the Lead Manager and the Co-Manager (**Allocation**). The Co-Manager will receive a minimum Allocation of $1 million. The Lead Manager must pay, on behalf of the Company, the Co-Manager a fee equal to 4% of the Allocation, which will form part of the Equity Raising Fee payable by the Company to the Lead Manager (**Co-Manager Fee**). The Co-Manager Fee will become payable by the Lead Manager on payment by the Company of fees payable to the Lead Manager. Expenses incurred by the Co-Manager in connection with its appointment letter with the Lead Manager and its role as Co-Manager are for its own account. The Lead Manager may terminate the Co-Manager's appointment as co-lead manager to the Capital Raising Offer in its absolute discretion at any time.

7.3 Letters of Appointment – Non-Executive Directors

(a) Mr Chris Bath – Non-Executive Director

The Company has entered into non-executive director appointment letter with Mr Chis Bath on the following terms (**Bath Appointment Letter**).

(i) Mr Bath will act as a non-executive Director of the Company on and from 8 July 2019.

(ii) Mr Bath will be entitled to receive $36,000 per annum for the provision of services under the Bath Appointment Letter. Following completion of the Acquisitions, Mr Bath will be entitled to receive $48,000 per annum for the provision of services under the Bath Appointment Letter. The remuneration payable is subject to review by the Board and approval of Shareholders (if required).

(iii) Mr Bath will be remunerated for all reasonable out-of-pocket expenses incurred in providing the services.

(iv) The Company may immediately terminate Mr Bath's engagement by giving written notice in certain circumstances. The Company may terminate Mr Bath's engagement with immediately with written notice if Mr Bath engages in behave that it fundamentally inconsistent with his duties as a Director including, but not limited to, misconduct in the course of performing his duties under the Bath Appointment Letter or conduct that is likely to bring the Company into disrepute.

(b) Mr David Wheeler– Non-Executive Director

The Company has entered into non-executive director appointment letter with Mr David Wheeler on the following terms.

(i) Mr Wheeler will act as a non-executive Director of the Company on and from 12 October 2021.

(ii) Mr Wheeler will be entitled to receive $36,000 per annum for the provision of services. The remuneration payable is subject to review by the Board and approval of Shareholders (if required).

(iii) Mr Wheeler will be remunerated for all reasonable out-of-pocket expenses incurred in providing the services.

(iv) Mr Wheeler agrees to submit his resignation as a Director if, for any reason, Mr Wheeler becomes disqualified or prohibited at law from being or acting as a director or from being involved in the management of a company.

7.4 **Executive Services Agreement**

(a) Executive Services Agreement – Mr Matt Kay, proposed Managing Director

The Company has entered into an executive services agreement with Mr Kay in respect of his engagement as Managing Director of the Company on and from the completion of the Acquisitions (**MK ESA**) on the following terms:

(i) Mr Kay will provide executive services as Managing Director of the Company commencing from the date of the Company's re-quotation to the Official List.

(ii) The Company will remunerate Mr Kay for his services with an executive remuneration package comprising the following:

(A) a base salary of $350,000 per annum, exclusive of statutory superannuation;

(B) 29,018,016 Management Options on the terms and conditions detailed in Section 8.3; and

(C) payment of general expenses including a laptop computer and mobile phone data and call costs.

(iii) The Company or Mr Kay may terminate the MK ESA by giving not less than three months written notice of termination to the other party (or a shorter period in limited circumstances).

The MK ESA otherwise contains provisions which are customary for agreements of this nature, including relating to confidentiality and non-competition.

(b) Consultancy Agreement– Mr Grant Davey, Executive Chairman

The Company has entered into a consultancy agreement with Mr Grant Davey in respect of his engagement as an Executive Chairman of the Company (**Davey Agreement**) on the following terms:

(i) Mr Davey's will provide consultancy services to the Company as Executive Chairman commencing on 1 August 2016 and continuing on a monthly basis.

(ii) the Company will remuneration Mr Davey for his services with an executive remuneration package comprising:

(A) a fee of $10,000 per calendar month (**Fee**) payable quarterly in arrears and based on an invoice; and

(B) an incentive payment of $50,000 if the Company reaches a binding agreement on a change of control event.

(iii) The Davey Agreement may be terminated by either Mr Davey or the Company with 30 days' prior notice.

7.5 Shared Services Agreements

The Company has entered into the following services agreements:

(a) a cost sharing agreement dated 15 May 2023 (**Cost Sharing Agreement**) with Matador Capital Pty Ltd (**Matador Capital**) and others; and

(b) an office use agreement dated 15 May 2023 (**Office Use Agreement**) with Matador Capital.

Under the Cost Sharing Agreement, the parties have agreed to share certain corporate and administrative costs including, amongst other things, professional services (in respect of bookkeeping, financial management, accounting and financial reporting, company secretarial, executive assistance and office management), stationery, internet, IT and IT support and such other costs as agreed. The parties are provided a monthly invoice for the shared costs, which are apportioned based on a headcount allocation of personnel for delivery of services to the parties. The parties have also agreed to pay a management fee to Matador Capital, being 5% of the monthly invoice. The parties are to conduct a review of the shared costs apportionment if there is a change in the headcount allocation, and the parties are to conduct an annual review of the management fee and the manner in which the shared costs are apportioned. The Cost Sharing Agreement may be terminated by:

(c) the Company with six months written notice to Matador Capital;

(d) mutual agreement between the parties; and

(e) the non-defaulting party immediately with written notice to the defaulting party if there is a breach of the Cost Sharing Agreement which is not remedied within 14 days after a default notice is given.

The Cost Sharing Agreement contains other customary terms for an agreement of this nature.

Matador Capital is a party to a lease agreement with Asia Property AU 2 Pty Ltd as trustee for The Dragon Property Trust in respect of the premises at Level 20, 140 St Georges Terrace, Perth WA 6000 (**Property**) (**Head Lease**).

Under the Office Use Agreement, Matador Capital has agreed to sublease the Premises to the Company in exchange for the payment of a monthly fee. The Office Use Agreement has an initial fixed term of six months from 17 January 2022, with a rolling six month renewal at the end of each period. The Office Use Agreement may be terminated by:

(f) the Company with six months written notice;

(g) either party if the other party:

(i) fails to comply with the terms of the Office Use Agreement and fails to remedy such default within 14 days of written notice requesting the default to be remedied; or

(ii) becomes insolvent; or

(h) the Company with seven days written notice if Matador Capital is in default of the Head Lease.

The Office Use Agreement will terminate automatically if the Head Lease is terminated. The Office Use Agreement contains other customary terms for an agreement of this nature.

Mr Grant Davey, Executive Chairman, is a director and shareholder of Matador Capital.

The services provided by Matador Capital are recovered from the Company on a cost-plus basis. The recharge for August 2023 was $212 and September 2023 was $413. Matador Capital has provided a letter of financial support, whereby Matador Capital agrees, effective from 1 August 2022 to defer recharges of costs for office space and other services pursuant to the Cost Sharing Agreement and the Office Use Agreement. Matador Capital has agreed not to charge these costs to the Company while the Company does not have the financial resources to pay these costs. Therefore, the recharge of costs may increase following the Company's re-quotation to the Official List.

7.6 Deeds of Indemnity, Insurance and Access

The Company has entered into standard deeds of indemnity, insurance and access with each of the Directors, including Mr Matt Kay, proposed Managing Director (**Deeds of Indemnity**). Pursuant to the Deeds of Indemnity, the Company will indemnify the Directors to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the Directors and also allow the Directors to inspect Board papers in certain circumstances. The Deeds of Indemnity are considered standard for agreements of this nature.

8 Rights Attached to Securities

8.1 Rights attaching to Shares

All Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all the Company's existing Shares.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be obtained by contacting the Company at its registered office during normal business hours during the Offer Period.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy or attorney;

(ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but, in respect of partly paid shares, shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is liability.

(e) Shareholder liability

As the Shares to be issued under the Offers are fully paid shares, they are not subject to any calls for money by the Directors and will, therefore, not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and/or the Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8.2 **Rights attaching to Placement Options**

(a) **Entitlement**

Each Placement Option entitles the holder of the Placement Option (**Holder**) to subscribe for one Share upon exercise of the Placement Option.

(b) **Exercise Price**

The amount payable upon exercise of each Placement Option will be $0.05 (**Exercise Price**)

(c) **Expiry Date**

Each Placement Option will expire at 5:00pm (AWST) on the date which is three years from the date of issue (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Each Placement Option is exercisable at any time prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Placement Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Placement Option as at the date of receipt.

(f) **Minimum Exercise of Placement Options**

Placement Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Placement Options are held by a Holder.

(g) **Shares issued on exercise**

Shares issued on exercise of the Placement Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the

Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(h) **Quotation of Shares**

If admitted to the Official List at the time, the Company will apply to ASX for Official Quotation of the Shares issued upon the exercise of the Placement Options.

(i) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five business days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Placement Option being exercised, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and

(ii) if admitted to the Official List at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Placement Options.

(j) **Participation in new issues**

A Holder is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company; or

(iii) participate in any new issues of Securities offered to Shareholders during the term of the Placement Options,

unless and until the Placement Options are exercised and the Holder holds Shares.

(k) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Placement Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Placement Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Placement Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O' = the new Exercise Price of the Placement Option.

O = the old Exercise Price of the Placement Option.

E = the number of underlying Shares into which one Placement Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlement date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(m) **Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(n) **Quotation of Placement Options**

The Company will not seek Official Quotation of any Placement Options.

(o) **Placement Options transferable**

The Placement Options are transferrable subject to compliance with the Corporations Act.

(p) **Lodgement Requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Placement Options.

(q) **Change of control**

If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Placement Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

8.3 **Rights attaching to Management Options**

(a) **Entitlement**

Each Management Option entitles the holder of the Management Option (**Holder**) to subscribe for one Share upon exercise of the Management Option.

(b) **Exercise Price, Expiry Date and Vesting Conditions**

Each Management Option is exercisable at any time prior to the Expiry Date detailed in the table below (**Exercise Period**) subject to the payment of the relevant Exercise Price and the satisfaction of the following conditions (**Vesting Conditions**):

Class	Tranche	Exercise Price	Vesting Condition	Expiry Date
Class A	Tranche 1	Nil	The Company's Shares trade at a daily volume weighted average price of at least $0.04 for a consecutive period of at least 20 trading days.	5:00pm (AWST) on the date which is three years from the date of issue.

	Tranche 2	Nil	The Company achieving a market capitalisation (calculated by reference to the 30-day VWAP) that is four times greater than the Company's market capitalisation immediately post completion of the Acquisitions based on the Capital Raising Offer price (A$0.02 per Share).	5:00pm (AWST) on the date which is three years from the date of issue.
Class B	Tranche 1	$0.05	One year from the date of the Company's re-quotation to the ASX.	5:00pm (AWST) on the date which is three years from the date of issue.
	Tranche 2	$0.10	Two years from the date of the Company's re-quotation to the ASX.	5:00pm (AWST) on the date which is four years from the date of issue.
	Tranche 3	$0.15	Three years from the date of the Company's re-quotation to the ASX.	5:00pm (AWST) on the date which is five years from the date of issue.

(c) **Lapsing of Management Options**

(i) Definitions

Bad Leaver means a Holder who ceases to be a director or employee and does not meet the Good Leaver criteria.

Good Leaver means a Holder who ceases to be a director or employee of the Company in any of the following circumstances:

(A) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;

(B) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;

(C) the Holder's role has been terminated without cause;

(D) the Board has determined (in its sole and absolute discretion) that:

(I) Special Circumstances apply to the Holder; or

(II) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Company due to poor health, injury or disability;

(E) the Holder's death; or

(F) any other circumstance determined by the Board in writing.

Special Circumstance means the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

(ii) General

Subject to the Board's absolute discretion, any vested and unexercised and/or unconverted Management Options and unvested Management Options shall automatically lapse for no consideration on the earliest to occur of the following:

(A) where the Holder is a Bad Leader;

(B) where the Holder has engaged in fraudulent or dishonest actions;

(C) if the applicable Vesting Conditions are not achieved by the Expiry Date;

(D) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the Expiry Date;

(E) the Expiry Date;

(F) the receipt by the Company of notice from the Holder that the Holder has elected to surrender the Management Options; or

(G) any other circumstances specified in any offer letter pursuant to which the Management Options were issued.

(iii) Good Leaver

(A) Subject to Section 8.3(c)(iii)(B), where the Holder becomes a Good Leaver, the Board may at any time, in its sole and absolute discretion, do one or more of the following:

(I) permit unvested Management Options held by the Good Leaver to vest;

(II) permit such unvested Management Options held by the Good Leaver or his or her nominee(s) to continue to be held by the applicable Holder, with the Board having the discretion to amend the Vesting Conditions or reduce the Exercise Period of such unvested Management Options; or

(III) determine that the unvested Management Options will lapse.

(B) Where a person is a Good Leaver due to a Special Circumstance, the nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(iv) Bad Leaver

Where the Holders becomes a Bad Leaver:

(A) all vested and unexercised and/or unconverted Management Options; and

(B) all unvested Management Options,

will lapse.

(d) **Notice of Exercise**

The Management Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Management Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Management Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Management Option as at the date of receipt.

(e) **Minimum Exercise of Management Options**

Management Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Management Options are held by a Holder.

(f) **Shares issued on exercise**

Shares issued on exercise of the Management Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(g) **Quotation of Shares**

If admitted to the Official List at the time, the Company will apply to ASX for Official Quotation of the Shares issued upon the exercise of the Management Options.

(h) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five business days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Management Option being exercised, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Management Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and

(ii) if admitted to the Official List at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Management Options.

(i) **Participation in new issues**

A Holder is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company; or

(iii) participate in any new issues of Securities offered to Shareholders during the term of the Management Options,

unless and until the Management Options are exercised and the Holder is issued Shares.

(j) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Management Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Management Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Management Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O' = the new Exercise Price of the Management Option.

O = the old Exercise Price of the Management Option.

E = the number of underlying Shares into which one Management Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlement date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(l) **Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(m) **Quotation of Management Options**

The Company will not seek Official Quotation of any Management Options.

(n) **Management Options not transferable**

The Management Options are not transferrable.

(o) **Lodgement Requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Management Options.

(p) **Change of control**

If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Management Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

8.4 **Rights attaching to Director Options**

(a) **Entitlement**

Each Director Option entitles the holder of the Director Option (**Holder**) to subscribe for one Share upon exercise of the Director Option.

(b) **Exercise Price**

The amount payable upon exercise of each Director Option will be $0 (**Exercise Price**).

(c) **Expiry Date**

Each Director Option will expire at 5:00pm (AWST) on the date which is five years from the date of issue (**Expiry Date**). A Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period and Vesting Conditions**

Each Director Option is exercisable at any time prior to the Expiry Date (**Exercise Period**) upon the achievement of the following conditions (**Vesting Conditions**):

Tranche	Number of Director Option	Vesting Condition
Class A	50% of Director Options issued to a specific Director	The Company's Shares trade at a daily volume weighted average price of at least $0.04 for a consecutive period of at least 20 trading days.
Class B	50% of Director Options issued to a specific Director	The Company's Shares trade at a daily volume weighted average price of at least $0.05 for a consecutive period of at least 20 trading days.

(e) **Lapsing of Director Options**

(i) Definitions

Bad Leaver means a Holder who ceases to be a director and does not meet the Good Leaver criteria.

Good Leaver means a Holder who ceases to be a director of the Company in any of the following circumstances:

(A) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;

(B) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;

(C) the Holder's role has been terminated without cause;

(D) the Board has determined (in its sole and absolute discretion) that:

(I) Special Circumstances apply to the Holder; or

(II) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Company due to poor health, injury or disability;

(E) the Holder's death; or

(F) any other circumstance determined by the Board in writing.

Special Circumstance means the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

(ii) General

Subject to the Board's absolute discretion, any vested and unexercised and/or unconverted Director Options and unvested Director Options shall automatically lapse for no consideration on the earliest to occur of the following:

(A) where the Holder is a Bad Leader;

(B) where the Holder has engaged in fraudulent or dishonest actions;

(C) if the applicable Vesting Conditions are not achieved by the Expiry Date;

(D) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the Expiry Date;

(E) the Expiry Date;

(F) the receipt by the Company of notice from the Holder that the Holder has elected to surrender the Director Options; or

(G) any other circumstances specified in any offer letter pursuant to which the Director Options were issued.

(iii) Good Leaver

(A) Subject to Section 8.4(e)(iii)(B), where the Holder becomes a Good Leaver, the Board may at any time, in its sole and absolute discretion, do one or more of the following:

(I) permit unvested Director Options held by the Good Leaver to vest;

(II) permit such unvested Director Options held by the Good Leaver or his or her nominee(s) to continue to be held by the applicable Holder, with the Board having the discretion to amend the Vesting Conditions or reduce the Exercise Period of such unvested Director Options; or

(III) determine that the unvested Director Options will lapse.

(B) Where a person is a Good Leaver due to a Special Circumstance, the nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(iv) Bad Leaver

Where the Holders becomes a Bad Leaver:

(A) all vested and unexercised and/or unconverted Director Options; and

(B) all unvested Director Options,

will lapse.

(f) **Notice of Exercise**

The Director Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Director Option certificate (**Notice of Exercise**). Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Director Option as at the date of receipt.

(g) **Minimum Exercise of Director Options**

Director Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Director Options are held by a Holder.

(h) **Shares issued on exercise**

Shares issued on exercise of the Director Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(i) **Quotation of Shares**

If admitted to the Official List at the time, the Company will apply to ASX for Official Quotation of the Shares issued upon the exercise of the Director Options.

(j) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five business days after receipt of a Notice of Exercise given in accordance with these terms and conditions, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise; and

(ii) if admitted to the Official List at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Director Options.

(k) **Participation in new issues**

A Holder is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company; or

(iii) participate in any new issues of Securities offered to Shareholders during the term of the Director Options,

unless and until the Director Options are exercised and a Holder is issued Shares.

(l) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Director Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Director Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(m) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of a Director Option.

(n) **Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of a Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(o) **Quotation of Director Options**

The Company will not seek Official Quotation of any Director Options.

(p) **Director Options not transferable**

The Director Options are not transferrable.

(q) **Change of control**

If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Director Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

8.5 **Rights attaching to Lead Manager Options**

(a) **Entitlement**

Each Lead Manager Option entitles the holder of the Lead Manager Option (**Holder**) to subscribe for one Share upon exercise of the Lead Manager Option.

(b) **Exercise Price and Expiry Date**

Each Lead Manager Option is exercisable at any time prior to the Expiry Date detailed in the table below (**Exercise Period**) subject to the payment of the relevant Exercise Price detailed in the table below. A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Tranche	Number of Lead Manager Options	Exercise Price	Expiry Date
Class A	5,000,000 Lead Manager Options	$0.02	5:00pm (AWST) on the date which is three years from the date of issue.
Class B	5,000,000 Lead Manager Options	$0.04	5:00pm (AWST) on the date which is three years from the date of issue.
Class C	5,000,000 Lead Manager Options	$0.06	5:00pm (AWST) on the date which is three years from the date of issue.

(c) **Notice of Exercise**

The Lead Manager Options may be exercised by the Holder during the Exercise Period by notice in writing to the Company in the manner specified in the Lead Manager Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Lead Manager Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Lead Manager Option as at the date of receipt.

(d) **Minimum Exercise of Lead Manager Options**

Lead Manager Options must be exercised in multiples of ten thousand (10,000) unless fewer than ten thousand (10,000) Lead Manager Options are held by a Holder.

(e) **Shares issued on exercise**

Shares issued on exercise of the Lead Manager Options rank equally with the Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(f) **Quotation of Shares**

If admitted to the Official List at the time, the Company will apply to ASX for Official Quotation of the Shares issued upon the exercise of the Lead Manager Options.

(g) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five business days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Lead Manager Option being exercised, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Notice of Exercise; and

(ii) if admitted to the Official List at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Lead Manager Options.

(h) **Participation in new issues**

A Holder is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company; or

(iii) participate in any new issues of Securities offered to Shareholders during the term of the Lead Manager Options,

unless and until the Lead Manager Options are exercised and a Holder is issued Shares.

(i) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Lead Manager Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Lead Manager Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(j) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Lead Manager Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O' = the new Exercise Price of the Lead Manager Option n.

O = the old Exercise Price of the Lead Manager Option.

E = the number of underlying Shares into which one Lead Manager Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlement date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(k) **Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of a Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(l) **Quotation of Lead Manager Options**

The Company will not seek Official Quotation of any Lead Manager Options.

(m) **Lead Manager Options not transferable**

The Lead Manager Options are not transferrable.

(n) **Lodgement Requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Management Options.

(o) **Change of control**

If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Lead Manager Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

9 Additional Information

9.1 Company tax status

The Company is an Australian resident for tax purposes and will be taxed as a company.

9.2 Financial Year

The financial year of the Company ends on 30 June annually.

9.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.4 Selling restrictions

No action has been taken to register of qualify the Securities or the Offers, or otherwise to permit the public offering of Securities, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to their Application. The return of a duly completed Application Form or payment of Application Money will be taken by the Company to constitute a representation and warranty that there has been no breach of such law.

9.5 ASX Waivers and Confirmations

The completion of the Acquisitions and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules for re-quotation to the Official List is subject to the receipt of a number of approvals, waivers and confirmations. ASX have provided the Company with the following waivers/confirmations:

(a) Listing Rule 6.1: Confirmation that the terms of the Class A Management Options and Director Options are appropriate and equitable, subject to the following conditions:

  (i) the Prospectus including:

    (A) details of the party / parties to whom the Class A Management Options and Director Options will be issued, and the number of Class A Management Options and Director Options to be issued to each of them;

    (B) details of the relationship between the Company and the holder of the Class A Management Options and Director Options;

    (C) where the Class A Management Options and Director Options are being issued to incentivise Directors, a statement to that effect, details of the role the Directors will play in meeting the relevant vesting conditions, details of the existing total remuneration package of the Directors, details of the Directors' (or their associates') equity holdings in the Company and the consideration they paid for those equity securities, an explanation as to why the Company considered it necessary to further remunerate or incentivise the Directors to achieve the applicable performance milestones and details of how the Company determined the number of Class A Management Options and Director Options to be issued to Directors;

(D) the number of Shares that the Class A Management Options and Director Options will convert into if the applicable vesting conditions are satisfied and the impact this will have on the Company's capital structure; and

(E) the full terms and conditions of the Class A Management Options and Director Options including:

(I) the vesting conditions applicable to each tranche;

(II) the lapse dates applicable to each tranche;

(III) that the Class A Management Options and Director Options are not transferable;

(IV) that the Class A Management Options and Director Options do not confer any right to vote, except as otherwise required by law;

(V) that the Class A Management Options and Director Options do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues;

(VI) that the Class A Management Options and Director Options do not carry an entitlement to a dividend;

(VII) that the Class A Management Options and Director Options do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise;

(VIII) that the Class A Management Options and Director Options do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company;

(IX) each Class A Management Option and Director Option is converted into a Share on satisfaction of the relevant vesting condition; and

(X) if a relevant class of Class A Management Options and Director Options is not converted into a Share by the relevant expiry date then all Class A Management Options and Director Options of that class lapse;

(ii) the Company making an announcement immediately upon the satisfaction of any vesting conditions, the conversion of any Class A Management Options or Director Options and the expiry of any Class A Management Options or Director Options;

(iii) the terms and conditions of the Class A Management Options and Director Options (including the vesting conditions) must not be amended without the prior approval of ASX and Shareholders;

(iv) the Company must apply for the quotation of Shares issued on conversion of the Class A Management Options and Director Options within the requisite time period; and

(v) the Company must disclose the following in each annual report in respect of any period during which any of the Class A Management Options and Director Options remain on issue or were converted or cancelled:

(A) the number of Class A Management Options and Director Options on issue during the relevant period;

(B) a summary of the terms and conditions of the Class A Management Options and Director Options;

(C) whether any Class A Management Options and Director Options were converted or cancelled during the relevant period; and

(D) whether any vesting conditions were satisfied during that period;

(b) Listing Rule 2.1 Condition 2: A waiver to permit the Company to issue Shares (including pursuant to the Capital Raising Offer) at an issue price below $0.20 per Share subject to the issue price being at least $0.02 per Share, subject to the following conditions:

(i) the issue price of the Shares issued under the Capital Raising Offer must not be less than $0.02 per share;

(ii) the terms of the waiver and the Shares being clearly disclosed in the Notice and in the Prospectus; and

(iii) the Company's Shareholders approve the issue price of the Shares offered under the Capital Raising Offer in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the proposed Acquisitions; and

(c) Listing Rule 1.1 condition 12: A waiver to the extent necessary to permit the Company to have Options on issue with exercise prices below $0.20 (i.e. the Director Options, Management Options, Lead Manager Options and Placement Options), subject to the terms of the waiver and the Options being clearly disclosed in the Notice and in the Prospectus. The terms of these Options are detailed in Section 8.

9.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director as an inducement to become, or to qualify as, a Director; for services provided in connection with:

(c) the formation or promotion of the Company; or

(d) the Offers.

9.7 Director Holdings

As at the date of this Prospectus, the interests of the Directors and their associated entities in the Securities are as follows:

	Shares	Options
Grant Davey	23,073,673[1]	-
Chris Bath	1,864,245[2]	-
David Wheeler	-	-
Matt Kay	-	-

Notes:

1. Mr Grant Davey has subscribed for a total of 23,073,673 Shares at a total cost of $1,383,930 in the ordinary course of the Company's business (i.e. through off-market trades, participation in entitlements offers made by the Company or on the exercise of convertible securities).

2. Mr Chris Bath has subscribed for a total of 1,864,245 Shares at a total cost of $89,484 in the ordinary course of the Company's business (i.e. through off-market trades and participation in entitlements offers made by the Company).

As at the date of this Prospectus and subject to Shareholder approval, the Directors and proposed Director intend to subscribe for Shares under the Capital Raising Offer as indicated in the table below. The following table details the number of Securities held (or controlled) by each of the Directors following completion of the Acquisitions and the Offers:

	Shares	Shares under the Capital Raising Offer[4]	Management Options[3]	Director Options[4]
Grant Davey	23,073,673[1]	10,000,000	-	10,000,000
Chris Bath	1,864,245[2]	5,000,000	-	10,000,000
David Wheeler	-	1,250,000	-	4,000,000
Matt Kay	44,072,747[3]	5,000,000	29,018,016	-

Notes:
1. Mr Grant Davey has subscribed for a total of 23,073,673 Shares at a total cost of $1,383,930 in the ordinary course of the Company's business (i.e. through off-market trades, participation in entitlements offers made by the Company or on the exercise of convertible securities).
2. Mr Chris Bath has subscribed for a total of 1,864,245 Shares at a total cost of $89,484 in the ordinary course of the Company's business (i.e. through off-market trades and participation in entitlements offers made by the Company).
3. Mr Matt Kay will be entitled to receive a total of 44,072,747 Vendors Shares on completion of the Acquisitions.
4. The Company will seek Shareholder approval at the General Meeting for Messrs, Davey, Bath, Wheeler and Kay to subscribe for 21,250,000 Shares under the Capital Raising Offer.
5. The Company will seek Shareholder approve to issue 29,018,016 Management Options to Mr Matt Kay as follows:
    a. 11,018,016 Class A Management Options, comprising of:
        i. 5,509,008 Tranche 1 Class A Management Options; and
        ii. 5,509,008 Tranche 2 Class A Management Options; and
    b. 18,000,000 Class B Management Options, comprising of:
        i. 6,000,000 Tranche 1 Class B Management Options;
        ii. 6,000,000 Tranche 2 Class B Management Options; and
        iii. 6,000,000 Tranche 3 Class B Management Options.
6. The Company will seek Shareholder approval to issue 10,000,000 Director Options to Mr Grant Davey under the Director Offer, 10,000,000 Director Options to Mr Chris Bath under the Director Offer, 4,000,000 Director Options to Mr David Wheeler under the Director Offer and 29,018,016 Management Options to Mr Matt Kay under the Management Offer.

9.8 Remuneration of Directors

Following completion of the Acquisitions, the annual remuneration (excluding mandatory superannuation contributions or GST) of the Directors will be as follows:

Director	Remuneration ($)
Grant Davey[1]	120,000
Chris Bath[1]	48,000
David Wheeler[1]	36,000
Matt Kay [2]	350,000

Notes:
1. Individual has been engaged as a consultant and therefore superannuation is not applicable.
2. Excluding superannuation.

9.9 Related Party Transactions

Mr Grant Davey, Executive Chairman, is a director and shareholder of Matador Capital.

Cradle makes payments to Matador Capital Pty Ltd under the Cost Sharing Agreement and Office Use Agreement, as detailed in Section 7.5. The services provided by Matador Capital are recovered on a cost-plus basis.

As at the date of this Prospectus, no material transactions with related parties and Directors' interests exist other than as disclosed in the Prospectus.

9.10 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(e) the formation or promotion of the Company; or

(f) the Offers.

Three60 Energy Pty Ltd has acted as Independent Technical Expert and has prepared the Independent Technical Expert's Report, which is included in Annexure B. The Company estimates it will pay Three60 Energy Pty Ltd a total of $70,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Three60 Energy Pty Ltd has not received fees from the Company for any other services.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report, which is included in Annexure A. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of $20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has not received any fees from the Company for any other services.

Canaccord Genuity (Australia) Limited has acted as the Lead Manager to the Capital Raising Offer. Details of the payments to be made to the Lead Manager is detailed in Section 7.2. During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided any other services to the Company.

CPS Capital Group Pty Ltd has acted as the Co-Manager to the Capital Raising Offer. Details of the payments to be made to the Co-Manager is detailed in Section 7.2. During the 24 months preceding lodgement of this Prospectus with ASIC, the Co-Manager has not provided any other services to the Company.

Thomson Geer has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Thomson Geer $130,000 (excluding GST) for these services. Thomson Geer has prepared the Solicitor's Tenement Report, which is included in Annexure C. The Company estimates it will pay Thomson Geer $20,000 (excluding GST) for the preparation of the Solicitor's Tenement Report. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Thomson Geer has received fees of $89,717.32 (excluding GST) from the Company for any other services.

9.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Director, any underwriters, persons named in the Prospectus with their consent having made a

statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) in light of the above, only to the maximum extent permitted by law,

expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Three60 Energy Pty Ltd has given its written consent to being named as Independent Technical Expert in this Prospectus, the inclusion of the Independent Technical Expert's Report in Annexure B of this Prospectus in the form and context in which the report is included and the inclusion of statements contained in this Prospectus in the form and context in which those statements are included. Three60 Energy Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Dr. Arnout JW Everts has given his written consent to being named as a competent person in this Prospectus in the form and context in which he is named and to the inclusion in this Prospectus of the matters and the supporting information based on his information and all statements by, or statements said in this Prospectus to be based on a statement by him, each in the form and context in which they appear. Dr Everts has not withdrawn his consent prior to lodgement of this Prospectus with ASIC.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in the form and context in which it is named in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure A in the form and context in which it is included. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Canaccord Genuity (Australia) Limited has given its written consent to being named as Lead Manager in this Prospectus in the form and context in which it is named. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

CPS Capital Group Pty Ltd has given its written consent to being named as Co-Manager in this Prospectus in the form and context in which it is named. CPS Capital Group Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Thomson Geer has given their written consent to being named as the solicitors (Australian law) to the Company in this Prospectus. Thomson Geer has given their written consent to being named as the Tenement Solicitor to the Company in this Prospectus and the inclusion of the Solicitor's Tenement Report in Annexure C in the form and context in which the report is included. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Ernst & Young has given their written consent to being named as the auditor of the Company in this Prospectus in the form and context in which it appears. Ernst & Young has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Link Market Services Limited has given their written consent to being named as the share registry of the Company in this Prospectus in the form and context in which it appears. Link Market Services Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Each of the Directors have given their written consent to being named in this Prospectus in the form and context in which it appears and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus (as applicable). The Directors have not withdrawn their consent prior to the lodgement of this Prospectus with ASIC.

9.12 Offer-associated costs

The total expenses of the Offers (excluding GST) that will be settled in cash are estimated to be approximately $640,000 and are expected to be applied towards the items set out in the table below:

Estimated Offer-associated costs	$
ASX and ASIC fees	40,000
Independent Technical Expert's Report Fee	105,000
Independent Limited Assurance Report Fee	25,000
Solicitor's Tenement Report Fee	20,000
Legal fees	130,000
Lead Manager and Co-Manager Fees	300,000
Other costs (Share Registry, printing, administration, miscellaneous)	20,000
TOTAL	**640,000**

9.13 Continuous disclosure obligations

Following re-quotation of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.14 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at https://www.cradleresources.com.au/prospectus/.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.15 Privacy statement

By completing and returning an Application Form, Applicants will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, and deal with you as a Shareholder including to make dividend payments (if any) and give corporate communications to you as a Shareholder.

By applying for Securities, each Applicant agrees that the Company may use the information provided for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry, the Lead Manager, the Co-Manager, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses) and to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers and print service providers.

Applicants and Shareholders can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

The Corporations Act requires the Company to include information about a Shareholder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a Shareholder of the Company.

Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

A person who has provided such information has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

9.16 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Level 20, 140 St Georges Terrace, Perth WA 6000:

(a) this Prospectus; and

(b) the Constitution.

9.17 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

9.18 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Western Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.

9.19 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the Financial Information included in Section 5 there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

10 Directors' Authorisation

This Prospectus is issued by the Company and lodged with ASIC pursuant to section 718 of the Corporation Act. The issue of the Prospectus has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Prospectus has not withdrawn their consent, to the lodgement of this Prospectus with ASIC.

_____

Grant Davey
Executive Chairman
For and on behalf of Cradle Resources Limited

11 Glossary

$** or **A$ means the lawful currency of Australia.

Acquisitions means the acquisition by the Company of 84% of the issued share capital of Volt and Within, respectively.

Additional Offers means the Vendor Offer, Placement Offer, Management Offer, Director Offer and Lead Manager Offer.

Allocation has the meaning given in Section 7.2.

Applicants means a person who submits an Application Form.

Application Form means an application form attached to or accompanying this Prospectus.

Application means a valid application for Securities under the Offers made pursuant to an Application Form (accompanied by the payment of Application Money (if applicable)) or made via the payment of Application Money (if applicable).

Application Money means application money (being $0.02 per Share) to be paid to the Company by Applicants applying for Shares pursuant to the Capital Raising Offer under this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2016/80 means *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

ASX means ASX Limited ABN 98 008 624 691 or Australian Securities Exchange, as the context requires.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Limited (ACN 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ACN 001 314 503).

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

BDO means BDO Corporate Finance (WA) Pty Ltd.

Board means the board of Directors from time to time.

Capital Raising Offer means the public offer of up to 300,000,000 Shares to raise $6,000,000 (before costs), as described in Section 1.1.

Change of Activities has the meaning given in Section 1.6(a)(i).

Change of Control Event means:

(a) a change in control (as defined in section 50AA of the Corporations Act) of the Company;

(b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning more than fifty per cent (50%) of the Company's Shares;

(c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the Company's Shares;

(d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the Company's Shares;

(e) where a takeover bid is made to acquire more than fifty per cent (50%) of the Company's Shares (or such lesser number of Shares that when combined with the Shares that the bidder

(together with its associates) already owns will amount to more than 50% of the Company's Shares) and the takeover bid becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50% of the Company's Shares,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company.

CHESS means the Clearing House Electronic Subregister System.

Class A Management Options has the meaning given in Section 8.3(b).

Class B Management Options has the meaning given in Section 8.3(b).

Closing Date means the closing date of the Offers, being Wednesday, 29 November 2023, subject to the Directors exercising their discretion to extend the Closing Date.

Co-Manager means CPS Capital Group Pty Ltd ACN 088 055 636.

Co-Manager Fee has the meaning given in Section 7.2.

Company or **Cradle** means Cradle Resources Limited ACN 149 637 016 (to be renamed "Earths Energy Limited").

Commencement Date means the date of completion pursuant to the Volt Agreement and the Within Agreement.

Conditions has the meaning given in Section 1.7.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director Offer means the offer of up to 24,000,000 Director Options to Messrs Davey, Bath and Wheeler, as detailed in Section 1.4(d).

Director Options has the meaning given in Section 1.4(d).

Directors means the directors of the Company from time to time.

EFT means electronic funds transfer.

EPG means exploration permit for geothermal energy.

Exposure Period means, in accordance with section 727(3) of the Corporations Act, the period of seven days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC.

Financial Information has the meaning given in Section 5.2.

FinSA means the Swiss Financial Services Act.

GEL means geothermal exploration licence.

GELA means geothermal exploration licence application.

General Meeting means the general meeting of the Company to be held on Wednesday, 6 December 2023 at 10:30am (AWST) at Level 20, 140 St Georges Terrace, Perth WA 6000.

Geothermal Energy Products has the meaning given in the UNFC Geothermal Specifications.

Geothermal Energy Project has the meaning given in the UNFC Geothermal Specifications.

Geothermal Energy Source has the meaning given in the UNFC Geothermal Specifications.

Geothermal Energy Resource has the meaning given in the UNFC Geothermal Specifications**.**

GST means goods and services tax.

GWe means gigawatts electric.

GWh means a gigawatt hour.

Historical Financial Information has the meaning given in Section 5.2(a).

Independent Technical Expert means Three60 Energy Pty Ltd.

Joint Venture has the meaning given in Section 7.1(c).

Joint Venture Agreement means the incorporated joint venture agreement between the Company and the Vendors in respect of the Projects.

Lead Manager means Canaccord Genuity (Australia) Limited.

Lead Manager Mandate has the meaning given in Section 7.2.

Lead Manager Offer means the offer of up to 15,000,000 Lead Manager Options to the Lead Manager, as detailed in Section 1.4(e).

Lead Manager Options has the meaning given in Section 1.4(e).

Listing Rules means the listing rules of the ASX.

Management Offer means the offer of up to 35,018,016 Management Options to Messrs Kay and Meckel, as detailed in Section 1.4(c).

Management Options has the meaning given in Section 1.4(b), and includes the Class A Management Options and Class B Management Options.

Matador Capital means Matador Capital Pty Ltd ACN 144 992 781.

Minimum Subscription has the meaning given in Section 1.2.

MW means megawatt.

MWe means megawatt electric.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offers means the Capital Raising Offer and the Additional Offers.

Official List means the official list of ASX.

Official Quotation or **Quotation** means the official quotation by ASX in accordance with the Listing Rules.

Opening Date means the opening date of the Offers, being Wednesday, 15 November 2023.

Option means an option to acquire a Share.

