



Futura Resources Limited 13.125% senior secured USD 95,000,000 bonds 2026/2031

Admission Document

This admission document (the "**Admission Document**") has been prepared by Futura Resources Limited (the "**Issuer**") in connection with listing of the bonds (the "**Bonds**") issued under the Futura Resources Limited 13.125% senior secured USD 95,000,000 bonds 2026/2031 with ISIN NO0013698746 (the "**Bond Issue**"). The Bond Issue is guaranteed by:

- Coal of Queensland Pty Ltd, a proprietary limited company incorporated under the laws of Australia with Australian company number 149 250 939, being 100 % directly owned by the Issuer.
- Fairhill Coking Coal Pty Ltd, a proprietary limited company incorporated under the laws of Australia with Australian company number 155 409 199, being 100 % directly owned by the Issuer.
- Wilton Coking Coal Pt Ltd, a proprietary limited company incorporated under the laws of Australia with Australian company number 147 034 277, being 100 % indirectly owned by the Issuer.

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75 (together with ancillary rules and regulations, the "**Prospectus Regulations**"), and has not been prepared to comply with the Prospectus Regulations. This Admission Document has been inspected by Nordic ABM as part of the Nordic ABM listing process, but has not been reviewed by or approved by the Norwegian Financial Supervisory Authority or any other public authority.

This Admission Document has been prepared solely for information purposes in connection with listing of the Bonds on the Nordic ABM, a list of registered bonds operated by Oslo Børs ASA and for which Oslo Børs ASA determines the rules (the "**ABM Rules**") in consultation with market participants. The Admission Document does not constitute or form part of any offer or other solicitation to subscribe for or purchase any bonds or other securities, and is not intended to form the basis of any investment decision.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may violate applicable securities legislation. Persons who become in possession of this Admission Document may be required to inform themselves about, and to observe, all such restrictions.

Neither the Issuer, the Guarantor nor any of their Affiliates (as defined in the bond terms attached hereto) shall be held responsible or liable for any violation of such restrictions by recipients of this Admission Document.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "US PERSON" EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document subsequent to such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*No. Oslo tingrett*) as legal venue.

RESPONSIBILITY STATEMENT

This Admission Document is dated 26 February 2026 and has been prepared by the Issuer in connection with the listing of the Bonds on Nordic ABM. The person responsible for the information given in this Admission Document is as follows:

Futura Resources Limited
Level 28, 88 Phillip St, Sydney, NSW 2000

The Issuer confirm that to the best of its knowledge the information contained in this Admission Document is in accordance with the facts and the document contains no omission likely to affect its import.

26 February 2026

Futura Resources Limited



Name: Donald Carroll

Title: Director

APPENDIX 1

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR FUTURA RESOURCES LIMITED (THE "ISSUER") FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024 AND 30 JUNE 2023



FUTURA RESOURCES LIMITED
Annual Report
For the year ended 30 June 2025

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ABN 64 113 707 458

Directors:

Mr Donald Carroll (Chairman)
Mr Cameron Vorias (Director)
Mr Timothy Lowry (Director)
Mr Trevor Steel (Director)
Mr Trent Franklin (Director)
Mr Clement Ko (Director, resigned 30 September 2024)

Company Secretary

Mr Kar Chua

Registered Office

Level 28, 88 Phillip Street,
Sydney NSW 2000
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Mine Site

Wilton and Fairhill Mines Fairhill Road
Lilyvale QLD 4000

Auditors:

Crowe Sydney
Chartered Accountants
Level 24
1 O'Connell Street
Sydney NSW 2000

Directors' Report

The Directors of Futura Resources Limited and its controlled entities (**Futura**, the **Group** or the **Company**) present their report, together with the financial statements for the year ended 30 June 2025 (**Financial Year**).

Directors

The names of the directors of the Company during or since the end of the financial year are:

Mr Donald Carroll	(Chairman)
Mr Cameron Vorias	(Director)
Mr Timothy Lowry	(Director)
Mr Trevor Steel	(Director)
Mr Trent Franklin	(Director)
Mr Clement Ko	(Director) (resigned 30 September 2024)

Principal Activities

The principal activities of the company during the financial year were in the mining and exploration industry, principally the development and mining of coal.

Operation Review

The Company has continued the development and operation of its Wilton and Fairhill Pits (together **Wilton Fairhill**), two large, adjacent coking coal projects in the Bowen Basin, Queensland (**Projects**), which are held via its wholly owned subsidiaries, Wilton Coking Coal Pty Ltd and Fairhill Coking Coal Pty Ltd.

The financial year was transformational for the Company, seeing operational startup at the Fairhill Pit (**Fairhill** or the **Fairhill Pit**), with first coal mined in April 2025, and ongoing development and advancements at the Wilton Pit (**Wilton** or the **Wilton Mine**), underpinned by strong coal sales and market development for the Wilton Fairhill coking coal products.

The Wilton Fairhill operations represent exposure to hard coking coal, which the Company sees as having very strong medium to long term market dynamics. The Company's near term plan remains the ramp-up of Wilton Fairhill to its currently permitted capacity (3.35 million tonnes per annum (**mtpa**) ROM), with further internal development to take the Tonnes of Ore Mined (**TOM**) output to 4mtpa in the medium to long term.

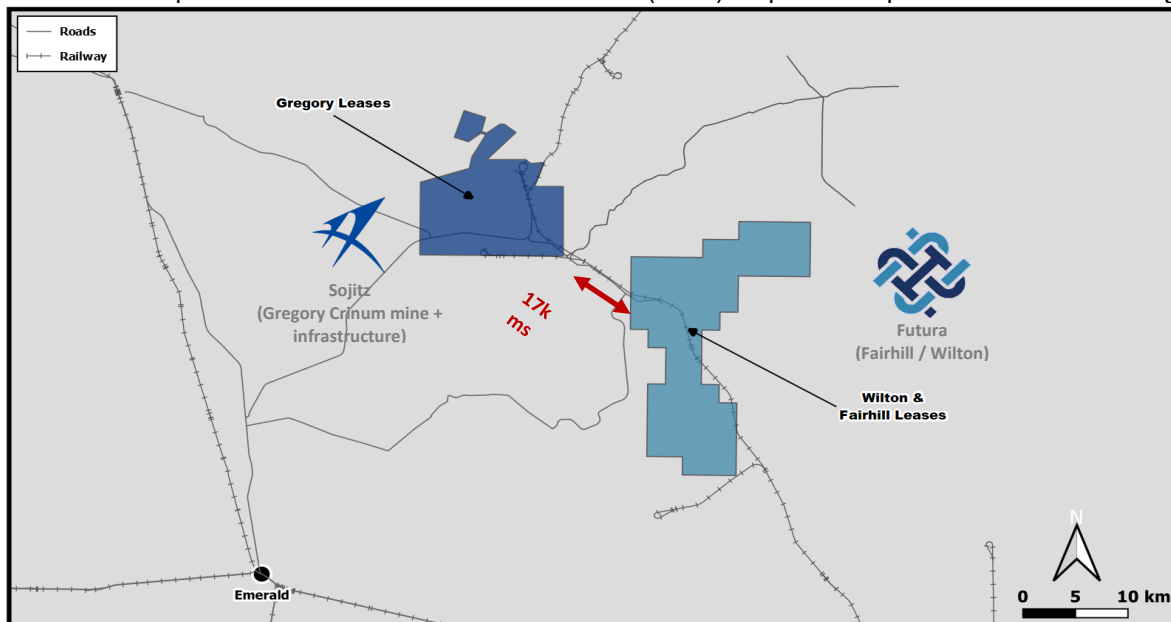


Figure 1 – Project Location

Directors' Report

Wilton Fairhill Operations

The Company continued the rapid development of its Wilton Fairhill operations during the period, with the Fairhill Pit reaching operational coal extraction in April 2025, and the Wilton pit deploying key operational improvements throughout the period streamlining operations and increasing product yields.

The Company's operation is undertaken on the 'owner operator' basis, with Futura management staff supervising and directing Futura operational personnel who operate contract hire plant and equipment. The Company also utilises specialist contractors for activities such as drilling, blasting and equipment maintenance.

The operational teams continued to grow during the period with total Futura Full time equivalent workforce reaching ~100 across the business. The Company continues to prioritise local, Emerald based workforce with less than 5% 'fly-in/fly-out' personnel employed by the Company.

Since the commencement of mining operations at Wilton, the Company has focused on bringing Fairhill online and ramping up production to align with long term output, while developing the required site infrastructure to support ongoing mining operations.