Paris Agreement means the international treaty on climate change adopted at the United Nations Climate Change Conference in Paris, France on 12 December 2015.

Placement has the meaning given in Section 1.4(b).

Placement Offer means the offer of up to 42,500,000 Placement Options to the Placement Participants, as detailed in Section 1.4(b).

Placement Options has the meaning given in Section 1.4(b).

Placement Participants means sophisticated or professional investors who participated in the Placement as identified in Section 1.4(b).

POD means probability of discovery.

Pro Forma Financial Information has the meaning given in Section 5.2(b).

Projects means the Volt Project and the Within Project.

Prospectus means this prospectus dated Wednesday, 8 November 2023.

Restriction Agreement means a restriction agreement in the form set out in the Listing Rules.

Restricted Securities has the meaning given to that term in the Listing Rules.

Section means a section of this Prospectus.

Securities means a Share, Option or other form of security issued or granted (as the case may be) by the Company.

Securityholder means a person holding a Security.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services Limited.

Shareholder means a registered holder of a Share.

UNFC means the United Nations Framework Classification for Resources.

UNFC Geothermal Specifications means Specifications for the Application of the United Nations Framework Classification to Geothermal Energy Resources.

Vendor Offer means the offer of up to 220,360,329 Vendor Shares to the Vendors, as detailed in Section 1.4(a).

Vendor Shares has the meaning given in Section 1.4(a).

Vendors means the Volt Vendors and the Within Vendors.

Volt means Volt Geothermal Pty Ltd ACN 651 713 683.

Volt Agreement has the meaning given in Section 3.2.

Volt Licences means the geothermal exploration licences and geothermal exploration applications detailed in Section 3.5(c).

Volt Project means the geothermal project located in South Australia comprising of the Volt Licences.

Volt Vendors means Ninety35 Pty Ltd as trustee for 2Gen Family Trust, Stephen Biggins as trustee for the Rescap Family Trust, Mimo Strategies Pty Ltd as trustee for Mimo Trust and Jadematt Investments Pty Ltd as trustee for K Upstream Trust.

Within means Within Energy Pty Ltd ACN 652 405 831.

Within Agreement has the meaning given in Section 3.2

Within Licences means the geothermal exploration licences and geothermal exploration applications detailed in Section 3.6(c).

Within Project means the geothermal project located in Queensland comprising of the Within Licences.

Within Vendors means Stephen Biggins as trustee for the Rescap Family Trust, Mimo Strategies Pty Ltd as trustee for Mimo Trust and Jadematt Investments Pty Ltd as trustee for K Upstream Trust.

Annexure A – Independent Limited Assurance Report

IDEAS | PEOPLE | TRUST

CRADLE RESOURCES LIMITED

Independent Limited Assurance Report

31 October 2023

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Australia

31 October 2023

The Directors
Cradle Resources Limited
Level 20, 140 St Georges Terrace
Perth, WA 6000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. INTRODUCTION

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Cradle Resources Limited (to be renamed Earths Energy Limited), (**'Cradle'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Cradle, for inclusion in the re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules (**'Prospectus'**).

Broadly, the Prospectus will offer up to 300,000,000 fully paid ordinary shares (**'Shares'**) at an issue price of $0.02 per Share to raise up to $6,000,000 before costs (**'the Capital Raising Offer'**).

On 7 July 2023, Cradle announced it has entered a binding agreement to acquire:

- 84% of share capital in Volt Geothermal Pty Ltd (**'Volt'**). Volt is a Western Australian incorporated entity that is the registered holder of geothermal exploration licences in South Australia (**'Volt Projects'**); and
- 84% of share capital in Within Energy Pty Ltd (**'Within'**). Within is a Western Australian incorporated entity that is the registered holder of geothermal exploration licences in Queensland (**'Within Projects'**). We note that during the year ended 30 June 2023, Within incorporated a wholly owned subsidiary company named Heatflow Energy Pty Ltd. Any portrayal of Within financial statements in this Report is on a consolidated basis, including Heatflow Energy Pty Ltd.

The Prospectus includes an offer of:

- 110,180,165 Shares (at a deemed price of $0.02 per Share) to the vendors of Volt (and/or their nominees); and
- 110,180,164 Shares (at a deemed price of $0.02 per Share) to the vendors of Within (and/or their nominees).

Together, these 220,360,329 Shares will be known as Consideration Shares (**'Consideration Shares'**).

The Company has undertaken a recent capital raise to assist in funding the costs associated with the re-compliance process and working capital purposes. On 7 July 2023, the Company issued 42,500,000 new Shares at $0.02 (**'Placement'**) to sophisticated and professional investors. The Company is also proposing to issue one free attaching option with an exercise price of $0.05 with an expiry of three-years for each Shares subscribed for under the Placement. The free attaching options are subject to shareholder approval and will be offered under the Prospectus.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

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

2. SCOPE

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Cradle, Volt and Within included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the years ended 30 June 2023, 2022 and 2021 for Cradle;
- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the year ended 2023 and period ended 30 June 2022 for Volt and Within; and
- the audited historical Statement of Financial Position as at 30 June 2023 for Cradle, Volt and Within;

We note that Volt and Within were incorporated on 5 July 2021 and 29 July 2021, respectively.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial statements of Cradle for the years ended 30 June 2023, 2022 and 2021 which were audited by Ernst & Young in accordance with the Australian Auditing Standards. Ernst & Young issued unmodified audit opinions on the financial statements.

The Historical Financial Information has been extracted from the financial statements of Volt and Within for the year ended 30 June 2023 and the period ended 30 June 2022, which were audited by William Buck Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. William Buck (WA) Pty Ltd issued unmodified audit opinions on the financial statements.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of Cradle included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2023.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Cradle, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Cradle to illustrate the impact of the events described in Section 6 and Section 7 of the Report on Cradle's financial position as at 30 June 2023. As part of this process, information about Cradle's financial position has been extracted from Cradle's financial report for the year ended 30 June 2023.

3. DIRECTORS' RESPONSIBILITY

The directors of Cradle are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. CONCLUSION

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows of Cradle for the year ended 30 June 2021, 30 June 2022 and 30 June 2023;
- the Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows of Volt and Within for the year 30 June 2023 and the period ended 30 June 2022; and
- the Statement of Financial Position of Cradle as at 30 June 2023.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Cradle as at 30 June 2023,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. SUBSEQUENT EVENTS

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2023:

- The Placement completed on July 2023 which saw a total of 42,500,000 Shares issued raising $850,000. The Company proposes to issue an additional 42,500,000 free attaching options under the Prospectus subject to shareholder approval pursuant to Listing Rule 7.1 at an exercise price of $0.05 with expiry of three-years (‘**Placement Options**’).

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Cradle not described above, has

come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. ASSUMPTIONS ADOPTED IN COMPILING THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial report as at 30 June 2023, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 220,360,329 Shares at a deemed issue price of $0.02 per Share with a total value of $4,407,207 million to Volt and Within (**'Consideration Shares').** These shares will require the vendors of Volt and Within to hold the Shares in escrow for 24 months from completion;
- The Company will issue 35,018,016options to Matthew Kay and Trey Meckel (**'Management Options'**) with a range of lives and exercise prices.
    - 11,018,016 Class A Management Options comprising of:
        - 5,509,008 Tranche 1 Class A Management Options, which are subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 and have a 3-year expiry ('**Tranche 1 Class A Management Options**'); and
        - 5,509,008 Tranche 2 Class A Management Options, which are subject to a performance hurdle based on the Company's market capitalisation (calculated by reference to the 30-day VWAP) being four-times the market capitalisation immediately post completion of the acquisitions of Volt and Within, and have a 3-year expiry ('**Tranche 2 Class A Management Options**'); and
    - 24,000,000 Class B Management Options comprising of:
        - 8,000,000 Tranche 1 Class B Management Options will have a life of 3-years, exercise price of $0.05 and vest 12-months from the date of the Company's re-quotation to the official list of the ASX ('**Tranche 1 Class B Management Options**');
        - 8,000,000 Tranche 2 Class B Management Options will have a life of 4-years, exercise price of $0.10 and vest 24-months from the date of the Company's re-quotation to the official list of the ASX ('**Tranche 2 Class B Management Options**');
        - 8,000,000 Tranche 3 Class B Management Options will have a life of 5-years, exercise price of $0.15 and vest 36-months from the date of the Company's re-quotation to the official list of the ASX ('**Tranche 3 Class B Management Options**').

- The Company will issue 24,000,000 options with nil exercise price with a five-year life to Directors (**'Director Options'**). The Director Options will vest subject to the following performance hurdles:
    - One half of the Director Options will vest subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 (**'Class A Director Options '**);
    - The other half of the Director Options will vest subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.05 (**'Class B Director Options '**).
- The Company will issue of 15,000,000 options to the lead manager (**'Lead Manager Options'**). The Lead Manager Options will have the following exercise price and expiry date for the following tranches:
    - 5 million Lead Manager Options will expiry 36-months from the date of issue with an exercise price of $0.02 (**'Lead Manager Options Tranche A'**);
    - 5 million Lead Manager Options will expiry 36-months from the date of issue with an exercise price of $0.04 (**'Lead Manager Options Tranche B'**);
    - 5 million Lead Manager Options will expire 36-months from the date of issue with an exercise price of $0.06 (**'Lead Manager Options Tranche C'**);
- The Company will issue 300,000,000 Shares at an offer price of $0.02 each to raise $6,000,000 million before costs pursuant to the Capital Raising Offer under the Prospectus; and
- Costs of the Offer are estimated to be $640,000, which are to be offset against the contributed equity. Of this amount, $300,000 relates solely to the brokerage fees calculated at 5% of the total raise. The remaining $340,000 relates to the costs of compliance and fees relating to the compliance process.

8. INDEPENDENCE

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

9. DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Sherif Andrawes
Director

APPENDIX 1

CRADLE RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Cradle Audited 30-Jun-23 $	Volt Audited 30-Jun-23 $	Within Audited 30-Jun-23 $	Subsequent events $	Pro-forma adjustments $	Pro-forma after issue $
CURRENT ASSETS							
Cash and cash equivalents	2	4,877	13,461	104,404	850,000	5,360,000	6,332,742
Trade and other rec.		26,309	4,956	6,139	-		37,404
TOTAL CURRENT ASSETS		31,186	18,417	110,543	850,000	5,360,000	6,370,146
NON CURRENT ASSETS							
Exploration expenditure	3	-	-	-	-	6,137,052	6,137,052
Intangible		-	-	1,855	-	-	1,855
TOTAL NON CURRENT ASSETS		-	-	1,855	-	6,137,052	6,138,907
TOTAL ASSETS		31,186	18,417	112,398	850,000	11,497,052	12,509,053
CURRENT LIABILITIES							
Trade and other payables		(247,397)	(70,930)	(71,072)	-	-	(389,399)
Employee benefits		-	-	(37,844)	-	-	(37,844)
TOTAL CURRENT LIABILITIES		(247,397)	(70,930)	(108,916)	-	-	(427,243)
NON CURRENT LIABILITIES							
Borrowings	4	-	(843)	(435,742)	-	-	(436,585)
TOTAL NON CURRENT LIABILITIES		-	(843)	(435,742)	-	-	(436,585)
TOTAL LIABILITIES		(247,397)	(71,773)	(544,658)	-	-	(863,828)
NET ASSETS/(LIABILITIES)		**(216,211)**	**(53,356)**	**(432,260)**	**850,000**	**11,497,052**	**11,645,225**
EQUITY							
Contributed equity	5	11,034,280	78,662	655,177	850,000	9,218,710	21,836,829
Reserve	6	-	-	-	-	154,657	154,657
Accumulated losses	7	(11,250,491)	(132,018)	(1,087,437)	-	1,219,455	(11,250,491)
Non-controlling interest	8	-	-	-	-	904,230	904,230
TOTAL EQUITY		**(216,211)**	**(53,356)**	**(432,260)**	**850,000**	**11,497,052**	**11,645,225**

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 2 and Appendix 4.

APPENDIX 2
CRADLE RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit and Loss and Other Comprehensive Income	Audited year ended 30-Jun-23 $	Audited year ended 30-Jun-22 $	Audited year ended 30-Jun-21 $
Interest income	55	952	3,229
Sundry income	11,847	-	88,430
Total Revenue	**11,902**	**952**	**91,659**
Expenses			
Corporate services fees	(155,151)	(363,897)	(479,196)
Consultant fees, directors fees, employee expenses	(213,557)	(291,108)	(210,000)
Share Loss of joint venture interests	-	-	(16,376)
Loss on sale of interest in joint venture	-	-	(1,307,508)
Foreign exchange loss	-	(4,534)	-
Foreign exchange gain on foreign operations reclassified from reserves	-	1,534,612	448,058
Impairment loss	-	-	(615,015)
Loss before income tax expense	**(356,806)**	**876,025**	**(2,088,378)**
Income tax benefit/(expense)	-	-	-
Net Loss for the period	**(356,806)**	**876,025**	**(2,088,378)**
Other comprehensive income, net of tax	-	(1,534,612)	(1,846,472)
Total comprehensive loss for the period	**(356,806)**	**(658,587)**	**(3,934,850)**

HISTORICAL STATEMENT OF CASH FLOWS

Statement of Cash Flows	Audited year ended 30-Jun-23 $	Audited year ended 30-Jun-22 $	Audited year ended 30-Jun-21 $
Cash flows from operating activities			
Payments to suppliers and employees	(210,893)	(629,890)	(607,328)
Business development costs	(6,000)	(92,880)	-
Interest received	55	952	3,229
Interest paid	(118)	-	-
Sundry income	11,847	-	-
Net cash flows from operating activities	**(205,109)**	**(721,818)**	**(604,099)**
Cash flows from investing activities			
Proceeds from return of security deposits	62,018	-	-
Payment of security deposits	-	(62,018)	-
Contributions to joint venture	-	-	(91,014)
Payment of share subscription in Panda Hill Mining Limited	-	(200,000)	-
Net cash flows (used in) investing activities	**62,018**	**(262,018)**	**(91,014)**
Cash flows from financing activities			
Repayment of borrowings	(1,836)	-	-
Proceeds from issue of ordinary shares	-	694,312	-
Share issue costs	-	(47,637)	-
Net cash flows (used in)/from financing activities	**(1,836)**	**646,675**	**-**
Net increase/(decrease) in cash and cash equivalents	**(144,927)**	**(337,161)**	**(695,113)**
Cash and cash equivalents at the beginning of the period	**149,804**	**486,965**	**1,182,078**
Cash and cash equivalents at the end of the period	**4,877**	**149,804**	**486,965**

This statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 3

CRADLE RESOURCES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('**AIFRS**'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

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

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

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

d) Functional and presentation currency

The financial statements have been prepared on a historical cost basis and presented in Australian dollars which is the Company's functional currency and presentation currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

e) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Cradle at the end of the reporting period. A controlled entity is any entity over which Cradle has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its

subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

f) Income Tax

Current Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

Deferred Income Tax

Deferred tax is provided using the liability 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:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements (where applicable), when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

g) Share Capital

Ordinary shares are classified as equity.

h) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

j) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

l) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where 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.

Receivables and payables 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 statement of financial position.

Cash flows are included in the statement of cash flow 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 authorities 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.

o) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient date exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

p) **Impairment of assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

q) Financial Instruments

Initial Recognition

On initial recognition, a financial asset is classified as measured at (i) amortised cost, or (ii) FVOCI – equity investment; or FVTPL.

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

– it is held with an objective to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Subsequent Measurement

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 liabilities – classification and subsequent measurement

The Company'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 Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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 Company 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.

r) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

s) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Determination of fair values on exploration and evaluation assets acquired in business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

NOTE 2. CASH AND CASH EQUIVALENTS	Audited 30-Jun-23 $	Pro-forma after Offer $
Cash and cash equivalents	4,877	6,332,742
Audited balance of Cradle as at 30 June 2023		4,877
Audited balance of Volt as at 30 June 2023		13,461
Audited balance of Within as at 30 June 2023		104,404
		122,742
Subsequent events:		
Proceeds from Initial Offer		850,000
		850,000
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus		6,000,000
Transaction costs		(340,000)
Capital raising costs		(300,000)
		5,360,000
Pro-forma Balance		6,332,742

NOTE 3. EXPLORATION ACQUISITION COSTS	Audited 30-Jun-23 $	Pro-forma after Offer $
Exploration acquisition costs	-	6,137,052
Audited balance of Cradle as at 30 June 2023		-
Audited balance of Volt as at 30 June 2023		-
Audited balance of Within as at 30 June 2023		-
		-
Pro-forma adjustments:		
Acquisition of Volt Project (see Note 7)		2,879,074
Acquisition of Within Project (see Note 7)		3,257,978
		6,137,052
Pro-forma Balance		6,137,052

NOTE 4: BORROWINGS

Borrowings balances in Volt and Within are with related parties, being the vendors of Volt and Within. The related party loans are repayable at call and have no interest payable.

As part of Cradle's acquisition of Volt and Within, the outstanding borrowings balances will be assigned to Cradle as agreed in the Deed of Novation between Cradle, Volt, Within and the vendors of Volt and Within.

NOTE 4. BORROWINGS	Audited 30-Jun-23 $	Pro-forma after Offer $
Borrowings	-	(436,585)
Audited balance of Cradle as at 30 June 2023		-
		-
Audited balance of Volt as at 30 June 2023		
Entity with significant influence		(843)
		(843)
Audited balance of Within as at 30 June 2023		
Related Party		(335,202)
Entity with significant influence		(100,540)
		(435,742)
		(436,585)

Note 5: CONTRIBUTED EQUITY	Audited 30-Jun-23 $	Pro-forma after Offer $
Contributed equity	11,034,280	21,836,829
	Number of Shares	
Audited balance of Cradle as at 30 June 2023	187,464,218	11,034,280
Audited balance of Volt as at 30 June 2023	-	78,662
Audited balance of Within as at 30 June 2023	-	655,177
	187,464,218	11,768,119
Subsequent events:		
Proceeds from Initial Offer	42,500,000	850,000
	42,500,000	850,000
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus	300,000,000	6,000,000
Capital raising costs	-	(300,000)
Lead manager options	-	(154,657)
Elimination of issued capital of Volt under Cradle acquisition	-	(78,662)
Elimination of issued capital of Within under Cradle acquisition	-	(655,177)
Issue of Consideration Shares as part of Volt & Within acquisition	220,360,329	4,407,206
	520,360,329	9,218,710
	750,324,547	21,836,829

Note 6: RESERVES	Audited 30-Jun-23 $	Pro-forma after Offer $
Reserves	-	154,657
Audited balance of Cradle as at 30 June 2023		-
Pro-forma adjustments:		
Lead Manager Options		154,657
		154,657
		154,657

Note 7: ACCUMULATED LOSSES	Audited 30-Jun-23 $	Pro-forma after Offer $
Accumulated losses	(11,250,491)	(11,250,491)
Audited balance of Cradle as at 30 June 2023		(11,250,491)
Audited balance of Volt as at 30 June 2023		(132,018)
Audited balance of Within as at 30 June 2023		(1,087,437)
		(12,469,946)
Pro-forma adjustments:		
Elimination accumulated losses of Volt under the Cradle acquisition		132,018
Elimination accumulated losses of Within under the Cradle acquisition		1,087,437
		1,219,455
		(11,250,491)

Note 8: NON-CONTROLLING INTEREST	Audited 30-Jun-23 $	Pro-forma after Offer $
Non-controlling interest	-	(904,230)
Audited balance of Cradle as at 30 June 2023		-
Pro-forma adjustments:		
16% of Volt Shares retained by Volt shareholders		(452,115)
16% of Within Shares retained by Within shareholders		(452,115)
		(904,230)
		(904,230)

NOTE 9: ASSET ACQUISITION

A summary of the acquisition details with respect to the purchase of Volt and Within Shares is shown below. These details have been determined for the purpose of the pro-forma adjustments as at 30 June 2023.

Provisional accounting for the Volt acquisition

The Company has considered whether the Volt acquisition falls within the scope of AASB 3 Business Combinations and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more business by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors.

The Company does not consider that the Volt acquisition meets the definition of a business combination in accordance with AASB 3 Business Combinations as Volt is not deemed to be a business for accounting purposes. Therefore, Cradle has provisionally accounted for the transaction as an asset acquisition and under the guidance of RG 228, specifically RG 228.96 to RG 228.98, the assets acquired have been taken up in the pro forma Statement of Financial Position at their fair value. The exploration licences held in Volt are considered to be 'exploration projects' that are intrinsically speculative. The Volt Project is at a relatively early exploration stage. As such, the fair value cannot be measured reliably. Accordingly, the fair value of the exploration assets is based on the fair value of the consideration issued at the date of acquisition:

a) Share Consideration: The fair value of the Consideration Shares will be based on the Capital Raising Offer issue price. Therefore, assuming the $0.02 per Share price on the completion date, the 110,180,165 Consideration Shares issued to the vendors of Volt will be recognised at $2,203,603.

b) Transaction Costs: Transaction costs incurred will be capitalised into the carrying value of the assets acquired, rather than expensed as is the case for business combinations.

Details of the Volt net assets acquired, purchase consideration and notional non-controlling interest are attributed in the below.

Consideration paid as part of Volt acquisition	$
Consideration	
Value of Consideration Shares issued to vendors of Volt	2,203,603
Transaction costs attributed to the acquisition	170,000
Total Consideration paid	2,373,603
84% acquired by Cradle	2,373,603
Remaining 16% retained by vendors of Volt	452,115
Value of 100% of Volt shares	2,825,718

FAIR VALUE ASSESSMENT OF VOLT EXPLORATION ASSETS	
Value of 100% of Volt shares	2,825,718
Net Assets of Volt (see Appendix 5)	(53,356)
Fair value assessment of Volt's exploration assets	2,879,074

Provisional accounting for the Within acquisition

The accounting treatment for the acquisition of Within is considered to be identical to the above mentioned acquisition of Volt, being an asset acquisition.

The exploration licences held in Within are considered to be 'exploration projects' that are intrinsically speculative. The Within Project is at a relatively early exploration stage. As such, the fair value cannot be measured reliably. Accordingly, the fair value of the exploration assets is based on the fair value of the consideration issued at the date of acquisition:

a) Share Consideration: The fair value of the Consideration Shares will be based on the Capital Raising Offer issue price. Therefore, assuming the $0.02 per Share price on the completion date, the 110,180,164 Consideration Shares issued to the vendors of Within will be recognised at $2,203,603.

b) Transaction Costs: Transaction costs incurred will be capitalised into the carrying value of the assets acquired, rather than expensed as is the case for business combinations.

Details of the Within net assets acquired, purchase consideration and notional non-controlling interest is attributed in the below.

Consideration paid as part of Within acquisition	$
Consideration	
Value of Consideration Shares issued to the vendors of Within	2,203,603
Transaction costs attributed to the acquisition	170,000
Total Consideration paid	2,373,603
84% acquired by Cradle	2,373,603
Remaining 16% retained by vendors of Within	452,115
Value of 100% of Within shares	2,825,718

FAIR VALUE ASSESSMENT OF WITHIN EXPLORATION ASSETS	
Value of 100% of Within shares	2,825,718
Net Assets of Within (see Appendix 5)	(432,260)
Fair value assessment of Within's exploration assets	3,257,978

NOTE 10: OPTIONS ISSUED

The options issued as part of the Prospectus are described below. It is noted that all of the options detailed below have a vesting period, apart from the Lead Manager Options and therefore will be expensed over the vesting period of the options, and therefore, no expense is recorded as at the date of Pro Forma Statement of Financial Position.

It can be noted that the Lead Manager Options do not have a vesting period and therefore the amounts have been capitalised against contributed equity as they have been issued as part of the capital raise.

The Company will issue the following Class A Management Options to Matthew Kay over two tranches:

Item	Class A Management Options	
	Tranche 1	Tranche 2
Valuation/Modification date	08-Sep-23	08-Sep-23
Underlying security spot price	$0.020	$0.020
Exercise price	$0.000	$0.000
Last vesting date	07-Sep-26	07-Sep-26
Performance period (years)	3.00	3.00
Expiry date	07-Sep-26	07-Sep-26
Life of the Options (years)	3.00	3.00
Volatility	100%	100%
Risk-free rate	3.780%	3.780%
Dividend yield	Nil	Nil
Number of Options	5,509,008	5,509,008
Valuation per Option	$0.016	$0.013
Valuation per Tranche	**$90,809**	**$71,617**

Tranche 1 Class A Management Options : Tranche 1 Class A Management Options are subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 with a 3-year expiry .

Tranche 2 Class A Management Options: Tranche 2 Class A Management Options will vest subject to a performance hurdle on the Company's market capitalisation (calculated by reference to the 30-day VWAP) being four-times that of the market capitalisation at the time of the acquisition of Volt and Within, and have a 3-year expiry.

Item	Class B Management Options			Director Options		Lead Manager Options		
	Tranche 1	Tranche 2	Tranche 3	Class A	Class B	Class A	Class B	Class C
Valuation date	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23	08-Sep-23
Underlying spot price	$0.020	$0.020	$0.020	$0.020	$0.020	$0.020	$0.020	$0.020
Exercise price	$0.050	$0.100	$0.150	$0.000	$0.000	$0.020	$0.040	$0.060
Last vesting date	07-Sep-24	07-Sep-25	07-Sep-26	07-Sep-28	07-Sep-28	07-Sep-26	07-Sep-26	07-Sep-26
Performance period (yr)	1.00	2.00	3.00	5.00	5.00	3.00	3.00	3.00
Expiry date	07-Sep-26	07-Sep-27	06-Sep-28	07-Sep-28	07-Sep-28	07-Sep-26	07-Sep-26	07-Sep-26
Life of the Options (yr)	3.00	4.00	5.00	5.00	5.00	3.00	3.00	3.00
Volatility	100%	100%	100%	100%	100%	100%	100%	100%
Risk-free rate	3.780%	3.780%	3.815%	3.815%	3.815%	3.780%	0.000%	3.780%
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number of Options	8 million	8 million	8 million	12 million	12 million	5 million	5 million	5 million
Valuation per Option	$0.009	$0.009	$0.009	$0.018	$0.018	$0.013	$0.010	$0.008
Valuation per Tranche	**$72,219**	**$68,269**	**$72,658**	**$220,059**	**$213,558**	**$63,520**	**$49,719**	**$41,418**

Management Options:

The Company will issue a total of 35,018,016 options to Matthew Key and Dr Trey Meckel:

- 11,018,016 Class A Management Options comprising of:
  - 5,509,008 Tranche 1 Class A Management Options, which are subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 and have a 3-year expiry ('**Tranche 1 Class A Management Options**'); and
  - 5,509,008 Tranche 2 Class A Management Options, which are subject to a performance hurdle based on the Company's market capitalisation (calculated by reference to the 30-day VWAP) being four-times the market capitalisation immediately post completion of the acquisitions of Volt and Within, and have a 3-year expiry ('**Tranche 2 Class A Management Options**'); and
- 24,000,000 Class B Management Options comprising of:
  - 8,000,000 Tranche 1 Class B Management Options will have a life of 3-years, exercise price of $0.05 and vest 12-months from the date of the Company's re-quotation to the official list of the ASX ('**Tranche 1 Class B Management Options**');
  - 8,000,000 Tranche 1 Class B Management Options will have a life of 4-years, exercise price of $0.10 and vest 24-months from the date of the Company's re-quotation to the official list of the ASX ('**Tranche 2 Class B Management Options**');
  - 8,000,000 Tranche 1 Class B Management Options will have a life of 5-years, exercise price of $0.15 and vest 36-months from the date of the Company's re-quotation to the official list of the ASX ('**Tranche 3 Class B Management Options**').

Director Options:

The Company will issue 24,000,000 options with nil exercise price with a five-year life to Directors:

Class A: Tranche A vest subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.04 with an expiry life of five years and nil exercise price.

Class B: Tranche B vest subject to a performance hurdle based on the Company's 20-day VWAP being at least $0.05 with an expiry life of five years and nil exercise price.

Lead Manager Options:

The Company will issue of 15,000,000 options to the lead manager in two tranches:

Class A: Tranche A will expiry 36-months post issue with an exercise price of $0.02.

Class B: Tranche B will expiry 36-months post issue with an exercise price of $0.04.

Class C: Tranche C will expiry 36-months post issue with an exercise price of $0.06.

NOTE 11: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 12: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 5

VOLT GEOTHERMAL PTY LTD

HISTORICAL FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit and Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
Interest income	-	-
Total Revenue	**-**	**-**
Expenses		
Exploration costs	(59,720)	(28,725)
Administration costs	(24,561)	(19,012)
Loss before income tax expense	**(84,281)**	**(47,737)**
Income tax benefit/(expense)	-	-
Net Loss for the period	**(84,281)**	**(47,737)**
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	**(84,281)**	**(47,737)**

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
CURRENT ASSETS		
Cash and cash equivalents	13,461	8,050
Trade and other receivables	4,956	15,225
TOTAL CURRENT ASSETS	18,417	23,275
TOTAL ASSETS	**18,417**	**23,275**
CURRENT LIABILITIES		
Trade and other payables	70,930	16,000
Borrowings	843	25,012
TOTAL CURRENT LIABILITIES	71,773	41,012
TOTAL LIABILITIES	71,773	41,012
NET ASSETS	**(53,356)**	**(17,737)**
EQUITY		
Issued capital	78,662	30,000
Accumulated losses	(132,018)	(47,737)
TOTAL EQUITY	**(53,356)**	**(17,737)**

HISTORICAL STATEMENT OF CASH FLOWS

Statement of Cash Flows	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
Cash flows from operating activities		
Payments to suppliers and employees	(34,082)	(31,962)
Net cash flows from operating activities	**(34,082)**	**(31,962)**
Cash flows from investing activities		
Loans from/(to) related and other parties	(9,169)	10,012
Net cash flows (used in) investing activities	**(9,169)**	**10,012**
Cash flows from financing activities		
Proceeds from issue of shares	48,662	30,000
Net cash flows (used in)/from financing activities	**48,662**	**30,000**
Net increase/(decrease) in cash and cash equivalents	**5,411**	**8,050**
Cash and cash equivalents at the beginning of the period	**8,050**	**-**
Cash and cash equivalents at the end of the period	**13,461**	**8,050**

WITHIN ENERGY PTY LTD

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit and Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
Other income	91,337	-
Total Revenue	**91,337**	**-**
Expenses		
Exploration costs	(226,423)	(229,647)
Administration costs	(73,886)	(33,104)
Occupancy expenses	(24,000)	(8,000)
Employee benefits expenses	(399,155)	(183,514)
Depreciation and amortisation expense	(725)	(320)
Loss before income tax expense	**(632,852)**	**(454,585)**
Income tax benefit/(expense)	-	-
Net Loss for the period	**(632,852)**	**(454,585)**
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	**(632,852)**	**(454,585)**

STATEMENT OF FINANIAL POSITION

Statement of Financial Position	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
CURRENT ASSETS		
Cash and cash equivalents	104,404	1,751
Trade and other receivables	6,139	50,977
TOTAL CURRENT ASSETS	110,543	52,728
NON-CURRENT ASSETS		
Intangibles	1,855	2,580
NON-CURRENT ASSETS	1,855	2,580
TOTAL ASSETS	**112,398**	**55,308**
CURRENT LIABILITIES		
Trade and other payables	71,072	16,001
Borrowings	435,742	36,491
Employee benefits	37,844	14,389
TOTAL CURRENT LIABILITIES	544,658	66,881
TOTAL LIABILITIES	544,658	66,881
NET ASSETS	**(432,260)**	**(11,573)**
EQUITY		
Issued capital	655,177	443,012
Accumulated losses	(1,087,437)	(454,585)
TOTAL EQUITY	**(432,260)**	**(11,573)**

HISTORICAL STATEMENT OF CASH FLOWS

Statement of Cash Flows	Audited for the year ended 30-Jun-23 $	Audited for the period ended 30-Jun-22 $
Cash flows from operating activities		
Payments to suppliers and employees	(650,207)	(427,646)
Net cash flows from operating activities	**(650,207)**	**(427,646)**
Cash flows from investing activities		
Loans from/(to) related and other parties	485,556	(49,814)
Net cash flows (used in) investing activities	**485,556**	**(49,814)**
Cash flows from financing activities		
Proceeds from issue of shares	212,165	443,012
Repayment of borrowings	55,139	36,199
Net cash flows (used in)/from financing activities	**267,304**	**479,211**
Net increase/(decrease) in cash and cash equivalents	**102,653**	**1,751**
Cash and cash equivalents at the beginning of the period	**1,751**	**-**
Cash and cash equivalents at the end of the period	**104,404**	**1,751**

APPENDIX 5

FINANCIAL SERVICES GUIDE

31 October 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Cradle (**'the Company'**) to provide an Independent Limited Assurance Report (**'ILAR' 'our Report/s'**) for inclusion in this Prospectus.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $28,000 (exclusive of GST)..

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Cradle for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the BDO Complaints Policy available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within one business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450

1300 138 991
www.bdo.com.au

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Annexure B – Independent Technical Expert's Report

Geothermal Resource Potential

South Australian Geothermal Licenses GELA 692, 693, 694, 695, 696 and 768

Competent Person's Report

For CRADLE ENERGY PTY LTD

SEPTEMBER 7, 2023

REVISION AND AMENDMENT REGISTER

DATE	PAGE NUMBER	PROCEDURE SECTION	REVISION DETAILS	REVISION NUMBER
September 7	20 onward		Added indicative estimates of Recoverable Energy and Electric Resource Potential albeit with the proviso that these are not UNFC complaint	1
September 7, 2023	6, 22, 23		Corrected the Resource Density and Electric Resource Potential estimates of GELA696 (page 6 of executive summary, page 22 Table 8, page 23 table 10)	2

REV	DATE	DESCRIPTION	ISSUED BY	CHECKED BY	APPROVED BY
2	07/09/23	Draft	AE	LA	MR

The report represents THREE60 Energy's professional judgement and should not be considered a guarantee or prediction of results. THREE60 Energy has made every effort to ensure that the interpretations, conclusions and recommendations presented herein are accurate and reliable in accordance with good industry practice and its own quality management procedures. It should be understood that any evaluation, particularly one involving exploration and potential future developments, may be subject to significant variations over short periods of time as new information becomes available. THREE60 Energy cannot and does not guarantee the accuracy or correctness of any interpretation made by it of any of the data, documentation and information provided by the Company or others and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation or recommendation made by any of its officers, agents or employees. THREE60 Energy does not warrant or guarantee, through the Services, this report or otherwise, any geological or commercial outcome.

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1 Executive Summary

This report ("Report") has been complied by THREE60 Energy ("**THREE60 Energy**" or the "**Consultant**") as requested by CRADLE Energy ("**CRADLE**" or the "**Company**"). It has been prepared along the lines of THREE60 Energy's Study Proposal dated July 19, 2023, accepted by Company. THREE60 Energy has been requested to compile a report that summarises the geothermal energy potential attributable to the Company for the Geothermal Exploration licences ("**Assets**") GELA692 to 696 and 768 located in South Australia (**Figure 1**).

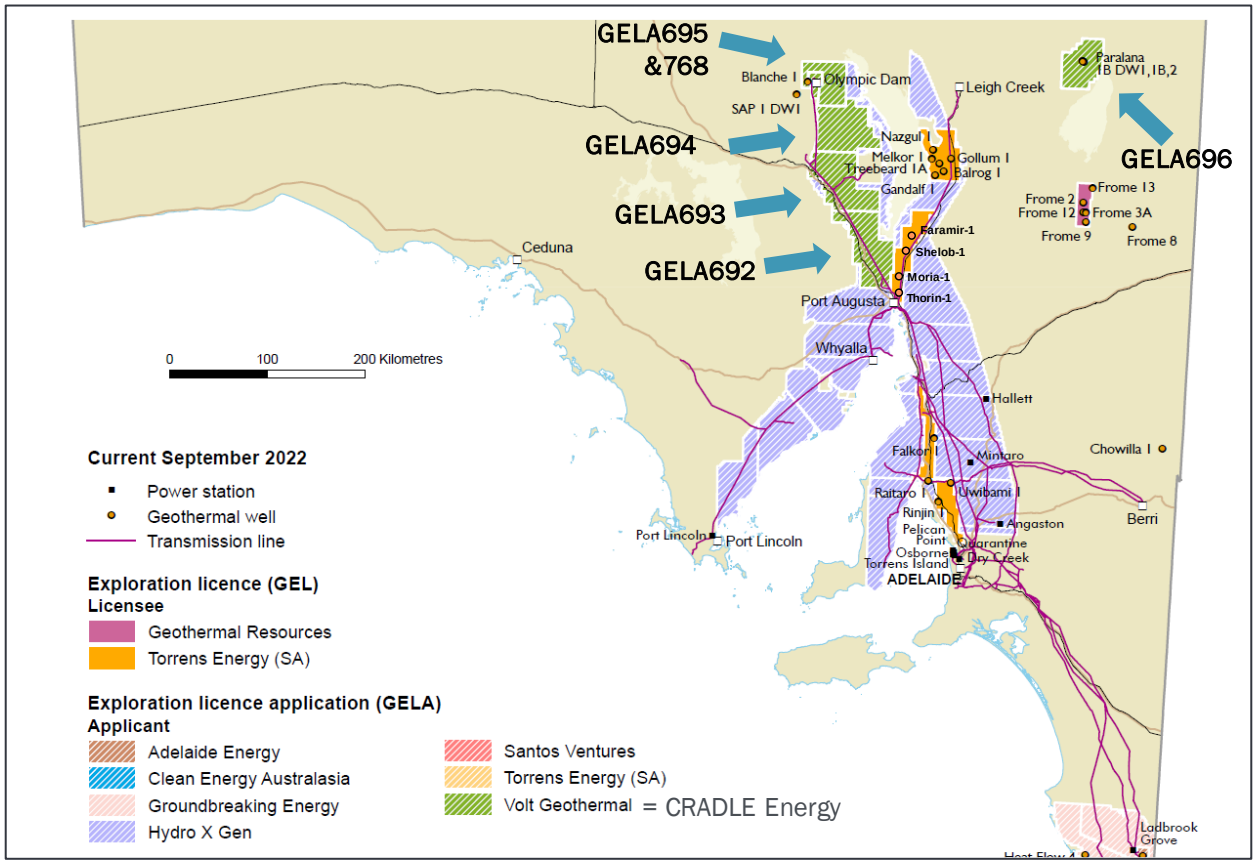


Figure 1: Location of CRADLE Energy's South Australian Geothermal Exploration Licenses

The EPG licenses allow Company to explore for geothermal resources within the license areas and evaluate the feasibility of geothermal production, including by production testing, for a period of five (5) years. Company believes that following dedicated appraisal and testing, geothermal resources at high-graded locations within the license areas could be developed using "closed-loop" well technology which is currently under development. Theoretically, closed-loop wells can extract heat from a geothermal reservoir regardless of its permeability; they function like a downhole heat exchanger by circulating a working fluid inside the casing only without any exchange of fluid between rock and formation. Heat recovered to surface will then be converted to electricity using Organic Ranking Cycle (ORC) plant technology, and supplied to the domestic grid.

Since closed-loop technology has not been proven viable yet in settings directly analogous to GELA692 to 696 and 768, because very limited geothermal tests have been done on the area and no production license is in place, no commerciality can be implied or suggested at this stage. Resource estimates are strictly indicative, based on available data and inferences and need to be validated and confirmed via proof of technology concept, dedicated appraisal and testing.

The work scope of this report was to review available data, estimate Heat-in-Place across the license areas (classified under United Nations Framework Classification for Resources guidelines, UNFC, 2019), and provide indicative assessment of Recoverable Thermal Heat and Electrical Resource Potential. The methodology included review of geological and geophysical mapping, review of reservoir properties and geothermal gradients, assessment of minimum temperature requirements for a closed-loop well using mathematical models of conductive heat transfer, probabilistic estimation of heat-in-place and estimation of the indicative ranges in thermal recovery and thermal-to-electric energy conversion using a combination of mathematical models and, where available, analogues.

The geology of the area consists of grabens of various shapes and sizes filled with Tertiary and Cretaceous mudstones, Cambrian sediments and Neoproterozoic metasediments and intrusives, overlying Mesoproterozoic crystalline basement. Three (3) Geothermal Play-Types are identified in the study area:

- Play-Type 1 are areas with crystalline basement near or at surface and hence poor heat retention, considered unattractive for geothermal exploitation.
- Play-Type 2 are areas with a 1-2 km thick layer of insulating (meta)sediments cover on top of crystalline basement. Where the sediment cover is thick enough and consisting of rocks with insulating properties (e.g., shales), heat retention in basement below could be good.
- Play-Type 3 are areas with a sediment cover in excess of 2km and in some places over 5km on top of crystalline basement. The thick sediment cover acts as an excellent thermal insulator giving rise to much elevated temperatures in deeper parts of the basin fills and in the basement.

Regional maps of approximate depth to crystalline basement suggest that across GELA692 to 695 and 768 (to the west of the Flinders range), about 30% to 80% of the tenement area is occupied by Play-Type 2 About 80% of the GELA696 tenement area consists of Play-Type 3. Remaining areas are Play-Type 1 (deemed unattractive). Based on a review of geothermal gradient data, temperatures in excess of 135°C may be encountered between 3 to 4.5km depth in Play-Type 2 areas and between 2.5 to 3km depth in Play-Type 3 areas. Based on mathematical calculations of closed-loop well performance, 135°C is considered the minimum reservoir temperature at which a 9 5/8" co-axial closed-loop well (the well concept assumed for development) may be able to deliver in excess of 1MWe (megawatt electricity) instantaneous electrical power.

Probabilistic assessment of Heat-In-Place has been done for Play-Type 2 and 3 areas across all licenses. Only Paralana-2 well (GELA696) has encountered temperatures in excess of 135°C and geological complexity and sparse geophysical data limit extrapolation of this data to more than a few km away from the well. Hence, the vast bulk of geothermal resource-potential in GELA692 to 696 and 768 is considered Prospective, G4-class in UNFC scheme. Presence of such geothermal resources requires confirmation via appraisal drilling and testing and this

is reflected by assigning a Chance Of Geological Discovery (COS). Heat-In-Place across the different UNFC categories that reflect different degrees of confidence in Resource Quantity (G4.1 - High Confidence, G4.2 - Medium Confidence and G4.3 - Low-Confidence) as well as the associated COS, are listed in Table 1Error! Reference source not found.. Along the E and F axes of the UNFC classification matrix, Resources assessed as:

- E3.2 (exploratory, at too early a stage to determine economic viability) and
- F4.1 (recovery technology under development, not yet proven technically feasible for the style and nature of the resources assessed here).

Table 1:Heat-In-Place Estimates for CRADLE Energy's South Australia Geothermal Exploration Licenses

GLA696 - Discovered Resources, Additional Heat-In-Place					
Project	Heat-In-Place (PJth)			UNFC-E (Environmental -Socio-Economic feasibility)	UNFC-F (Technical viability)
	G1	G2	G3		
	High-confidence	increment to G1	increment to G2		
GELA696 Discovered Resource Area (Geothermal Play-Type 3)	3,000	4,600	5,800	E3.2	F4.1

GLA692 / 693 / 694 / 695 / 696 / 768 - Prospective Resources, Additional Heat-In-Place						
Project	Heat-In-Place (PJth)			UNFC-E (Environmental -Socio-Economic feasibility)	UNFC-F (Technical viability)	Chance of Discovery (%)
	G4.1	G4.2	G4.3			
	High-confidence	increment to G4.1	increment to G4.2			
GELA696 Exploration potential in Metasediments (Geothermal Play-Type 3)	214,900	159,700	188,700	E3.2	F4.1	*90%*
GELA692 Exploration potential (Play-Type 2)	144,000	145,800	293,400	E3.2	F4.1	*80%*
GELA693 Exploration potential (Play-Type 2)	173,100	175,200	352,600	E3.2	F4.1	*80%*
GELA694 Exploration potential (Play-Type 2)	216,800	219,400	441,700	E3.2	F4.1	*80%*
GELA695 Exploration potential (Play-Type 2)	44,800	45,400	91,400	E3.2	F4.1	*80%*
GELA768 Exploration potential (Play-Type 2)	19,600	19,900	39,900	E3.2	F4.1	*80%*

Under UNFC guidelines, deposits of this nature are considered "Additional Heat-In-Place" (reported in petajoules thermal, PJth), an uncertain portion of which may be recoverable in future pending proof of concept for the proposed recovery-technology (i.e., a successful closed-loop pilot) in addition to geological de-risking and overcoming commercial hurdles.

Over and above these UNFC-compliant estimates of Prospective Heat-In-Place, indicative estimates of Recovery Potential were derived on the basis of a mathematical model of conductive heat-transfer of closed-loop wells and associated reservoir thermal-recharge. Model calculations suggest that across an assumed "heat-sink" of 250m radius around a closed-loop well, developed as a result of heat withdrawal over a period of time, some 11.5 to 30% of the Heat-In-Place may be recovered over an assumed 30 years project period. Combined with the ranges in Heat-In-Place and with plant thermal-to-electrical conversion efficiency ranges from theoretical models and analogues, Recoverable Energy-Resource density (energy per unit area) for each of the licenses is estimates at:

- GELA692/693/694/695/768 Play-Type 2 - Recoverable Energy-Resource density from 1.0 to 5.9 PJe/km^2 (PetaJoules electric per square kilometre);
- GELA696 Play-Type 3 - Recoverable Energy-Resource density from 1.6 to 7.9 PJe/km^2

Power resource equivalent, assuming a plant load-factor of 0.9, is 1.1 to 6.9 MWe/km^2 (MegaWatt electrical per square kilometre) for GELA692/693/694/695/768 and 1.9 to 7.9 MWe/km^2 for GELA696. Across the full Play-Type 2 areas of GELA692 to 695 and 768 and the Play-Type 3 area of GELA 696, such resource densities could result in ranges of Electrical-Power Resource as follows (P90 to P10):

- GELA 692 (Play-Type 2): 1,700 to 10,300 MWe
- GELA 693(Play-Type 2): 2,000 to 12,300 MWe
- GELA 694(Play-Type 2): 2,500 to 15,500 MWe
- GELA 695(Play-Type 2): 500 to 3,200 MWe
- GELA 768(Play-Type 2): 200 to 1,400 MWe
- GELA 696(Play-Type 3): 2,800 to 11,400 MWe

Given the large areas over which resources are calculated *versus* the much smaller area from which an individual closed-loop well may effectively withdraw heat, recovering all these resources might require drilling many hundreds of wells. A more focused development, drilling fewer wells targeting high-graded areas within the larger "geothermal sweet-spots", may be more feasible and is essential as a pilot project to confirm technical viability and commercial scalability of the development concept.

The estimates of Electric Resource Potential and Power-Resource Potential presented above are strictly indicative and should not be construed to be compliant with UNFC. They solely serve to illustrate that pending successful proof of concept, successful geological de-risking via appraisal and overcoming commercial hurdles such as firming up of a development license and securing power contracts, high-graded sites (a few square km in size each) might be able to support developments targeting 10-20MWe of electrical power.

2 Introduction

2.1 Scope of Work

This report documents the geothermal resource assessment done by THREE60 Energy on the request of CRADLE Energy Pty Ltd ("CRADLE" or the "Client") for the South Australia permits held by CRADLE as of August 2023 (Figure 1:

- GELA 692
- GELA 693
- GELA 694
- GELA 695
- GELA 696 (Paralana)
- GELA768

The assessment included the following elements of work:

- Review CRADLE supplied data and publicly available data.
- Assessment of Geothermal Heat-In-Place:
    - Inferred and Indicated resource category (Geothermal Reporting Code) and equivalent categories in UNFC, for all license areas;
    - Indicated and Measured resource category (Geothermal Reporting Code) and equivalent categories in UNFC for GELA696 only (based on the Paranala-2 flow-test and fracture stimulation results).
- Indicative assessment of Recoverable Thermal Heat and Electrical Resource Potential with the following proviso:
    - Based on indicative estimates of the heat-extraction efficiency (thermal power and electrical power equivalent) of the chosen closed-loop well concept, generated via mathematical calculations. Since there are no closed-loop geothermal test wells anywhere in or near the tenements, these estimates are tentative and uncalibrated.
    - Based on indicative estimates of thermal-to-electrical-energy conversion efficiency for geothermal powerplants applicable to this project, using a combination of theoretical plant models and analogue plant data. As there are no geothermal powerplants in operation in or around the area and since the plant concept has not been worked out in detail, these estimates are highly tentative at this stage.

- Tentative identification of geothermal "sweet-spot" areas where future exploration / appraisal and eventual development could focus.

2.2 Methodology

Resource assessment done in this project involved the following key steps:

- Identification of Geothermal Play-Types applicable to the area;
- Indicative mapping of the extent of geothermal-play areas across each tenement, based on available well and geophysical data (seismic, magnetotelluric, reported basement depth in wells, regional mapping);
- Assessment of reservoir temperature and geothermal gradients across the area, within the framework of Geothermal Play-Types and based on a review of well temperature-records either from within a tenement (GELA696, Paralana) of from offset wells;
- Define the minimum reservoir temperature at which a closed-loop system may be able to deliver a potentially commercial heat-yield (initially i.e., at project startup) to a geothermal plant. Combined with the range in geothermal gradients, this minimum temperature is then translated to a depth ceiling for geothermal resource assessment.
    - Minimum temperature estimation is done via analytical computation of conductive heat-exchange between working fluid circulating within the well and the surrounding rock formations that take into account casing size, well length and friction losses along the well. From a range of well concepts initially considered, a vertical "co-axial" well where fluid is circulated down the annulus of an unperforated 9 5/8" casing and produced back to surface via an insulated 5.5" tubing is selected as a good compromise between drilling and completion cost / practicality on the one hand and sufficient wellbore volume for conductive heat transfer on the other. Working fluid is assumed to be water.
    - Thermal-energy yield at the wellhead is converted to equivalent electrical-power using a range of theoretical and analogue ORC plant conversion-efficiencies (e.g., DiPippo, 1989; Moran and Shapiro, 2006, Zarrouk and Moon, 2014). It is assumed that a minimum of around 1MWe (megawatt electrical power) per well is required for a potentially commercial development.
    - The energy required to circulate fluids within the well at the specified flowrate (i.e., the pumping losses that make the difference between gross and net electric-power), are computed using friction losses (Fanning equation) based on industry-standard assumptions of casing roughness and temperature-dependent water viscosity following industry-standard relationships. A pump efficiency of 80% is assumed.

- Assessment of the anticipated thickness of the prospective interval (from which a future closed-loop development might recover heat). Thickness ranges take into account the Geothermal Play-Type mapping, the "temperature ceiling" (defined in the previous step) and a "development floor" which, based on indicative drilling practicality and cost considerations, was set at 5km.
- Assessment of ranges in key rock properties such as rock specific heat, density, thermal conductivity, as well as formation-brine properties (density, salinity, viscosity, fluid specific heat). These assessments are, as much as possible, based on available well data complemented by literature trends. The Paralana-2 well has no measured properties from rock samples hence inferences are based on wireline-log data and literature-based conversions (Xiong Yian et al 2020). Some of the offset wells for the western tenements have limited sets of measured density and conductivity from rock samples but those are from shallow depths and from rocks not part tentative target intervals for future development;
- Probabilistic assessment of the range in Heat-In-Place for each Geothermal Play-Type in each tenement, based on the ranges in input data summarized above. Reference temperature (i.e., the temperature relative to which subsurface heat-potential is calculated) is set at 70°C which (based on analogue ORC-plant data) reflects the approximate temperature of geothermal plant waste-stream that is recirculated into the closed-loop wells.
- Assessment of the range in Thermal Recovery Factor based on indicative estimates of the decline in well thermal-power over time due to reservoir cooling and assuming effective heat extraction is limited to a 250m radius around the wellbore. For these calculations, a 30 years project duration was assumed.
- Assessment of the range in thermal to electrical energy conversion-efficiencies possibly applicable to this project based on a range of theoretical and analogue ORC plant conversion-efficiencies (e.g., DiPippo, 1989; Moran and Shapiro, 2006, Zarrouk and Moon, 2014).
- Probabilistic assessment of the ranges in potentially Recoverable Thermal Energy, derived by combining the ranges in Heat-In-Place with the ranges in Thermal Recovery Factor and similarly, Electrical Resource Potential derived by multiplying the Recoverable Thermal Energy with the ranges in Plant Conversion-Efficiency. To reflect the reality that geothermal development will likely focus on small, high-graded areas within each tenement as opposed to the entire tenement, Recoverable Thermal Energy and Electrical Resource Potential are quoted as resource densities i.e., energy per unit area.

Resources are classified according to the UNFC (United Nations Framework Classification) scheme. In UNFC (similar to SPE/PRMS) Resources are assigned to Projects. In addition, Resources are classified considering:

- Environmental-Socio-Economic Viability;
- Technical Feasibility;
- Degree of Confidence.

In accordance with UNFC and other schemes, Resources that are considered "Prospective" (i.e., resources based on indirect inferences based on offset wells many km's away) are assigned a Chance Of Geological Discovery (COS, also known as probability of geological success).

Whilst the Heat-In-Place estimates are in principle universal and independent of chosen development concept, reservoir "temperature ceiling" and development "floor" used in resource calculations of this report assume a "closed loop" well system involving a co-axial design. Other potentially applicable development concepts like "U-shaped closed loop" wells or "open" systems like Engineered (EGS) or "Hot-Dry-Rock" wells may have different minimum-temperature requirements and "development floor" definition from drilling practically and cost perspective. Estimates of recoverable thermal energy and its electric energy equivalent are specific to the chosen development concept and cannot be extrapolated to other development concepts (e.g., welltypes) without re-assessing Thermal Recovery Efficiency

Numerous project optimization options exist e.g., deviating wells to increase wellbore length, varying the spacing between wells, alternative working fluids (like supercritical CO2 or refrigerants) but also production-operation options like cyclic production (to allow thermal recharge of the reservoir in between episodes of circulation and heat withdrawal). Such optimizations could have a major effect on the effectiveness of heat recovery and these would need to be addressed as part of firming up the development concept and narrowing the ranges in geothermal resource potential.

2.3 Purpose of the Report

Purpose of this report is to present an assessment of Discovered and Prospective Geothermal Resources for the said license areas to demonstrate attractiveness and potential of the assets for future geothermal development using the specified development concept. Since closed-loop technology has not been proven viable yet in settings directly analogous to GELA692 to 696 and 768, since limited geothermal appraisal has been done and no production license is in place, no commerciality can be implied or suggested at this stage. Resource estimates are strictly indicative, based on available data and inferences and need to be validated and confirmed via proof of technology concept, dedicated appraisal and testing.

3 Data Availability

THREE60 found that GELA696 (Paralana) has seen extensive geothermal exploration and appraisal including:

- Acquisition of magnetotelluric data as well as a sparse grid of 2D seismic lines. Seismic data (SEGY) were downloaded from The South Australia Government web portal (https://map.sarig.sa.gov.au/) and used for structure and resource mapping. Magnetotelluric and other mapping data were visualized in open-domain mapping tools.

- Drilling of two (2) dedicated geothermal appraisal wells: Paralana-1 (a medium-depth well with extensive temperature logging) and Paralana-2 which was stimulated and flow-tested.

In contrast, GELA692 to GELA695 and GELA768 tenements are in early stage of exploration and have very sparse data including:

- Some thirteen (13) shallow to medium-depth geothermal offset wells and very sparse seismic as well as indicative, regional-scale geophysical mapping performed by academia. Seismic, wells and other useful data were downloaded from various open-domain web portals (https://peps.sa.gov.au/wells/ for well data and https://map.sarig.sa.gov.au/ for seismic) and used in the mapping analysis of temperature and rock properties.
- Reports on old offset petroleum wells drilled around the areas were also downloaded but unfortunately these do not appear to yield useful data (i.e., no temperature records whatsoever).
- Records of mineral bores were also screened but these do not contain any useful data other than depth to basement.

4 Assessment Results

The geology of the area consists of grabens of various shapes and sizes filled with Tertiary and Cretaceous mudstones, Cambrian sediments and Neoproterozoic metasediments and intrusives, overlying Mesoproterozoic crystalline basement. Basement rocks outcrop at the Flinders Range. GELA696 covers a graben to the east of the Flinders range with sediment fill up to 5km thickness. The grabens to the west of the Flinders range where GELA692 to 695 and 768 are located, generally have a much thinner sediment fill up to about 2km thickness.

4.1 Geothermal Play Types

Based on available geophysical and well data, three (3) Geothermal Play-Types are identified in the study area:

1. Areas with crystalline basement near or at surface. Heat retention at shallow depth is poor in these areas hence from a point of view of geothermal prospectivity the Play-Type 1 areas are considered unattractive. Because of unattractiveness, no Geothermal Resources are reported for Play-Type 1;
2. Areas with a 1-2 km thick layer of insulating (meta)sediments cover, mostly Cambrian to Neoproterozoic rocks of a variety of rock-types, on top of crystalline basement. Whilst geothermal development of Play-Type 2 areas for electrical power generation would be targeting the basement, presence of an insulating sediment cover on top of this basement gives better heat retention. Areas deemed as potentially attractive in tenements GELA692 to 695 and as such included in the resource assessment, are all of Geothermal Play-Type 2;

3. Areas with a very thick sediment cover (in excess of 2km and in some places over 5km) on top of crystalline basement. The sediment cover includes Tertiary and Mesozoic mudrocks as well as Cambrian to Neoproterozoic (meta)sediments. The thick sediment cover acts as an excellent thermal insulator giving rise to much elevated temperatures below. Geothermal development wells of Play-Type 3 areas might target either the deeper part of the sediment cover or the basement

Regional maps of approximate depth to crystalline basement (**Figure 2**) show the distribution of these different play-types across the area (**Table 2**). It can be seen that Tenements GELA692 to 695 are partially Play-Type 2 and partially Play-Type 1 (latter deemed unattractive) whilst GELA696 is mostly Play-Type 3.

Table 2: Distribution of Geothermal Play-Types per Tenement

Tenement	area (km2)	% of area occupied by "play 2"	% of area occupied by "play 3"
GELA692	2,964	50%	0%
GELA693	2,968	60%	0%
GELA694	2,789	80%	0%
GELA695	1,538	30%	0%
GELA696	1,776	0%	80%
GELA768	288	70%	0%

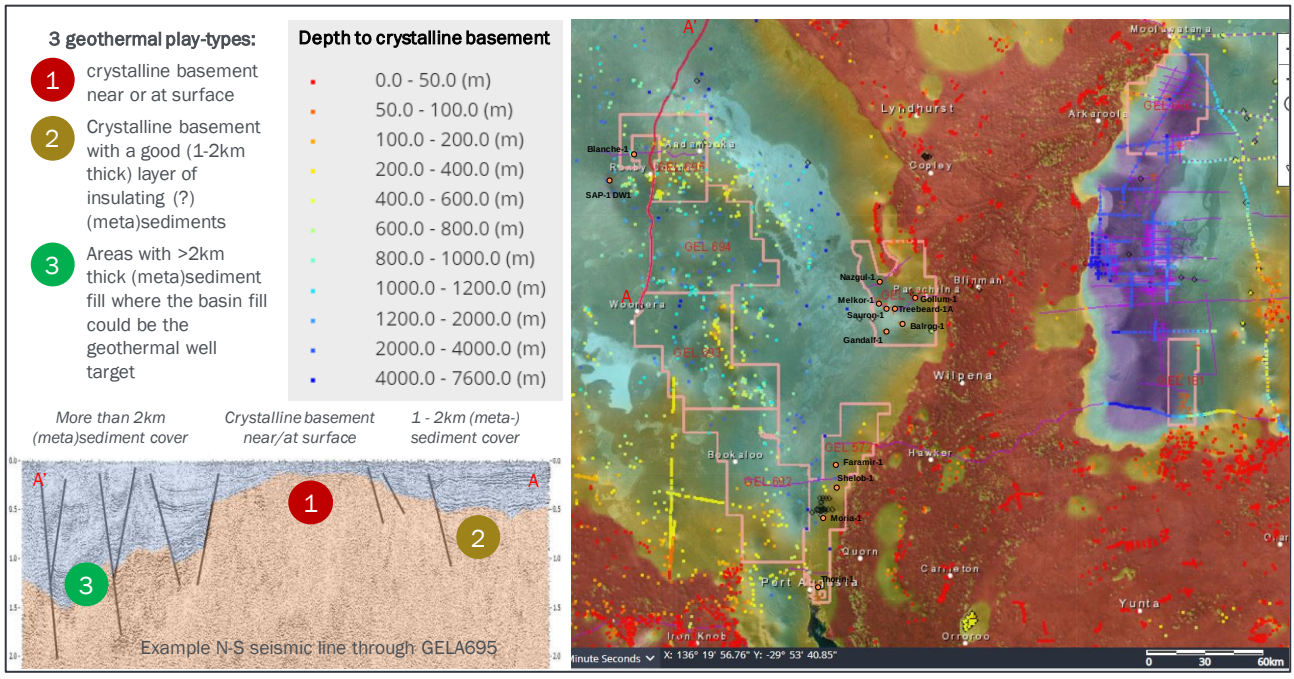


Figure 2: Map of indicative depth to crystalline basement which underpins identification of different Geothermal Play-Types (1-3)

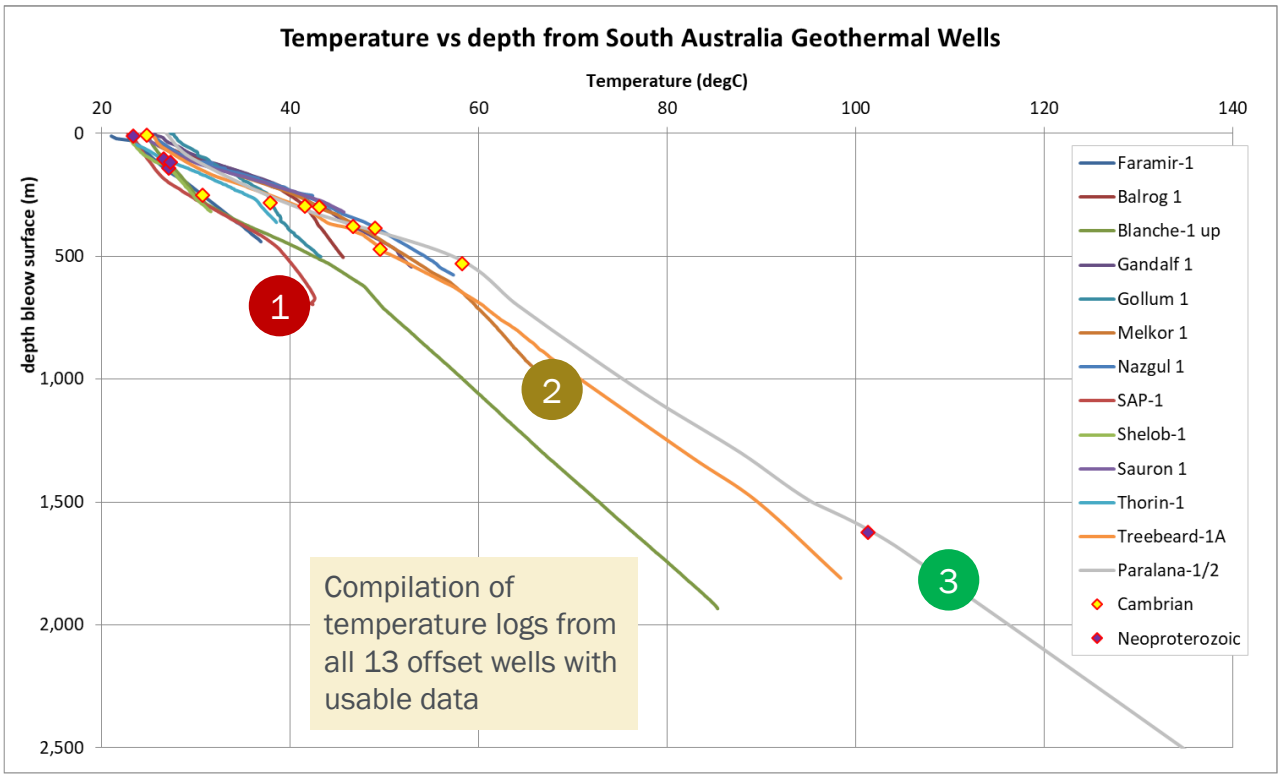


Figure 3: Compilation of offset-well temperature data grouped by Geothermal Play-Type (1-3)

4.2 Geothermal Gradients

Review of offset-well temperature in the context of the different Geothermal Play-Types is shown in Figure 3. Based on mapped thickness of the overburden, four (4) wells are assigned to Play-type 1 (Faramir-1, Gollum-1, Shelob-1, Thorin-1), eight (8) of the offset wells (Balrog-1, Blanche-1, Gandalf-1, Melkor-1, Nazgul-1, SAP-1DW, Sauron-1 and Treebird-1A) fall in Play-type 2 whilst Paralana-1, -2 and the shallow microseismic monitoring wells around Paralana comprise the dataset for Play-type 3. The range in gradients for Play-type 2 is rather wide but generally, heat retention in this Play-Type is better than in Play-Type 1 which has poor heat retention. Play-Type 3 has the most favorable geothermal gradient albeit based on a limited wells dataset (located close to each other).

4.3 Minimum Target Temperature for a Co-Axial Closed-Loop Well

Analytical calculations of the initial thermal yield of a co-axial closed-loop well with the assumed configuration (9 5/8 inch casing, 5.5 inch tubing fitted with 0.5 inch insulation), combined with a range of thermal-power to electrical-power conversion factors from theoretical models and analogue databases (e.g., DiPippo, 1989; Moran and Shapiro, 2006, Zarrouk and Moon, 2014) were done for a range of reservoir-temperature assumptions and flowrates. Figure 4 shows a graph of flowrate versus equivalent electrical-power (net of pumping losses) for a well targeting 135°C reservoir; the range in curves illustrates the decline in energy output with declining reservoir temperature. Thermal-energy to electric-energy conversion uses a Carnot model of theoretical plant-conversion efficiency; other conversion-efficiency assumptions might result in different graphs and cutoffs. From the range in computation outputs, we find that wells targeting a reservoir temperature of around 135°C minimum could potentially meet or exceed delivery of 1MWe net (megawatt electrical power, net of pumping losses), from a gross thermal-power of ca. 20 to 30MWth. Peak power is achieved at flowrates of 60 to 90 litre per second. Note that this estimate refers to a well's initial power potential, achieved once the temperature along the well has stabilized (i.e., some heating of the overburden section around the inflow point has taken place) but before significant cooling of the reservoir has occurred.

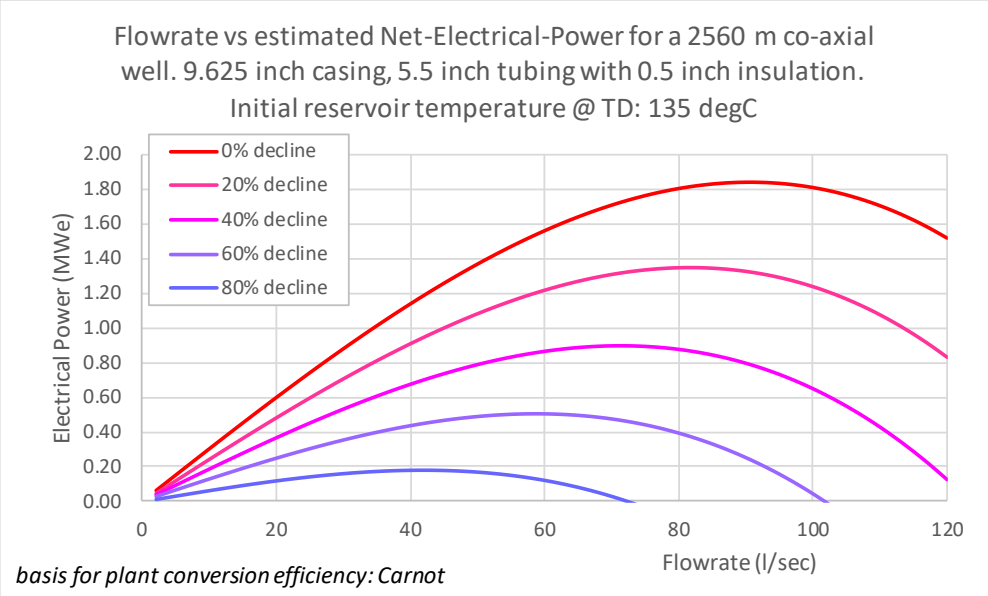


Figure 4: Flowrate versus Electrical Power for a co-axial closed-loop well targeting 135°C reservoir

4.4 Temperature and Depth "Ceiling" for Heat-In-Place Computation

The 135°C minimum reservoir temperature as defined from analytical computations (Section 4.3, Figure 4) is used in combination with the statistical range in geothermal gradients computed per geothermal Play-Type from the available data, to estimate a corresponding range in depth "ceiling" for subsequent resource computation. Results are shown in Table 3.

Table 3: Ranges in Depth Ceiling per Geothermal Play-Type equivalent to the 135°C minimum target-temperature

Geothermal Play-Type	Minimum Depth (m) – Low	Minimum Depth (m) - Mid	Minimum Depth (m) - High	Risk of Failure [1)]	Rationale / supporting data
Type 2	4,470	3,740	2,990	12.5%	Gradients observed in Play-Type 2 wells: Balrog-1, Blanche-1, Gandalf-1, Melkor-1, Nazgul-1, SAP-1DW, Sauron-1 and Treebird-1A
Type 3	2,800	2,610	2,450	0%	Gradients observed in Play-Type 3 wells Paralana-1, Paralana-2 and Paralana microseismic observation wells

1) *Risk of Failure indicates the chance that a well will not reach the minimum target temperature before reaching the practical development-floor of 5km. this risk is assessed based on the range geothermal gradients observed per Play-Type in the offset wells.*

Considering the range in minimum depth per Play-Type and the development depth "floor" of 5km defined based on drilling practicality and cost, thickness of the prospective resource interval in Play-Type 2 as carried in the resource assessment ranges between 530 and 2,010 m. For Play-Type 3, the range is between 2,200 to 2,550 m; however, for certain parts of GELA696 this range is adjusted downward to 1,200 to 2,550m, to capture the seismically mapped wedge-shape of the Play-Type 3 metasediments cover over which Heat-In-Place is calculated.

Results of Table 3 and above considerations suggest that at locations within Play-Type 2 with relatively favourable conditions (i.e., relatively thick sedimentary cover, elevated heatflow), U-shape wells drilled to around 3,000 m depth might be able to deliver 1MWe initially whereas in high-graded parts of Play-Type 3 the target depth could be as shallow as 2,500m.

4.5 Thermal Reservoir Properties

The ranges in thermal reservoir properties carried in the assessments of Heat-In-Place and in the mathematical models used to indicate tentative ranges in closed-loop Thermal Heat-Extraction Efficiency, are shown in Table 4. These ranges are based the Paralana-2 well in GELA696. Ranges in Bulk Density and Porosity are directly measured or interpreted from wireline logs whilst estimates of Specific Heat and Thermal Conductivity are based on empirical relationships between standard wireline log readings and rock thermal properties (Xiong Yian et al 2020). One of the key objectives of future geothermal appraisal of GELA602 to 768 would be to confirm the ranges in reservoir properties, temperatures and pressures.

Table 4: Reservoir Thermal Properties used in Resource Assessment

	Bulk Reservoir Density	Reservoir Porosity	Bulk Reservoir Specific Heat Capacity	Reservoir Thermal Conductivity
	kg/m3	Fraction	J/[kg*°C]	W/[m*°C]
P90	2,635	0.010	785.6	2.4
Mean (average)	2,659	0.014	854.2	2.7
P10	2,683	0.035	923.0	3.0

4.6 Heat-In-Place Quantities and Resource Classification

Since there are no closed-loop test wells or pilot developments in any of CRADLE's South Australia assets, future exploitation of heat resources using this concept is considered exploratory in nature. Apart from the fault-block area around Paralana-2 well in GELA696 where temperatures in excess of 135°C are proven by the well result, there are no well penetrations that meet or exceed the 135°C minimum development threshold. Assessment of heat-in-place exploitable with the selected "closed-loop" well concept across these areas is based on speculative extrapolation of geothermal gradient data in offset wells, many of which are relatively shallow. This places the vast majority of heat resources in CRADLE's South Australia tenements in Prospective category, G4 class in UNFC scheme. To reflect the fact that presence of geothermal resources in these licenses is speculative and requires confirmation via appraisal drilling, a Chance Of Discovery (COS) is assigned to these Prospective resources considering:

a) the Risk of Failure to reach the minimum target temperature before reaching the practical development-floor of 5km (from review of offset wells; see Table 3);

b) the risk that extrapolation of temperature and/or thermal-property from offset wells 10's to 100's of km's away as done in our assessment of prospective Heat-In-Place, proves invalid.

Future, dedicated geothermal appraisal drilling should either eliminate these risks (clearing the way for a future development targeting unrisked success numbers) or confirm these risks (in which case a development would not proceed). Estimating a "Risked Resource" by multiplying COS with unrisked Resource numbers and using those risked numbers in Resource valuation is therefore not recommended as it would not correspond to a realistic development outcome.

Because the closed-loop well technology is "under development" with no proven technical viability demonstrated yet in settings directly analogous to GELA692 to 696 and 768, Heat Resources reported herein are classified as "additional Heat In Place" (Category F4 in UNFC scheme).

A summary of Heat-In-Place Estimates for CRADLE's South Australian assets per UNFC Resource Class, is given in Table 5:

GLA696 - Discovered Resources, Additional Heat-In-Place					
Project	Heat-In-Place (PJth)			UNFC-E (Environmental -Socio-Economic feasibility)	UNFC-F (Technical viability)
	G1	G2	G3		
	High-confidence	increment to G1	increment to G2		
GELA696 Discovered Resource Area (Geothermal Play-Type 3)	3,000	4,600	5,800	E3.2	F4.1

GLA692 / 693 / 694 / 695 / 696 / 768 - Prospective Resources, Additional Heat-In-Place						
Project	Heat-In-Place (PJth)			UNFC-E (Environmental -Socio-Economic feasibility)	UNFC-F (Technical viability)	Chance of Discovery (%)
	G4.1	G4.2	G4.3			
	High-confidence	increment to G4.1	increment to G4.2			
GELA696 Exploration potential in Metasediments (Geothermal Play-Type 3)	214,900	159,700	188,700	E3.2	F4.1	*90%*
GELA692 Exploration potential (Play-Type 2)	144,000	145,800	293,400	E3.2	F4.1	*80%*
GELA693 Exploration potential (Play-Type 2)	173,100	175,200	352,600	E3.2	F4.1	*80%*
GELA694 Exploration potential (Play-Type 2)	216,800	219,400	441,700	E3.2	F4.1	*80%*
GELA695 Exploration potential (Play-Type 2)	44,800	45,400	91,400	E3.2	F4.1	*80%*
GELA768 Exploration potential (Play-Type 2)	19,600	19,900	39,900	E3.2	F4.1	*80%*

Table 5: Heat-In-Place Estimates for CRADLE's South Australia geothermal Tenements

Footnotes to the resource classification per UNFC categories are as follows:

- Socio-Environmental-Economic Viability of the project(s) is assessed as E3.2 (evaluation is at too early a stage to determine economic viability). It is noted that licenses GELA692 to 695 and 768 are relatively close to the existing power grid (Figure 1) which is certainly a positive factor for future commercialization. On the other hand, GELA696 is located remote from existing power lines and may therefore face more stiff hurdles towards commercialization of geothermally-sourced electrical power despite favorable subsurface;
- Technical Feasibility of the project(s) is assessed as F4.1 "the technology necessary to recover some or all of these quantities is currently under active development, following successful pilot studies on other deposits, but has yet to be demonstrated to be technically feasible for the style and nature of deposit in which that commodity or product type is located". Whilst closed-loop well technology is subject of active research with pilots in execution or being planned at several locations worldwide, the deployment of closed-loop technology to extract heat from tight basement rocks at multiple km's depth with relatively modest temperatures (less than 200°C) for the purpose of electric-power generation has yet to be demonstrated technically viable.