		Wilton Pit	Fairhill Pit	Total FY25
Total Overburden	bcm	2,482,017	845,535	3,327,552
ROM Coal Mined	t	733,171	129,291	862,462
Strip Ratio		3.4	6.5	4.2
Coal Hauled	t	749,043	75,550	824,593
Coal Washed	t	744,933	66,177	811,110
Primary Coal Sold	t	98,661	0	98,661
Secondary Coal Sold	t	94,400	3,244	97,644
Raw Coal Sold	t	24,957	0	24,957

During the period overburden removal at both pits was enhanced from a combination of scraper and truck/shovel operations to primary dozer push only. This change, which was part of the pre-mining engineering designs for the operations, has been supported by strong operational processes and results in overburden removal efficiencies and cost reductions not able to be achieved in traditional truck/shovel operations. This change also adds operational resilience as the dozer push fleets are able to operate throughout wet weather events, progressing coal extraction at times when truck/shovel circuits are required to standby and await dry conditions.

Coal mining processes were also idealised during the period, with increased understanding of the Wilton pit coals, and a growing understanding of the Fairhill pit coals, allowing operational improvements reducing loss and dilution and subsequently lowering haulage and CHPP feed costs, while improving CHPP yields. Primary coal mining remains conducted by 30 tonne excavators with load out support. However, the use of loaders and 90 tonne excavators on defined parts of the coal resource have resulted in improved operational efficiencies.

Run of Mine (**ROM**) coal handling processes have also developed during the period, in particular with the addition of a screening unit at Wilton, the operation of which has resulted in clear and valuable improvement in total yield.

Wilton ROM	Total Yield
Prior to Screen	32.52%
Post Screen	41.38%

Directors' Report

Review of the effectiveness of screening at the Wilton ROM has subsequently led to the Company progressing a dry coal "FGX" style processing unit for the Fairhill ROM. Subsequent to the Financial Year, in September 2025, the Company executed contracts to take delivery of a dry coal processing unit at Fairhill in February 2026. This unit is projected to have significant benefit in removal of non-coal material, reducing ROM haulage and CHPP feed costs, while also improving CHPP efficiency and yield. This unit also has the ability to produce 'bypass' coal products, not requiring processing at the CHPP, at significant cost saving.

Coal hauled during the period was aligned with road use approvals in place with local councils, and significant efforts were placed into increasing haulage volumes and deliveries to the Sojitz Gregory Coal Handling and Preparation Plant (**CHPP**). Major road network upgrades are being undertaken in 4 stages, with Stage 1 and Stage 2 completed during the period, including the full construction and sealing of the key Wilton pit access interaction. Stage 3 has been further split into Stage 3a and 3b to assist in deployment of works which support haulage from the Fairhill pit, with the balance Stage 4 works increasing total group haulage levels.

All coal washed by the Company was done so at the Gregory CHPP via the 15-year Coal Tolling Agreement (**CTA**) between Futura and Sojitz which was put in place on 12 November 2021. During the period, the Company also delivered 24,957mt of 'Raw' coal to Kestrel, which they subsequently washed through the Kestrel CHPP. This action yielded critical understanding of the logistics and technical processes behind washing coal at the Kestrel CHPP, and set key groundwork for future interaction, particularly should such be required in response to an outage or issue with the Gregory CHPP.



Figure 2: Wilton Pit



Figure 3: Fairhill Pit (box cut)

Directors' Report

Coal Logistics, Marketing and Sales

The Company continued utilising third party rail and port capacity during the Financial Year, obtaining such under agreement from Sojitz Coal Sales Pty Ltd (**Sojitz**). Subsequent to the Financial Year, the Company also completed the formal transfer of 500,000tpa of Rail and Port Take or Pay (**ToP**) allocation from Sojitz for FY26.

On 17 July 2024, the Company finalised funding and marketing arrangements with Trafigura, a large international resource marketer and trader. As a result of these arrangements, Trafigura obtained the right to market all Wilton Fairhill Secondary coal on behalf of Futura for a period of 3 years. All Secondary coal subsequently sold during the period was done via the Trafigura marketing agreement.

Primary 'coking' coal sold during the financial year was done directly by Futura to end users, and also to other miners and traders also operating out of the Port of Gladstone.

Received pricing for a new mine is linked to market confidence and acceptance in advance of the direct product quality. When a new coal enters the market, it takes some time for end users to obtain samples, test, obtain trial cargoes, and then make the decision to place term offtake contracts. While that process is underway producers will often accept lower prices from traders or low value buyers to generate revenue and support operations, as Futura has done to date.

The Company spent significant effort during the financial year undertaking detailed product analysis of both the Primary and Secondary coal products. This analysis is required to underpin current and future marketing engagements supportive of settling high value, long term product offtake contracts.

Directors' Report

Tenement Holdings

Wilton Coking Coal Pty Ltd (**WCC**) holds Exploration Permit for Coal (**EPC**) 1235 and 27172, Mineral Development License 463 (**MDL**) and Mining Lease's (**ML**) 700028 and 700029 with an exploration area comprising of approximately 145km².

Fairhill Coking Coal Pty Ltd (**FCC**) holds the adjacent exploration tenure EPC 2177, and ML 700043 which covers, in total approximately 66km².

The Wilton and Fairhill Projects are located in Central Queensland, approximately 279 km west of the coastal Port of Gladstone and 50 km northeast of the regional centre, Emerald within the Bowen Basin of Central Queensland. The Wilton and Fairhill Projects are ~25km by road from the Gregory Crinum CHPP.

All tenures possess current Environmental Authorities (**EA's**). For EPC 1235, EPC 27172, EPC 2177 and MDL 463 these approvals allow for exploration activities, such as drilling and field mapping, and in the certain cases bulk sampling work such as a test pit. For ML's 700028, 700029 and 700043 the EA's permit to mining activities being undertaken.

Table 1 – Futura's Tenements

Project	State	Registered Owner	Tenement Reference	Equity Interest	Status
Wilton	QLD	Wilton Coking Coal Pty Ltd	MDL463	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	EPC 1235	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	EPC27172	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	ML700028	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	ML700029	100%	Live
Fairhill	QLD	Fairhill Coking Coal Pty Ltd	EPC 2177	100%	Live
	QLD	Fairhill Coking Coal Pty Ltd	ML700043	100%	Live

Geology

The Wilton and Fairhill Projects are located in the central region of the Bowen Basin surrounded by prominent operational coal mines such as Ensham, Gregory-Crinum, Kestrel and Oaky Creek. The Bowen Basin is the northern part of the 1,800km long Bowen-Sydney-Gunnedah Basin, a thick meridional accumulation of Permian and Triassic sediments with extensive coal measure development.

The exposed part of the basin in Central Queensland is triangular in shape, 250km wide at its base and 600km long. Permian coal sequences typical of those found on the Comet Ridge in the central Bowen Basin are found on these projects. The multiple coal seams of the Burngrove (6 seams) and Fairhill (6 seams) formations occur at shallow depths and are the primary targets within the tenements. The German Creek formations are present but at depth.

Exploration has confirmed the presence of both the Burngrove and Fairhill Formations. Extensive field mapping in the southwest of the Wilton tenement has identified coal outcrops of seams from both the Burngrove and Fairhill Formation. Drilling in the north of the tenement has confirmed continuity of the seams across the entire tenement with consistent thicknesses and low angle dips.

Directors' Report

Coal Resource

The Coal Resource estimation for both projects has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), December 2012, which is used internationally for public reporting. These resource estimations are based on mapping, costeaming and additional exploration drilling with a proportion of the boreholes providing core samples for analytical testing in accredited laboratories in Queensland. All boreholes utilised on the JORC modelling were logged using a suite of wireline geophysical probes in order to provide reliable data set suited for coal exploration evaluation.

Accompanying the Resource estimate is extensive documentation which outlines the methodology used to prepare the geological model, and in particular, the modelling of raw coal quality parameters that included a mixture of real data and parameters estimated from the downhole long-spaced density geophysical logs. This data has, in effect, created a ply-by-ply dataset. When combined with raw coal quality estimated parameters from downhole geophysical logging (courtesy of work completed by Coal Resource Consulting; Donelan, 2014) the model has been used to generate working section sub-models with the purpose of carrying out detailed mine design studies from the output.