The following footnotes apply to the quantities of resources listed in Table 5:

1. Probabilistic approach: G1 = P90, G1+G2 = P50, G1+G2+G3 = P10. Similarly, G4.1 = U90, G4.1+G4.2 = U50, G4.1+G4.2+G4.3 = U10 (P = Discovered, U = Undiscovered)
2. Heat-In-Place estimates are Unrisked
3. Reference Temperature used for the assessment is 70°C

4.7 Indicative Heat-Recovery Efficiency

A mathematical model that approximates conductive heat transfer from reservoir to working fluid as well as the thermal recharge process where heat is drawn in from further away, was used to estimate ranges in extraction efficiency over time for a co-axial closed loop well with the selected configuration. As explained in Section 4.4, these calculations have been done on the assumption of a well targeting a high-graded part of the "Play-Type 3" geothermal "sweet spots" with a reservoir temperature of 150°C at around 4,000m. A range in flowrates is carried to illustrate that with a higher flowrate, reservoir cooling of the near-wellbore area is faster and therefore in between periods of heat extraction a well may need to be shut in for longer periods of time to allow for thermal recharge. Flowrate and related to this, production-strategy options e.g., intermittent production, cycling between wells etc etc could have a major impact on the net recovery over a project period as would the length of the project-period itself (linked to the duration of power-delivery contracts and the duration of a future geothermal development license). The model calculations assume a notional 30 years project duration (Table 6). Conversion of Thermal Energy to Electric Energy is done with a Carnot idealized model.

Table 6: Indicative Estimates of Thermal Power and Electrical Power, Instantaneous and Project-average, from a Co-axial Closed Loop Well Intercepting Reservoir of 150°C in GELA692/693/694/695/696/768

Assumed Project Period (years)	30			
flowrate (l/sec)	90	60	30	15
Instantaneous Thermal Power (MWth)	39.1	26.0	13.0	6.5
Instantaneous Electrical Power (Mwe)	3.9	2.6	1.3	0.6
proportion of project time the well is active (%)	29%	38%	50%	67%
project-average Thermal Power (MWth)	9.8	8.2	5.8	3.8
project-average Electric Power (Mwe)	1.0	0.8	0.6	0.4
Assumed size of the heat-extraction area around a well (m radius)	250			
Assumed Heat-In-Place within the extraction area (PJth)	31			
Thermal Energy Recovery-Factor (%)	29.9%	25.1%	17.6%	11.5%

Indicative calculations of conductive heat-transfer suggest that the size of the local heat-sink that develops around a closed-loop well over time as thermal energy is extracted at a rate that exceeds the rate of thermal recharge, may be in the order of a few 100s of m. The estimates of Thermal Energy Recovery-Factor (defined as the ratio of heat-recovered-to-surface over heat-in-place) shown in Table 6 therefore assume that effective heat extraction is limited to an area of 250m radius around a well. It should be stressed that these estimates are strictly indicative. The mathematical model used to derive these estimates is yet uncalibrated as there are no producing analogues of co-axial closed loop wells at these temperatures and flowrates. In future, besides calibration to actual well-test results once available, full thermo-hydraulic numerical modeling would be recommended to derive more robust predictions of a co-axial closed loop well production behavior and its rate of thermal decline over time.

4.8 Indicative Ranges in Recoverable Heat and Electric Resource Potential

Indicative ranges in Thermal Energy Recovery-Factor (Table 6) have been combined with the estimates of Heat-In-Place (Table 5) for the Play-Type 2 areas of GELA692 to 695 and 768 and the Play-Type 3 areas of GELA696, to derive indicative ranges in Recoverable Heat. These, in turn, have been combined with ranges in thermal-to-electrical-energy conversion efficiency from ORC-plant analogues and theoretical models, to derive indicative ranges in Electric Resource potential and, from there, Electric Power Potential. Note that these estimates are strictly indicative and not to be construed as UNFC compliant.

To reflect the fact that future geothermal developments would likely target smaller, high-graded parts within the "geothermal sweet-spots" rather than all of the sweet-spot areas let alone the full tenement areas, Recoverable Thermal Resources, Electrical Resource Potential and Power Potential are quoted as a Resource density (i.e., Resource per unit area).

Estimates of Recoverable Geothermal Resource-Potential for the Play-Type 2 areas of GELA692/693/694/695 and 768 are listed in Table 7.

Table 7: Indicative Estimates of Resource Density for the Play-Type 2 areas of GELA692/693/694/695/768: Heat-In-Place, Recoverable Thermal Energy, Electric Resource Potential and Power Resource Potential

Nature of Estimate	Heat In Place per Unit Area	Chance of Geological Discovery	Thermal Recovery Factor	Recoverable Thermal Energy per Unit Area	Plant Electric Conversion Efficiency	Electric Resource Potential per Unit Area	Power Resource per Unit Area
	PJth/km^2	Percent	Percent	PJth/km^2	Percent	PJe/km^2	MWe/km^2
P90	97.2	80%	11.5%	15.6	4.8%	1.0	1.1
Mean (average)	227.3		20.0%	45.2	6.8%	3.1	3.6
P10	393.5		30.0%	84.8	9.0%	5.9	6.9

Estimates of Recoverable Geothermal Resource-Potential for the Play-Type 3 areas of GELA696 are listed in Table 8.

Table 8: Indicative Estimates of Resource Density for the Play-Type 3 areas of GELA696: Heat-In-Place, Recoverable Thermal Energy, Electric Resource Potential and Power Resource Potential

Nature of Estimate	Heat In Place per Unit Area	Chance of Geological Discovery	Thermal Recovery Factor	Recoverable Thermal Energy per Unit Area	Plant Electric Conversion Efficiency	Electric Resource Potential per Unit Area	Power Resource per Unit Area
	PJth/km^2	Percent	Percent	PJth/km^2	Percent	PJe/km^2	MWe/km^2
P90	154.1	90%	11.5%	23.4	4.8%	1.6	1.9
Mean (average)	266.7		20.0%	53.3	6.8%	3.9	4.6
P10	399.6		30.0%	90.0	9.0%	6.8	7.9

Indicative estimates of the Electric Resource Potential for the full Play-Type-2 areas of GELA692/693/694/695 and 768 are presented in Table 9 whilst similar indicative estimates for the full Play-Type-3 area of GELA696 are presented in Table 10. Again, these estimates are not to be construed as UNFC compliant. Given the size of the areas over which Resources are estimated versus the small heat-withdrawal area of individual closed-loop wells, many 100's of wells might be required to develop and recover these Resource quantities.

Table 9: indicative estimates of Electric Resource Potential and Power-Resource Potential for the Play-Type 2 areas of GELA692/693/694/695/768

Tenement	Tenement Area (km2)	% of area occupied by Play-Type 2	Play-Type 2 Indicative Electric Resource Potential (PJe)			Play-Type 2 Indicative Electric Resource Power Potential (MWe)		
			P90	P-Mean	P10	P90	P-Mean	P10
GELA692	2,964	50%	1,400	4,500	8,700	1,700	5,300	10,300
GELA693	2,968	60%	1,700	5,400	10,500	2,000	6,400	12,300
GELA694	2,789	80%	2,200	6,800	13,200	2,500	8,000	15,500
GELA695	1,538	30%	400	1,400	2,700	500	1,700	3,200
GELA768	288	70%	200	600	1,200	200	700	1,400

Table 10: indicative estimates of Electric Resource Potential and Power-Resource Potential for the Play-Type 3 areas of GELA696

Tenement	Tenement Area (km2)	% of area occupied by Play-Type 3	Play-Type 3 Indicative Electric Resource Potential (PJe)			Play-Type 3 Indicative Electric Resource Power Potential (MWe)		
			P90	P-Mean	P10	P90	P-Mean	P10
GELA696	1,776	80%	2,300	5,600	9,700	2,800	6,600	11,400

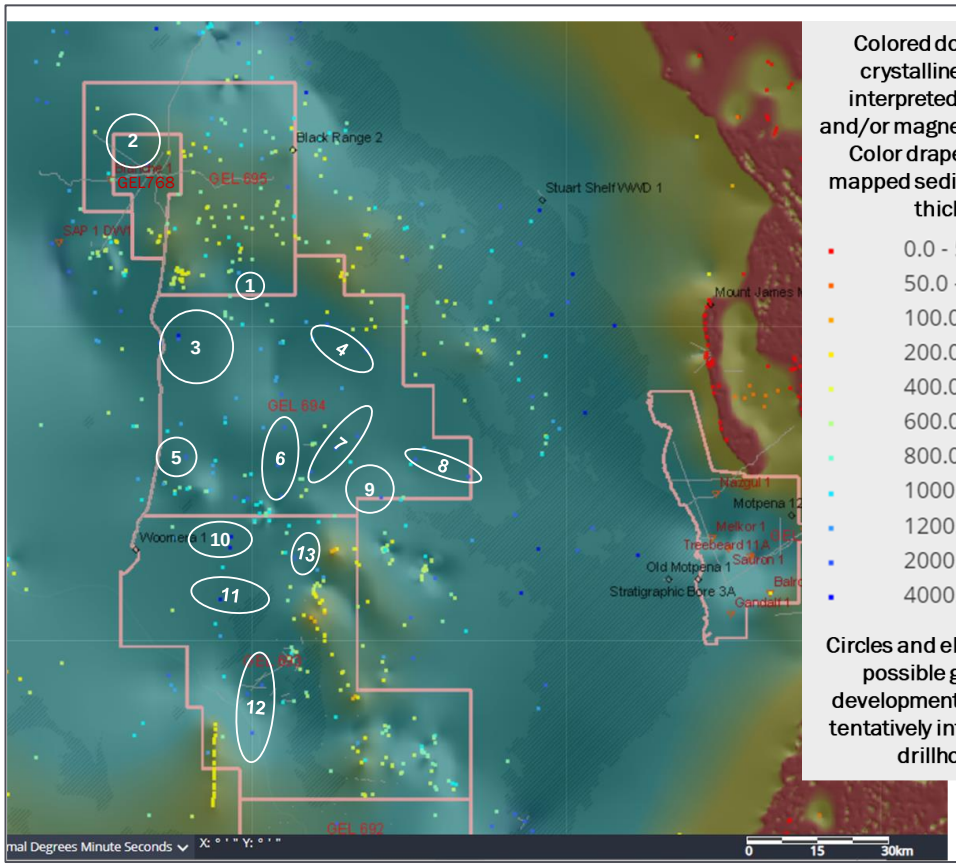
Once again, the indicative and speculative nature of these estimates should be stressed. Closed-loop technology is currently under active research and development, with pilots under execution or in planning-stage at several locations worldwide but in settings not necessarily analogous to GELA692/693/694/695/606/768. Whilst it is possible that future pilots will deliver proof of concept, for now the technical viability of closed-loop wells for heat extraction from basement rocks at relatively modest temperatures (less than 200°C) for the purpose of electric-power generation, remains speculative and unproven. As indicated in Section 4.6, such projects are to be classified as F4 "technology under development" under UNFC guidelines. Indicative estimates of recoverable energy associated with such projects are pending proof of technology besides geological de-risking and for that reason, are not classifiable under UNFC just yet.

The sole purpose of presenting the prospective Resource densities of Table 7 and Table 8 and the Resource-potential quantities of Table 9 and Table 10 is therefore to illustrate that pending successful proof of concept, successful geological de-risking via appraisal and overcoming commercial hurdles such as firming up of a development license and securing power contracts, high-graded sites within GELA692/693/694/695/606/768 (a few square km in size each) might be able to support developments targeting 10-20 MWe of electrical power.

4.9 High-Grading of Potential Development Sites

For licenses GELA 692 to 695 and 768 which are located close to the existing power grid, well data and maps depicting thickness of the thermally insulating sediment cover have been studied in some detail to identify areas where this sediment cover could be relatively thick. Based on the analysis of geothermal gradients seen in the dataset of offset wells, areas with a thicker sediment cover tend to have better geothermal gradients and hence yield a higher Heat-In-Place per unit area. Also, closed-loop wells drilled into in such areas might intercept temperatures in excess of 135°C at relatively shallow depth (which would reduce well length hence drilling cost and pump requirements).

A total of sixteen (16) geothermal "sweet-spot areas" have tentatively been identified (Figure 5, Figure 6). Geothermal exploration / appraisal activities and eventual development could logically focus on some of these areas.



Colored dots: depth to crystalline basement interpreted in drillholes and/or magnetic source data
Color drape: tentatively mapped sedimentary-cover thickness

- 0.0 - 50.0 (m)
- 50.0 - 100.0 (m)
- 100.0 - 200.0 (m)
- 200.0 - 400.0 (m)
- 400.0 - 600.0 (m)
- 600.0 - 800.0 (m)
- 800.0 - 1000.0 (m)
- 1000.0 - 1200.0 (m)
- 1200.0 - 2000.0 (m)
- 2000.0 - 4000.0 (m)
- 4000.0 - 7600.0 (m)

Circles and ellipses indicate possible geothermal development "sweetspots" tentatively interpreted from drillhole data

GELA768:

- Total tenement area: 288km2
- Portion occupied by Play Type 2: 70%
- Range in in-place heat (Playtype 2 only): 19,600 / 39,500 / 79,400 PJth
- One (1) potential geothermal development "sweetspot" identified

GELA695:

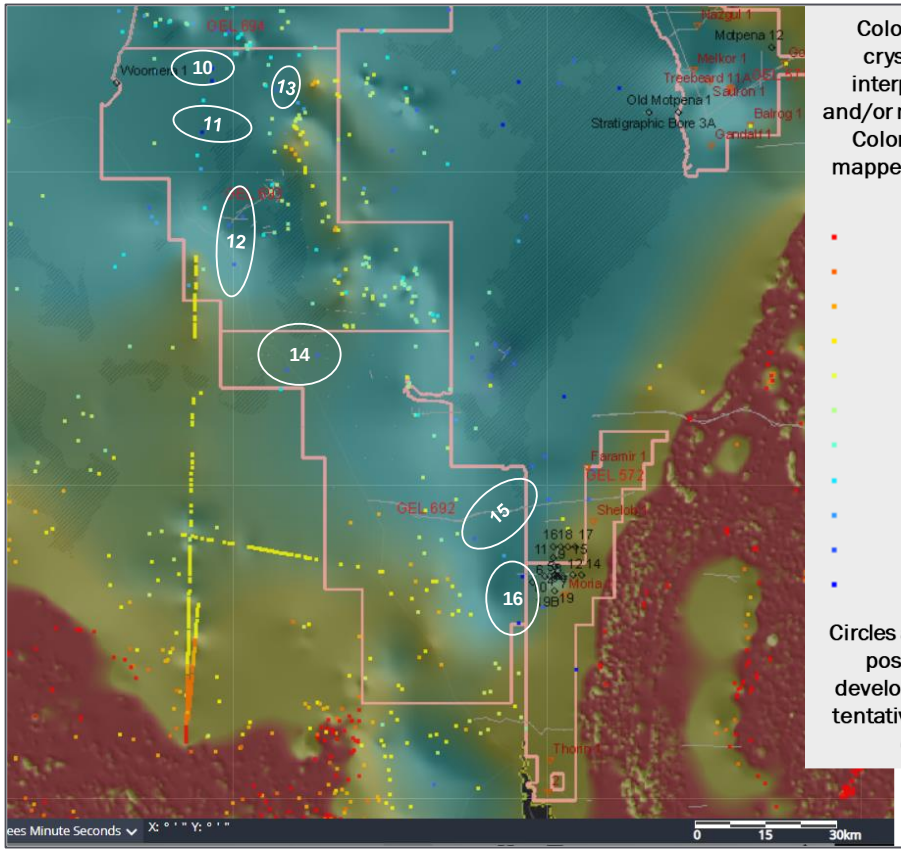
- Total tenement area: 1,538km2
- Portion occupied by Play Type 2: 30%
- Range in in-place heat (Playtype 2 only): 44,800 / 90,200 / 181,600 PJth
- Two (2) potential geothermal development "sweetspots" identified (one of which shared with 768)

GELA694:

- Total tenement area: 2,789km2
- Portion occupied by Play Type 2: 80%
- Range in in-place heat (Playtype 2 only): 216,800 / 436,200 / 877,900 PJth
- Seven (7) potential geothermal development "sweetspots" identified

GELA693: summary on next slide

Figure 5: Potential geothermal development "sweet-spots" in GELA 694, 695 and 768. Note: Heat-In-Place ranges are P90 / P50 / P10



Colored dots: depth to crystalline basement interpreted in drillholes and/or magnetic source data
Color drape: tentatively mapped sedimentary-cover thickness

- 0.0 - 50.0 (m)
- 50.0 - 100.0 (m)
- 100.0 - 200.0 (m)
- 200.0 - 400.0 (m)
- 400.0 - 600.0 (m)
- 600.0 - 800.0 (m)
- 800.0 - 1000.0 (m)
- 1000.0 - 1200.0 (m)
- 1200.0 - 2000.0 (m)
- 2000.0 - 4000.0 (m)
- 4000.0 - 7600.0 (m)

Circles and ellipses indicate possible geothermal development "sweetspots" tentatively interpreted from drillhole data

GELA693:

- Total tenement area: 2,968km2
- Portion occupied by Play Type 2: 60%
- Range in in-place heat (Playtype 2 only): 173,100 / 348,300 / 700,900 PJth
- Four (4) potential geothermal development "sweetspots" identified

GELA692:

- Total tenement area: 2,964km2
- Portion occupied by Play Type 2: 50%
- Range in in-place heat (Playtype 2 only): 144,000 / 289,800 / 583,200 PJth
- Three (3) potential geothermal development "sweetspots" identified

Figure 6 Potential geothermal development "sweet-spots" in GELA 692 and 693.Note: Heat-In-Place ranges are P90 / P50 / P10

5 Competent Person's Statements

The information in this release that relates to resource estimates through the mapping of prospective areas and gross rock volumes, review of reservoir temperature and properties of rock formations, pore fluids and fracture systems within the metasediments and basement rocks of CRADLE Energy's South Australian assets is based on analysis of data provided by CRADLE and sourced from open-domain databases. These analyses have been performed by Dr. Arnout JW Everts who holds a PhD in Geology from VU University Amsterdam and has 33 years of industry experience and a proven track record of technical leadership, project management, and technical task and project delivery. His areas of expertise include techno-commercial project due-diligence, field (re)development, oil & gas reserve and resource assessments, geothermal resources and exploitation viability, underground storage of CO2 (CCS) and hydrogen. Through his career, Dr Everts has participated in and/or led over 100 energy projects spanning the entire project life-cycle, from frontier exploration to late field-life including unconventionals. In recent years his focus has shifted to renewables, i.e., geothermal and CCS. Dr Everts is an Active Member of AAPG (American Association of Petroleum Geologists), EAGE (European Association of Geoscientists and Engineers) and GSM (Geological Society of Malaysia), a Professional Member of AGA (Australian Geothermal Association) and he has contributed as lead author or co-author to around 30 research papers and extended abstracts in international scientific journals including papers on geothermal resource potential and assessment. As EuroGeologist title holder (registration no 1435) Dr Everts is entitled to sign off on Company Reserves and Resources reports submitted to regulatory bodies.

Dr. Everts has consented in writing to the inclusion in this release to the matters based on his information in the form and context in which it appears. Dr. Everts is engaged by CRADLE as an independent consultant and is not employed by the Company.

6 Technical References and Guidelines

Technical Guidelines

UNECE – IGA (International Geothermal Association, 2016): Specifications for the application of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) to Geothermal Energy Resources.

Technical References

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Geothermal Resource Potential

Queensland Geothermal Licenses EPG2026 and EPG2031

Competent Person's Report

For CRADLE ENERGY PTY LTD

SEPTEMBER 5, 2023

REVISION AND AMENDMENT REGISTER

DATE	PAGE NUMBER	PROCEDURE SECTION	REVISION DETAILS	REVISION NUMBER
September 5, 2023	-	-	Draft	3

REV	DATE	DESCRIPTION	ISSUED BY	CHECKED BY	APPROVED BY
3	September 5, 2023	Draft	AE	LA	MR

The report represents THREE60 Energy's professional judgement and should not be considered a guarantee or prediction of results. THREE60 Energy has made every effort to ensure that the interpretations, conclusions and recommendations presented herein are accurate and reliable in accordance with good industry practice and its own quality management procedures. It should be understood that any evaluation, particularly one involving exploration and potential future developments, may be subject to significant variations over short periods of time as new information becomes available. THREE60 Energy cannot and does not guarantee the accuracy or correctness of any interpretation made by it of any of the data, documentation and information provided by the Company or others and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation or recommendation made by any of its officers, agents or employees. THREE60 Energy does not warrant or guarantee, through the Services, this report or otherwise, any geological or commercial outcome.

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1 Executive Summary

This report ("Report") has been complied by THREE60 Energy ("**THREE60 Energy**" or the "**Consultant**") as requested by CRADLE Energy ("**CRADLE**" or the "**Company**"). It has been prepared along the lines of THREE60 Energy's Study Proposal dated July 19, 2023, accepted by Company. THREE60 Energy has been requested to compile a report that summarises the geothermal energy potential attributable to the Company for the Geothermal Exploration licences ("**Assets**") EPG2026 and EPG2031 located in Queensland, Australia (**Figure 1**).

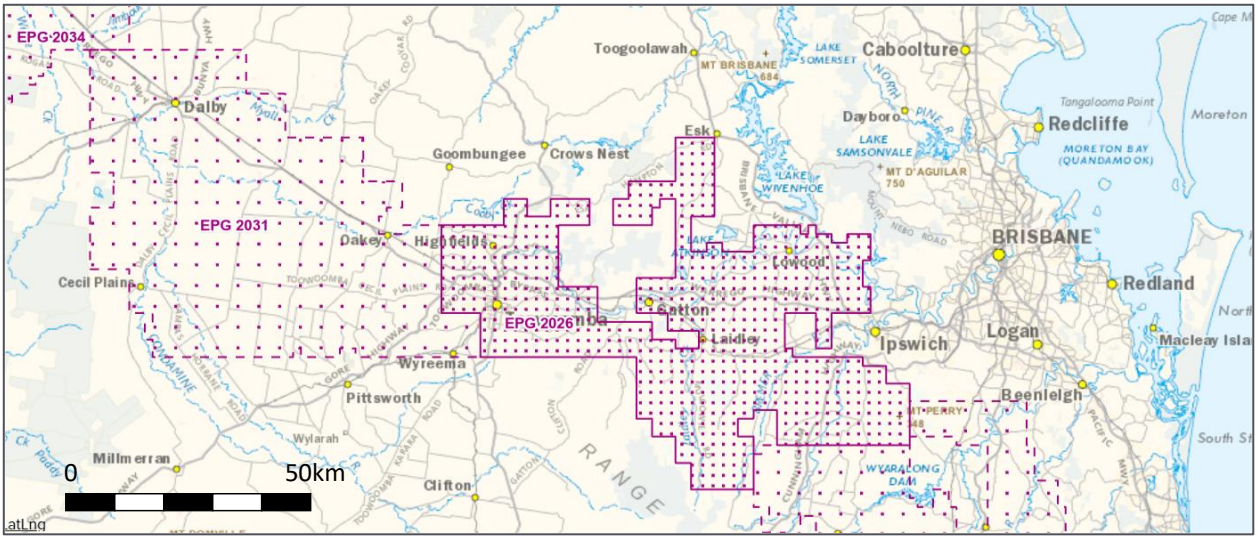

Figure 1: Location of CRADLE Energy's Queensland Geothermal Exploration Licenses

The EPG licenses allow the Company to explore for geothermal resources within the license areas and evaluate the feasibility of geothermal production, including by production testing, for a period of five (5) years. To date, no dedicated geothermal appraisal or testing has been carried out. However, the Company believes that following successful appraisal and testing, geothermal resources at high-graded locations within the license areas could be developed using "closed-loop" well technology which is currently under development. Theoretically, closed-loop wells can extract heat from a geothermal reservoir regardless of its permeability; they function like a downhole heat exchanger by circulating a working fluid inside the casing only without any exchange of fluid between rock and formation. Heat recovered to surface will then be converted to electricity using Organic Ranking Cycle (ORC) plant technology, and supplied to the domestic grid.

Since closed-loop technology has not been proven viable yet in settings directly analogous to EPG2026/2031, and because no geothermal tests have been done on the area and no production license is in place, no commerciality can be implied or suggested at this stage. Resource estimates are strictly indicative, based on available data and inferences and need to be validated and confirmed via proof of technology concept, dedicated appraisal and testing.

The work scope of this report was to review available data, estimate Heat-in-Place across the license areas (classified under United Nations Framework Classification for Resources guidelines, UNFC, 2019), and provide indicative assessment of Recoverable Thermal Heat and Electrical Resource Potential. The methodology included review of geological and geophysical mapping, review of reservoir properties and geothermal gradients, assessment of minimum temperature requirements for a closed-loop well using mathematical models of conductive heat transfer, probabilistic estimation of heat-in-place and estimation of the indicative ranges in thermal recovery and thermal-to-electric energy conversion using a combination of mathematical models and, where available, analogues.

EPG2026 and 2031 are located in the Clarence-Moreton basin, a small and relatively shallow Mesozoic basin that underlies large parts of southeast Queensland and northeast New South Wales. Within EPG2026/31, sediment fill of this basin can reach a maximum of about 1700m. From the sparse well and geophysical data, we find that the Jurassic to Quaternary sediments of the basin fill serve as a thermal caprock due to low thermal conductivity, retaining heat in the Permo-Triassic sediments and in the basement underneath. In areas with a relatively thick Jurassic-to-Quaternary cover, subsurface temperatures may exceed 135°C at 3.5 to 4km depth. Based on mathematical calculations of closed-loop well performance, 135°C is considered the minimum reservoir temperature at which a 9 5/8" co-axial closed-loop well (the well concept assumed for development) may be able to deliver in excess of 1MWe (megawatt electricity) instantaneous electrical power.

Regional mapping anchored to available well penetrations suggest that "sweet-spot areas for geothermal development" with thick Jurassic-to-Quaternary "thermal caprock" may occupy some 260km^2 in EPG2026 and 320km^2 in EPG2031. Probabilistic assessment of Heat-In-Place has been done for these areas. Given that there are no dedicated geothermal test-wells whilst none of the petroleum wells drilled in the area to date meet or exceed the 135°C development threshold, geothermal resource-potential in EPG2026 and 2031 is considered Prospective, G4-class in UNFC scheme. Presence of such geothermal resources requires confirmation via appraisal drilling and testing and this is reflected by assigning a Chance Of Geological Discovery (COS). Heat-In-Place across the different UNFC categories that reflect different degrees of confidence in Resource Quantity (G4.1 - High Confidence, G4.2 - Medium Confidence and G4.3 - Low-Confidence) as well as the associated COS, are listed in Table 1. Along the E and F axes of the UNFC classification matrix, Resources assessed as:

- E3.2 (exploratory, at too early a stage to determine economic viability) and
- F4.1 (recovery technology under development, not yet proven technically feasible for the style and nature of the resources assessed here).

Under UNFC guidelines, deposits of this nature are considered "Additional Heat-In-Place" (reported in petajoules thermal, PJth), an uncertain portion of which may be recoverable in future pending proof of concept for the proposed recovery-technology (i.e., a successful closed-loop pilot) in addition to geological de-risking and overcoming commercial hurdles.

EPG2026 and 2031 – Additional Prospective Heat-In-Place						
Project	Heat-In-Place (PJth)			UNFC-E (Environmental-Socio-Economic feasibility)	UNFC-F (Technical viability)	Chance of Geological Discovery (%)
	G4.1	G4.2	G4.3			
	High-confidence	increment to G4.1	increment to G4.2			
EPG2026 sweet-spot areas (260km²)	20,800	18,700	22,700	E3.2	F4.1	*40%*
EPG2031 sweet-spot areas (320km²)	26,900	32,800	41,500	E3.2	F4.1	*70%*

Table 1: Heat-In-Place Estimates for CRADLE Energy's Queensland Geothermal Exploration Licenses

Over and above these UNFC-compliant estimates of Prospective Heat-In-Place, indicative estimates of Recovery Potential were derived on the basis of a mathematical model of conductive heat-transfer of closed-loop wells and associated reservoir thermal-recharge. Model calculations suggest that across an assumed "heat-sink" of 250m radius around a closed-loop well, developed as a result of heat withdrawal over a period of time, some 11.5 to 30% of the Heat-In-Place may be recovered over an assumed 30 years project period. Combined with the ranges in Heat-In-Place and with plant thermal-to-electrical conversion efficiency ranges from theoretical models and analogues, Recoverable Energy-Resource density (energy per unit area) for each of the licenses is estimates at:

- EPG2026 - Recoverable Energy-Resource density from 1.0 to 3.1PJe/km² (PetaJoules electric per square kilometre);
- EPG2031 - Recoverable Energy-Resource density from 1.0 to 4.0PJe/km²

Power resource equivalent, assuming a plant load-factor of 0.9, is 1.1 to 3.7 MWe/km² (MegaWatt electrical per square kilometre) for EPG2026 and 1.2 to 4.6 MWe/km² for EPG2031. Across the full "geothermal sweet-spot area" of EPG2026 (260km²) and EPG2031 (320km²), such resource densities could result in ranges of Electrical-Power Resource of 200 to 1,100 MWe for EPG2026 and 300 to 1,800MWe for EPG2031. However, given the large area over which resources are calculated *versus* the much smaller area from which an individual closed-loop well may effectively withdraw heat, recovering all these resources might require drilling many hundreds of wells. A more focused development, drilling fewer wells targeting high-graded areas within the larger "geothermal sweet-spots", may be more feasible and is essential as a pilot project to confirm technical viability and commercial scalability of the development concept.

The estimates of Electric Resource Potential and Power-Resource Potential presented above are strictly indicative and should not be construed to be compliant with UNFC. They solely serve to illustrate that pending successful proof of concept, successful geological de-risking via appraisal and overcoming commercial hurdles such as firming up of a development license and securing power contracts, high-graded sites within EPG2026 and 2031 (a few square km in size each) might be able to support developments targeting 10-20MWe of electrical power.

2 Introduction

2.1 Scope of Work

The assessment included the following elements of work pertaining to CRADLE's interests in the Assets as of August 2023:

- Review CRADLE supplied data and publicly available data.
- Assessment of Geothermal Heat-In-Place:
    - Inferred and Indicated resource category (Geothermal Reporting Code) and equivalent categories in UNFC, for all license areas;
- Indicative assessment of Recoverable Thermal Heat and Electrical Resource Potential with the following proviso:
    - Based on indicative estimates of the heat-extraction efficiency (thermal power and electrical power equivalent) of the chosen closed-loop well concept, generated via mathematical calculations. Since there are no closed-loop geothermal test wells anywhere in or near the tenements, these estimates are tentative and uncalibrated.
    - Based on indicative estimates of thermal-to-electrical-energy conversion efficiency for geothermal powerplants applicable to this project, using a combination of theoretical plant models and analogue plant data. As there are no geothermal powerplants in operation in or around the area and since the plant concept has not been worked out in detail, these estimates are highly tentative at this stage.

2.2 Methodology

Resource assessment done in this project involved the following key steps:

- Identification of Geothermal Play-Types applicable to the area based on regional geology and available data;
- Indicative mapping of the extent of geothermal-play areas across each tenement, based on available well and geophysical data (seismic, magnetotelluric, reported basement depth in wells, regional mapping);
- Assessment of reservoir temperature and geothermal gradients across the area, within the framework of regional geology and Geothermal Play-Types and based on a review of the temperature-records from wells within and adjacent to the tenements;

- Define the minimum reservoir temperature at which a closed-loop system may be able to deliver a potentially commercial heat-yield (initially i.e., at project startup) to a geothermal plant. Combined with the range in geothermal gradients, this minimum temperature is then translated to a depth ceiling for geothermal resource assessment.
    - Minimum temperature estimation is done via analytical computation of conductive heat-exchange between working fluid circulating within the well and the surrounding rock formations that take into account casing size, well length and friction losses along the well. From a range of well concepts initially considered, a vertical "co-axial" well where fluid is circulated down the annulus of an unperforated 9 5/8" casing and produced back to surface via an insulated 5.5" tubing is selected as a good compromise between drilling and completion cost / practicality on the one hand and sufficient wellbore volume for conductive heat transfer on the other. Working fluid is assumed to be water.
    - Thermal-energy yield at the wellhead is converted to equivalent electrical-power using a range of theoretical and analogue ORC plant conversion-efficiencies (e.g., DiPippo, 1989; Moran and Shapiro, 2006, Zarrouk and Moon, 2014). It is assumed that a minimum of around 1MWe (megawatt electrical power) per well is required for a potentially commercial development.
    - The energy required to circulate fluids within the well at the specified flowrate (i.e., the pumping losses that make the difference between gross and net electric-power), are computed using friction losses (Fanning equation) based on industry-standard assumptions of casing roughness and temperature-dependent water viscosity following industry-standard relationships. A pump efficiency of 80% is assumed.
- Assessment of the anticipated thickness of the prospective interval (from which a future closed-loop development might recover heat). Thickness ranges take into account the Geothermal Play-Type mapping, the "temperature ceiling" (defined in the previous step) and a "development floor" which, based on indicative drilling practicality and cost considerations, was set at 5km.
- Assessment of ranges in key rock properties such as rock specific heat, density, thermal conductivity, as well as formation-brine properties (density, salinity, viscosity, fluid specific heat). These assessments are, as much as possible, based on available well data complemented by literature trends. Unfortunately, none of the wells drilled in EPG2026 and EPG2031 have rock-sample measurements like thermal conductivity and specific heat and moreover, most of these wells are drilled shallow and do not intersect the deeper basement rocks that are the tentative target for future development;
- Probabilistic assessment of the range in Heat-In-Place for each Geothermal Play-Type in each tenement, based on the ranges in input data summarized above. Reference temperature (i.e., the temperature relative to which subsurface heat-potential is calculated) is set at 70°C which (based on analogue ORC-plant data) reflects the approximate temperature of geothermal plant waste-stream that is recirculated into the closed-loop wells.

- Assessment of the range in Thermal Recovery Factor based on indicative estimates of the decline in well thermal-power over time due to reservoir cooling and assuming effective heat extraction is limited to a 250m radius around the wellbore. For these calculations, a 30 years project duration was assumed.
- Assessment of the range in thermal to electrical energy conversion-efficiencies possibly applicable to this project based on a range of theoretical and analogue ORC plant conversion-efficiencies (e.g., DiPippo, 1989; Moran and Shapiro, 2006, Zarrouk and Moon, 2014).
- Probabilistic assessment of the ranges in potentially Recoverable Thermal Energy, derived by combining the ranges in Heat-In-Place with the ranges in Thermal Recovery Factor and similarly, Electrical Resource Potential derived by multiplying the Recoverable Thermal Energy with the ranges in Plant Conversion-Efficiency. To reflect the reality that geothermal development will likely focus on small, high-graded areas within each tenement as opposed to the entire tenement, Recoverable Thermal Energy and Electrical Resource Potential are quoted as resource densities i.e., energy per unit area.

Resources are classified according to the UNFC (United Nations Framework Classification) scheme. In UNFC (similar to SPE/PRMS) Resources are assigned to Projects. In addition, Resources are classified considering:

- Environmental-Socio-Economic Viability;
- Technical Feasibility;
- Degree of Confidence.

In accordance with UNFC and other schemes, Resources that are considered "Prospective" (i.e., resources based on indirect inferences based on offset wells many km's away) are assigned a Chance Of Geological Discovery (COS, also known as probability of geological success).

Whilst the Heat-In-Place estimates are in principle universal and independent of chosen development concept, reservoir "temperature ceiling" and development "floor" used in resource calculations of this report assume a "closed loop" well system involving a co-axial design. Other potentially applicable development concepts like "U-shaped closed loop" wells or "open" systems like Engineered (EGS) or "Hot-Dry-Rock" wells may have different minimum-temperature requirements and "development floor" definition from drilling practically and cost perspective. Estimates of recoverable thermal energy and its electric energy equivalent are specific to the chosen development concept and cannot be extrapolated to other development concepts (e.g., welltypes) without re-assessing Thermal Recovery Efficiency

Numerous project optimization options exist e.g., deviating wells to increase wellbore length, varying the spacing between wells, alternative working fluids (like supercritical CO_2 or refrigerants) but also production-operation options like cyclic production (to allow thermal recharge of the reservoir in between episodes of circulation and heat withdrawal). Such optimizations could have a major effect on the effectiveness of heat recovery and these would need to be addressed as part of firming up the development concept and narrowing the ranges in geothermal resource potential.

2.3 Purpose of Report

Purpose of this report is to present an assessment of Prospective Geothermal Resources for the said license areas to demonstrate attractiveness and potential of the assets for future geothermal development using the specified development concept. Since closed-loop technology has not been proven viable yet in settings directly analogous to EPG2026/2031, since no geothermal tests have been done and no production license is in place, no commerciality can be implied or suggested at this stage. Resource estimates are strictly indicative, based on available data and inferences and need to be validated and confirmed via proof of technology concept, dedicated appraisal and testing.

3 Data Availability

THREE60 found that EPG2026 and 2031 have relatively sparse subsurface data suitable for the assessment of geothermal potential.

3.1 EPG2026

EPG2026 has sparse 2D seismic coverage, mostly vintage data covering only parts of the block (Error! Reference source not found.). Well data relevant to geothermal assessment is limited to four (4) vintage petroleum wells: Baylam-1 and Lockrose-1 (1965), Ropeley-1 (1984) and Glamorgan-1 (1999) as well as two more modern but shallow CSG wells (Silverdale-2, 2005, and Harrisville-1, 2009). The two CSG wells have continuous temperature logs whilst the petroleum wells only have bottomhole temperature from wireline-log runs. In addition, five (5) recorded temperatures from drillstem tests (DSTs) are available: three in Lockrose-1, one in Glamorgan-1 and one in Harrisville-1. Ropeley-1 only has stratigraphic data, no temperatures. For the wells in EPG2026, time since end-of-circulation could be estimated or reconstructed from drilling records to correct log-header recorded bottomhole temperatures for thermal in-equilibrium. DST reports for Glamorgan and Harrisville contained sufficient info to apply Horner-correction to the reported temperature; other DST temperatures are used as-is. Due to limited and sometimes ambiguous data records, achieving alignment between DST-recorded temperatures and bottomhole temperature from log headers remains difficult.

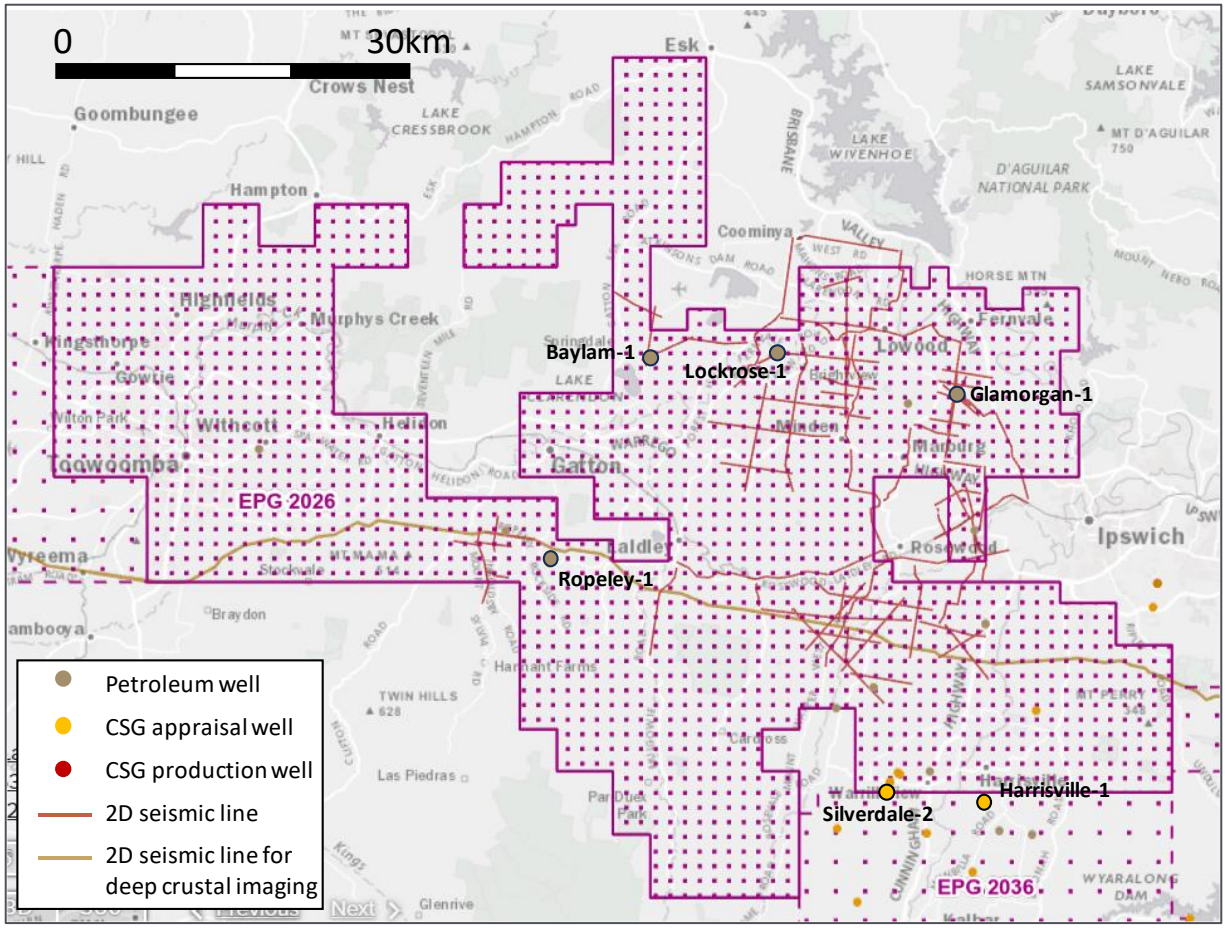

Figure 2: EPG2026 - Well and Seismic Data Availability

3.2 EPG2031

EPG2031 also has sparse 2D seismic coverage, mostly vintage data covering only parts of the block (Figure 3). Well data relevant to geothermal assessment is limited to seven (7) vintage petroleum wells: Cecil Plains-1 (1963), Cecil Plains South-1, Cecil Plains West-1, Horrane-1, Millmeran-1, Tipton-1 and Yarralla-1 (all 1965). There are also numerous shallow CSG wells drilled along the western edge of the tenement but none of these contain useful data for geothermal assessment. The vintage petroleum wells only have bottomhole temperature reported from wireline-log runs. In Horrane-1 and Tipton-1, time since end-of-circulation could be reconstructed from drilling records to correct log-header recorded bottomhole temperatures for thermal in-equilibrium. Bottomhole temperature reported in the other wells was assumed to be 18°C less than thermal equilibrium BHT, roughly in line with the corrections made in Horrane-1 and Tipton-1. Nine (9) drillstem tests (DST) have actual fluid-temperatures recorded from the DST reports: two in Cecil Plains-1, one in Cecil Plains South-1, one in Cecil Plains West-1, one in Millmeran-1, three in Tipton-1 and one in Yarralla-1. DST temperatures could not be Horner corrected due to lack of data and are therefore used as-is. Generally, temperature data in EPG2031 is even more sparse and

ambiguous than in EPG2026 and achieving reasonable alignment between DST-recorded temperatures and bottomhole temperature from log headers is very difficult.

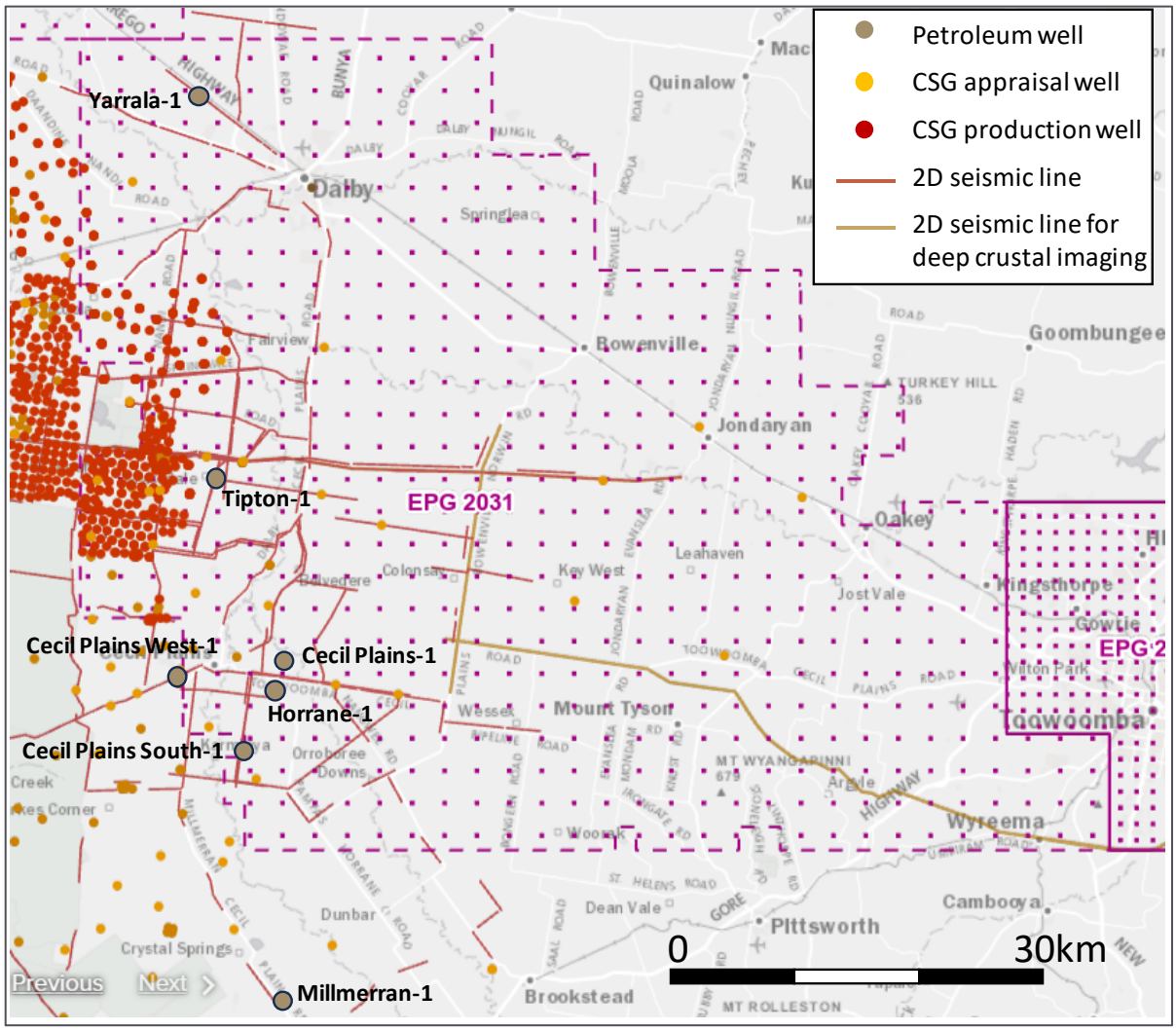

Figure 3: EPG2031 - Well and Seismic Data Availability

4 Geothermal Assessment

4.1 Regional Geologic Setting

EPG2026 and EPG2031 are in the Clarence-Moreton basin, a small and relatively shallow Mesozoic basin that underlies large parts of southeast Queensland and northeast New South Wales (Figure 4).

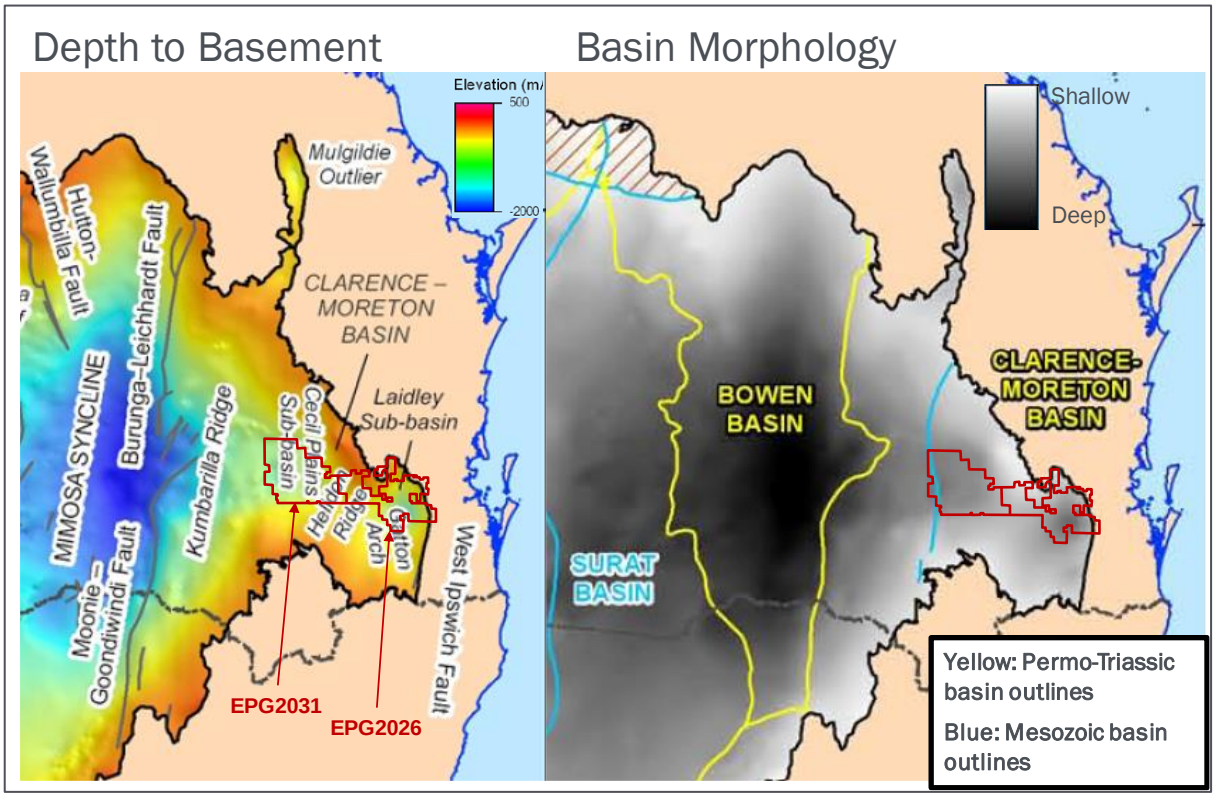

Figure 4: Maps of Depth-to-Basement (left) and Basin Morphology (right) based on Regional Studies (Xuan Yi and Foster 2021)

Its sediment-fill of continental sediments of Late Triassic to Late Jurassic can locally reach a thickness up to 3 km albeit based on regional mapping, maximum thickness within EPG2026/31 is about 1.3 km (O'Brien et al., 1994). The Clarence–Moreton Basin consists of three main centers of sedimentary deposition or sub-basins of which the Cecil Plains and Laidley sub-basins fall within the studied tenements. Separating these two sub-basins is a paleo-high called Helidon Ridge where Mesozoic sediment cover is a few 100s of m thick only (Figure 5).

Across the eastern part of EPG2026 there is a narrow- N-S trending trough of Permo-Triassic age underlying the Clarence-Moreton basin; this basin is called the Esk/Ipswich Trough. Whilst EPG2031 is on the edge of a much larger and more prominent Permo-Triassic basin: the Bowen Basin which extends from the edge of the tenement westward. The Permo-Triassic sediment fill of the Bowen Basin locally reaches up to 9km in the Taroom Trough

(some 120km to the west of EPG2031; Ransley and Smerdon, 2012) but across EPG2031 Permo-Triassic thickness is about 400m only (Figure 5).

Note: for location of wells refer to Figure 2 and Figure 3.

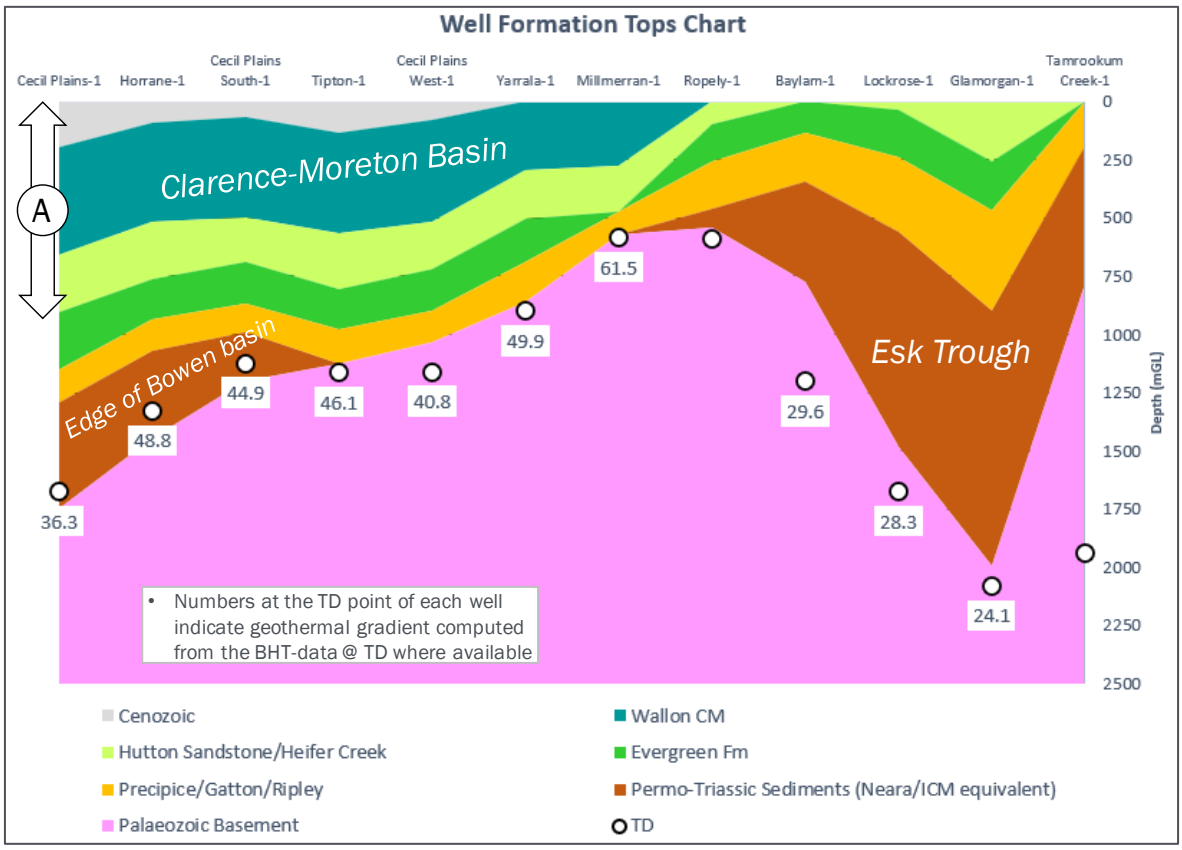

Figure 5: Well Panel, approximately N-S, showing Stratigraphy of the Clarence-Moretone Basin

The depositional history of the QLD and NSW Permo-Triassic basins (Bowen Basin and Esk/Ipswich Trough) is complex. Due to varying rates of uplift and subsidence, the periods of sedimentation were not always consistent across the basins and the geological units are not always laterally extensive or easy to correlate (Draper 2013). The sedimentary succession is dominantly fluvio-deltaic including some sandstones, shales and extensive coal measures that alternate with volcaniclastics. In the Bowen basin itself, much of the Permo-Triassic section is shale and coal-prone (e.g., Cattle Creek and Bandanna Fm) with low thermal conductivity that make it act as a thermal caprock to retain heat in underlying basement. However, to the eastern edge of the basin and further east i.e., in the Esk/Ipswich trough, Permo-Triassic sediments are more sand-prone (e.g., Bryden Fm) with suspected higher thermal conductivity and poor thermal caprock properties.

The Jurassic sediment fill of the Clarence-Moreton Basin consists of a basal package of sandstones (Ripley Road Sandstone which is stratigraphically equivalent to the Precipice sandstone in Great Artesian basin - GAB) and the Marburg sandstone (equivalent to the Hutton in GAB). The younger part of the sediment fill is the Walloon group

consisting of shales/siltstones, feltspatic sandstones and widespread coal measures. Jurassic sediments especially the Walloon have low thermal conductivity and hence serve as an excellent thermal caprock to retain deeper heat.

From the various well reports, Pre-Permian basement is noted to be highly deformed and difficult to correlate. Lithology appears to be a mixture of igneous rocks (granite, basalt, rhyolite, tuff) and sedimentary rocks (siltstones, sandstones, silicified limestones) without any preserved porosity.

4.2 Geothermal Play Types

Based on available geophysical and well data, three (3) Geothermal Play-Types are identified in EPG2026 and EPG2031:

1. Hot, permeable aquifers in the Jurassic section. The Ripley Road Sandstone (stratigraphically equivalent to the Precipice sandstone in Great Artesian basin) is regionally known to have good porosity and permeability. In EPG2026 (Laidley sub-basin) these sandstones are very shallow (less than 300m) but in EPG2031 around the Cecil Plains sub-basin, Ripley Road sandstones are buried as deep as 900 - 1,100m. At these depths considering the observed geothermal gradients (see Section 4.3) temperatures may range from 65 to 80°C which may be sufficient to recover heat for direct usage but too low for electricity generation. Since company has stated that their prime objective is to exploit geothermal resources for electricity generation, Play-Type 1 has not been included in the Resource assessment of this report.

2. Potential hot, permeable aquifers in the Permo-Triassic section. The Permo-Triassic section across EPG2026 (Esk/Ipswich Trough) and the Western edge of EPG2031 is sand rather than shale-prone. It includes the Bryden formation, an up to 450m thick succession of sandstones, siltstones and some conglomerates that could act as an aquifer and hence, a geothermal reservoir. Given its burial depth (1200 -2000m in the Esk/Ipswich Trough, 1200-1700m on the eastern edge of EPG2031), temperatures could be in the range of 65-100°C which is at the borderline of viability for electric energy from geothermal. Wireline log evidence suggests porosity is generally between 8 to 12 porosity unity (p.u.) but unfortunately, attempts to flow-test the Bryden formation have proven unsuccessful suggesting a lack of permeability. It is therefore believed that geothermal exploitation potential of the Permo-Triassic in EPG2026 and 2031 is marginal. For that reason, Play-Type 2 has not been included in the Resource assessment of this report.

3. Pre-Permian basement with anomalously high heat retention due to thick, thermally insulating sedimentary cover. Review of geothermal gradients (Section 4.3) indicates that underneath the Jurassic-Quaternary depocenters of the Clarence-Moreton sub-basins, reservoir temperature in the basement could reach 120-150°C at 4km depth. Whilst basement lithology appears to vary and is difficult to predict, it lacks preserved porosity and permeability. Therefore, heat exploitation would rely on deployment of Engineered Geothermal Systems (EGS, involving creating of large fracture swarms via hydraulic fracturing) or, as assumed in this report, exploitation using closed-loop geothermal wells.

4.3 Geothermal Gradients and Reservoir Temperature

For the purpose of analysis of reservoir temperature, the datasets of EPG2026 and 2031 have been merged together since the license areas are adjacent and geology is similar. Figure 6 shows the reservoir temperature versus depth plot of all available data. Harrisville-1 and Silverdale-2 are shallow wells but with modern, continuous temperature surveys, the other 10 wells are vintage bottom-hole temperature (BHT; circle-shaped markers in the plot). Available DST temperatures (diamond-shaped markers) are also plotted. Refer to Section 3 for comments on data quality and corrections applied to the data.

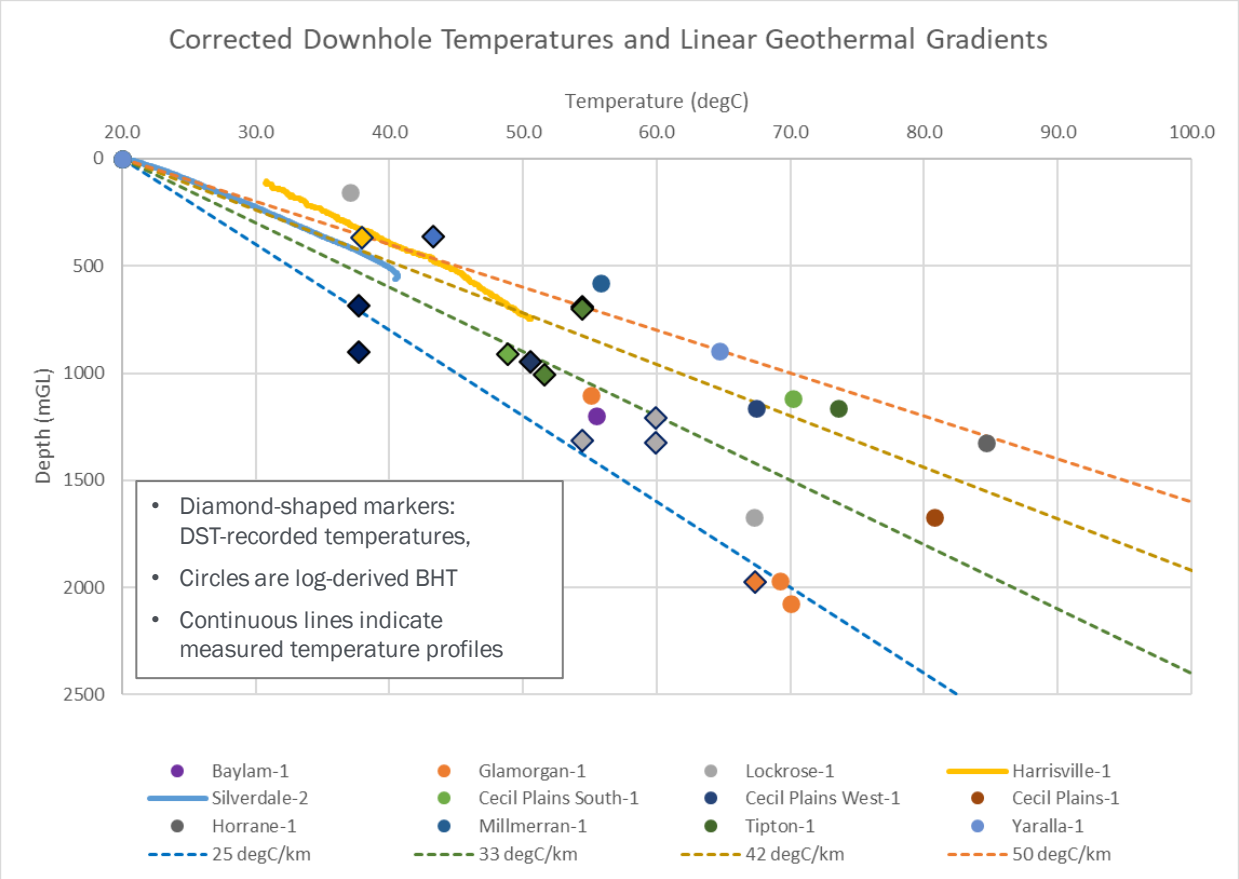

Figure 6: Available Reservoir-Temperature Data from EPG2026 and EPG2031

Virtually all reservoir-temperature data is taken in the sedimentary cover (i.e., relevant to geothermal Play-Types 1 and 2) for which the data suggests a range of geothermal gradients between 25 to 50°C/km. However, extrapolating these shallow-fitted gradients to greater depth, i.e., to pre-Permian basement of Play-Type 3, cannot be done without proper geological context i.e., an interpretative model. The interpretation model used for our analysis relates heat retention and reservoir temperature to the thickness of the sedimentary cover and especially

the shale-prone, low conductivity Jurassic to Quaternary section. In addition, the plausible range in temperatures deeper down at the boundary between crust and upper mantle (MOHO) are used as another constraint in constructing temperature vs depth trajectories. Conceptually, local variations in crustal temperatures are expected to diminish downward towards the MOHO (upper mantle) where temperatures are more uniform and spatial variations occur on a much larger scale. In Queensland, the MOHO is at a depth of between 30 to 35km and has temperatures between 600 to 800°C (e.g., Bodin et al, 2012, Haynes et al, 2015). Temperature trajectories are therefore believed to vary according to the geology of the shallow overburden and especially its heat-retention potential but converge again towards the MOHO. This concept is illustrated in Figure 7. For this plot, the Habanero 1 well in Cooper Basin is plotted alongside EPG2026/2031 data to demonstrate the importance of thick insulating sedimentary-cover for good heat-retention in the basement. Temperature profiles for EPG2026/2031 are constructed by assuming a constant geothermal gradient (consistent with a relatively uniform thermal conductivity and constant vertical heatflow) from the MOHO up to the base Jurassic (all anchored to whatever measured BHT points, typically in the Permo-Triassic or near to basement), and from there following a much higher geothermal gradient (consistent with a low thermal conductivity) to the known temperature at surface (20°C)

The range of predicted temperatures for EPG2026/2031 at 5km (135 – 165°C) as evident from Figure 7 is in line with regional compilations and thermal models for the Australian crust (Haynes et al 2015).

4.4 Minimum Target Temperature for a Co-Axial Closed-Loop Well

Analytical calculations of the initial thermal yield of a co-axial closed-loop well with the assumed configuration (9 5/8 inch casing, 5.5 inch tubing fitted with 0.5 inch insulation), combined with a range of thermal-power to electrical-power conversion factors from theoretical models and analogue databases (e.g., DiPippo, 1989; Moran and Shapiro, 2006, Zarrouk and Moon, 2014) were done for a range of reservoir-temperature assumptions and flowrates.

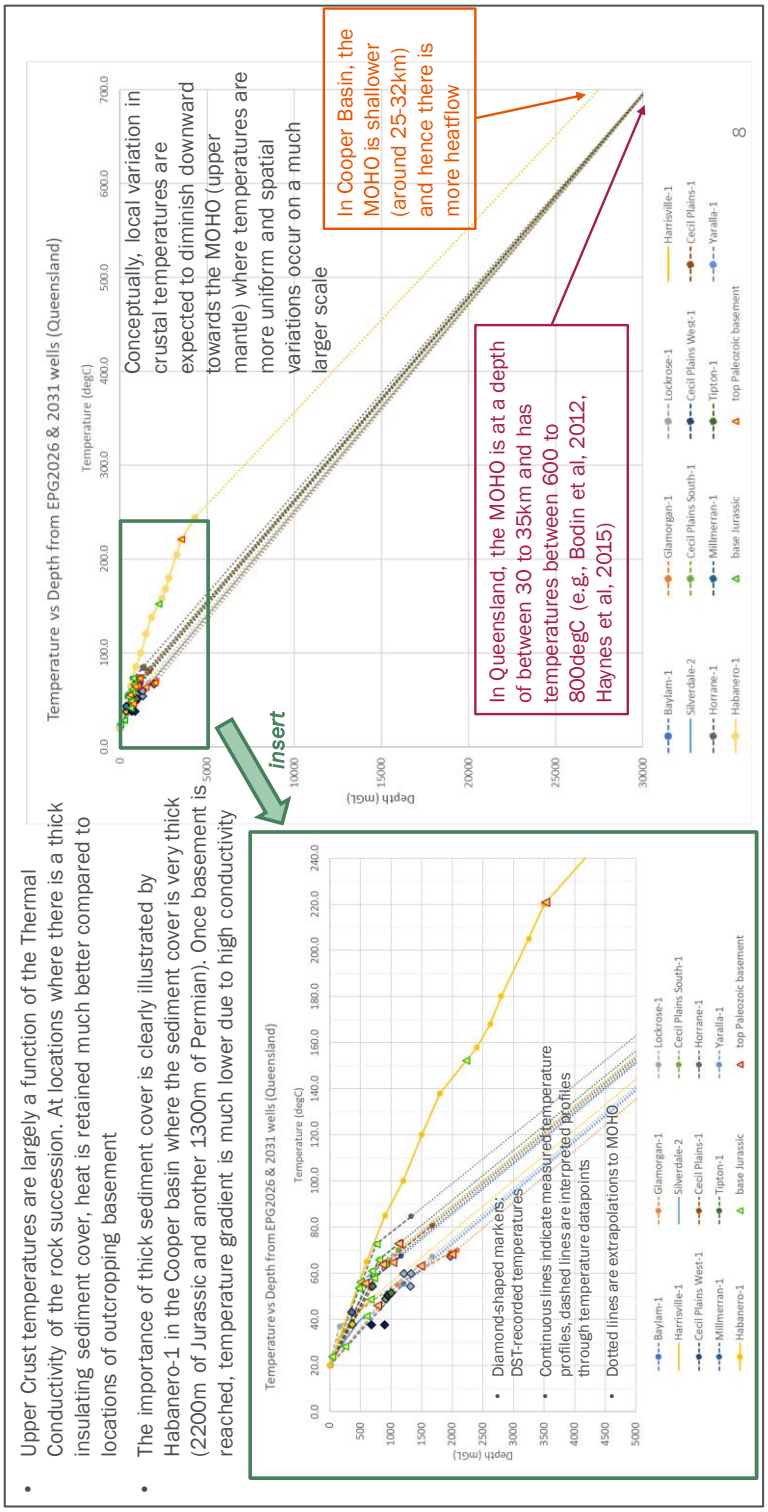

Figure 7: Conceptual Model for Interpreting Temperature Profiles through the EPG2026 and 2031 Data. Habanero-1, a Deep Well in the Cooper Basin with Exceptionally Thick Mesozoic and Permo-Triassic Sedimentary Cover, is also Plotted to Demonstrate the Importance of a Thermally Insulating Caprock

Figure 8 shows a graph of flowrate versus equivalent electrical-power (net of pumping losses) for a well targeting 135°C reservoir; the range in curves illustrates the decline in energy output with declining reservoir temperature. Thermal-energy to electric-energy conversion uses a Carnot model of theoretical plant-conversion efficiency; other conversion-efficiency assumptions might result in different graphs and cutoffs. From the range in computation outputs, we find that wells targeting a reservoir temperature of around 135°C minimum could potentially meet or exceed delivery of 1MWe net (megawatt electrical power, net of pumping losses), from a gross thermal-power of ca. 20 to 30MWth. Peak power is achieved at flowrates of 60 to 90 litre per second. Note that this estimate refers to a well's initial power potential, achieved once the temperature along the well has stabilized (i.e., some heating of the overburden section around the inflow point has taken place) but before significant cooling of the reservoir has occurred.

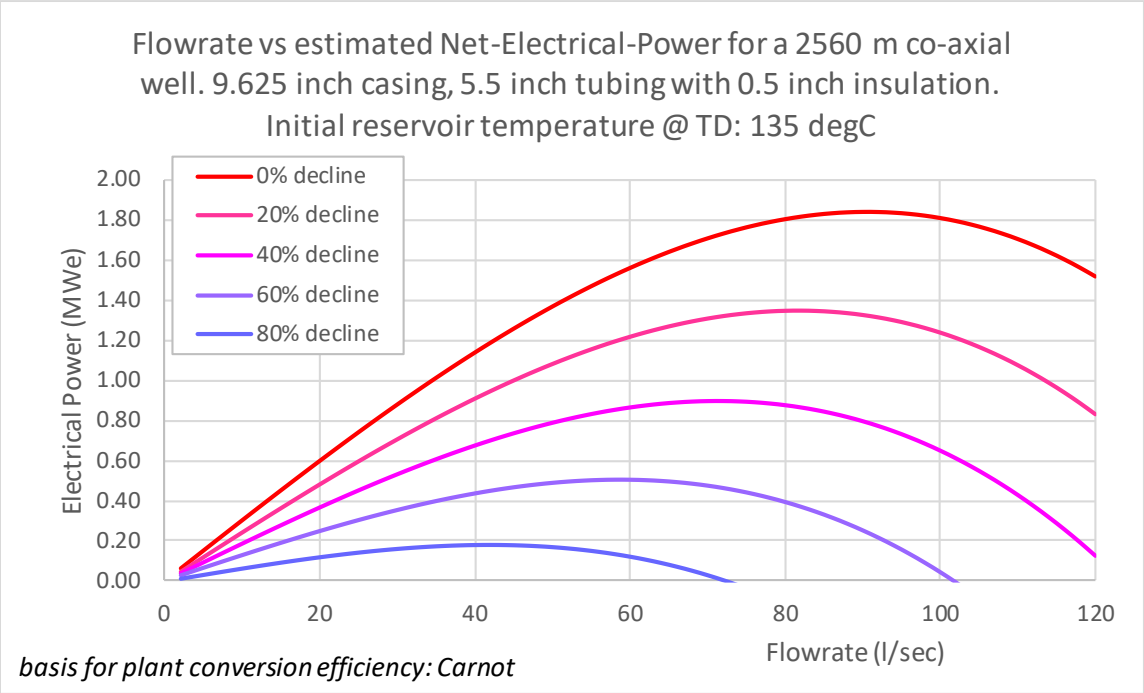

Figure 8: Flowrate versus Electrical Power for a Co-axial Closed-loop Well Targeting 135°C Reservoir

4.5 Temperature and Depth "Ceiling" for Heat-In-Place Computation

Statistics from the dataset are used to derive ranges in Depth-equivalent of the 135°C Temperature "Ceiling" as defined from analytical computations (Section 4.4, Figure 8). This part of the analysis also computes ranges in Prospective Interval Depth and Temperature range at the prospective interval midpoint. A minimum interval thickness of 500m is used as a cutoff for calculating the *risk of failure* of the geothermal reservoir risk (see Section 4.7).

Figure 9 shows on the horizontal axis Depth-to-base-Jurassic and on the vertical axis the Depth at which reservoir temperature (predicted from the interpretative model presented in Section 4.3) is expected to exceed 135°C. The error bars on the datapoints reflect uncertainty in MOHO temperature and depth.

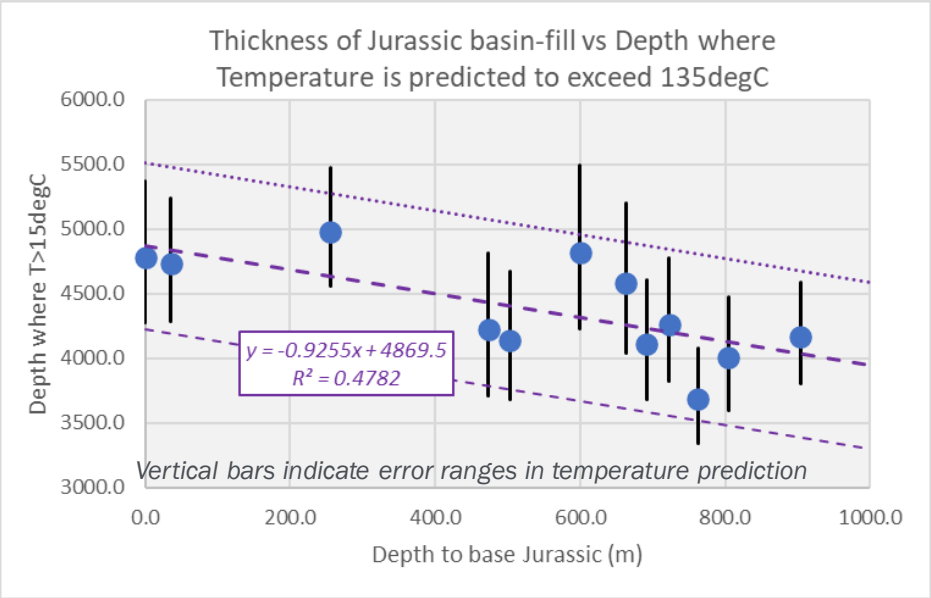

Figure 9: Prediction of the Depth Equivalent of a 135°C "Development Ceiling" based on Thickness of the Jurassic-to-Quaternary Thermal Caprock

The relationship between Jurassic-to-Quaternary "thermal caprock" thickness and predicted depth of the 135°C "development ceiling" as shown in Figure 9, including the uncertainty band around it, are then used to derive ranges in "ceiling" depth, interval thickness and temperature at midpoint as shown in Table 2. Thickness of the Jurassic-to Quaternary "caprock" as used in this tableError! Reference source not found. is based on regional mapping (Figure 10).