The Projects hold the following resources:

Table 2: Resource Estimates

Deposit / seam	Depth (m)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Wilton¹					
Burngrove / Fairhill	0-100	87.0	139.9	279.7	506.6
Burngrove / Fairhill	100-200	99.4	283.4	627.4	1,010.2
Burngrove / Fairhill	200-300	13.8	220.3	526.8	760.9
Total	-	200.2	643.6	1,433.9	2,277.7
Fairhill¹					
Fairhill	0-100	-	331.0	690.0	1,021.0
Fairhill	100-200	-	106.0	83.0	189.0
Fairhill	200-300	-	-	-	-
Total	-	-	437.0	773.0	1,210

¹. Prepared by ROM Resource Pty Ltd in accordance with Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Funding

USD\$24 million Debt Facility

During the Financial Year, Futura entered into a binding agreement with Trafigura Asia Trading Pte Ltd (**Trafigura**) for a USD\$24 million debt facility (**Debt Facility**) with a term of 30 months along with associated secondary coal offtake contract (**Offtake Agreement**). The funds provided by Trafigura will be used by Futura for the development and commencement of production at the Fairhill Project.

The Debt Facility has been provided jointly by Trafigura and MCM Partners. Trafigura is a multinational commodity trader, predominantly operating out of Singapore. MCM Partners is a Hong Kong based asset manager.

The key terms of the Debt Facility and Offtake Agreement are as follows:

Loan Agreement	
Amount	USD\$24,000,000 (being approximately A\$35,000,000) (Loan Amount)
Debt Term	30 months
Interest Rate	14% per annum
Repayments	<ul style="list-style-type: none"> ▪ Repayments are to be made via uniform quarterly payments of principal and interest after the repayment holiday/grace period as provided in the transaction documents. ▪ The loan agreement also provides for the option of making repayment by way of set off or deduction of deliveries of coal under the Coal Sales Contract. ▪ Interest payments are not subject to a grace period. Interest accrues immediately post drawdown with the first repayment due at the completion of month 3 after drawdown and on a quarterly basis thereafter.
Voluntary Repayment	<p>Voluntary Prepayment of part or all of the Loan Amount is permitted for a 1.5% fee of the part of the Loan Amount prepaid but does not affect the validity of the Offtake Agreement.</p> <p>The 1.5% fee will be waived if voluntary repayment is part of a refinancing provided by the Trafigura.</p>
Grace Period	<p>A repayment grace period will apply from the date of the drawdown of the Loan Amount to the earlier of:</p> <ul style="list-style-type: none"> (a) the date of first production of saleable Coal from the Fairhill Pit; and (b) the date falling six months after the drawdown date.
Upfront Fee	1.00% of the Loan Amount.
Right of first refusal	Futura may seek alternative debt financing. However, Trafigura has the right to offer financing under the same or better conditions as obtained by Futura.
General Security Deed	Under a general security deed, first ranking security is provided over all assets of Futura, Wilton and Fairhill, including the mining tenements.

Offtake Agreement	
Delivery Period	Under the Offtake Agreement, the delivery period is 36 months which may be extended for a period of a further 6 months if the tonnage commitment is not satisfied.
Tonnage	Under the Offtake Agreement, 2 million metric tonnes of Secondary coal is to be provided to Trafigura.
Marketing Fee	1.75% of the sale price of the coal, adjusted to actual delivered CV and any other bonus or penalty.
Pricing	Agreed per cargo/bid and set out in the confirmation.
Delivery Point	FOB Gladstone.
Laycan	15 days laycan to be mutually agreed 30 days prior to month of scheduled shipment.
Demurrage	Demurrage and despatch to be accordance with the charterparty for the vessel.
Minimum Cargo Size	10,000 tonnes.

Directors' Report

International Resources Holding (IRH) Loan

IRH is a global mining investment group based in Abu Dhabi backed by sovereign wealth, with access to a US\$50 billion fund. The group focuses on long-term, strategic investments across the resources, infrastructure, and industrial sectors. IRH targets opportunities that align with regional growth priorities and global supply chain resilience, often acting as a cornerstone investor in transformational transactions. Its mandate includes acquiring high-quality assets with the potential for scalability and integration into broader regional or global platforms.

During the Financial Year, Futura secured strategic funding of US\$15 million (**IRH Loan**) from IRH. The IRH Loan provides critical support for the advancement of key infrastructure projects and general working capital.

IRH have also entered in Call Options Deeds with number of Futura shareholders pursuant to potential change of control transaction, which is detailed further below.

Terms of IRH Loan

The IRH Loan documentation was executed between Wilton Coking Coal Pty Ltd (**Wilton**), Fairhill Coking Coal Pty Ltd (**Fairhill**), Coal of Queensland Pty Ltd (**Coal of Queensland**) and International Resources Holding RSC Ltd via its Related Body Corporate Gamma Mining Ltd (**Gamma Mining**) for a USD\$15 million dollar loan facility and the loan facility shall have a term of eighteen (18) months.

The documentation comprised of:

1. Loan Agreement; and
2. General Security Deed.

(being, the **Loan Documents**).

Directors' Report

Summary of Loan Documents

Loan Agreement	
Amount	USD\$15,000,000.
Term	18 months.
Interest Rate	15% pa on and from the end of the Exclusivity Period (being, 4 months after the drawdown date).
Repayments	Futura must repay the balance of the Loan in full on the Maturity Date (18 months after the drawdown date or, if earlier, the date that is 6 months after the end of the Exclusivity Period).
Voluntary Repayment	<p>Futura may voluntarily prepay the loan, if it gives Gamma Mining not less than:</p> <ol style="list-style-type: none"> 1. in the case of prepayment in part, five (5) Business Days prior written notice; and 2. in the case of prepayment in full, two (2) months prior written notice, <p>If repaying in part, a minimum amount of US\$1,000,000 and all accrued and unpaid interest in connection with the amount of the loan that is being prepaid must be paid by Futura.</p> <p>Futura shall pay Gamma Mining a fee in an amount equal to 1.5% of the IRH Loan prepaid, within five (5) Business Days of the prepayment date.</p>
Subordinated Loans and Dividends	<p>Gamma Mining agreed that should Futura retain a bank balance of greater than US\$7m, then funds in excess of that amount may be used to repay principle associated with the existing subordinated loans.</p> <p>The IRH Loan documentation does not freely allow for dividend payments, however, has been structured such that should the minimum balance above be retained and in accordance with the agreed dividend policy, Futura will still be able to make dividends payments if it deems appropriate to do so.</p>
Other restrictive terms	IRH Loan specific guarantee by Futura, Coal of Queensland, Wilton and Fairhill.

General Security Agreement	
General Security Deed	Gamma Mining granted second ranking security over all assets of Futura, Coal of Queensland, Wilton and Fairhill, including the mining tenements, other than the Stockpile and Stockpiled Product which Gamma Mining is granted a first-ranking security interest with the consent of Trafigura Asia Trading Pte Ltd (Trafigura).

In addition to the Loan Documents, the following ancillary documents have been executed to facilitate the transaction.

Document	Parties	Summary
Call Option Deed	Gamma Mining Futura Shareholders	A number of Futura Shareholders have granted Gamma Mining the right for the Gamma Mining (or its nominee) to acquire all of the Option Shares.
Intercreditor Deed	Trafigura Gamma Mining	Trafigura and Gamma Mining to enter into an Intercreditor Deed which will govern the relationship between the first and second ranking security granted pursuant to the Loan Agreement and the General Security Deed.

Directors' Report

IRH Call Option Deeds

In addition to the Loan Documents, a number of major shareholders of Futura have entered into binding call options with IRH in respect of their shares. These options are exercisable at IRH election, at a price of A\$3.15 per share, at any time within nine months from the date of execution of the call option. If exercised, this would result in a change of control of the Futura in favour of IRH with IRH holding more than 50% of shares in Futura. At the time of exercise, all remaining shareholders will be offered the opportunity to sell their shares to IRH at the same price, ensuring fair and equal treatment across the shareholder base.

Early Redemption of Convertible Notes and Share Subscription

During the Financial Year, Futura agreed to the early redemption of convertible notes with a number of convertible note holders.

The documentation comprised:

1. Early Redemption Deed – Convertible Note (**Early Redemption Deed**); and
2. Share Subscription Agreement for the Redemption Amount.

Summary of Transaction Documents

Early Redemption Deed	
The Early Redemption Deed sets out the early redemption of the Convertible Notes at par, along with a 16% early redemption fee for the remaining convertible note period.	
Early Redemption	<ul style="list-style-type: none"> • Futura to redeem convertible notes at face value (at par) (Redemption Amount), and the redemption of the face value of the convertible notes will occur via the issue of Futura shares. • Noteholders will voluntarily enter into a separate share subscription agreement for the subscription of these Futura shares. • Issue price of shares will be at a discounted price of \$2.16 per share (the equivalent of a 10% incentive).
Early Redemption Fee	<ul style="list-style-type: none"> • As part of the Early Redemption, Noteholders will also receive an Early Redemption Fee which will comprise 16% of the Face Value of the Convertible Notes calculated from the date of early redemption of the notes until the original Maturity date of the Convertible Notes. • The Redemption Fee is payable in cash.
Existing Interest under Convertible Notes	<ul style="list-style-type: none"> • Interest under the existing Convertible Notes will continue to accrue at 21% until the Early Redemption Date (completion date). Such accrued Interest will be paid by the Company to the noteholder in cash. • However, any obligation of the Company to pay interest under the Convertible Notes is suspended until the early redemption date (or the date of termination of the Deed of Early Redemption, in the event the conditions precedent are not satisfied).
Conditions Precedent	<p>Completion of the Early Redemption is conditional on the satisfaction of following conditions (Conditions):</p> <ul style="list-style-type: none"> • The Company completing a re-finance of its secured debt with Trafigura or such other appropriate financing the Company believes (in its absolute discretion) is required to satisfy its operational and working capital needs; and

Directors' Report

	<ul style="list-style-type: none"> any third party and regulatory approvals or board approvals required to implement the Early Redemption. <p>These Conditions are for the benefit of the Company and can only be waived by the Company.</p> <p>If the Conditions are not satisfied within 90 days of execution of the Transaction Documents, either party is entitled to terminate the agreement without penalty (however, at this point Futura would be obligated to pay any overdue interest under the Convertible Notes).</p> <p>The Conditions have not yet been satisfied.</p>
Early Redemption Date	The Early Redemption Date (completion date) is the date that is 5 Business Days after satisfaction of the Conditions.

Subscription Agreement (Redemption Amount)

Subscription Shares	<ul style="list-style-type: none"> Noteholders who elect to redeem their Convertible Notes early and who execute the Deed of Early Redemption, have voluntarily elected to enter a share subscription agreement with the Company, and the Company on behalf of the Noteholder, will apply the Redemption Amount in full payment of the total aggregate Futura shares under the Subscription Agreement (at the Subscription Price). This Subscription Agreement is executed at the same time as the Early Redemption Deed.
Subscription Price	\$2.16 per Share (equates to 10% incentive).
Interconditionality	Issue of the subscription of shares is conditional on satisfaction of the Conditions under Early Redemption Deed.

The Early Redemption Deed had been offered to all Futura noteholders, and vast majority of noteholders by value have agreed to early redemption.

Shareholder and Director Loans

During the financial year in July 2024, the Company received a \$250,000 loan from Donald Carroll. The additional loan provided by Donald Carroll to the Company was repaid and extinguished in full.

Directors' Report

Short Term Loans

Baker Steel Resources Trust Limited

During the Financial Year, the Company received a short-term loan of AUD\$1.4 million from Baker Steel Resources Trust Limited with 3 months repayment and bear interest at 2% per month. This loan is outstanding as on the date of the report.

Strickland Metals Limited

On 08 April 2025 the Company received an AUD\$800,000 from Strickland Metals Limited with an interest rate of 2% per day and was repaid and extinguished in full on 9 April 2025.

NextGen Coal Pty Ltd

During the Financial Year, the Company received a short-term loan for a total amount of AUD\$250,000 from NextGen Coals Pty Limited with 3 months repayment and bears interest at 2% per month. These loans are outstanding as on the date of the report.

Equentia Natural Resources Pte Ltd

During the financial year in July 2024, Futura received:

- (a) a USD\$1million loan from Equentia Natural Resources Pte Ltd (**Equentia**); and
- (b) a USD\$1million loan from Rajiv Ramnarayan (**Rajiv**).

The loans from Equentia and Rajiv had a 3-month repayment term and bear interest at 2% per month. These loans were repaid and extinguished in full during the Financial Year.

Directors' Report

Information on Board

The names and details of the Directors and the Company Secretary of the Group in office at the date of this report are as follows:

Mr Donald Carroll, Chairman

Mr Carroll is a former senior executive with BHP Limited including the following: Group General Manager Marketing of BHP Asia, Country Head and President of BHPB Japan, Country Head and President of BHPB India.

Mr Cameron Vorias, Director

Mr Vorias is the former Chief Operating Officer of Q Coal and Peabody Energy Australia. He is currently Managing Director and Chief Executive Officer of Sojitz Coal (owner and operator of Minerva Coal Mine, Central Queensland) and previously a General Manager at Excel Coal, New Hope Coal (New Acland Coal Mine).

Mr Timothy Lowry, Director

Mr Lowry has 38 years' experience spanning multiple commodities, including dry and wet bulk cargoes, gas and containers. He is a shipping and ocean freight logistics specialist.

Mr Trevor Steel, Director

Mr Steel is the former Senior Portfolio Manager at Merrill Lynch Investment Managers, specialising in natural resources. He is currently the Chief Investment Officer and Managing Partner at Baker Steel. He has a degree in Geology from the Royal School of Mines Imperial College, London.

Mr Trent Franklin, Director

Mr Franklin holds qualifications in finance, risk management, a Bachelor of Science (Geology/Geophysics) from the University of Sydney and is a graduate of the Australian Institute of Company Directors. Mr Franklin is Managing Director of Enrizen Financial Group, a financial services, accounting and legal firm. He is also a director of listed company Strickland Metals Limited and Company Secretary of listed company Silver Mines Limited. He has previously served as a Director of the Australian Olympic Committee Inc and the Australian Olympic Foundation.

Mr Clement Ko, Director (resigned 30 September 2024)

Mr Ko holds an MBA from the University of New South Wales. Mr Ko commenced his career as a Marketing Manager in the BHP Asian regional marketing office based in Hong Kong. Mr Ko remained at BHP for 10 years before setting out to establish his own highly successful marketing business Pacific Minerals. Initially he focussed on China and has since expanded to other Asian countries such as Korea and more recently India.

Mr Kar Chua, Company Secretary

Mr Chua is a member of the Institute of Chartered Accountants in Australia and New Zealand. He has a range of experience in assisting several ASX-listed companies with their reporting, company secretarial and accounting functions, in addition to having a background in financial reporting for the Australia/New Zealand operations of a substantial multi-national group. He is currently Company Secretary of listed company Gateway Mining Limited.

Directors' Meetings

During the Financial Year, 11 meetings of directors (including committees) were held.

Directors	Meetings eligible to attend	Meetings attended
D. Carroll	11	11
C. Vorias	11	11
T. Lowry	11	11
T. Steel	11	11
T. Franklin	11	11
C. Ko	1	0

Directors' Report

Environmental Regulation

The Group's operations are subject to various environmental regulations under Queensland State Legislation and Regulations. The directors are not aware of any material breaches during the financial year.

Significant Changes in the State of Affairs

Except as already disclosed in this financial report, no significant changes in the Company's state of affairs occurred during the Financial Year.

Future Developments, Prospects and Business Strategies

The directors believe, on reasonable grounds, that it would unreasonably prejudice the interests of the Group if any further information on likely developments, future prospects and business strategies in the operations of the Group and the expected results of these operations, were included herein.

Financial Results

The loss of the Company for the year ended 30 June 2025 after providing for income tax amounted to \$43,193,940 (2024: \$8,292,931).

Proceedings on Behalf of the Group

On 27 August 2020, Fairhill and Peter Comiskey and Denise Comiskey (collectively **Comiskeys**) had executed a compensation agreement under which Fairhill was required to pay \$7,500,000 as compensation for utilising the land owned by Comiskeys in accordance with the Compensation Agreement.

On 10 June 2024, the Comiskeys filed an originating application with the Supreme Court of Queensland (**Supreme Court**) against Fairhill seeking the following:

- (a) a declaration that Fairhill is bound by an agreement made on 3 April 2023 to renegotiate, afresh, the compensation payable to the Comiskeys under the Compensation Agreement; and
- (b) an interim injunction restraining Fairhill and its agents from commencing mining activities pursuant to ML 700043 on the land, until such time as the parties have finalised their compensation renegotiations and payment has been made by Fairhill to the Comiskeys,

(Comiskey Claim).

On 31 July 2024, Fairhill was successful in defending the Comiskey Claim with the Supreme Court dismissing the Comiskey Claim. The Comiskeys' were ordered to pay Fairhill's costs.

The Comiskeys' subsequently lodged an appeal in the Queensland Supreme Court of Appeal (**Court of Appeal**) on 28 August 2024 challenging the decision of the Supreme Court (**Appeal**). On 2 October 2024, the parties mutually agreed to dismiss the appeal.

On 25 October 2024, the Comiskey's lodged an application with the Land Court of Queensland (**Land Court**) seeking among other things a review by the Court of the compensation originally agreed in the Comiskey Compensation Agreement (**Land Court Proceedings**).