Table 2: Ranges in Development "Ceiling" Depth, Interval Thickness and Interval-midpoint Temperature used in Resource Assessment

	EPG2026 600m Jurassic & Cenozoic caprock			EPG2031 1,000m Jurassic & Cenozoic caprock		
	Low	Mid	High	Low	Mid	High
depth where T>135°C (m)	4,500	4,314	3,669	4,500	3,944	3,299
development floor (m)	5,000	5,000	5,000	5,000	5,000	5,000
interval thickness (m)	500	686	1,331	500	1,056	1,701
interval midpoint (m)	4,750	4,657	4,335	4,750	4,472	4,149
°C Temperature @ interval midpoint	140	143	152	140	147	157

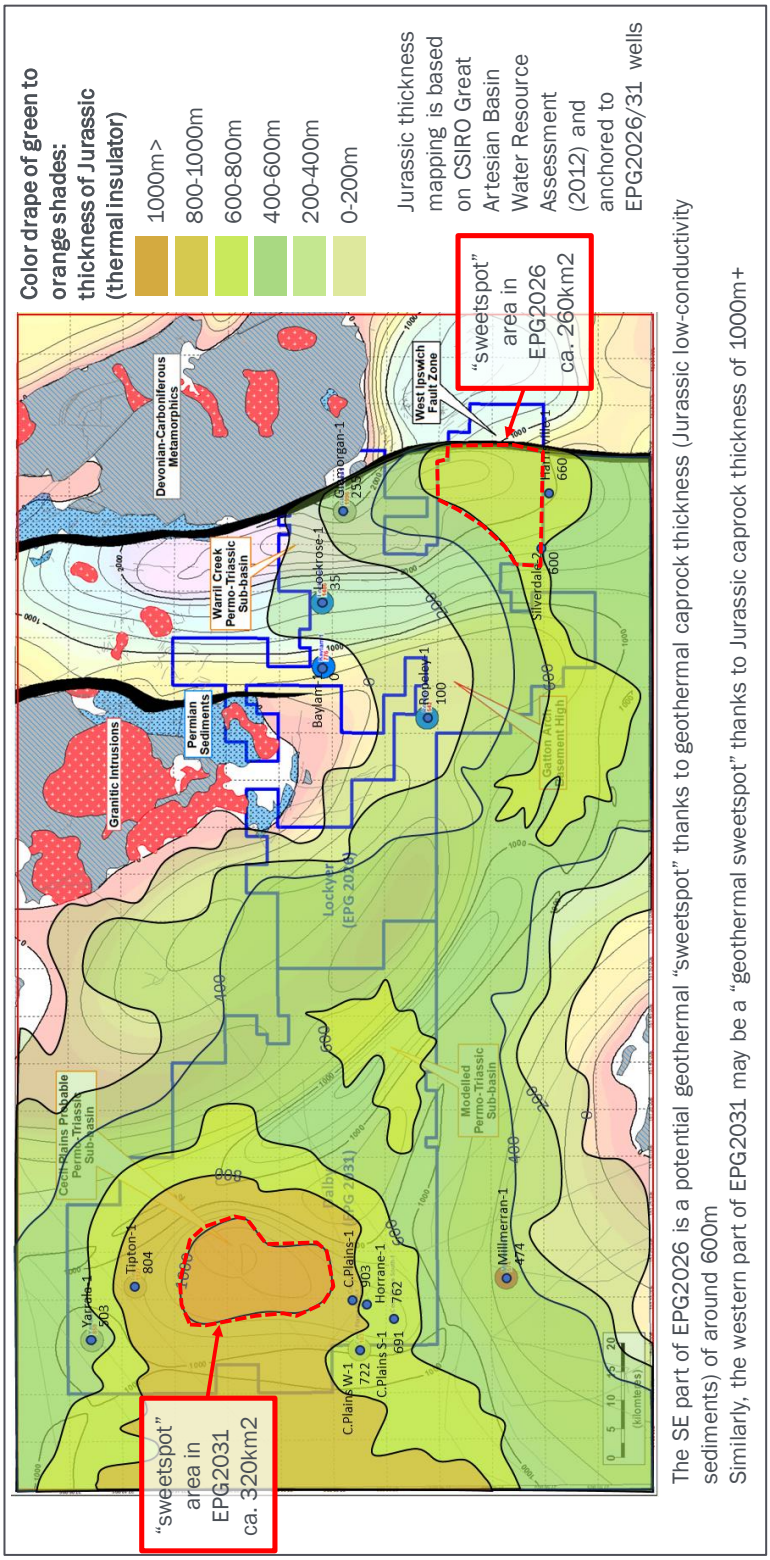

Figure 10: Map Showing Thickness of the Jurassic-to-Quaternary Sedimentary Succession across EPG2026 and EPG2031

This mapping suggests that the SE part of EPG2026, around 260km² in size, may be a "sweetspot" for heat retention and geothermal development thanks to geothermal caprock thickness (Jurassic low-conductivity sediments) of around 600m. Similarly, the western part of EPG2031 (some 320km² in size) may be another "geothermal sweetspot" thanks to Jurassic caprock thickness of 1000m+. These two areas are the high-graded "Play-Type 3" sweetspots for which geothermal resources are assessed. Assuming that eventual development would target the most attractive areas within these sweetspots (with subsurface heat retention near the upper end of the assessed ranges), future geothermal development wells might intercept reservoir with temperature in excess of 150°C at depths between 4,000 to 4,300m.

4.6 Thermal Reservoir Properties

Based on available well penetrations lithology of the pre-Permian (where the development wells would target) is highly variable and there are no wells penetrating to anticipated geothermal target-depth. Hence, reservoir properties remain speculative. The ranges (Table 3) carried in Heat-In-Place assessment and in the mathematical models used indicatively estimate the closed-loop thermal heat-extraction efficiency are based on analogues. One of the key objectives of future geothermal appraisal of EPG2026/2031 would be to confirm the ranges in reservoir properties, temperatures and pressures.

Table 3: Reservoir Thermal Properties used in Resource Assessment

	Bulk Reservoir Density	*Reservoir Porosity*	*Bulk Reservoir Specific Heat Capacity*	*Reservoir Thermal Conductivity*
	kg/m³	*Fraction*	*J/[kg*°C]*	*W/[m*°C]*
P90	2624.8	0.01	785.6	2.5
Mean (average)	2632.5	0.03	879.9	3.0
P10	2639.9	0.05	975.7	3.5

4.7 Heat-In-Place Quantities and Resource Classification

Since there are no closed-loop test wells or pilot developments in any of CRADLE's Queensland assets, future exploitation of heat resources using this concept are considered exploratory in nature. Besides that, there are no well penetrations that meet or exceed the 135°C minimum development threshold. Assessment of heat-in-place exploitable with the selected "closed-loop" well concept is therefore based on speculative extrapolation of geothermal gradient data in offset wells, many of which are relatively shallow. These observations place the heat resources in CRADLE's Queensland tenements in Prospective category, G4 class in UNFC scheme. To reflect the

fact that presence of geothermal resources in these licenses is speculative and requires confirmation via appraisal drilling, a component risk for these prospective resources is assigned based on the following:

a. "Geothermal Reservoir-Risk" which is the risk that wells would fail to reach the minimum target-temperature before reaching the practical development-floor of 5km (from review of offset wells; see Table 2). This risk varies per license as 46% for EPG2026 and 9% for EPG2031.

b. "Geothermal Caprock Risk" which is the risk that the interpretative model of thermal caprock-distribution and thickness presented in this report (Figure 10) is incorrect and actual heat-retention is therefore poorer than the ranges carried. This risk is tentatively estimated at 10%.

c. "Heatflow Risk" which is the risk that the interpretative model of temperature profiles presented in this report (Section 4.3) proves incorrect and that actual heatflow is less than the ranges carried here. This risk is tentatively estimated at 20%.

Chance of success (1 minus risk) for the individual risk elements a) to c) are then multiplied to derive the COS per license area, as:

- EPG2026 = (1 - 46%) * (1 - 10%) * (1- 20%) = **40%**
- EPG2031 = (1 - 9%) * (1 - 10%) * (1 - 80%) = **70%**

Future, dedicated geothermal appraisal drilling should either eliminate these risks (clearing the way for a future development targeting unrisked success numbers) or confirm these risks (in which case a development would not proceed). Estimating a "Risked Resource" by multiplying COS with unrisked Resource numbers and using those risked numbers in Resource valuation is therefore not recommended as it would not correspond to a realistic development outcome.

Because the closed-loop well technology is "under development" with no proven technical viability demonstrated yet in settings directly analogous to EPG2026 and EPG2031, Heat Resources are classified as "additional Heat In Place" (Category F4 in UNFC scheme). A summary of Heat-In-Place Estimates for CRADLE's Queensland assets per UNFC Resource Class, is given in Table 4:

Table 4: Heat-In-Place Estimates for CRADLE's Queensland Geothermal Exploration Licenses

EPG2026 and 2031 – Additional Prospective Heat-In-Place						
Project	Heat-In-Place (PJth)			UNFC-E (Environmental-Socio-Economic feasibility)	UNFC-F (Technical viability)	Chance of Geological Discovery (%)
	G4.1	G4.2	G4.3			
	High-confidence	increment to G4.1	increment to G4.2			
EPG2026 Exploration potential in Geothermal Play-Type 3 (high-graded area of ca. 260km² – see **Figure 10**)	20,800	18,700	22,700	E3.2	F4.1	*40%*
EPG2031 Exploration potential in Geothermal Play-Type 3 (high-graded area of ca. 320km² – see **Figure 10**)	26,900	32,800	41,500	E3.2	F4.1	*70%*

Footnotes to the resource classification per UNFC categories are as follows:

- Socio-Environmental-Economic Viability of these projects is assessed as E3.2 "evaluation is at too early a stage to determine economic viability". It is noted that both EPG2026 and EPG2031 are relatively close to urban centers with a well-developed power grid which is certainly a positive factor for future commercialization;
- Technical Feasibility of these projects is assessed as F4.1 "the technology necessary to recover some or all of these quantities is currently under active development, following successful pilot studies on other deposits, but has yet to be demonstrated to be technically feasible for the style and nature of deposit in which that commodity or product type is located". Whilst closed-loop well technology is subject of active research with pilots in execution or being planned at several locations worldwide, the deployment of closed-loop technology to extract heat from tight basement rocks at multiple km's depth with relatively modest temperatures (less than 200°C) for the purpose of electric-power generation has yet to be demonstrated technically viable.

The following footnotes apply to the quantities of resources listed in **Table 4**:

1. Probabilistic approach: G1 = P90, G1+G2 = P50, G1+G2+G3 = P10. Similarly, G4.1 = U90, G4.1+G4.2 = U50, G4.1+G4.2+G4.3 = U10 (P = Discovered, U = Undiscovered)
2. Heat-In-Place estimates are Unrisked
3. Reference Temperature used for the assessment is 70°C

4.8 Indicative Heat-Recovery Efficiency

A mathematical model that approximates conductive heat transfer from reservoir to working fluid as well as the thermal recharge process where heat is drawn in from further away, was used to estimate ranges in extraction efficiency over time for a co-axial closed loop well with the selected configuration. As explained in Section 4.5, these calculations have been done on the assumption of a well targeting a high-graded part of the "Play-Type 3" geothermal "sweet spots" with a reservoir temperature of 150°C at around 4,000m. A range in flowrates is carried to illustrate that with a higher flowrate, reservoir cooling of the near-wellbore area is faster and therefore in between periods of heat extraction a well may need to be shut in for longer periods of time to allow for thermal recharge. Flowrate and related to this, production-strategy options e.g., intermittent production, cycling between wells etc etc could have a major impact on the net recovery over a project period as would the length of the project-period itself (linked to the duration of power-delivery contracts and the duration of a future geothermal development license). The model calculations of Error! Reference source not found. assume a notional 30 years project duration (Table 5). Conversion of Thermal Energy to Electric Energy is done with a Carnot idealized model.

Table 5: Indicative Estimates of Thermal Power and Electrical Power, Instantaneous and Project-average, from a Co-axial Closed Loop Well Intercepting Reservoir of 150°C in EPG2026/EPG2031

Assumed Project Period (years)	30			
flowrate (l/sec)	90	60	30	15
Instantaneous Thermal Power (MWth)	39.1	26.0	13.0	6.5
Instantaneous Electrical Power (Mwe)	3.9	2.6	1.3	0.6
proportion of project time the well is active (%)	29%	38%	50%	67%
project-average Thermal Power (MWth)	9.8	8.2	5.8	3.8
project-average Electric Power (Mwe)	1.0	0.8	0.6	0.4
Assumed size of the heat-extraction area around a well (m radius)	250			
Assumed Heat-In-Place within the extraction area (PJth)	31			
Thermal Energy Recovery-Factor (%)	29.9%	25.1%	17.6%	11.5%

Indicative calculations of conductive heat-transfer suggest that the size of the local heat-sink that develops around a closed-loop well over time as thermal energy is extracted at a rate that exceeds the rate of thermal recharge, may be in the order of a few 100s of m. The estimates of Thermal Energy Recovery-Factor (defined as the ratio of heat-recovered-to-surface over heat-in-place) shown in Table 5 therefore assume that effective heat extraction is limited to an area of 250m radius around a well. It should be stressed that these estimates are strictly indicative. The mathematical model used to derive these estimates is yet uncalibrated as there are no producing analogues of co-axial closed loop wells at these temperatures and flowrates. In future, besides calibration to actual well-test results once available, full thermo-hydraulic numerical modeling would be recommended to derive more robust predictions of a co-axial closed loop well production behavior and its rate of thermal decline over time.

4.9 Indicative Ranges in Recoverable Heat and Electric Resource Potential

Indicative ranges in Thermal Energy Recovery-Factor (Table 5) have been combined with the estimates of Heat-In-Place (Table 4) for high-graded areas of EPG2026 and 2031 to derive indicative ranges in Recoverable Heat. These, in turn, have been combined with ranges in thermal-to-electrical-energy conversion efficiency from ORC-plant analogues and theoretical models, to derive indicative ranges in Electric Resource potential and, from there, Electric Power Potential. Note that these estimates are strictly indicative and not to be construed as UNFC compliant.

To reflect the fact that future geothermal developments would likely target smaller, high-graded parts within the "geothermal sweet-spots" rather than all of the sweetspot areas let alone the full tenement areas, Recoverable Thermal Resources, Electrical Resource Potential and Power Potential are quoted as a Resource density (i.e., Resource per unit area).

Estimates of recoverable geothermal resource-potential for EPG2026 are listed in Table 6.

Table 6: Indicative Estimates of Resource Density for the Sweet-spot Areas of EPG2026: Heat-In-Place, Recoverable Thermal Energy, Electric Resource Potential and Power Resource Potential

Nature of Estimate	*Heat In Place per Unit Area*	Chance of Geological Discovery	*Thermal Recovery Factor*	*Recoverable Thermal Energy per Unit Area*	*Plant Electric Conversion Efficiency*	*Electric Resource Potential per Unit Area*	*Power Resource per Unit Area*
	PJth/km²	Percent	*Percent*	*PJth/km²*	*Percent*	*PJe/km²*	*MWe/km²*
P90	*101*	40%	*11.5%*	*15.5*	*4.8%*	*1.0*	*1.1*
Mean (average)	*154*		*20.0%*	*30.7*	*6.8%*	*2.1*	*2.4*
P10	*201*		*30.0%*	*44.5*	*9.0%*	*3.1*	*3.7*

Estimates of recoverable geothermal resource-potential for EPG2031 are listed in Table 7.

Indicative estimates of the Electric Resource Potential for the full sweetspot areas of EPG2026 (260km^2) and EPG2031 (320km^2) are presented in Table 8; again indicative and not to be construed as UNFC compliant. Given the size of the areas over which Resources are estimated versus the small heat-withdrawal area of individual closed-loop wells, many 100's of wells might be required to develop and recover these Resource quantities.

Table 7: Indicative Estimates of Resource Density for the Sweet-spot Areas of EPG2031: Heat-In-Place, Recoverable Thermal Energy, Electric Resource Potential and Power Resource Potential

Nature of Estimate	*Heat In Place per Unit Area*	Chance of Geological Discovery	*Thermal Recovery Factor*	*Recoverable Thermal Energy per Unit Area*	*Plant Electric Conversion Efficiency*	*Electric Resource Potential per Unit Area*	*Power Resource per Unit Area*
	PJth/km²	Percent	*Percent*	*PJth/km²*	*Percent*	*PJe/km²*	*MWe/km²*
P90	*104*	70%	*11.5%*	*16.7*	*4.8%*	*1.0*	*1.2*
Mean (average)	*186*		*20.0%*	*37.1*	*6.8%*	*2.5*	*2.9*
P10	*262*		*30.0%*	*56.9*	*9.0%*	*4.0*	*4.6*

Table 8: Indicative Estimates of Electric Resource Potential and Power-Resource Potential for the Sweetspot Areas of EPG2026 and EPG2031

Nature of Estimate	EPG2026: Play-type 3 "sweetspot" area (260km²)		EPG2031: Play-type 3 "sweetspot" area (320km²)	
	Electric Resource Potential	Electric Power Resource	Electric Resource Potential	Electric Power Resource
	PJe	MWe	PJe	MWe
P90	200	200	300	300
Mean (average)	500	600	800	900
P10	1,000	1,100	1.500	1,800

Once again, the indicative and speculative nature of these estimates should be stressed. Closed-loop technology is currently under active research and development, with pilots under execution or in planning-stage at several locations worldwide but in settings not necessarily analogous to EPG2026 and EPG2031. Whilst it is possible that future pilots will deliver proof of concept, for now the technical viability of closed-loop wells for heat extraction from basement rocks at relatively modest temperatures (less than 200°C) for the purpose of electric-power generation, remains speculative and unproven. As indicated in Section 4.7, such projects are to be classified as F4 "technology under development" under UNFC guidelines. Indicative estimates of recoverable energy associated with such projects are pending proof of technology besides geological de-risking and for that reason, are not classifiable under UNFC just yet.

The sole purpose of presenting the prospective Resource densities of Table 6 and Table 7 and the Resource-potential quantities of Table 8 is therefore to illustrate that pending successful proof of concept, successful geological de-risking via appraisal and overcoming commercial hurdles such as firming up of a development license and securing power contracts, high-graded sites within EPG2026 and EPG2031 (a few square km in size each) might be able to support developments targeting 10-20MWe of electrical power.

5 Competent Person's Statements

The information in this release that relates to resource estimates through the mapping of prospective areas and gross rock volumes, review of reservoir temperature and properties of rock formations and pore fluids within the sediments, metasediments and basement rocks of CRADLE Energy's Queensland assets is based on analysis of data provided by CRADLE and sourced from open-domain databases. These analyses have been performed by Dr. Arnout JW Everts who holds a PhD in Geology from VU University Amsterdam and has 33 years of industry experience and a proven track record of technical leadership, project management, and technical task and project delivery. His areas of expertise include techno-commercial project due-diligence, field (re)development, oil & gas reserve and resource assessments, geothermal resources and exploitation viability, underground storage of CO_2 (CCS) and hydrogen. Through his career, Dr. Everts has participated in and/or led over 100 energy projects spanning the entire project life-cycle, from frontier exploration to late field-life including unconventionals. In recent years his focus has shifted to renewables, i.e., geothermal and CCS. Dr. Everts is an Active Member of AAPG (American Association of Petroleum Geologists), EAGE (European Association of Geoscientists and Engineers) and GSM (Geological Society of Malaysia), a Professional Member of AGA (Australian Geothermal Association) and he has contributed as lead author or co-author to around 30 research papers and extended abstracts in international scientific journals including papers on geothermal resource potential and assessment. As EuroGeologist title holder (registration no 1435) Dr. Everts is entitled to sign off on Company Reserves and Resources reports submitted to regulatory bodies.

Dr. Everts has consented in writing to the inclusion in this release to the matters based on his information in the form and context in which it appears. Dr. Everts is engaged by CRADLE as an independent consultant and is not employed by the Company.

6 Technical References and Guidelines

Technical Guidelines

UNECE – IGA (International Geothermal Association, 2016): Specifications for the application of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) to Geothermal Energy Resources.

Technical References

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Annexure C– Solicitor's Tenement Report

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Our ref 5493610

6 November 2023

The Directors
Cradle Resources Limited
Level 20
140 St Georges Terrace
PERTH WA 6000

Dear Directors

Solicitors' Report on Tenements

We have been engaged by Cradle Resources Limited (**Company**) to prepare this report in connection with the proposed public offering of its shares and the reinstatement of its shares to official quotation by ASX (**Public Offering**).

The Company intends to issue a prospectus for the offer of 300,000,000 fully paid ordinary shares at $0.02 per share to raise up to $6,000,000 (**Prospectus**).

The Company has entered into two separate share sale agreements with the shareholders of Volt Geothermal Pty Ltd (ACN 651 713 683) (**Volt**) and the shareholders of Within Energy Pty Ltd (ACN 652 405 831) (**WEPL**) (Volt and WEPL together, the **Target Companies**) pursuant to which the Company has agreed to acquire 84% of the entire share capital of each of the Target Companies.

1 Scope

We have been requested to report on the following geothermal tenements in Queensland and South Australia in which the Company, through its proposed shareholdings in the Target Companies, will have an interest or will have applied for (**Tenements**):

(a) Exploration Permit for Geothermal Energy EPG2026 held by WEPL (100%) and pending applications for Exploration Permits for Geothermal Energy EPG2031, EPG2034 and EPG2036 made by WEPL (100%) (**Queensland Tenements**); and

(b) Geothermal Exploration Licences GEL692, GEL693, GEL694, GEL695 and GEL696 and held by Volt (100%) and pending application for Geothermal Exploration Licence GELA768 made by Volt (100%) (**South Australian Tenements**).

Details of the Tenements are set out in the Tenement Schedule attached to this report as Annexure A which is to be read in conjunction with this report.

This report is limited to the searches, enquiries and documentation set out in section 2 of this report.

This report is subject to the qualifications and assumptions set out in section 8 below.

2 Searches and Reviewed Documentation

For the purposes of preparing this report, we have conducted searches and made enquiries in relation to the Tenements as follows:

(a) searches dated 13 September 2023 of the Business Queensland website in relation to the resource authority public reports published by the Queensland Government in relation to the Queensland Tenements;

(b) searches dated 13 September 2023 and 29 September 2023 from the Queensland Department of Natural Resources and Energy GeoResGlobe mapping system in relation to the mapping and data extracts available for the Queensland Tenements;

(c) search dated 14 September 2023 and 28 September 2023 by the Department of Aboriginal and Torres Strait Islander Partnerships of the Cultural Heritage Database and Register maintained pursuant to the *Aboriginal Cultural Heritage Act 2003* (QLD) and the *Torres Strait Islander Cultural Heritage Act 2003* (QLD) with respect to any Aboriginal or Torres Strait Islander cultural heritage recorded in relation to each of the Queensland Tenements;

(d) searches dated 13 September 2023 of the Public Register of Licences established under the *Petroleum and Geothermal Energy Act 2000* (SA) (**PGE Act (SA)**) and maintained by the Department for Energy and Mining South Australia in relation to the granted South Australian Tenements;

(e) searches dated 14 September 2023 of the South Australian Resources Information Gateway in relation to the mapping and data extracts available for the South Australian Tenements;

(f) review on 13 September 2023 of the "Holders of Petroleum and Geothermal Tenements in South Australia" document current at June 2023 published by the Department for Energy and Mining South Australia in relation to the South Australian Tenements;

(g) searches dated 18 September 2023 conducted by the Attorney-General's Department, Aboriginal Affairs & Reconciliation of the Central Archive including the Register of Aboriginal Sites and Objects in relation to the granted South Australian Tenements; and

(h) searches dated 13 September 2023 and 29 September 2023 conducted by the National Native Title Tribunal of the records they hold of Native Title Determination Applications, Determinations of Native Title and Indigenous Land Use Agreements over the areas of the Tenements,

collectively referred to as the "**Searches**".

We have also reviewed the following documents provided to us by the Company in relation to the Tenements:

2.2 copies of the instruments of grant for EPG2026 (**granted Queensland Tenements**) and GEL692, GEL693, GEL694, GEL695 and GEL696 (**granted SA Tenements**);

2.3 a copy of the draft instrument of grant for EPG2031;

2.4 copies of the applications and supporting information lodged with the Department of Resources in respect of EPG2031, EPG2034 and EPG2036;

2.5 a copy of the Native Title and Cultural Heritage Agreement between WEPL and the Yuggera Ugarapul People dated 10 March 2023 in respect of EPG2026 (**YUP Heritage Agreement**);

2.6 a copy of the Deed Regarding the Grant of EPG2026 between WEPL, the Yuggera Ugarapul People and the State of Queensland dated 9 March 2023; and

2.7 copies of various correspondence and documents relating to the approval of the YUP Heritage Agreement as a Cultural Heritage Management Plan,

collectively referred to as the "**Documents**". We note that we have been advised that GELA768 is the result of the Department for Energy and Mining South Australia splitting out part of Volt's application for GEL695 over an area the subject of the *Roxby Downs (Indenture Ratification) Act 1982* (SA) (**Olympic Dam State Agreement**) and as such there has not been a separate application made to the Department for Energy and Mining South Australia for GELA768.

3 Opinion

As a result of the Searches and Documents we are of the view that, as at the date of the Searches and Documents and subject to the assumptions, qualifications and comments set out in this report, this report provides an accurate statement as to:

3.1 the Target Companies' interests in the Tenements;

3.2 the validity and good standing of the Tenements;

3.3 native title and Aboriginal cultural heritage interests in respect of the Tenements; and

3.4 third party interests, including encumbrances and dealings, in relation to the Tenements.

4 Executive Summary

Subject to the qualifications and assumptions outlined in this report, the following matters are considered to be material issues in relation to the Tenements:

4.1 Title

(a) Neither the Company nor Volt have granted tenure under the PGE Act (SA) over the area the subject of South Australian application GELA768 but that application will rank in priority to any subsequently lodged applications in relation to, or overlapping with, the area the subject of the relevant applications provided that GELA768 was made in accordance with the PGE Act (SA). We have been advised that the Department for Energy and Mining South Australia has requested Volt to submit a proposed standalone five year work program for GELA768 and its exploration strategy over the area of the application so that the Department can consider whether these are compatible with the overlapping Roxby Downs Town Area and Special Mining Lease No. 1 held by BHP pursuant to the Olympic Dam State Agreement before GELA768 will be considered for grant.

(b) Neither the Company nor WEPL have granted tenure under the GE Act (Qld) over the area the subject of Queensland applications for EPG2031 and EPG2034 and EPG2036. In the event of a subsequent application under the GE Act (Qld) over the same area, the applications take the priority the Minister decides, after considering the relative merits of each application.

4.2 Work programs

(a) The granted Tenements have work programs that are required to be completed as set out in the Annexure B to this report. Once granted, the Target Companies' applications will also have work programs.

(b) Compliance with the work programs is a condition of each of the granted Tenements. Accordingly, a failure to comply with the work programs above may entitle the Minister to

reduce the area or term of the Tenement, relinquish part of the relevant Tenement, suspend or cancel the relevant Tenement (in whole or in part), or refuse a renewal of the Tenement.

4.3 Conditions

We have not identified any unusual or onerous conditions imposed on any of the granted Tenements.

A summary of the conditions of each granted Tenement are set out in the Conditions Schedule attached to this report as Annexure B.

4.4 Aboriginal heritage

There are many reported and registered Aboriginal heritage sites identified in searches of:

(a) the public register maintained by Aboriginal Affairs and Reconciliation in relation to the area of the South Australian Tenements; and

(b) the public register maintained by the Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships from the Cultural Heritage Database and Register which are located within the area of the Queensland Tenements.

The existence of these sites may restrict or prohibit activities in the areas subject to such sites and within their vicinity and the relevant Target Company may be exposed to fines and other penalties should their activities on the Tenements, including the applications once granted, result in any harm or disturbance to such sites. Details of the site points and polygons are noted in the Tenement Schedule set out in Annexure A. The Company has been provided with the outcomes of these searches and should ensure it is familiar with the precise location and restrictions relating to all such sites to confirm activities can be conducted without breaching the relevant Commonwealth and State Aboriginal heritage protection provisions. This is likely to involve conducting formal heritage surveys of land within the relevant tenements before any activities are undertaken. It should also be noted that the public register does not include a conclusive record of all sites and therefore there may be further sites which exist on the land within any of the Tenements which are also protected pursuant to the relevant Commonwealth and State legislation.

Further, Aboriginal cultural heritage may exist regardless of whether it has been recorded in the South Australian and Queensland registers and regardless of whether native title rights and interests have been extinguished.

4.5 Native title

The land within all of the Tenements is affected by various native title determinations, Indigenous Land Use Agreements and/or native title claim applications. It is also possible that further native title claims could be made in relation to the land that is not already the subject of a determination of native title within any of the Tenements in the future. Our enquiries have not revealed anything to suggest that the granted Tenements have not been validly granted in compliance with the procedures set out in the *Native Title Act 1993* (Cth). If the Tenements have not been validly granted this would have an adverse impact on the Target Company's activities pursuant to those Tenements.

4.6 Overlapping tenure interests

The Tenements overlap various third party interests to varying degrees, including petroleum pipelines, mining tenements and pastoral leases, which may limit the relevant Target Company's ability to conduct its activities.

The area of the Commonwealth Amberley RAAF Base which overlaps EPG2026 has been excluded from the grant of EPG2026. The areas of the Queensland Tenements which overlap conservation parks are (or in the case of EPG2034 and EPG2036, will be) excluded from the area of the Queensland Tenements.

EPG2026 and EPG2031 overlap State forests and various other constrained land,which may affect WEPL's ability to access and conduct activities on these tenements. Notably, EPG2026 and EPG2031 each have condition which require WEPL to lodge an annual report identifying the relevant underlying constrained land and confirming compliance with the applicable conditions/requirements relating to the constrained land.

The Target Companies may also be required to provide written notice prior to carrying out activities on and/or pay compensation to the holders of third party tenure interests which overlap areas within some of the Tenements, including private land and pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the tenements.

4.7 Registered dealings and encumbrances

The area the subject of GEL695 excludes the area the subject of Special Mining Lease No. 1 and that area reserved under certain provisions of the Mining Act 1971 (G.G. 11 December 1986 at page 1820) – Roxby Downs Town Area and Axehead Roxby Downs Quarry.

Subject to our comments above in relation to GEL695, the Search results indicate that the Tenements are not subject to any registered dealings or encumbrances.

5 Description of Tenements

The Tenements comprise Queensland Exploration Permits for Geothermal Energy and South Australian Geothermal Exploration Licences. A list of the Tenements, their material terms and any third party interests disclosed by the Searches and Documents are outlined in the Tenement Schedule attached to this report as Annexure A. The nature and key characteristics of these types of tenements as set out in the relevant legislation for each jurisdiction is detailed below.

5.1 Queensland Exploration Permits for Geothermal Energy (EPG) and applications for Exploration Permits for Geothermal Energy

Exploration Permits for Geothermal Energy

In Queensland, an Exploration Permit for Geothermal Energy (**EPG**) is granted under the *Geothermal Energy Act 2010* (QLD) (**GE Act (Qld)**) for a single contiguous area which in total, cannot exceed 50 blocks. An EPG cannot be granted over restricted areas, excluded land, land which is part of an existing geothermal tenement or land that was part of a geothermal tenement up to 2 months prior.

On application by an 'eligible person', the Minister may grant an EPG by way of the decision-making process outlined in the GE Act (Qld). The Minister must reject applications made by 'disqualified' applicants.

Grant of applications

At the time of making an application for an EPG, the applicant must pay the rent for the first year of grant and if required by the Minister, the security. The applicant must also lodge with the application:

(a) a proposed work program which complies with the initial work program requirements;

(b) a statement as to the applicant's technical and financial capacity and available resources, and the applicant's ability to manage geothermal exploration; and

(c) the prescribed fee.

In determining the grant of an EPG application, the Minister must first approve the applicant's proposed initial work program, taking into account:

(a) the land's potential for geothermal exploration;

(b) the extent and nature of the applicant's proposed activities, including the proposed timing and location;

(c) the relevant environmental and water authorities required to carry out the proposed activities; and

(d) any potential impacts of the proposed activities on the underlying aquifers,

(the **work program criteria**).

If the proposed work program is not approved, the application cannot be granted. If the proposed work program is approved, the Minister must determine whether to grant the application or not, taking into account:

(a) the applicant's proposed initial work program; and

(b) whether the applicant is capable of carrying out geothermal exploration activities, having regard to the applicant's technical and financial capacity, and ability to manage geothermal exploration.

If multiple applications are made over the same land on the same day, the priority of the competing applications are decided by the Minister on the merits of each application. The priority of applications will otherwise depend on the day the application is made.

Term and rights

Once granted, the term of an EPG commences on the day specified by the Minister on grant (or if not specified, the day after its grant) and continues for a period of up to 5 years as decided by the Minister.

Subject to the permit holder's compliance with the GE Act (Qld), EPGs are renewable on application to the Minister within 60 business days of the end of the term, for further periods of up to 5 years. However, the total term of an EPG cannot exceed 15 years from the date of grant. When determining the grant of a renewal application, the Minister must have regard to the work program criteria (as defined above). An EPG the subject of a renewal application will continue to remain in force until the application is granted, refused or withdrawn, or the EPG is otherwise cancelled under the GE Act (Qld).

During the term of an EPG, the permit holder may carry out in the permit area exploration activities and other necessary or incidental activities to establish the nature and extent of a discovery of geothermal energy.

If the area of an EPG overlaps a greenhouse gas injection lease, mining lease or petroleum lease, activities can only be carried out if the holder(s) of those leases do not object to carrying out the activities, or the Minister has determined the activities can be carried out following the lodgement of an objection. Further, if the area of an EPG overlaps a non-geothermal exploration authority, activities cannot be carried out where such activities adversely affect the exploration authority holder's activities, or where the exploration authority holder's activities have already commenced.

An EPG permit holder may apply for the Minister to declare that the area of the permit (in whole or part) is a potential geothermal commercial area. The purpose of such declaration is to encourage long-term development of the permit area for geothermal production. A declaration of potential geothermal commercial area is effective for a period of 5 years or such other shorter time specified in the declaration. Potential geothermal commercial area declarations are not renewable or capable of extension. At the end of the term of the declaration, the EPG will expire over the area subject of the declaration.

The holder of an EPG may also surrender the area of the EPG in whole or part on application to the Minister. In determining whether to grant the surrender, the Minister must take into account the extent to which the permit holder has complied with the EPG's conditions and reporting

requirements, and the surrender, cancellation or amendment of any corresponding environmental authority.

Conditions

On grant, an EPG is subject to mandatory conditions set out in the GE Act (Qld). Any activities the subject of and/or carried out in accordance with a work program, cannot be inconsistent with any conditions imposed on the grant of an EPG. The mandatory conditions include:

(a) a requirement to maintain and comply with a work program in carrying out activities on the EPG;

(b) an obligation to submit a proposed later work program for the EPG for the Minister's approval;

(c) a requirement to carry out production testing with a test plan approved by the Minister;

(d) a requirement to provide a report on the outcomes of production testing undertaken on the EPG to the chief executive within 40 business days after testing ends; and

(e) a requirement to comply with the relinquishment condition (described below).

Additional conditions are imposed where the area of an EPG overlaps other tenure and authorities and particular land types. The additional conditions imposed on EPG2026 and EPG2031 are set out in the Conditions Schedule attached to this report as Annexure B.

Based on the Searches, we are unable to confirm if any additional conditions will be imposed on the grant of EPG2034 and EPG2036. We understand that any additional conditions will be identified in the draft instrument of grant issued in respect of applications EPG2034 and EPG2036.

Failure to comply with a condition may result in the Minister taking one or more noncompliance actions. Under the GE Act (Qld), noncompliance actions include:

(a) reducing the term of area of the tenure;

(b) amending an existing or amending a new condition on the tenure (including a condition which may restrict the authorised activities on the tenure);

(c) requiring the holder to relinquish a particular area of the tenure, or cancelling the tenure entirely;

(d) withdrawing an existing work program and requiring the holder to submit a new proposed later work program for the Minister's approval; and

(e) imposing a penalty of up to 2,000 penalty units (currently equal to $309,600)

Prior to taking a noncompliance action, the Minister must issue a notice to the holder which sets out details of the alleged non-compliance and invites the holder to make submissions to the Minister in response to the proposal to take a noncompliance action. Upon the consideration of the holder's submissions, the Minister may elect to not take the noncompliance action(s) in response to the non-complying event.

Compulsory relinquishment

At the end of (or before the end of) every 5 year period from the date an EPG takes effect, a permit holder must relinquish at least 33.33% of the original area the subject of the EPG (**relinquishment condition**). Areas which are no longer subject to the EPG or subject to a geothermal lease application or potential geothermal commercial area cannot be counted towards satisfying the relinquishment condition.

If a permit holder fails to comply with the relinquishment condition, the Minister must give the holder a notice requiring the holder to comply with the condition within 20 business days. If the permit holder fails to comply with the Minister's notice, the EPG is cancelled.

After an EPG is partially relinquished, the permit holder must provide a relinquishment report to the chief executive within 6 months. A penalty applies if the report is not provided.

We note that EPG2026 is in its first 5 year term and subject to the relinquishment condition. WEPL and/or the Company must ensure that it partially relinquishes 33.3% of EPG2026 (ie. 348 sub-blocks) before 6 July 2028.

Work program

An applicant/geothermal tenure holder's work program is a crucial element of a geothermal tenement. The initial work program, lodged at the time an application is made, must be approved by the Minister prior to the Minister determining the grant of the application.

Further, the holder of an EPG must comply with the mandatory conditions to:

(a) have a work program in relation to the EPG;

(b) carry out exploration activities in accordance with the work program; and

(c) submit a proposed later work program for the Minister's approval at least 40 and no more than 100 business days before the end of the period set out in the initial work program.

Failure to comply with the requirement to have a work program and/or carry out activities in accordance with the work program constitutes a breach of a condition of the EPG. Consequently, the Minister may take one or more noncompliance actions following the issue of a notice (as outlined above). Further, if an EPG holder fails to submit a proposed later work program within the required timeframe, the EPG will be cancelled on issue of a notice by the Minister.

Details of the work program applicable to the granted Queensland Tenement are set out in the Conditions Schedule attached to this report as Annexure B.

Environmental considerations

The work program in relation to an EPG must include an assessment of water requirements for the proposed activities, including:

(a) the amount of water required;

(b) any authorisations under the *Water Act 2000* (QLD);

(c) the potential impacts of carrying out the proposed activities on the underlying aquifers; and

(d) a plan for the treatment and disposal of water taken during the conduct of the proposed activities.

A proposed work program cannot be inconsistent with any relevant environmental condition imposed on the grant of an EPG.

EPG2026 and EPG2031 each have an additional condition which require WEPL to provide details of the volumes of water taken for the conduct of its activities in its annual report detailing its on-ground exploration activities for the year.

Transition to geothermal lease

A permit holder who holds an EPG, is (subject to continuing to be an eligible person) entitled to apply for a geothermal lease over all or part of the permit area to commence large-scale geothermal production. Another person may apply for the geothermal lease jointly with the permit holder or with

the EPG permit holder's consent. The EPG will continue to remain in force for the area the subject of a geothermal lease application until the application is granted, refused or withdrawn.

Once granted, the area of the EPG will be reduced to the area/s not covered by the new geothermal lease. If the geothermal lease was granted over the entire EPG, the EPG will end.