On 22 May 2025, the Land Court dismissed the Land Court Proceedings, ordering that the parties bear their own costs.

Directors' Report

On 6 June 2025, the Comiskeyes filed a Notice of Appeal in the Land Appeal Court, appealing against the whole of the Land Court decision. The Comiskeyes appeal makes the same claims in the Land Appeal Court as were made in the Land Court. The matter has been listed for hearing in the Land Appeal Court on 24 March 2026.

Futura expects to be successful in the Land Appeal Court as it has been in the Supreme Court and Land Court to date.

No other person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Indemnifying Officers

The Group has paid a premium to insure the directors and officers of the Group.

The insurance agreement limits disclosure of premium details.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Indemnity and Insurance of Auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Securities over Unissued Capital

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	Exercise Price	Expiry Date
300,000	\$2.00	31/12/2026 (vested 9/11/2021)
350,000	\$2.00	31/12/2026 (vested 9/5/2022)
200,00	\$2.00	22/04/2026
400,000	\$3.00	29/11/2027

Directors' Report

As at the date of this report unissued ordinary shares of the Company subject to performance rights are:

Number of Performance Rights Granted	Vesting Milestone	Expiry Date
150,000	Vest upon the government grant of approval to increase ROM production at Fairhill above 2 million tonnes per annum at any time before the Expiry Date.	31/10/2025
150,000	Vest upon the delivery of an extension area (at Wilton or Fairhill) comprising no less than 30 million tonnes additional JORC compliant coal Proven and Probable Reserve and increasing the combined approved annual production rate of run of mine coal from the Company's projects above 4 million tonnes per annum at any time before the Expiry Date.	31/10/2026
150,000	Vest upon the completion of the rail level crossing and road upgrade required to enable the delivery of AAB-Quads on haulage route, Wilton and Fairhill to the Gregory Coal Handling and Processing Plant at any time before the Expiry Date.	31/10/2025
150,000	Vest upon the receipt by the Company of a conditional admission letter from ASX relating to a Listing at any time before the Expiry Date with the Company at the time of Listing having an enterprise value of not less than \$300,000,000.	31/08/2026

These options and performance rights do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of options and performance rights are not entitled to any voting rights until the options are converted into ordinary shares.

Directors' Report

Events Subsequent to Reporting Date

Re-allocation of Operational Resources – Wilton to Fairhill

Subsequent to the Financial Year, the Company undertook a review of the deployment of operational assets (people, equipment, infrastructure) between the operating pits. This review was undertaken with direct reference to the road haulage approvals, and the limitations currently placed on total coal haulage as a result of those approvals.

The key outcome of this review was that coal from the Fairhill pit is yielding higher at the CHPP and generating higher revenue for the Company than coal from the Wilton pit. As such, with haulage limitations in place, the decision was made to prioritise maximising the haulage of Fairhill pit coal. This resulted in the operational resources of the business being focused on the Fairhill Pit, with only rehabilitation works and pit maintenance activities being conducted at the Wilton pit since September 2025.

The Company plans to re-allocate resources back to the Wilton pit upon the release of the next haulage limit threshold, such release expected to occur late in the Jan-2026 Quarter with coal production to resume from the Wilton pit in July 2026.

XCMG Equipment Purchase

Subsequent to the Financial Year, Futura entered into an equipment sales contract with Australia XG Mining Engineering Pty Ltd ACN 641 694 019 (**XG Mining**) to purchase equipment and accessories (**Collateral**) for the pithead air separation pre-gangue discharge project (**Equipment Sales Agreement**). The Purchase Price for a single complete set was AUD\$6,000,000.

To facilitate Futura's purchase of equipment under the Equipment Sales Agreement, XCMG Engineering Solutions Australia Pty Ltd ACN 633 968 340 (**XCMG**) provided Alternative Debt Financing to Futura on the terms set out in a separate loan agreement (**XCMG Loan Agreement**).

As part of these terms, XCMG agreed to make directional payments on Futura's behalf to XG Mining under the Equipment Sales Agreement. In exchange, Futura (as grantor) agreed to grant XCMG (as secured party):

- (a) a first ranking specific security over the Collateral, exclusive to all other existing security interests, including the security held by Gamma Mining over the Collateral; and
- (b) a general security over all present and after acquired property of Futura, Wilton, Fairhill and Coal of Queensland, subordinated to both Gamma Mining and Trafigura Asia Trading Pte. Ltd.,

to secure the obligations of Futura to repay the principal amount under the Alternative Debt Financing (**XCMG Security Interest**).

For completing the transaction with XCMG, Futura executed the following documents:

1. XCMG Loan Agreement for the advance of AUD \$6,000,000;
2. XCMG Security Interest in favour of XCMG;
3. Pre-positioned Spare Parts Contract; and
4. Equipment Sales Contract.

Directors' Report

XCMG Placement

Subsequent to the Financial Year, Futura completed a \$3 million strategic placement to XCMG through the issue of 1,000,000 shares at \$3.00 each. The placement strengthens Futura's capital position and introduces a globally recognised industrial partner, with potential for future collaboration across project development and equipment supply.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Equentia Short Term Loan

Subsequent to the Financial Year, Futura received a USD\$2million loan from Equentia Natural Resources Pte Ltd (**Equentia**).

The loan from Equentia had a 3-month repayment term and bear interest at 2% per month. The loan remains outstanding as at the date of this report.

L11 Capital Short Term Loan

Subsequent to the Financial Year, on 04 July 2025 Futura received a \$250,000 loan from L11 Capital Pty Ltd. The loan had a repayment date of 11 July 2025 and was duly repaid along with all outstanding interest.

Baker Steel Short Term Loan

Subsequent, to the Financial Year, on 20 October 2025, Company received a short-term loan of USD\$1.05 million from Baker Steel Resources Trust Limited repayable by 29 November 2025 with a loan fee of US\$31,500 payable to Baker Steel on maturity. This loan is outstanding as on the date of the report.

Directors' Report

Auditors Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the year ended 30 June 2025 is enclosed and forms part of this annual report.

The directors' report is signed in accordance with a resolution of the Board of Directors.




Donald Carroll
Chairman

Date: 9 December 2025

Auditor's Independence Declaration Under Section 307c of the *Corporations Act 2001* to the Directors of Futura Resources Limited

As lead engagement partner, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Sydney



Richard Gregson
Partner

9 December 2025
Perth

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue	2	32,089,868	4,818,977
Cost of goods sold	3	(58,478,005)	(2,885,133)
Gross Profit		(26,388,137)	1,933,844
Foreign exchange (losses)/gains		(13,151)	16,680
Royalties		(3,441,324)	(801,479)
Depreciation and amortisation	3	(4,923,628)	(813,680)
Marketing and distribution expenses		(975,042)	(96,150)
Corporate administration expenses		(3,739,758)	(3,420,020)
Share based payment expenses	3	(680,884)	(1,724,997)
Fair value through profit & loss		(254,621)	-
Loss before net finance income		(40,416,545)	(4,905,802)
Financial income		123,085	52,533
Financial expense	3	(13,764,196)	(6,356,858)
Net finance expenses		(13,641,111)	(6,304,325)
Loss before income tax expenses		(54,057,656)	(11,210,127)
Income tax benefits	18	10,863,716	2,917,196
Loss for the year		(43,193,940)	(8,292,931)
Total comprehensive loss for the year		(43,193,940)	(8,292,931)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As of 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current Assets			
Cash and cash equivalents	4	8,183	5,556
Trade and other receivables	5	3,504,663	1,339,662
Inventories	6	15,668,232	9,063,129
Total Current Assets		19,181,078	10,408,347
Non-Current Assets			
Exploration and evaluation expenditure			
	7	67,612,352	70,831,613
Deferred development costs	8	-	7,500,000
Right of use assets	9	1,858,964	1,994,161
Property, plant and equipment	10	22,733,765	7,290,611
Intangible assets	11	22,977,399	14,332,555
Financial assets	12	6,723,480	2,385,529
Deferred tax assets	18	6,674,557	-
Total Non-Current Assets		128,580,517	104,334,469
Total Assets		147,761,595	114,742,816
Liabilities			
Current Liabilities			
Trade and other payables	13	28,959,288	16,222,321
Employee provisions	14	692,915	164,658
Loans and borrowings	15	63,327,330	16,416,117
Financial liabilities	16	30,454,621	30,200,000
Provision for income tax	18	5,076,671	5,076,671
Unearned revenues	20	6,279,381	-
Total Current Liabilities		134,790,206	68,079,767
Non-Current Liabilities			
Deferred tax liabilities	18	-	4,189,158
Employee provisions	14	31,536	12,182
Loans and borrowings	15	10,717,342	-
Provision for rehabilitation	21	4,087,579	1,813,721
Total Non-Current Liabilities		14,836,457	6,015,061
Total Liabilities		149,626,663	74,094,828
Net Assets		(1,865,068)	40,647,988
Equity			
Issued capital	17	13,783,428	13,783,428
Options reserves	17	2,177,586	1,751,632
Performance rights reserves	17	394,618	139,688
Retained earnings		(18,220,700)	24,973,240
Total Equity		(1,865,068)	40,647,988