The Minister may also direct an EPG permit holder to apply for a geothermal lease by way of issuing a notice if he/she considers that geothermal production on the area of the EPG permit is currently large-scale or likely to become large-scale within 2 years. If the permit holder does not make a geothermal lease application over the EPG permit area, the Minister may excise an area of the EPG, or cancel the EPG entirely. The permit holder is permitted to make submissions to the Minister as to why a geothermal lease should not be applied for over the area and the Minister must consider such submissions when electing to excise or cancel the EPG.

Once granted, a geothermal lease is valid for a period of up to 30 years, as determined by the Minister upon grant.

Reporting requirements

As noted above, a geothermal tenure holder is required to prepare and provide a relinquishment report to the chief executive within 6 months of completing a compulsory relinquishment of the holder's tenure. The report must describe the activities carried out over the relinquished area and note the results of such activities.

After the term of a geothermal tenure ends, the holder must provide an end of tenure report within 6 months of the end date of the tenure, which sets out the activities undertaken and significant hazards created. A penalty applies if the report is not provided.

The chief executive also has the power to require a geothermal tenure holder to provide further reports or information in relation to the activities conducted on its geothermal tenure. A penalty applies if a holder fails to provide a report required by the chief executive.

A geothermal tenure holder must also:

(a) keep records and samples about activities carried out on its geothermal tenure in accordance with Part 5 of the Geothermal Energy Regulations 2022 (Qld) (**GE Regulations (Qld)**); and

(b) provide copies of the records and samples to the chief executive within 6 months of the earlier of the day the record or sample was obtained, or the day the relevant geothermal tenure ends.

Penalties apply if a tenure holder fails to keep the records and samples in accordance with the GE Regulations (Qld), or provide copies to the chief executive within the required timeframe.

EPG2026 and EPG2031 have additional conditions which require WEPL to lodge an annual report before 30 June of each year, which details:

(a) on-ground exploration activities (including the exact location, findings and volume of water taken during the conduct of the activities) conducted during 1 June – 31 May of the previous year; and

(b) any overlapping constrained land and whether the applicable conditions and requirements have been complied within respect of the constrained land (see below under 'Overlapping tenure interests').

Details of these conditions are noted in the Conditions Schedule attached to this report as Annexure B.

Registered dealings and encumbrances

The *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCPA**) introduced a uniform regime relating to the approval and registration of dealings, which applies across mining, petroleum, geothermal and greenhouse gas tenures. Under MERCPA and *Mineral and Energy Resources (Common Provisions) Regulation 2016* (**MERCPR**), prescribed dealings require Ministerial approval and registration to have effect. These include (amongst other things) a mortgage or a release, transfer or surrender of a mortgage; a sublease or transfer of a sublease; an assessable transfer (a transfer of a resource authority or a share in a resource authority other than a non-assessable transfer); and a non-assessable transfer (includes the transfer of an interest in a resource authority to an existing titleholder).

The Search results indicate that no dealings are registered against the Queensland Tenements.

Overlapping tenure interests

We have identified various interests overlapping the Queensland Tenements including mining leases, petroleum pipeline licences, petroleum leases, conservation parks, State forests, State heritage places, Reserves, freehold land (residential and rural) and various buildings including schools, hospitals and churches.

The MERCPA and GE Act (Qld) set out requirements to manage the interaction between geothermal tenure holders and holders of mining, petroleum and greenhouse gas tenure, and owners and occupiers of various land types.

Resource authorities

Under the GE Act (Qld), the holder of a geothermal tenement is required to give at least 30 business days' notice to owners of overlapping resource authorities, and owners of mining leases, petroleum tenure and greenhouse gas authorities which share a common boundary with the geothermal tenure prior to commencing activities on the land the subject of an EPG. The notice must specify the proposed start date, location and nature of the proposed activities. This obligation is imposed on the grant of an EPG by way of a condition. We note that the Company will need to comply with this requirement when conducting activities on the areas of the Queensland Tenements.

Further, under the MERCPA, if the holder of a geothermal tenement requires access to an authorised area of a third party's tenure that is outside the holder's tenure:

(a) if the third party's tenure is a resource lease, the holder must seek the third party holder's prior written consent to obtain access: or

(b) if the third party's tenure is not a lease (ie. a permit), the holder can only cross the land or carry out activities on the land if such access or activities do not adversely affect the third party tenure holder carrying out its activities.[1]

The overlapping resource authority holder's interests must also be considered if a geothermal lease is amended under section 176 of the GE Act (Qld).

Unavailable and excluded land

Under the *Nature Conservation Act 1992* (Qld), a geothermal tenement cannot be granted over a conservation park. The areas of the Queensland Tenements which overlap conservation parks are (or in the case of EPG2034 and EPG2036, will be) excluded from the area of the Queensland Tenements.

The GE Act (Qld) also allows the Minister to exclude certain land from the grant of a geothermal tenement, or declare an area as a 'restricted area' in which an application for geothermal tenure cannot be made.

[1] Refer to Part 5 of the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld).

We note that the instrument of grant for EPG2026 identifies the area of the Commonwealth Amberley RAAF Base as land excluded from the grant of EPG2026.

We are unaware of any restricted areas declared by the Minister which overlap the Queensland Tenements.

Restricted and constrained land

The MERCPA Act prohibits the holder of an EPG from entering 'restricted land' (which includes land within 200 meters of any school, church, residence or hospital), without the prior consent of each owner and occupier. The consent may be conditional but is unable to be withdrawn during the period stated in the consent.

We are unaware of any documented consents between WEPL and the relevant owners and occupiers of the restricted land which overlaps with the Queensland Tenements.

Further, the *Forestry Act 1959* (Qld) provides that conditions may be imposed on the grant of geothermal tenure which overlaps with a State forest. State forests are considered 'constrained land' for the purposes of the GE Act (Qld). The Department of Environment and Heritage Protection's 'Eligibility criteria and standard conditions' publication for geothermal tenure provides that only essential geothermal activities can be undertaken in State forests.

EPG2026 and EPG2031 overlap State forests and various other constrained land, and each have an additional condition which requires WEPL to lodge an annual report no later than 30 June each year, which identifies the relevant constrained land affecting the tenements and confirms if the conditions and requirements in respect of the constrained land have been complied with or not.

Private land

Under the MERCPA, the holder of a geothermal tenement cannot enter private land to access or carry out activities on the geothermal tenement without giving prior notice to each owner and occupier of the private land. A penalty applies where a tenement holder fails to provide notice. Prior notice is not required where the tenement holder has either:

(a) a Conduct and Compensation Agreement (**CC Agreement**) with the relevant owner and occupier which contains obligations regarding entry and access;

(b) an Opt-Out Agreement with the relevant owner and occupier in which the owner and occupier elect to opt out of negotiating a CC Agreement); or

(c) a waiver of entry notice,

in respect of the relevant overlapping private land.

The GE Act (Qld) also requires geothermal tenure holders to consult with the relevant landowner and occupiers regarding access, activities and compensation, and comply with the mandatory conditions set out in the Land Access Code (made under the MERCPA).

Further, under the GE Act (Qld), the Minister holds the power to direct a geothermal tenure holder to take an action or cease taking an action within a reasonable period where the Minister considers that taking/ceasing to take such action will ease the valid concerns of an owner of occupier of overlapping private land.

WEPL has advised that there are no CC Agreements or Opt-Out Agreements between WEPL and the owners and occupiers of the overlapping private land in respect of the Queensland Tenements.

5.2 South Australian Geothermal Exploration Licences (GELs) and Geothermal Exploration Licence Applications (GELAs)

Geothermal Exploration Licences

In South Australia, a geothermal exploration licence (**GEL**) is granted under the PGE Act (SA) for one or more separate areas which in total, cannot exceed 3,000km^2. A GEL cannot be granted over an area:

(a) which is subject to another geothermal energy licence; or

(b) within or adjacent to a specially protected area without the relevant Minister's approval.

On application, the Minister may grant a GEL by way of the decision-making process outlined in the PGE Act (SA). If an application for a GEL is made within a competitive tender region (being an area highly prospective for geothermal exploration), or if requested by an unsuccessful applicant, the Minister must call for tenders for a GEL. The Minister may also call for tenders for any other reason in his discretion.

Where an existing licence for a regulated resource (except a source of geothermal energy) is held over an area in respect of which an application for a geothermal licence is made, the Minister must consult with the holder of the existing licence before granting the geothermal licence.

Geothermal Exploration Licence Applications

At the time of making a GELA, the applicant must submit:

(a) a proposed work program for the Minister's approval;

(b) a statement of the applicant's technical and financial capacity and available resources; and

(c) the prescribed fee for making the application.

When determining the grant of a GELA, the Minister must have regard to:

(a) the suitability of the applicant's proposed work program for evaluating the prospectivity of the licence area and discovering resources;

(b) the adequacy of the applicant's technical and financial resources; and

(c) where an application was lodged in response to a public invitation, the stated criteria for the evaluation of the applications.

Once an application is received by the Minister, the application will rank ahead of any subsequent GELAs applied for over the same area.

Approval of work programs

The Minister may approve a proposed work program with or without variations or additions. Once a work program is approved, the Minister's further approval is required to vary, defer or reduce the work carried out under the work program, however, the Minister's approval is not required to accelerate work.

If a GEL was granted following a competitive tender, the Minister must have regard to the work programs of other applicants before approving the variation, deferral or reduction of the work program.

Further, the Minister may grant a variation, deferral or reduction on the condition that the licence holder relinquishes a specified area of the GEL.

Importantly, a condition has been imposed on all of the granted SA Tenements which allows the Minister to vary the requirements of the approved program or cancel a tenement if Volt fails to

comply with the requirements of the approved work program. Details of this condition are set out in the Conditions Schedule attached to this report as Annexure B.

The summary of the approved work program for each granted SA Tenement is also set out in the Conditions Schedule attached to this report as Annexure B.

Term and rights

Upon grant, the holder of a GEL is authorised to carry out 'regulated activities' to explore for sources of geothermal energy to establish the nature and extent of the resource, and the feasibility of its production. Regulated activities include geothermal exploration and all operations and activities reasonably necessary for or incidental to the same, as specified in the terms and conditions of the licence. A maximum penalty of $120,000 applies if a person engages in a regulated activity which is not authorised under the PGE Act (SA).

The holder of a GEL may also produce geothermal energy from a well in the GEL area for the purpose of establishing the nature and extent of a discovery. However, a maximum penalty of $20,000 applies if the holder produces a resource from a well for more than 10 days in total without the Minister's prior approval. A GEL is issued for an initial period of five years, and is renewable for up to two successive periods of five years at the Minister's discretion, provided the licence holder is not in default under the GEL. Applications for renewal must be made at least 2 months before the end of the licence term. An application for renewal will lapse where a holder fails to provide any additional information requested by the Minister in support of the application within the specified timeframe.

Upon renewal of a GEL, the holder must excise:

(a) if the GEL is capable of renewal for one further term, at least 50% of the original area; or

(b) if the GEL is capable of renewal for two further terms, at least 33⅓% of the original licence area.

The holder can elect the area to be excised by way of making a proposal to the Minister for approval. If the holder doesn’t propose an area, the Minister will propose an area to the holder for its comment. A GEL can be surrendered in whole or part on application to the Minister. Any surrender may be conditional on the licence holder rehabilitating the surrendered land, and/or paying any money owed, or providing any required reports or information, in respect of the surrendered land. Upon agreement between the licence holder and the Minister, the Minister may suspend a licence for a certain period.

Conditions

GELs are issued subject to standard mandatory terms and conditions, together with any other discretionary conditions as approved by the Minister on the renewal of a licence or at any other time as agreed by the Minister and licence holder. A GEL commonly includes terms and conditions relating to the exploratory operations to be carried on within the licenced area in accordance with the work program and timetable for operations as specified in the licence conditions, provisions relating to any geothermal energy reserves and lodgement of security (amount of which is specified in each grant).

It is a mandatory condition for all GELs that the licence holder must carry out work in the area of the GEL in accordance with a work program approved by the Minister. It is also common for the Minister to impose a condition requiring a GEL holder to provide a security of a type and amount specified by the Minister. We note that a security is payable to the Minister in respect of all of the granted SA Tenements. Based on the Searches and Documents, it's unclear whether a security will be payable on grant of GELA768.

A further mandatory condition of all GELs is that the licence holder must have adequate technical and financial resources to ensure compliance with the holder's environmental obligations (discussed further below).

A maximum penalty of $120,000 applies if a licence holder fails to comply with a condition of a licence. The Minister also has the power to suspend or cancel the licence at his discretion.

Details of the conditions applicable to the granted SA Tenements are set out in the Conditions Schedule attached to this report as Annexure B.

Transition to Geothermal Retention Licences

On application to the Minister, the holder of a GEL is entitled to the grant of a corresponding geothermal retention licence (**GRL**) for a geothermal resource discovered on the area of the GEL. A GRL may be issued where the applicant holds a GEL or geothermal production licence (**GPL**) over the relevant area, and the Minister is satisfied that production is not currently commercially feasible but is more likely than not to become commercially feasible within 15 years. If the licence holder of the relevant GEL or GPL is in breach of the terms of the relevant licence, the Minister may decline to grant a GRL until the breach is remedied.

A GRL protects a licence holder's interest in the discovery of a source of geothermal energy for a reasonable period in connection with one or more of the following:

(a) to enable a proper evaluation of the productive potential of the discovery; or

(b) to carry out work necessary to bring the discovery to commercial production; or

(c) to facilitate other activities considered appropriate by the Minister.

Once granted, a GRL will be subject to standard terms and conditions, including a mandatory condition to carry out all work in accordance with a work program approved by the Minister. At the time of making an application for a GRL, the applicant must provide a proposed work program for the Minister's approval.

A GRL may be issued for an initial term of five years and may be renewed from time to time subject to the Minister being satisfied that at that time, production is not currently commercially feasible but is more likely than not to become commercially feasible within 15 years. The area of the licence must not exceed 1,000 km^2.

Transition to Geothermal Production Licences

The holder of a GEL or GRL is entitled to the grant of a GPL over the relevant area, where a geothermal resource exists over the area, and production is currently commercially feasible or is more likely than not to become commercially feasible within the next 24 months. If the licence holder of the relevant GEL or GRL is in breach of the terms of the relevant licence, the Minister may decline to grant a GPL until the breach is remedied.

The Minister may require the holder of a GEL or GRL to apply for a GPL if, following consultation with the relevant holder, the Minister considers that the production of a geothermal resource located on the licence area is currently feasible. If the holder fails to apply for a GPL within the timeframe specified by the Minister, the Minister may:

(a) excise the relevant area from the GEL or GRL;

(b) call for tenders for the grant of a GPL over the area; and

(c) grant a GPL to the applicant which submits the successful tender.

A GPL authorises operations for the extraction or release of geothermal energy together with other regulated activities as specified in the terms and conditions of the licence. The Minister may impose a condition on the licence which requires the holder of a GPL to carry out work in accordance with an approved work program. If a GPL is subject to this condition, the holder must submit a proposed work program for the Minister's approval from time to time, as specified in the relevant condition.

The term of a GPL is unlimited. The area of the licence must not exceed 1,000 km^2. The holder of a GPL must proceed with production of the geothermal resource to avoid a maximum penalty of $60,000.

If production has not commenced within 24 months of the grant of the GPL, or if, in the Minister's opinion, production is currently commercially feasible, the Minister may issue a notice requiring the holder to undertake the operations. If the holder fails to proceed in accordance with the licence terms or a notice from the Minister, the GPL may be cancelled.

Further, if operations resulting in commercial production have not been conducted within the area of a GPL for a period of 24 months or more, the Minister may convert the licence to a GRL or cancel the licence.

Royalties are payable to the State in respect of the production of geothermal energy on a monthly basis. Presently, the PGE Act (SA) imposes a royalty of 2.5% of the value of the geothermal energy extracted at the well head. The royalty is not payable in certain circumstances, including where the geothermal energy dissipates before it reaches the point of delivery. Within 30 days from the end of each month, the GPL holder must submit to the Minister details of the quantity of energy produced and sold (including the purchase price) for the previous month, along with the royalty payable for that month. A penalty of up to $1,000 or 10% of the outstanding royalty may be imposed where a GPL holder fails to pay the royalty.

General Obligations

The PGE Act (SA) also imposes general obligations upon the holders of all GELs. The holder of a GEL has a general obligation to carry out regulated activities with due care and in accordance with good industry practice. A maximum penalty of $120,000 applies in relation to any breach of this obligation.

The holder of a licence is also required to pay an annual fee in respect of the licence, calculated in accordance with the prescribed scale. If a licence holder fails to pay the annual fee, the Minister may impose a fine on the holder of the greater of $1,000 or 10% of the outstanding fee.

The Minister may also direct a licence holder to carry out an obligation under the PGE Act (SA) or cease specified activities that are contrary to the PGE Act (SA). Where a licence holder fails to comply with the Minister's direction, the Minister may carry out or arrange for the action to be carried out at the cost of the licence holder. A maximum penalty of $120,000 also applies.

Environmental Obligations

Under the PGE Act (SA), a licence holder must not carry out regulated activities unless a statement of environmental objectives is in force for the relevant activities. A maximum penalty of $120,000 applies for breach of this obligation.

The holder of a geothermal energy licence must also comply with environmental obligations in respect of activities conducted on a geothermal energy licence, including:

(a) preparing a statement of environmental objectives in relation to the regulated activities the holder intends to undertake on the licence, which must identify the events which could arise from the activities undertaken on the SA Tenements and, if not properly managed or avoided, cause a serious incident or a reportable incident as set out in section 85 of the PGE Act (SA); and

(b) completing an environmental impact report on the regulated activities prepared in accordance with the PGE Act (SA).

In preparing the statement of environmental objectives, the Minister may require that the licence holder consult with the Department for Environment and Water, the South Australian Environment Protection Authority, SafeWork SA and/or the Department for Infrastructure and Transport.

Compliance with the approved statement of environmental objectives is a mandatory condition of all geothermal energy licences. The Company should familiarise itself with the statement of environmental objectives in respect of the granted SA Tenements, which set out the objectives that must be achieved in respect of those tenements.

A condition has been imposed on all of the granted SA Tenements which requires Volt to ensure its environmental impact report includes an assessment of the potential economic consequences for other holders of licences under the PGE Act (SA) or the *Mining Act 1971* (SA) and owners of the relevant land, arising out of the conduct of regulated activities within the area of the Tenement.

Under the PGE Act (SA), the Minister also holds a general power to direct the holder of a geothermal energy licence to take action to prevent or minimise environmental damage, or rehabilitate land adversely affected by regulated activities to a standard specified by the Minister.

Further, a holder of a geothermal energy licence is liable to compensate the State for the cost of any environmental rehabilitation the State is reasonably required to carry out as a result of serious environmental damage, or the threat or potential of serious environmental damage, which arises as a result of the licence holder's activities. A holder's liability may be limited or excluded by the holder entering into an agreement with the Minister which deals with the risk of serious environmental damage and the precautions necessary to eliminate or minimise the risk.

The *Environmental Protection Act 1993* (SA) also imposes obligations relating to the rehabilitation of the SA Tenements.

Recording and Reporting Obligations

The PGE Act (SA) requires the licence holder to maintain and provide to the Minister, the following records:

(a) a record of all regulated activities carried out on the licence area, including maps and plans;

(b) a record of all results obtained during the conduct of regulated activities, including the analysis of geological samples; and

(c) other records required by the Petroleum and Geothermal Energy Regulations 2013 (SA) (**PGE Regulations**).

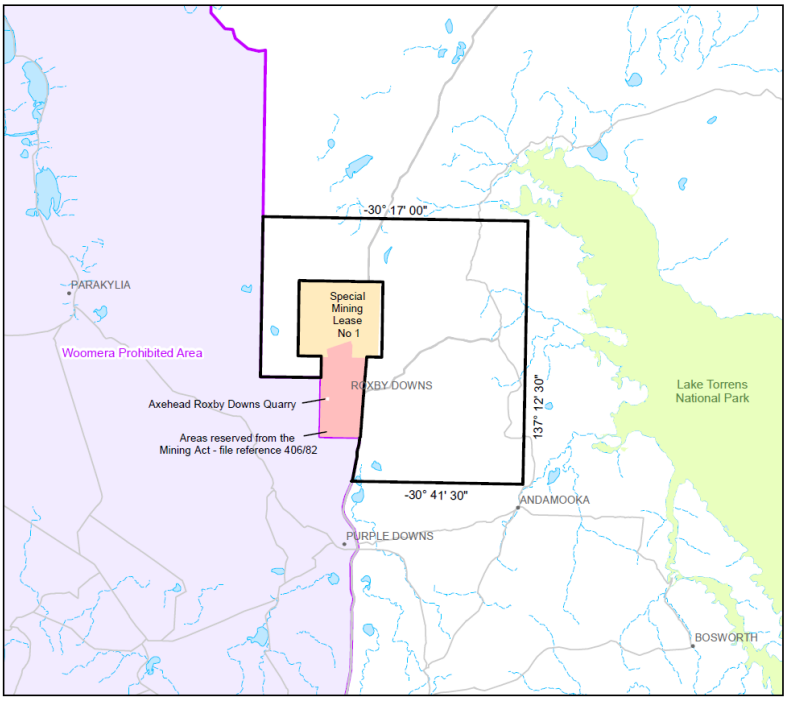
The holder of a geothermal energy licence is also required to prepare and provide to the Minister various reports including incident reports and technical reports (including annual reports, quarterly reports, progress reports and operational reports) within certain timeframes specified in the PGE Act (SA).

Administrative penalties ranging from $1,000 to $10,000 apply where a holder fails to provide the Minister with a copy of the records when required or requested.

Registrable dealings and encumbrances

Under the PGE Act (SA), various transactions including transfers or assignments of, or an interest in a GEL, and any joint venture agreement or farm in agreement, under which a person acquires, or may acquire, an interest in resources discovered or recovered under a GEL, are registrable dealings which are unable to take effect until the Minister has approved and registered the dealings (which can be retrospective).

As noted above in connection with the Olympic Dam State Agreement, we note that the area the subject of GEL695 excludes the area the subject of Special Mining Lease No. 1 and that area reserved under certain provisions of the Mining Act 1971 (G.G. 11 December 1986 at page 1820) – Roxby Downs Town Area and Axehead Roxby Downs Quarry. A map of the excluded area that is set out in the title instrument for GEL695 is copied below.



Except as set out above, the Search results indicate that no dealings or encumbrances are registered against the South Australian Tenements.

Overlapping tenure interests

We have identified various third party tenure interests overlapping the South Australian Tenements including pastoral stations, petroleum pipeline licences and mining tenements.

The holder of a geothermal energy licence is required to provide at least 21 days prior written notice to owners of land within the area underlying the licence, including any pastoral leaseholders and mining tenement holders before entering the land for exploration purposes. An “owner” is defined to include (amongst others), all persons holding a registered interest in the land (including pastoral lessees), holders of mining tenements, holders of tenure under the PGE Act, and persons holding native title in the relevant land. The notice must specify the holder's intention to enter the land and the proposed activities to be carried out on the land. A failure to provide the required notice may result in a penalty of up to $20,000 being imposed on the holder. Once notice is provided, further notice is not required for re-entry to the land for the same or similar activities.

An owner of the land may, by giving notice of objection to the licensee, object to the proposed entry. If an owner gives notice of objection, the licensee must notify the Minister. When notice of disputed entry is given, the Minister may attempt to mediate between the parties to arrive at mutually satisfactory terms under which the licensee may enter the land and carry out the regulated activities.

The license holder is also required to compensate all owners of the land upon which regulated activities (which includes geothermal exploration) are conducted. Compensation may be by agreement or otherwise determined by Court order.

Under the PGE Act (SA), compensation is not payable to the holder of a tenement under the *Mining Act 1971* (SA) in relation to any loss represented by a reduction in the value of any minerals that may be recovered under that tenement or any other loss, deprivation or impairment of a prescribed kind.

6 Aboriginal Heritage

The land the subject of the various Tenements may contain sites of Aboriginal heritage or significance. The Tenement Schedule attached to this report as Annexure A specifies where any

such Aboriginal heritage sites are recorded on the relevant public registers maintained under the Queensland and South Australian Aboriginal heritage legislation (which is further discussed below) as existing over the land which includes areas within the Tenements.

However, these search results do not confirm the extent of Aboriginal cultural heritage within the area of the Tenements. Aboriginal cultural heritage may exist regardless of whether it has been recorded in a State register and regardless of whether native title rights and interests have been extinguished.

Commonwealth and State Aboriginal heritage protection legislation will apply to the land within the Tenements (whether or not any heritage is recorded on the relevant registers maintained pursuant to such legislation).

6.1 Commonwealth

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) provides for the preservation and protection from injury or desecration of areas and objects in Australia and in Australian waters that are of particular significance to Aboriginal people in accordance with Aboriginal tradition. An important feature of this Act is the capacity of the relevant Commonwealth Minister to make declarations for the protection and preservation of an area which may have the potential to halt production, exploration or mining activities.

We have not undertaken any searches of any register established under the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth) for the purposes of this report, such searches have been limited to the relevant State registers.

6.2 Queensland

In Queensland the recognition, protection and conservation of Aboriginal and Torres Strait Islander cultural heritage is governed by the *Aboriginal Cultural Heritage Act 2003* (QLD) and *Torres Strait Islander Cultural Heritage Act 2003* (QLD).

These Acts provide blanket protection over areas and objects of traditional customary and archaeological significance and require anyone who carries out a land-use activity where Aboriginal or Torres Strait Islander cultural heritage is located to take all reasonable and practicable measures to ensure their activity does not harm Aboriginal or Torres Strait Islander cultural heritage (referred to as a duty of care). This may require consultation with the Aboriginal or Torres Strait Islander party if there is a high risk that the activity may harm the cultural heritage and/or the compliance with the gazetted cultural heritage duty of care guidelines, an approved Cultural Heritage Management Plan (**CHMP**) developed under Part 7 of the Acts, a native title agreement or other agreement with the relevant Aboriginal or Torres Strait Islander party which addresses cultural heritage or native title protection conditions which address cultural heritage.

WEPL can be liable for fines of up to $1,548,000 for causing unlawful harm to Aboriginal and Torres Strait Islander cultural heritage or for breaching the duty of care.

The Searches conducted by the Department of Aboriginal and Torres Strait Islander Partnerships of the Cultural Heritage Database and Register with respect to any Aboriginal or Torres Strait Islander cultural heritage recorded in relation to each of the Queensland Tenements revealed there are many reported and registered Aboriginal heritage sites on the land within the area of the Queensland Tenements.

WEPL has an existing registered CHMP with the Yuggera Ugarapul People in respect of EPG2026. The Plan is in the form of a Native Title and Cultural Heritage Agreement, which is discussed further in section 6.4 below.

WEPL has advised that there are no existing CHMPs in respect of the other Queensland Tenements. However, it is currently in discussions with the relevant native title parties to develop the required CHMPs for EPG2034 and EPG2036.

6.3 South Australia

In South Australia, the *Aboriginal Heritage Act 1988* (SA) protects all Aboriginal sites, objects and remains of significance. Pursuant to that Act, it is an offence to damage, disturb or interfere with any Aboriginal site, object or remains without the authority of the Minister and the Minister may prohibit or restrict access to or activities on or in relation to a site or area surrounding a site, object or remains if necessary for its protection or preservation. There are also reporting requirements in relation to any Aboriginal sites, objects or remains discovered. Penalties apply for failure to comply with this Act.

There are many reported and registered Aboriginal heritage sites identified on searches of the public register maintained by Aboriginal Affairs and Reconciliation in relation to the area of the South Australian Tenements. The existence of these sites may restrict or prohibit activities in the areas subject to such sites and within their vicinity and Volt may be exposed to fines and other penalties should their activities on the Tenements, once granted, result in any harm or disturbance to such sites. The Company has been provided with the outcomes of these searches and should ensure it is familiar with the precise location and restrictions relating to all such sites to confirm activities can be conducted without breaching the relevant Commonwealth and State Aboriginal heritage protection provisions. This is likely to involve conducting formal heritage surveys of land within the relevant tenements before any activities are undertaken. It should also be noted that the public register does not include a conclusive record of all sites and therefore there may be further sites which exist on the land within any of the Tenements which are also protected pursuant to the relevant Commonwealth and State legislation.

6.4 Effect of Aboriginal heritage on Tenements

The existence of Aboriginal (or Torres Strait Islander) cultural heritage, sites, objects or places on the land within the Tenements may limit or prohibit activities in the areas on which such Aboriginal (or Torres Strait Islander) cultural heritage, sites, objects or places exist and within their vicinity. The relevant Target Company may also be liable for fines and other penalties should their activities cause any harm, desecration or disruption to such Aboriginal (or Torres Strait Islander) cultural heritage, sites, objects or places. There may also be further Aboriginal (or Torres Strait Islander) cultural heritage, sites and objects which exist on the land within the Tenements that have not been recorded on the relevant registers but remain protected under the relevant Commonwealth and/or State legislation.

The relevant Target Company may need to undertake heritage surveys prior to undertaking future production and exploration activities on the Tenements to ensure the provisions of the relevant Commonwealth and Sate Aboriginal heritage legislation (referred to above) are not breached. It is the usual practice of tenement holders to reach agreement with relevant Aboriginal groups to conduct heritage surveys of tenements for the identification and protection or preservation of Aboriginal sites, objects and remains.

WEPL has an existing Native Title and Cultural Heritage Agreement with the Yuggera Ugarapul People (**YUP**), dated 10 March 2023 (**YUP Heritage Agreement**) in respect of EPG2026. The YUP Heritage Agreement has been registered as a Cultural Heritage Management Plan. We've reviewed the YUP Heritage Agreement for the purposes of determining of there are any material restrictions which may significantly impact the Company's activities on EPG2026 and do not consider the YUP Heritage Agreement contains any such restrictions.

The Company has advised that there are no other heritage agreements in respect of the other Tenements. As noted above, further heritage agreements may be negotiated in respect of EPG2034 and EPG2036 and used as appropriate CHMPs.

7 Native Title

Native title refers to the communal, group or individual rights and interests held by certain Aboriginal people and Torres Strait Islanders to land and waters in Australia. Native title impacts the grant of geothermal tenements in Queensland and South Australia and is governed by both Commonwealth and State legislation.

7.1 Commonwealth Native Title Act

The decision of the High Court of Australia in *Mabo and Others v The State of Queensland (No. 2)* (1992) recognised a form of native title which, in the cases where it has not been extinguished, reflected an entitlement of the indigenous inhabitants, in accordance with their laws or customs, to their traditional lands. As a result of that decision the Commonwealth enacted the *Native Title Act 1993* (Cth) (**Native Title Act**), which commenced on 1 January 1994, as a means of regulating dealings with native title lands, establishing a mechanism for determining native title claims and validating certain historical acts invalidated because of the existence of native title. The Native Title Act validated (or in the case of acts attributable to a State or Territory, provided for States and Territories to validate) categories of past acts (those which occurred before 1 January 1994) and made provisions for dealing with future acts (generally those which occurred after 1 July 1993 in the case of the making of legislation and on or after 1 January 1994 for any other act).

The Native Title Act was substantially amended in 1998 following another High Court of Australia decision in *Wik Peoples v Queensland* (1996) which found that native title was not extinguished where a leaseholder did not have exclusive possession and the respective rights of the leaseholder and the native title party could co-exist. As part of the amendments to the Native Title Act, certain acts, including the grant of geothermal tenements, which may have been invalidly done during the period 1 January 1994 to 23 December 1996 (known as "intermediate period acts") were validated.

In summary, the Native Title Act provides for the:

(a) recognition and protection of native title;

(b) procedures by which native title can be claimed and, if determined to exist, the procedures by which native title can be registered and for compensation to be claimed for the extinguishment or impairment of native title;

(c) validation of past acts and intermediate period acts that would otherwise have been invalid because of the existence of native title (including the grant of geothermal tenements and ancillary titles granted before 1 January 1994 and between 1 January 1994 and 23 December 1996);

(d) authorisation of acts which affect native title, known as “future acts”, occurring after the introduction of the Native Title Act on 1 January 1994.

The High Court decision in *Western Australia v Ward and Others* delivered in August 2002, held that the rights of a lessee under a validly granted mining lease and the rights of native title parties can co-exist but where these rights conflict, the rights of native title parties must yield to the rights granted to the mining lease holder. This means that the mining lease holder may exercise all the statutory conferred rights without the native title claimants having the right to control the land, restrict access or otherwise require permission for acts to be done.

7.2 State Native Title Acts

Since the Native Title Act only validates past acts and intermediate period acts attributable to the Commonwealth, it provides for States and Territories to make laws for the validation of past acts and intermediate period acts which are attributable to the State or Territory. Each State and Territory Government has enacted complementary native title legislation which, subject to some minor exceptions, validates their past acts and intermediate period acts.

7.3 Extinguishment of Native Title

In Mabo, along with recognising the existence of native title, the High Court also determined that native title is capable of being extinguished by an inconsistent legislative or executive act, such as the grant of ordinary freehold or a leasehold interest which confers exclusive possession.

The extinguishing effect of some historical acts has been confirmed by the Native Title Act. The Native Title Act provides that "previous exclusive possession acts" (including certain grants of

freehold or leasehold interests that conferred exclusive possession on the holder) will have completely extinguished native title. By contrast, “previous non-exclusive possession acts" (including grants of leasehold interests that conferred non-exclusive possession on the holder) will only have extinguished native title to the extent of any inconsistency between the native title rights and the rights conferred under the grant.

Searches conducted on 13 September 2023 by the National Native Title Tribunal of the Register of Native Title Determinations revealed that the Native Title Determinations exist over the land which includes areas within some of the Tenements. The details of the specific Determinations and the Tenements to which they overlap are as specified in the Tenement Schedule attached to this report as Annexure A.

7.4 Future Acts and the Right to Negotiate

The grant of a geothermal tenement that “affects” native title will be a future act for the purposes of the Native Title Act. The grant will "affect" native title if it extinguishes the native title rights and interests or it is otherwise wholly or partly inconsistent with their continued existence, enjoyment or exercise. A grant that is a “future act" will only be valid for native title purposes if the Native Title Act provides it is valid.

The grant of a geothermal tenement consented to in an Indigenous Land Use Agreement (**ILUA**) entered on the Register of Indigenous Land Use Agreements will be valid. An ILUA is an agreement which meets the requirements of the Native Title Act. An ILUA can set out conditions on which the grant of a geothermal tenement is consented to. If the grant would otherwise be subject to the “right to negotiate" procedure referred to below, the agreement must include a statement to the effect that the procedure it is not intended to apply. Once an ILUA is registered, it binds all persons holding native title in relation to any of the land or waters in the area covered by the agreement, whether or not they are a party to the agreement.

Where there is no ILUA, this grant of a geothermal tenement ordinarily triggers a right of native title parties to negotiate with the tenement holder under the Native Title Act about the impact of production, exploration or mining activities on the registered native title rights that are claimed. A State based right to negotiate can operate in lieu of the right to negotiate process under the Native Title Act.

The right to negotiate process generally confers on registered native title claimants and native title holders (**Native Title Parties**) the right to negotiate about proposed production, exploration and mining activities that may affect their native title rights and interests.

The right to negotiate procedure commences with the relevant State Government giving notice of the proposed grant under Section 29 of the Native Title Act.

If four months after the section 29 notice of the proposed grant there are no Native Title Parties (i.e., no registered native title claimants or registered native title bodies corporate for the area concerned), the grant of the tenement may validly proceed with no further reference to native title.

If the government considers that the future act will have minimal impact on native title, the Section 29 notice can include a statement to the effect that the act attracts the 'expedited procedure'. This means that the government considers that the act should be 'fast-tracked'. If no objection is made within four months after the giving of a notice that the act attracts the expedited procedure (or any such objection is withdrawn or there has been a subsequent determination that the act is an act attracting the expedited procedure) the grant of the tenement can be validly made without negotiating with the Native Title Parties.

Where the expedited procedure does not apply, the normal negotiation procedure must be followed. A period of good faith negotiation follows the giving of notice of the intended grant. Good faith negotiations are held between the Government party, the grantee of the tenement and the native title parties with a view to obtaining the agreement of the native title parties to the proposed grant. If there is no agreement after six months of good faith negotiations, any negotiation party can apply to the National Native Title Tribunal (Tribunal) fora determination about whether or not the grant can be

made. The Tribunal then determines whether or not the grant may be made (and, if so, any conditions of the grant). A determination of the Tribunal can be overruled by the Commonwealth Attorney-General in certain limited circumstances. The grant of a geothermal tenement will be valid if an agreement is reached to the granting of the tenement or a determination is made by the Tribunal that the grant may be done.

Where the grant of a geothermal tenement is valid because of compliance with the right to negotiate procedure, the renewal or extension of that tenement will be valid under the Native Title Act even if it affects native title, providing the area to which the earlier right relates is not extended, the term of the tenement is no longer than that previously conferred and no rights are created that were not created in connection with the original tenement. Where a tenement is granted in accordance with a consent given in a registered ILUA, the terms of the ILUA would also ordinarily consent to the renewal or extension of the tenement.

Searches conducted by the National Native Title Tribunal on 13 September 2023 of the Register of Indigenous Land Use Agreements and Notified Indigenous Land Use Agreements revealed that there are a number of Indigenous Land Use Agreements which relate to land which includes areas within the Tenements. The details of the specific Indigenous Land Use Agreements and the Tenement(s) to which they overlap are specified in the Tenement Schedule attached to this report as Annexure A. We are unable to review the Indigenous Land Use Agreements as they are confidential documents and therefore we cannot comment on the contents of those Indigenous Land Use Agreements. However, our enquiries have otherwise not revealed anything to indicate that the Indigenous Land use Agreements adversely impact the validity of the Tenements.

7.5 Native title claims and determinations

A native title determination can be made in favour of Aboriginal people where: they possess rights and interests under the traditional laws currently acknowledged and the traditional customs currently observed; they have a “connection" with the area in question by those traditional laws and customs; and where the rights and interests concerned are recognised by the common law of Australia.

Anyone who claims to hold native title, either alone or with others, may lodge a claim with the Federal Court. The Tribunal will subject the claim to a registration test, and if the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the Native Title Act it will be entered on the Register of Native Title Claims maintained by the Tribunal. Thereafter the claim has the benefit of additional procedural rights in respect of future dealings which affect native title. Failure of a claim to pass the registration test does not prevent that claim being considered by the Federal Court nor prevent a determination of native title from ultimately being made by the Court.

The fact that a native title claim is lodged does not necessarily mean that native title exists over the area claimed and native title claims will ultimately be determined by the Federal Court. Conversely, the absence of a native title determination or native title claim over an area of land does not necessarily mean native title does not exist in relation to that land.