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity For the year ended 30 June 2025

	Notes	Ordinary Shares \$	Performanc e rights and Loan shares reserve	Share based payment reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2023		13,664,428	-	166,323	33,266,171	47,096,922
Transactions with owners, in their capacity as owners						
Issue of shares		119,000	-	-	-	119,000
Loan shares reserve		-	1,585,309	-	-	1,585,309
Performance rights issued		-	139,688	-	-	139,688
Total transactions with owners, in their capacity as owners		119,000	1,724,997	-	-	1,843,997
Comprehensive income for period						
Loss attributable to owners of the company		-	-	-	(8,292,931)	(8,292,931)
Total comprehensive income for the period		-	-	-	(8,292,931)	(8,292,931)
Balance at 30 June 2024 / 1 July 2024		13,783,428	1,724,997	166,323	24,973,240	40,647,988
Transactions with owners, in their capacity as owners						
Loan shares reserve		-	425,954	-	-	425,954
Performance rights issued		-	254,930	-	-	254,930
Total transactions with owners, in their capacity as owners		-	680,884	-	-	680,884
Comprehensive income for period						
Loss attributable to owners of the company		-	-	-	(43,193,940)	(43,193,940)
Total comprehensive income for the period		-	-	-	(43,193,940)	(43,193,940)
Balance at 30 June 2025	17	13,783,428	2,405,881	166,323	(18,220,700)	(1,865,068)

The accompanying notes form part of these financial statements.

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

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		37,652,122	4,818,977
Payments to suppliers		(66,531,602)	(14,339,303)
Interest received		123,085	52,533
Interest paid		(6,643,305)	(357,536)
Net cash used in operating activities		(35,399,697)	(9,825,329)
Cash flows from investing activities			
Payments for exploration expenditure		(954,628)	(8,931,333)
Payment for deferred development costs		-	(194,500)
Payment for PPE acquisition		(14,389,156)	(4,878,565)
Payment for tenure compensation		(105,000)	-
Right of use assets		-	(2,027,961)
Payment of financial provision surety bond		(4,319,751)	(2,308,106)
Payment for leasing bond		(18,200)	(13,280)
Net cash used in investing activities		(19,786,735)	(18,353,745)
Cash flows from financing activities			
Proceeds from borrowings		62,326,006	2,305,140
Repayment of borrowings		(6,124,196)	(295,258)
Payments for loan transaction costs		(1,086,316)	-
Convertible notes		-	26,150,000
Net cash from financing activities		55,115,496	28,159,882
Net decrease in cash and cash equivalents		(70,936)	(19,192)
Cash at beginning of the year		5,556	24,748
Cash and cash equivalents at end of the year	4	(65,380)	5,556

The accompanying notes form part of these financial statements.

1. Material Accounting Policies Information

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASB) and the requirements of Corporations Act 2001 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Australian dollars which is the Group's presentation and functional currency.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Critical accounting estimates and significant judgements used in applying accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1. Material Accounting Policies (Continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined at the CGU level, which has been determined to be one. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying coal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as coal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised if they are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Company's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs will include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site, when relevant.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has been incurred as at the reporting date. Increases due to additional environmental disturbance (to the extent that it relates to the development of an asset) are capitalised and amortised over the remaining lives of the mines.

Annual increases in provision relating to the change in the present value of the provision are accounted for in earnings. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from sale of assets or from plant clean-up at closure.

1. Material Accounting Policies (Continued)

Deferred development costs

Deferred development costs represent the costs incurred in preparing mines for production and includes land compensation. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering land compensation costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised if they are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Income Tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Dry hire agreements

The Group utilizes dry hire agreements for mining equipment on a short-term basis without a service component. These agreements include an initial lease term of 12-month extension, which management has determined is not reasonably certain to be exercised under current plans. Consequently, these leases are classified as short-term under AASB 16, with no right-of-use asset or lease liability recognized. Lease payments are expensed as incurred or on a straight-line basis over the lease term. This classification supports the Company's operational flexibility needs.

Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

Share-based payments

(i) Equity-settled share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date. Fair value excludes the effect of non-market-based vesting conditions. The fair value is charged to the consolidated statement of income and credited to retained earnings on a straight-line basis over the period the estimated awards are expected to vest.

At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

1. Material Accounting Policies (Continued)

(ii) Cash-settled share-based payments

For cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market and non-market-based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in fair value recognised in the consolidated statement of income.

Foreign currency translation

Futura's reporting currency and the functional currency of the majority of its operations is the US dollar as this is assessed to be the principal currency of the economic environment in which it operates.

(i) Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. Non-monetary items measured in terms of historical cost are translated using the exchange rate at the date of the transaction. The resulting exchange differences are recorded in the consolidated statement of income.

Property, plant and equipment and intangible assets – estimation of the remaining useful economic life of assets for depreciation and amortisation purposes

Property, plant and equipment and intangible assets are depreciated / amortised to estimated residual values over the estimated useful lives of the specific assets concerned, or the estimated remaining life of the associated mine, field or lease, using a straight-line or a unit of production over recoverable reserves method. The estimated useful lives of our specific assets and / or operations (and therefore the rate of depreciation / amortisation) aligns with, and reflects, our emissions reduction commitments and ambition.

(c) Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued losses before income tax of \$43,193,940 (2024: \$8,292,931), net current liabilities of \$115,609,128 (2024: \$57,671,420), as the directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations.

The Group's liquidity and cash flow requirements are supported through the following measures:

- a. maintaining tight control over operational and administrative expenditure;
- b. securing additional equity funding, including the AUD\$3 million placement to XCMG Engineering Solutions Australia Pty Ltd in September 2025;
- c. the Company's intention to raise a further USD\$90 million debt facility as part of the ongoing refinancing process;
- d. completion of the USD\$24 million Trafigura debt facility in July 2024;
- e. completion of the USD\$15 million Gemma Mining Ltd debt facility in May 2025;
- f. completion of the USD\$2 million Equentia Natural Resources Pte Ltd debt facility in August 2025; and
- g. the Company's intention to negotiate a payment arrangement with the Australian Tax Office ("ATO") in relation to the \$5,076,671 refundable R&D tax offset and any associated penalties (if applicable).

1. Material Accounting Policies (Continued)

The directors have prepared cash flow forecasts covering at least 12 months from the signed date of this report, incorporating the above initiatives and assumptions, including that existing loans and borrowings will not be recalled during this period. Accordingly, the Directors have prepared the financial report on the going concern basis. As such, the financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern. In the event that the Company is not able to achieve the above requirements, there is a material uncertainty whether the Company will continue as a going concern and realise its assets and extinguish liabilities in the normal course of business and at the amounts stated in the financial report.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(e) Comparatives

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Consolidated Entity presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. The consolidated financial statements present reclassified comparative information where required for consistency with the current year's presentation.

2. Revenue

	2025 \$	2024 \$
<i>Revenue from contracts with customers</i>		
Coal sales in Australia	32,089,868	4,818,977
Total	32,089,868	4,818,977

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The transaction price includes base price which is calculated as a percentage of the relevant index, provisional price will be applied when the base price is unavailable, with adjustments invoiced later, price Adjustment: Finalized based on weight and quality certifications to reflect the final consideration owed.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Payments received for future coal sales deliveries (prepayments) are accounted for as executory contracts whereby the prepayment is initially recorded as deferred revenue in the consolidated statement of financial position. The initial deferred revenue amount is unwound and revenue is recognised in the consolidated statement of income as and when the Company physically delivers the coal and loses control of it.