Searches conducted by the National Native Title Tribunal on 13 September 2023 of the Schedule of Native Title Determination Applications and the Register of Native Title Claims revealed that Native Title Applications and Native Title Determinations exist over the land which includes areas within some of the Tenements. The details of the specific Applications and Determinations and the Tenements to which they overlap are as specified in the Tenement Schedule attached to this report as Annexure A.

7.6 Summary of Effect of Native Title on Tenements

Under both the *Native Title Act 1993* (Cth) and the common law, the rights and interests pursuant to validly granted or renewed Tenements will prevail to the extent of any inconsistency between those rights and interests and any native title rights and interests. However, the existence of native title interests or claims may affect the relevant Target Company's ability to obtain the grant of future tenure over the Tenements. Further, if the Tenements have not been validly granted in compliance with the Native Title Act, there may be an adverse impact for the relevant Target Company’s activities pursuant to the Tenements.

Our enquiries have not uncovered anything to indicate that the Tenements have not been validly granted or renewed in compliance with the procedures set out in the Native Title Act.

8 Qualifications and Assumptions

This report is based on, and is subject to, the following assumptions and qualifications and those specified elsewhere in this report:

8.1 we have relied on the accuracy of information, which information we have not sought to independently verify, obtained by us through the Searches and the Documents as referred to in section 2 of this report;

8.2 we have relied on that information being accurate, complete and up to date as at the date of its receipt by us or online inspection or examination by us;

8.3 we assume that the granted Tenements have been validly granted or renewed by the relevant government authorities;

8.4 we have assumed compliance with the requirements necessary to maintain the granted Tenements in good standing including compliance with the conditions of the Tenements and the relevant provisions of the applicable legislation under which the Tenements are granted;

8.5 we express no opinion about the status of the Tenements after the date of the Searches;

8.6 we have not undertaken surveys of the land the subject of the Tenements and we cannot verify the accuracy of those areas;

8.7 noting that the Searches did not reveal any registered agreements, transfer or variations, we have not been provided with any instruments (including registered agreements, transfers and variation documents) relating to the Tenements to review and therefore can express no opinion and make no comment on the effect of any such instruments;

8.8 other than as revealed by the Searches conducted, we have not been provided with any licence, permit, authority or lease documents for the Tenements to review and therefore we can express no opinion on any special terms and conditions that may be contained in any such documents;

8.9 we have not undertaken any land tenure analysis;

8.10 we have not undertaken any overlapping Tenement analysis other than to the extent described in this report;

8.11 this report does not cover any third party interests (including encumbrances) in relation to the Tenements that are not apparent from our Searches or the information provided to us;

8.12 where compliance with the terms and conditions of the Tenements and the provisions of the relevant legislation is not disclosed on the face of the Searches (including an Annexure to this report), we express no opinion as to such compliance or claim;

8.13 we have not, and are unable to, review any Indigenous Land Use Agreements to which the relevant Target Company is not a party as they are confidential documents and therefore we cannot comment on the contents of those Indigenous Land Use Agreements;

8.14 native title or Aboriginal heritage sites or objects may exist in the areas covered by the Tenements. Whilst we have conducted the Searches to ascertain what native title claims and determinations, if any, have been registered over these areas and any registered sites of Aboriginal heritage, we have not conducted any independent investigations regarding the likely existence or non-existence of native title or Aboriginal heritage sites or objects over the areas covered by the Tenements; and

8.15 this Report does not purport to cover all possible issues which may affect the Tenements.

9 Reliance and Consent

This report is made solely for the benefit of the Company and its directors in connection with the issue of the Prospectus and must not be relied upon by any other person or used for any other purpose. To the maximum extent permitted by law, Thomson Geer expressly disclaims any liability in respect of this report to any person other than the Company.

Thomson Geer has given and has not, before the lodgement of the Prospectus, withdrawn its consent to the issue of the Prospectus with this Report included in it in the form and context in which it appears.

Yours faithfully
Thomson Geer

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ANNEXURE A – TENEMENT SCHEDULE

Tenement	Holder/Applicant	Shares Held	Status	Application Date	Grant Date	Expiry Date	Area	Dealings / Encumbrances	Native Title	Aboriginal Heritage
EPG2026	Within Energy Pty Ltd	100%	Current	30/05/2022	07/07/2023	06/07/2028	1043 Sub-blocks	None noted in Searches	• Yuggera Ugarapul People Applications (Schedule) (79.31%) • Yuggera Ugarapul People Applications (RNTC) (79.31%) • Freight Terminals Pty Ltd V State of QLD Determination (0.001%)[2] • Jagera, Yuggera and Ugarapul People and Ipswich City Council ILUA (24.19%) • Jagera, Yuggera and Ugarapul People and Toowoomba Regional Council ILUA (0.004%)	1032 Cultural heritage site points and 16 Cultural heritage site polygons which encompass various attributes, including Earthern Arrangements, Pathways, Artefact Scatters, Burials, Paintings, Contact Sites, Grinding Grooves, Quarries, Stone Arrangements, Scarred/Carved Trees, Dwellings, Landscape Features, Isolated Finds, Historical Places, Store Places, Wells, Resouces Areas, Hearths/Ovens, Earth Features, Stone Features, Aboriginal Intangible Places, Object Collections, and Rock Art of the Yuggera Ugarapul People, the Western Wakka Wakka People, and the Jinbara People
EPG2031	Within Energy Pty Ltd	100%	Pending	25/08/2022	N/A	N/A	1214 Sub-blocks	None noted in Searches	• Barunggam, Cobble Cobble, Jarowair, Western Wakka Wakka, Yiman and QGC ILUA (44.79%) • Arrow Energy Western Downs Unclaimed Area ILUA (37.07%) • No registered Native Title Claims or Determinations are	354 Cultural heritage site points which encompass various attributes, including Resource Areas, Scarred/Carved Trees, Artefact Scatters, Aboriginal Intangible Places, Burials, Shell Middens, Isolated Finds Cultural Sites, Landscape Features, Pathways, Earth

[2] It was determined in *Freight Terminals Pty Ltd v State of Queensland* [2015] FCA 995 that Native Title does not exist in relation to Lot 170 on Crown Plan AG460, County of Aubigny, Parish of Toowoomba.

Tenement	Holder/Applicant	Shares Held	Status	Application Date	Grant Date	Expiry Date	Area	Dealings / Encumbrances	Native Title	Aboriginal Heritage
									noted in the Searches	Features and Object Collections of the Barunggam People and the Western Wakka People No Cultural heritage site polygons noted in the Searches
EPG2034	Within Energy Pty Ltd	100%	Pending	19/12/2022	N/A	N/A	1223 Sub-blocks	None noted in Searches	• Iman People #4 Application (Schedule) (12.13%) • Iman People #4 Application (RNTC) (12.13%) • Mandandanji People Determination (30%) • Darling Downs to Wallumbilla Pipeline(s) ILUA (1.13%) • Barunggam, Cobble Cobble, Jarowair, Western Wakka Wakka, Yiman and QGC ILUA (68.97%) • Mandandanji People and QGC Pty Limited ILUA (31.03%) • Arrow Energy Western Downs Unclaimed Area ILUA (50.88%) • Mandandanji People and Roma Clay Target Club Inc ILUA (0.004%) • APLNG and Area E Native Title Group ILUA (0.41%) • APLNG & Iman People #4 ILUA (0.0001%)	2028 Cultural heritage site points and 6 Cultural heritage site polygons which encompass various attributes including Burials, Artefact Scatters, Dwellings, Hearth/Ovens, Scarred/Carved Trees, Stone Arrangements, Isolated Finds, Resource Areas, Wells, Quarries, Grinding Grooves, Shell Middens, Pathways. Weir/Fish Traps, Historical Places, Cultural Sites, Rock Art, Aboriginal Intangible Places, Object Collections, Stone Features and Earth Features of the Mandandanji People, the Barunggam People and the Iman People #4
EPG2036	Within Energy Pty Ltd	100%	Pending	14/12/2022	N/A	N/A	863 Sub-blocks	None noted in Searches	• Yuggera Ugarapul People Application (Schedule) (34.44%) • Yuggera Ugarapul	466 Cultural heritage site points and 3 Cultural heritage site polygons which encompass various

Tenement	Holder/Applicant	Shares Held	Status	Application Date	Grant Date	Expiry Date	Area	Dealings / Encumbrances	Native Title	Aboriginal Heritage
									People Application (RNTC) (34.44%) • Danggan Balun (Five Rivers) People Application (Schedule) (63.93%) • Danggan Balun (Five Rivers) People Application (RNTC) (63.93%) • David Noel Weber v State of QLD Determination (0.002%) • Wyaralong Dam Project - Mununjali ILUA (0.32%) • Jagera Wyaralong Dam (0.42%) • Jagera, Yuggera and Ugarapul People and Ipswich City Council (0.11%)	attributes including Earthern Arrangements, Grinding Grooves, Landscape Features, Burials, Quarries, Artefact Scatters, Paintings, Shell Middens, Scarred/Carved Trees, Cultural Sites, Store Places, Resource Areas, Weir/Fish Traps, Stone Arrangements, Aboriginal Historical Places, Aboriginal Intangible Places. Pathways and Isolated Finds of the Danggan Balun (Five Rivers) People and the Yuggera Ugarapul People
GEL692	Volt Geothermal Pty Ltd	100%	Current	Information not available in the Searches	12/12/2022	11/12/2027	2964k m^2	None noted in Searches	• Kokatha People (Part A) Determination (61.71%) • Barngarla Native Title Claim Determination (38.29%) • Kokatha Native Title Claim Settlement ILUA (61.70%) • No registered Native Title Claims are noted in the Searches	4 Registered Sites and 10 Reported Sites (Point) comprising of Archaeological and Historic site types 3 Reported Sites (Polygons) comprising of Cultural and Archaeological site types
GEL693	Volt Geothermal Pty Ltd	100%	Current	Information not available in the Searches	12/12/2022	11/12/2027	2968.22km^2	None noted in Searches	• Kokatha People (Part A) Determination (100.00%) • Kokatha Native Title Claim Settlement ILUA (100.00%) • No registered Native Title Claims are noted in the Searches	6 Registered Sites and 31 Reported Sites (Point) comprising of Painting, Archaeological, Quarry, Cultural, Historic and Historical/Cultural/Other site types 4 Reported Sites (Polygon) comprising of

Tenement	Holder/Applicant	Shares Held	Status	Application Date	Grant Date	Expiry Date	Area	Dealings / Encumbrances	Native Title	Aboriginal Heritage
										Quarry and Cultural site types
GEL694	Volt Geothermal Pty Ltd	100%	Current	Information not available in the Searches	12/12/2022	11/12/2027	2788.57km^2	None noted in Searches	• Kokatha People (Part A) Determination (100.00%) • Kokatha Native Title Claim Settlement ILUA (100.00%) • No registered Native Title Claims are noted in the Searches	5 Registered Sites and 12 Reported Sites (Point) comprising of Historic, Archaeological/Cultural, Cultural, Burial, Archaeological, Archaeological/Quarry, Arrangement, Archaeological/Historical and Archaeological/Other site types 1 Registered Site and 5 Reported Sites (Polygon) comprising of Archaeological/Cultural, Archaeological/Historic, Archaeological/Other and Archaeological site types
GEL695	Volt Geothermal Pty Ltd	100%	Current	Information not available in the Searches	12/12/2022	11/12/2027	1538km^2	GEL695 excludes the area the subject of Special Mining Lease No. 1 and that area reserved under certain provisions of the Mining Act 1971 (G.G. 11 December 1986 at page 1820) – Roxby Downs Town Area and Axehead Roxby Downs Quarry.	• Kokatha People (Part A) Determination (100.00%) • Kokatha Native Title Claim Settlement ILUA (100.00%) • Andamooka Precious Stones Field Agreement ILUA (12.40%) • No registered Native Title Claims are noted in the Searches	18 Registered Sites and 17 Reported Sites (Point) comprising of Archaeological, Cultural, Historic, Quarry, Burial, Archaeological/Historic, Burial/Historic, Arrangement site types 1 Registered Site and 2 Reported Sites (Polygon) comprising of Archaeological and Archaeological/Cultural site types
GEL696	Volt Geothermal Pty Ltd	100%	Current	Information not available in the Searches	12/12/2022	11/12/2027	1775.55km^2	None noted in Searches	• Adnyamathanha People No. 1 (Stage 1) Determination (100.00%) • Adnyamathanha Mineral	1 Registered Site and 14 Reported Sites (Point) comprising of Burial, Archaeological and Cultural site types

Tenement	Holder/Applicant	Shares Held	Status	Application Date	Grant Date	Expiry Date	Area	Dealings / Encumbrances	Native Title	Aboriginal Heritage
									Exploration ILUA (100.00%) • Adnyamathanha Settlement ILUA (100.00%) • No registered Native Title Claims are noted in the Searches	1 Reported Site (Polygon) comprising of an Archaeological site type No Registered Sites (Polygon) noted in the Searches
GELA768	Volt Geothermal Pty Ltd	N/A	Pending	21/07/2022	N/A	N/A	288km^2	None noted in Searches	• Kokatha People (Part A) Determination (100.00%) • Kokatha Native Title Claim Settlement ILUA (100.00%) • No registered Native Title Claims are noted in the Searches	43 Registered Sites and 35 Reported Sites (Point) comprising of Cultural, Archaeological and Quarry site types 1 Reported Site (Polygon) comprising of a Quarry site type No Registered Sites (Polygon) noted in the Searches

ANNEXURE B – CONDITIONS SCHEDULE

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
EPG2026	One (7 July 2023 to 6 July 2024)	Geological and geophysical studies	$200,000	1. The holder must lodge a report by no later than 30 June each year of the plan period, that provides details of on-ground exploration activities undertaken during the previous 12-month period (1 June to 31 May). 2. The holder must also provide a summary, within the reports required by condition 1, of the findings of any studies, evaluations, data reviews or interpretations that have been completed. 3. The holder must provide details of the exact location of the activities undertaken and details of the volumes of water taken for these activities. 4. The report must identify the parcels of land that are constrained land within the area where exploration activities are undertaken and advise the department if the conditions, constraints or additional requirements for the constrained land have been complied with or not.
	Two (7 July 2024 to 6 July 2025)	• Geological and geophysical studies • Re-process 100km 2D seismic Re-process/re-interpret 1000km^2 of gravity/magnetic data	$400,000	
	Three (7 July 2025 to 6 July 2026)	• Acquire 100 km 2D seismic and interpret; or • 500km^2 of gravity/magnetics, and • Drill 2 shallow heat flow wells <300m TVD	$900,000	
	Four (7 July 2026 to 6 July 2027)	Drill 1 exploration well • Approvals • Civils • Engineering • Tubulars • Drilling • Coring • Logging • Accommodation • Supervision • Rehabilitation Contingency	$2,000,000	
	Five (7 July 2027 to 6 July 2028)	• Geological and geophysical studies • Pilot project feasibility studies	$500,000	
EPG2031 *	One	Geological and geophysical studies	$200,000	1. The holder must lodge a report by no later than 30 June each year of the plan period, that provides details of on-ground exploration activities undertaken during the previous 12-month period (1 June to 31 May). 2. The holder must also provide a summary, within the reports required by condition 1, of the findings of any studies, evaluations, data reviews or interpretations that have been completed. 3. The holder must provide details of the exact location of the activities undertaken and details of the volumes of water taken for these activities. 4. The report must identify the parcels of land that are constrained land within the area where exploration
	Two	• Geological and geophysical studies • Re-process 100km 2D seismic Re-process/re-interpret 1000km^2 of gravity/magnetic data	$400,000	
	Three	• Acquire 100 km 2D seismic or 500km2 of gravity/magnetics • Drill 2 shallow heat flow wells	$900,000	
	Four	Drill 1 exploration well	$2,000,000	
	Five	• Geological and geophysical studies	$500,000	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
		• JORC equivalent resource assessment • Project feasibility studies		activities are undertaken and advise the department if the conditions, constraints or additional requirements for the constrained land have been complied with or not.
EPG2034 *	One	Geological and geophysical studies	$30,000	Information not available in the Searches
	Two	• Geological and geophysical studies • Well design & engineering services • Commercial feasibility studies • Re-process/re-interpret 2D seismic and other geophysical data sets	$50,000	Information not available in the Searches
	Three	• Well design & engineering studies • Commercial feasibility studies • Acquire new geophysical survey data	$300,000	
	Four	Drill closed-loop exploration well	$2,000,000	
	Five	• Geological and geophysical studies JORC equivalent resource assessment	$500,000	
EPG2036 *	One	Geological and geophysical studies	$30,000	Information not available in the Searches
	Two	• Geological and geophysical studies • Well design & engineering services • Commercial feasibility studies • Re-process/re-interpret 2D seismic and other geophysical data sets	$50,000	
	Three	• Well design & engineering studies • Commercial feasibility studies • Acquire new geophysical survey data	$300,000	
	Four	Drill closed-loop exploration well	$2,000,000	
	Five	• Geological and geophysical studies • JORC equivalent resource assessment	$500,000	
GEL692	The minimum work program requirements below may be carried out anywhere within GEL's 692, 693, 694 and 695.			1. During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time. Year one exploratory operations are guaranteed, and any subsequent licence year work program
	One (12 Dec 2022 to 11 Dec 2023)	Geological and geophysical studies	Not specified.	
	Two (12 Dec 2023 to	Geological and geophysical studies	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
	11 Dec 2024)			becomes guaranteed upon entry into any such licence year. These exploratory operations shall include but not necessarily be limited to the Minimum Work Requirements as set out in the Grant Instrument 2. All regulated activities authorised by this Licence are classified as requiring high level official surveillance, unless the Licensee satisfies the Minister that in view of the Licensee's demonstrated competence to comply with the requirements of the Act and the conditions of this Licence, the activities should be classified as requiring low level official surveillance. 2.1 The Minister's prior written approval is required for activities requiring high level official surveillance in accordance with the Regulation 19 of the Regulations to the Act. 3. In the event that the Licensee during any year of the term of this licence fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister may, at his discretion, either cancel this licence or authorise such variation to these requirements as the Minister thinks fit. 4. The Licensee must: (a) maintain in force during the term of this licence public liability insurance to cover regulated activities under this licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than twenty million dollars ($20,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (b) maintain in force during the drilling of any well or operation in any well, control of well insurance in the name of the Licensee for a sum not less than ten million dollars ($10,000,000.00) or such greater sum as specified by the Minister, and make such
	Three (12 Dec 2024 to 11 Dec 2025)	• Drill up to 4 fully cored heat flow holes to a depth of at least 300m; and • Geological and geophysical studies.	Not specified.	
	Four (12 Dec 2025 to 11 Dec 2026)	• 75km 2D seismic; and • Geological and geophysical studies.	Not specified.	
	Five (12 Dec 2026 to 11 Dec 2027)	• Drill one well to a depth of at least 2,000m; and • Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				amendments to the terms and conditions of the insurance as the Minister may from time to time require; (c) upon request by the Minister, provide the Minister with a cover note or certificate of currency of each insurance policy referred to in paragraphs (a) and (b). 5. The Minister in specifying the levels of insurance accepts no liability for the completeness of their listing, the adequacy of the sum insured, the limit of liability, the scoped coverage, the conditions or exclusions of these insurances in respect to how they may or may not respond to any loss, damage or liability. 6. The Licensee will ensure, when preparing an Environmental Impact Report under Part 12 of the Petroleum and Geothermal Energy Act 2000, that the report also includes an assessment of the potential economic consequences for other Licensees under the Petroleum and Geothermal Energy Act 2000 or Mining Act 1971 and owners of land, arising out of proposed regulated activities to be carried out in the licence area 7. A contract or agreement entered into by the licensee to transfer or accept liability for any well or facility constructed for the purpose of undertaking a regulated activity under the Petroleum Act 1940 or the Petroleum and Geothermal Energy Act 2000 cannot transfer, limit or exclude liability under the Petroleum and Geothermal Energy Act 2000 unless written consent of the Minister is obtained. 8. The Licensee shall during periods determined by the Minister, lodge and maintain with the Minister, in the form acceptable to the Minister, for the satisfaction of obligations arising under the Act or this licence, a security as specified by the Minister from time to time ("the Security"). 8.1 The Security shall be lodged in the form of either; (a) cash; or (b) an unconditional, irrevocable bank guarantee, insurance bond or letter of

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				credit in a form, and from a financial institution, approved by the Minister. 8.2 Interest will not be payable by the Minister to the Licensee on any cash Security. 8.3 All charges incurred by the Licensee in obtaining and maintaining the Security shall be met by the Licensee. 8.4 If upon expiry, this Licence is not renewed and the Minister is satisfied that there are no further obligations under this Licence or the Act, the Minister will return the Security to the Licensee. 9. The Licensee must keep confidential any measurements made in a well which would enable the estimation of petroleum reserves ("Confidential Information") and must not disclose the Confidential Information without first obtaining the written consent of the licensee of the overlapping compatible licence, unless: (a) it is a disclosure required under the Act, this licence or any other law; (b) it is a disclosure which is for the purposes of prosecuting or defending any legal proceedings; or (c) it is information which is or becomes public knowledge other than by breach of this licence condition. 10. The Licensee must take all reasonable precautions to minimise the risks of its activities resulting in a significant loss of petroleum reserves or a significant reduction in the recovery of petroleum reserves.
GEL693	The minimum work program requirements below may be carried out anywhere within GEL's 692, 693, 694 and 695.			1. During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time. Year one exploratory operations are guaranteed, and any subsequent licence year work program becomes guaranteed upon entry into any such licence year. These exploratory operations shall include but not necessarily be limited to the Minimum Work Requirements as set out in the
	One (12 Dec 2022 to 11 Dec 2023)	Geological and geophysical studies	Not specified.	
	Two (12 Dec 2023 to 11 Dec 2024)	Geological and geophysical studies	Not specified.	
	Three (12 Dec 2024	• Drill up to 4 fully cored heat flow holes to a depth of at least 300m; and	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
	to 11 Dec 2025)	Geological and geophysical studies.		Grant Instrument 2. All regulated activities authorised by this Licence are classified as requiring high level official surveillance, unless the Licensee satisfies the Minister that in view of the Licensee's demonstrated competence to comply with the requirements of the Act and the conditions of this Licence, the activities should be classified as requiring low level official surveillance. 2.1 The Minister's prior written approval is required for activities requiring high level official surveillance in accordance with the Regulation 19 of the Regulations to the Act. 3. In the event that the Licensee during any year of the term of this licence fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister may, at his discretion, either cancel this licence or authorise such variation to these requirements as the Minister thinks fit. 4. The Licensee must: (a) maintain in force during the term of this licence public liability insurance to cover regulated activities under this licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than twenty million dollars ($20,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (b) maintain in force during the drilling of any well or operation in any well, control of well insurance in the name of the Licensee for a sum not less than ten million dollars ($10,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require;
	Four (12 Dec 2025 to 11 Dec 2026)	• 75km 2D seismic; and Geological and geophysical studies.	Not specified.	
	Five (12 Dec 2026 to 11 Dec 2027)	• Drill one well to a depth of at least 2,000m; and Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				(c) upon request by the Minister, provide the Minister with a cover note or certificate of currency of each insurance policy referred to in paragraphs (a) and (b). 5. The Minister in specifying the levels of insurance accepts no liability for the completeness of their listing, the adequacy of the sum insured, the limit of liability, the scoped coverage, the conditions or exclusions of these insurances in respect to how they may or may not respond to any loss, damage or liability. 6. The Licensee will ensure, when preparing an Environmental Impact Report under Part 12 of the Petroleum and Geothermal Energy Act 2000, that the report also includes an assessment of the potential economic consequences for other Licensees under the Petroleum and Geothermal Energy Act 2000 or Mining Act 1971 and owners of land, arising out of proposed regulated activities to be carried out in the licence area 7. A contract or agreement entered into by the licensee to transfer or accept liability for any well or facility constructed for the purpose of undertaking a regulated activity under the Petroleum Act 1940 or the Petroleum and Geothermal Energy Act 2000 cannot transfer, limit or exclude liability under the Petroleum and Geothermal Energy Act 2000 unless written consent of the Minister is obtained. 8. The Licensee shall during periods determined by the Minister, lodge and maintain with the Minister, in the form acceptable to the Minister, for the satisfaction of obligations arising under the Act or this licence, a security as specified by the Minister from time to time ("the Security"). 8.1 The Security shall be lodged in the form of either; (a) cash; or (b) an unconditional, irrevocable bank guarantee, insurance bond or letter of credit in a form, and from a financial institution, approved by the Minister. 8.2 Interest will not be payable by the Minister

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				to the Licensee on any cash Security. 8.3 All charges incurred by the Licensee in obtaining and maintaining the Security shall be met by the Licensee. 8.4 If upon expiry, this Licence is not renewed and the Minister is satisfied that there are no further obligations under this Licence or the Act, the Minister will return the Security to the Licensee. 9. The Licensee must keep confidential any measurements made in a well which would enable the estimation of petroleum reserves ("Confidential Information") and must not disclose the Confidential Information without first obtaining the written consent of the licensee of the overlapping compatible licence, unless: (a) it is a disclosure required under the Act, this licence or any other law; (b) it is a disclosure which is for the purposes of prosecuting or defending any legal proceedings; or (c) it is information which is or becomes public knowledge other than by breach of this licence condition. 11. The Licensee must take all reasonable precautions to minimise the risks of its activities resulting in a significant loss of petroleum reserves or a significant reduction in the recovery of petroleum reserves.
GEL694	The minimum work program requirements below may be carried out anywhere within GEL's 692, 693, 694 and 695.			1. During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time. Year one exploratory operations are guaranteed, and any subsequent licence year work program becomes guaranteed upon entry into any such licence year. These exploratory operations shall include but not necessarily be limited to the Minimum Work Requirements as set out in the Grant Instrument 2. All regulated activities authorised by this Licence
	One (12 Dec 2022 to 11 Dec 2023)	Geological and geophysical studies	Not specified.	
	Two (12 Dec 2023 to 11 Dec 2024)	Geological and geophysical studies	Not specified.	
	Three (12 Dec 2024 to 11 Dec 2025)	• Drill up to 4 fully cored heat flow holes to a depth of at least 300m; and Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
	Four (12 Dec 2025 to 11 Dec 2026)	• 75km 2D seismic; and Geological and geophysical studies.	Not specified.	are classified as requiring high level official surveillance, unless the Licensee satisfies the Minister that in view of the Licensee's demonstrated competence to comply with the requirements of the Act and the conditions of this Licence, the activities should be classified as requiring low level official surveillance. 2.1 The Minister's prior written approval is required for activities requiring high level official surveillance in accordance with the Regulation 19 of the Regulations to the Act. 3. In the event that the Licensee during any year of the term of this licence fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister may, at his discretion, either cancel this licence or authorise such variation to these requirements as the Minister thinks fit. 4. The Licensee must: (a) maintain in force during the term of this licence public liability insurance to cover regulated activities under this licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than twenty million dollars ($20,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (b) maintain in force during the drilling of any well or operation in any well, control of well insurance in the name of the Licensee for a sum not less than ten million dollars ($10,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (c) upon request by the Minister, provide the Minister with a cover note or certificate of
	Five (12 Dec 2026 to 11 Dec 2027)	• Drill one well to a depth of at least 2,000m; and Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				currency of each insurance policy referred to in paragraphs (a) and (b). 5. The Minister in specifying the levels of insurance accepts no liability for the completeness of their listing, the adequacy of the sum insured, the limit of liability, the scoped coverage, the conditions or exclusions of these insurances in respect to how they may or may not respond to any loss, damage or liability. 6. The Licensee will ensure, when preparing an Environmental Impact Report under Part 12 of the Petroleum and Geothermal Energy Act 2000, that the report also includes an assessment of the potential economic consequences for other Licensees under the Petroleum and Geothermal Energy Act 2000 or Mining Act 1971 and owners of land, arising out of proposed regulated activities to be carried out in the licence area 7. A contract or agreement entered into by the licensee to transfer or accept liability for any well or facility constructed for the purpose of undertaking a regulated activity under the Petroleum Act 1940 or the Petroleum and Geothermal Energy Act 2000 cannot transfer, limit or exclude liability under the Petroleum and Geothermal Energy Act 2000 unless written consent of the Minister is obtained. 8. The Licensee shall during periods determined by the Minister, lodge and maintain with the Minister, in the form acceptable to the Minister, for the satisfaction of obligations arising under the Act or this licence, a security as specified by the Minister from time to time ("the Security"). 8.1 The Security shall be lodged in the form of either; (a) cash; or (b) an unconditional, irrevocable bank guarantee, insurance bond or letter of credit in a form, and from a financial institution, approved by the Minister. 8.2 Interest will not be payable by the Minister to the Licensee on any cash Security. 8.3 All charges incurred by the Licensee in

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				obtaining and maintaining the Security shall be met by the Licensee. 8.4 If upon expiry, this Licence is not renewed and the Minister is satisfied that there are no further obligations under this Licence or the Act, the Minister will return the Security to the Licensee. 9. The Licensee must keep confidential any measurements made in a well which would enable the estimation of petroleum reserves ("Confidential Information") and must not disclose the Confidential Information without first obtaining the written consent of the licensee of the overlapping compatible licence, unless: (a) it is a disclosure required under the Act, this licence or any other law; (b) it is a disclosure which is for the purposes of prosecuting or defending any legal proceedings; or (c) it is information which is or becomes public knowledge other than by breach of this licence condition. 12. The Licensee must take all reasonable precautions to minimise the risks of its activities resulting in a significant loss of petroleum reserves or a significant reduction in the recovery of petroleum reserves.
GEL695	The minimum work program requirements below may be carried out anywhere within GEL's 692, 693, 694 and 695.			1. During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time. Year one exploratory operations are guaranteed, and any subsequent licence year work program becomes guaranteed upon entry into any such licence year. These exploratory operations shall include but not necessarily be limited to the Minimum Work Requirements as set out in the Grant Instrument 2. All regulated activities authorised by this Licence are classified as requiring high level official surveillance, unless the Licensee satisfies the Minister that in view of the Licensee's
	One (12 Dec 2022 to 11 Dec 2023)	Geological and geophysical studies	Not specified.	
	Two (12 Dec 2023 to 11 Dec 2024)	Geological and geophysical studies	Not specified.	
	Three (12 Dec 2024 to 11 Dec 2025)	• Drill up to 4 fully cored heat flow holes to a depth of at least 300m; and Geological and geophysical studies.	Not specified.	
	Four (12 Dec 2025 to 11 Dec	• 75km 2D seismic; and Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
	2026)			demonstrated competence to comply with the requirements of the Act and the conditions of this Licence, the activities should be classified as requiring low level official surveillance. 2.1 The Minister's prior written approval is required for activities requiring high level official surveillance in accordance with the Regulation 19 of the Regulations to the Act. 3. In the event that the Licensee during any year of the term of this licence fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister may, at his discretion, either cancel this licence or authorise such variation to these requirements as the Minister thinks fit. 4. The Licensee must: (a) maintain in force during the term of this licence public liability insurance to cover regulated activities under this licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than twenty million dollars ($20,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (b) maintain in force during the drilling of any well or operation in any well, control of well insurance in the name of the Licensee for a sum not less than ten million dollars ($10,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (c) upon request by the Minister, provide the Minister with a cover note or certificate of currency of each insurance policy referred to in paragraphs (a) and (b). 5. The Minister in specifying the levels of insurance
	Five (12 Dec 2026 to 11 Dec 2027)	• Drill one well to a depth of at least 2,000m; and Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				accepts no liability for the completeness of their listing, the adequacy of the sum insured, the limit of liability, the scoped coverage, the conditions or exclusions of these insurances in respect to how they may or may not respond to any loss, damage or liability. 6. The Licensee will ensure, when preparing an Environmental Impact Report under Part 12 of the Petroleum and Geothermal Energy Act 2000, that the report also includes an assessment of the potential economic consequences for other Licensees under the Petroleum and Geothermal Energy Act 2000 or Mining Act 1971 and owners of land, arising out of proposed regulated activities to be carried out in the licence area 7. A contract or agreement entered into by the licensee to transfer or accept liability for any well or facility constructed for the purpose of undertaking a regulated activity under the Petroleum Act 1940 or the Petroleum and Geothermal Energy Act 2000 cannot transfer, limit or exclude liability under the Petroleum and Geothermal Energy Act 2000 unless written consent of the Minister is obtained. 8. The Licensee shall during periods determined by the Minister, lodge and maintain with the Minister, in the form acceptable to the Minister, for the satisfaction of obligations arising under the Act or this licence, a security as specified by the Minister from time to time ("the Security"). 8.1 The Security shall be lodged in the form of either; (a) cash; or (b) an unconditional, irrevocable bank guarantee, insurance bond or letter of credit in a form, and from a financial institution, approved by the Minister. 8.2 Interest will not be payable by the Minister to the Licensee on any cash Security. 8.3 All charges incurred by the Licensee in obtaining and maintaining the Security shall be met by the Licensee. 8.4 If upon expiry, this Licence is not renewed

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				and the Minister is satisfied that there are no further obligations under this Licence or the Act, the Minister will return the Security to the Licensee. 9. The Licensee must keep confidential any measurements made in a well which would enable the estimation of petroleum reserves ("Confidential Information") and must not disclose the Confidential Information without first obtaining the written consent of the licensee of the overlapping compatible licence, unless: (a) it is a disclosure required under the Act, this licence or any other law; (b) it is a disclosure which is for the purposes of prosecuting or defending any legal proceedings; or (c) it is information which is or becomes public knowledge other than by breach of this licence condition. 13. The Licensee must take all reasonable precautions to minimise the risks of its activities resulting in a significant loss of petroleum reserves or a significant reduction in the recovery of petroleum reserves.
GEL696	One (12 Dec 2022 to 11 Dec 2023)	Geological and geophysical studies	Not specified.	1. During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time. Year one exploratory operations are guaranteed, and any subsequent licence year work program becomes guaranteed upon entry into any such licence year. These exploratory operations shall include but not necessarily be limited to the Minimum Work Requirements as set out in the Grant Instrument 2. All regulated activities authorised by this Licence are classified as requiring high level official surveillance, unless the Licensee satisfies the Minister that in view of the Licensee's demonstrated competence to comply with the requirements of the Act and the conditions of this Licence, the activities should be classified as
	Two (12 Dec 2023 to 11 Dec 2024)	Geological and geophysical studies	Not specified.	
	Three (12 Dec 2024 to 11 Dec 2025)	• Drill up to 4 fully cored heat flow holes to a depth of at least 300m; and • Geological and geophysical studies.	Not specified.	
	Four (12 Dec 2025 to 11 Dec 2026)	• 25km 2D seismic; and • Geological and geophysical studies.	Not specified.	
	Five (12 Dec 2026 to 11 Dec 2027)	• Drill one well to a depth of at least 2,000m; and • Geological and geophysical studies.	Not specified.	

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				requiring low level official surveillance. 2.1 The Minister's prior written approval is required for activities requiring high level official surveillance in accordance with the Regulation 19 of the Regulations to the Act. 3. In the event that the Licensee during any year of the term of this licence fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister may, at his discretion, either cancel this licence or authorise such variation to these requirements as the Minister thinks fit. 4. The Licensee must: (a) maintain in force during the term of this licence public liability insurance to cover regulated activities under this licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than twenty million dollars ($20,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (b) maintain in force during the drilling of any well or operation in any well, control of well insurance in the name of the Licensee for a sum not less than ten million dollars ($10,000,000.00) or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require; (c) upon request by the Minister, provide the Minister with a cover note or certificate of currency of each insurance policy referred to in paragraphs (a) and (b). 5. The Minister in specifying the levels of insurance accepts no liability for the completeness of their listing, the adequacy of the sum insured, the limit of liability, the scoped coverage, the

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				conditions or exclusions of these insurances in respect to how they may or may not respond to any loss, damage or liability. 6. The Licensee will ensure, when preparing an Environmental Impact Report under Part 12 of the Petroleum and Geothermal Energy Act 2000, that the report also includes an assessment of the potential economic consequences for other Licensees under the Petroleum and Geothermal Energy Act 2000 or Mining Act 1971 and owners of land, arising out of proposed regulated activities to be carried out in the licence area 7. A contract or agreement entered into by the licensee to transfer or accept liability for any well or facility constructed for the purpose of undertaking a regulated activity under the Petroleum Act 1940 or the Petroleum and Geothermal Energy Act 2000 cannot transfer, limit or exclude liability under the Petroleum and Geothermal Energy Act 2000 unless written consent of the Minister is obtained. 8. The Licensee shall during periods determined by the Minister, lodge and maintain with the Minister, in the form acceptable to the Minister, for the satisfaction of obligations arising under the Act or this licence, a security as specified by the Minister from time to time ("the Security"). 8.1 The Security shall be lodged in the form of either; (a) cash; or (b) an unconditional, irrevocable bank guarantee, insurance bond or letter of credit in a form, and from a financial institution, approved by the Minister. 8.2 Interest will not be payable by the Minister to the Licensee on any cash Security. 8.3 All charges incurred by the Licensee in obtaining and maintaining the Security shall be met by the Licensee. 8.4 If upon expiry, this Licence is not renewed and the Minister is satisfied that there are no further obligations under this Licence or the Act, the Minister will return the Security

Tenement	Year of term	Minimum work requirements	Estimated expenditure	Conditions
				to the Licensee. 9. The Licensee must keep confidential any measurements made in a well which would enable the estimation of petroleum reserves ("Confidential Information") and must not disclose the Confidential Information without first obtaining the written consent of the licensee of the overlapping compatible licence, unless: (a) it is a disclosure required under the Act, this licence or any other law; (b) it is a disclosure which is for the purposes of prosecuting or defending any legal proceedings; or (c) it is information which is or becomes public knowledge other than by breach of this licence condition. 14. The Licensee must take all reasonable precautions to minimise the risks of its activities resulting in a significant loss of petroleum reserves or a significant reduction in the recovery of petroleum reserves.
GELA 768*		We have been advised that the Department for Energy and Mining South Australia has requested Volt to submit a proposed standalone five year work program for GELA768 and its exploration strategy over the area of the application so that the Department can consider whether these are compatible with the overlapping Roxby Downs Town Area and Special Mining Lease No. 1 held by BHP pursuant to the Olympic Dam State Agreement before GELA768 will be considered for grant.	See note adjacent.	Application only. Information not available in the Searches.

* We note that these work programs are draft only as the tenements are still applications.