Sale of coal is recognised at the point of sale (point in time), which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

3. Expenses

	2025 \$	2024 \$
Profit before income tax includes the following specific expenses:		
<i>Cost of goods sold</i>		
Cost of goods sold	58,478,005	2,885,133
Total	58,478,005	2,885,133
<i>Depreciation and amortisation</i>		
Depreciation on fixed assets	77,440	27,199
Amortisation on development costs	4,846,188	793,891
Total	4,923,628	821,090
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	13,764,196	6,356,858
Total	13,764,196	6,356,858
<i>Superannuation expenses</i>		
Defined contribution superannuation expenses	1,064,402	232,162
Total	1,064,402	232,162
<i>Share based payments</i>		
Share based payments	680,884	1,724,997
Total	680,884	1,724,997
<i>Employee benefits</i>		
Included under cost of goods sold	12,185,360	2,969,385
Included under corporate administrative expenses	92,939	57,936
Total	12,278,299	3,027,321

4. Cash and Cash Equivalents

	2025 \$	2024 \$
Cash at bank	8,183	5,556
Total	8,183	5,556

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

The Group held cash at bank of \$8,183 and a bank overdraft of \$73,563 (refer to Note 15), resulting in a cash and cash equivalents balance of \$(65,380) for the purposes of the cash flow statement.

5. Trade and Other Receivables

	2025 \$	2024 \$
Other receivables	3,504,663	1,339,662
Total	3,504,663	1,339,662

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

6. Inventories

	2025 \$	2024 \$
Product coal	9,339,631	3,788,727
Run-of-mine (ROM) coal	1,336,983	1,892,611
Stores inventories	51,507	6,097
Overburden in advance	4,940,111	3,375,694
Closing balance	15,668,232	9,063,129

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The costing method of coal inventories is determined using an activity-based costing method. Cost includes direct material, overburden removal, mining, processing, labour, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. The tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

7. Exploration and Evaluation Expenditure

	2025 \$	2024 \$
Opening balance	70,831,613	79,444,771
Reclassification of exploration assets to mining tenements	(4,173,888)	(9,901,083)
Additions at cost	954,627	1,287,925
Closing balance	67,612,352	70,831,613

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas.

Mineral tenements, exploration and evaluation expenditure relate to the following projects:

	2025 \$	2024 \$
EPC 1235 Wilton Coal Project	65,329,664	64,699,646
EPC 2177 Fairhill Project	2,282,688	6,131,967
Closing balance	67,612,352	70,831,613

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profits in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from where exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Exploration and evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

8. Deferred development costs

	2025 \$	2024 \$
<i>Land compensation payments¹</i>		
Fairhill project	-	7,500,000
	<u>-</u>	<u>7,500,000</u>

¹ Land compensation payments represent amounts made to landholders neighboring the Fairhill exploration sites to gain access to the Group's sites. Following the commencement of the development phase, these expenditures have been recognised as Tenure Rights (refer to Note 11).

9. Right of Use Assets

	2025 \$	2024 \$
Mine development	2,027,961	2,027,960
Gregory Crinum CIP - Accumulated Amortization	(168,997)	(33,799)
	<u>1,858,964</u>	<u>1,994,161</u>

10. Property, Plant and Equipment

	2025 \$	2024 \$
Property, plant and equipment		
At cost	24,180,115	7,517,102
Accumulated depreciation	(1,446,350)	(226,491)
	<u>22,733,765</u>	<u>7,290,611</u>

	Plant & Mining Equipment	Buildings & Infrastructure	Software	Mine development	Work in progress	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2023	-	-	-	-	-	-
Additions	118,343	30,183	55,567	7,005,288	205,082	7,414,463
Depreciation expense	(15,980)	(3,810)	(7,409)	(96,654)	-	(123,853)
Balance at 30 June 2024	102,363	26,373	48,158	6,908,634	205,082	7,290,610
Additions	263,042	22,056	-	1,721,704	14,656,212	16,663,014
Depreciation expense	(70,628)	(6,812)	(22,227)	(1,120,192)	-	(1,219,859)
Balance at 30 June 2025	294,777	41,617	25,931	7,510,146	14,861,294	22,733,765

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items

10. Property, Plant and Equipment (continued)

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant & Mining Equipment	2-8 years
Buildings and Infrastructure	4-5 years
Software	2-3 years
Mine Development	10-40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

11. Intangible Assets

	2025 \$	2024 \$
Wilton		
Mining tenements	9,901,084	9,901,083
Accumulated amortization - tenements	(2,448,904)	(434,832)
	7,452,180	9,466,251
Fairhill		
Mining tenements	4,173,888	-
Accumulated amortization - tenements	(18,355)	-
	4,155,533	-
Total Mining Tenements	11,607,713	9,466,251
Wilton		
Tenure rights	5,087,500	5,087,500
Accumulated amortisation - tenure rights	(486,631)	(221,196)
	4,600,869	4,866,304
Fairhill		
Tenure rights	7,605,000	-
Accumulated amortisation - tenure rights	(836,183)	-
	6,768,817	-
Total Tenure rights	11,369,686	4,866,304
Total Intangible assets	22,977,399	14,332,555

12. Financial Assets

	2025 \$	2024 \$
Financial assurance bond	6,723,480	2,385,529
Total	6,723,480	2,385,529

Financial assurance is a security deposit held by the administering authority to ensure the holder of an environmental authority (EA) complies with the conditions of the EA and to cover potential rehabilitation costs.

13. Trade and Other Payables

	2025 \$	2024 \$
Trade and other payables	17,343,281	4,611,303
Accrued director fees	-	2,362,000
Accrued consulting fees	630,000	521,000
Accrued audit fees	125,000	100,000
Accrued expenses	6,145,952	3,709,790
Accrued convertible notes interest	4,650,715	4,918,228
Accrued loan interest	64,340	-
Total	28,959,288	16,222,321

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Convertible notes interest is due to be paid semi-annually.

14. Employee Provisions

	2025 \$	2024 \$
Current		
Provision for employee benefits	692,915	164,658
Total	692,915	164,658
Non-current		
Provision for employee benefits	31,536	12,182
Total	31,536	12,182

Short-term employee benefits

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

14. Employee Provisions (continued)

Other long-term employee benefits

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

15. Loans and Borrowings

	2025 \$	2024 \$
Current		
Bank overdraft	73,563	-
Loan - NTG Investments Group Pty Ltd	9,440,624	8,126,032
Loan - Aldersberg Limited	8,980,463	8,290,085
Loan - Baker Steel Resources Trust Limited	1,400,000	-
Loan - NextGen Coals Limited	450,000	-
Loan from Gamma Mining Ltd	22,965,734	-
Loan from Trafigura Asia Trading Pte Ltd	20,016,946	-
Total	63,327,330	16,416,117

	2025 \$	2024 \$
Non-current		
Loan from Trafigura Asia Trading Pte Ltd	10,717,342	-
Total	10,717,342	-

The above loans are principal and interest payable. The loans (unsecured) from NTG and Aldersberg have no fixed repayment terms. The interest rate is 15% and 8% respectively. Both of which are non-related third parties.

Loan from Gamma Mining Limited

The loan of USD\$15M (being approximately \$22M) from Gamma Mining Limited is a secured principal-and-interest facility with an 18-month term. It matures in October 2026. Interest accrues at 15% per annum, commencing four months after the drawdown date which was 15 May 2025.

The loan is secured under a general security deed of second ranking over all assets of Futura, Coal of Queensland, Wilton and Fairhill, including the mining tenements, other than the Stockpile and Stockpiled Product which Gamma Mining is granted a first-ranking security interest with the consent of Trafigura Asia Trading Pte Ltd (**Trafigura**). Coal of Queensland Pty Ltd, Fairhill Coking Coal Pty Ltd and Wilton Coking Coal Pty Ltd act as guarantors to the loan.

Loan from Trafigura Asia Trading Pte Ltd

The loan of USD\$24M (being approximately \$35M) from Trafigura Asia Trading Pte Ltd is a secured principal-and-interest facility with a 30-month term and an interest rate of 14% per annum. It matures in January 2027. Repayments of principal and interest are required quarterly, commencing after the repayment grace period, being the period of six months following the utilisation date in July 2024.

The loan is secured under a general security deed of first ranking over all assets of Futura, Wilton and Fairhill including the mining tenement., Fairhill Coking Coal Pty Ltd and Wilton Coking Coal Pty Ltd act as guarantors to the loan.

15. Loans and Borrowings (continued)

Loan covenants

The loans are subject to certain covenants. The lender may demand immediate repayment of the loans if the covenants are breached. The consolidated entity is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

16. Financial Liabilities

	2025 \$	2024 \$
Current		
Convertible notes	30,200,000	30,200,000
Convertible Note – Derivative Liability	254,621	-
Balance at the end of the financial year	30,454,621	30,200,000

Convertible note

The Group issued convertible notes with a face value of \$30.30 million in the prior year. Interest accrues at 21% per annum and the notes will mature three years from their date of issue. The fair value of the debt was quantified at \$30,300,000. The directors do not consider the fair value of the conversion option to have changed materially between the date of issue and the financial year end and consequently, no adjustments have been passed in this regard.

Accounting policy for convertible notes

Convertible notes are separated into the host liability and embedded derivative components based on the terms of the agreement. On issuance of the convertible notes, the liability component of hybrid financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is initially recognised at fair value. The host debt is carried at amortised cost using the effective interest method until it is extinguished on conversion or redemption.

Derivative conversion option

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. The embedded derivative is separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. The embedded derivative is measured at fair value with changes in value being recorded in profit or loss. The Group de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

17. Capital and Reserves

a. Issued Capital

	Number of Shares	\$
On issue at 1 July 2023	41,971,434	13,664,428
Conversion of convertible notes and interest	50,000	119,000
On issue at 30 June 2024	42,021,434	13,783,428
Shares issued under the loan share plan (i)	1,600,000	3,200,000
	43,621,434	16,983,428

Ordinary Shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

No dividends were declared or paid during the 2025 financial year (2024: Nil)

b. Option Reserve

	2025 \$	2024 \$
Balance at the beginning of the financial year	1,751,632	166,323
Option reserve movement	425,954	-
Shares issued under the loan share plan (i)	-	1,585,309
Balance at the end of the financial year	2,177,586	1,751,632

(i) The 5-year loan share plan is awarded to Donald Carroll and Cameron Vorias to purchase 800,000 Shares at an issue price of \$2.00 per share which amount to approximately \$1,600,000. The shares will be issued subject to the following conditions:

- 400,000 shares each to be issued immediately on acceptance of the offer;
- 200,000 shares each to be issued immediately, but will only vest on production of first saleable coal from the Wilton Project and will be subject to a holding lock until satisfaction of the Milestone; and
- 200,000 shares each to be issued immediately, but will only vest on production of first saleable coal from the Fairhill Project and will be subject to a holding lock until satisfaction of the Milestone;

Grant date	Expiry date	Exercise price	Balance at the start of the year	Grant	Exercised	Balance at the end of the year
10/11/2020	9/11/2025	\$ 2.00	650,000	-	-	650,000
11/12/2023	10/12/2028	\$ 2.00	1,600,000	-	-	1,600,000
			2,250,000	-	-	2,250,000

Weighted average exercise price \$2 \$2

17. Capital and Reserves (continued)

c. Performance Rights

	2025 \$	2024 \$
Balance at the beginning of the financial year	139,688	-
Performance rights movement	254,930	139,688
Balance at the end of the financial year	394,618	139,688

d. Share based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the board of directors, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the board of directors.

For the share loan granted during the year ended 30 June 2024, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Number of shares	Share price at grant date	Exercised price	Expected volatility	Risk-free interest rate
11/12/2023	10/12/2028	1,600,000	\$ 2.38	160,000	40.72%	3.67%

For the performance rights granted during the year ended 30 June 2024, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Number of performance rights	Share price at grant date	Exercised price	Expected volatility	Risk-free interest rate
13/12/2023	31/10/2025	150,000	\$ 2.38	Nil	NA	4.08%
13/12/2023	31/10/2026	150,000	\$ 2.38	Nil	NA	4.08%
13/12/2023	31/10/2025	150,000	\$ 2.38	Nil	NA	4.08%
13/12/2023	31/08/2026	150,000	\$ 2.38	Nil	NA	4.08%

18. Taxation

	2025 \$	2024 \$
(a) Reconciliation of income tax expense/(benefit) to prima facie tax payable		
Loss from continuing operations before income tax expense/(benefit)	(54,057,656)	(11,210,127)
Tax at the Australian rate of 25% (2024 – 25%)	(13,514,414)	(2,802,532)
<i>Tax effect amount which are not deductible in calculating taxable income:</i>		
Permanent differences - share based payments	170,221	431,249
Tax losses recognised in the year	(13,344,193)	(2,371,283)
Income tax attributable to operating loss	-	-

	2025 \$	2024 \$
(b) Deferred tax – Consolidated Statement of Financial Position		
<i>Deferred Tax Liabilities</i>		
Prepayments	-	(146,475)
Property, plant and equipment	-	(180,544)
Capitalised exploration and evaluation expenditure	(16,526,422)	(17,007,456)
Intangible assets	(2,578,147)	(2,344,082)
	(19,104,569)	(19,678,557)
<i>Less: Deferred Tax Assets</i>		
Accrued expenses	1,779,160	2,914,671
Employee entitlements	181,113	44,210
Tax losses available to offset against future taxable income	23,818,853	12,530,518
	25,779,126	15,489,399
Net deferred asset/(liability) tax balance	6,674,557	(4,189,158)
<i>Movements</i>		
Opening balance	4,189,158	7,106,354
Charged to profit or loss	(10,863,715)	(2,917,196)
Closing balance	(6,674,557)	4,189,158

18. Taxation (Continued)

(c) Provision for income tax

	2025 \$	2024 \$
Provision for Income tax	5,076,671	5,076,671
	5,076,671	5,076,671

Accounting policy

The current tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate and laws enacted or substantially enacted at the end of the financial year for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax expense or benefit associated with these items is recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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 value of deferred tax assets are reviewed at each reporting period and reduced to the extent that it is no longer probable that future taxable profit will be available to allow all or part of the asset to be recovered.

Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

19. Parent entity information

Statement of financial position	2025	2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	8,177	3,227
Trade and other receivables	1,253,359	805,695
Amount due from related company	97,524,221	33,866,138
Total current assets	98,785,757	34,675,060
Non-current assets		
Financial assets	10,617,868	6,298,107
Deferred development costs	-	7,450,000
Intangible assets	11,369,686	4,866,304
Deferred tax assets	6,674,558	-
Right of use assets	1,858,964	1,994,161
Total non-current assets	30,521,076	20,608,572
Total assets	129,306,833	55,283,632
Liabilities		
Current liabilities		
Bank overdraft	71,797	-
Trade and other payables	14,532,662	10,158,921
Provision for income tax	5,076,671	5,076,671
Loans and borrowings	63,053,767	16,416,117
Financial liabilities	30,454,621	30,200,000
Unearned revenues	6,279,381	-
Total current liabilities	119,468,899	61,851,709
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	4,189,158
Loans and borrowings	10,717,342	-
TOTAL NON-CURRENT LIABILITIES	10,717,342	4,189,158
Total liabilities	130,186,241	66,040,867
Net assets	(879,408)	(10,757,235)
Equity		
Issued capital	13,783,428	13,783,428
Reserve	2,572,204	1,891,320
Retained earnings	(17,235,040)	(26,431,983)
Total equity	(879,408)	(10,757,235)
Statement of comprehensive income		
Total profit /(loss) after income tax	10,490,769	(4,844,244)
Total comprehensive profit/(loss)	10,490,769	(4,844,244)

20. Unearned Revenues

	2025 \$	2024 \$
Unearned Revenues	6,279,381	-
	6,279,381	-

21. Provision

	2025 \$	2024 \$
Provision for rehabilitation	4,087,579	1,813,721
	4,087,579	1,813,721

Rehabilitation

The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the consolidated entity at the end of the exploration or mining activity.

22. Related Party Transactions

a) Directors and Key Management Persons

Key Management Persons	Position
Mr Donald Carroll	Chairman
Mr Cameron Vorias	Director
Mr Timothy Lowry	Director
Mr Trevor Steel	Director
Mr Trent Franklin	Director
Mr Clement Ko	Director (appointed 6 December 2023 and resigned 30 September 2024)
Mr Kar Chua	Company secretary
Mr Benjamin Dunlop	Chief executive officer (appointed 1 October 2023)

Total directors and key management persons' remuneration (including share-based payment of \$520,459) during the financial year 2025 is \$1,756,459 (2024: \$2,856,977).

b) Directors' loans

Donald Carroll has convertible notes with the group for a total of \$200,000. The convertible note's interest of \$42,000 was paid during the year and the accrued interest payable is \$31,414 as of 30 June 2025.

Ventura Resources Pty Ltd, a related entity of Cameron Vorias, has a convertible note with the group for a total of \$100,000. The convertible notes interest of \$21,000 was paid during the year and the accrued interest payable is \$15,246 as of 30 June 2025.

PML Investment Limited, a related entity of Clement Ko had a convertible note balance of \$5,000,000 during the year which were transferred to other noteholders and earned interest amounting to \$903,523 after deducting PAYG withholding tax.

NextGen Coal Limited, a related entity of Donald Carroll and Cameron Vorias, lent the Company \$250,000 during the year, with accrued interest amounting to \$822. The loan balance of \$250,000 remains payable as of 30 June 2025.

Enable Investment Manager Pty Ltd, a related entity of Trent Franklin, has a convertible note balance of \$500,000 during the year, with accrued interest amounting to \$77,383 as of 30 June 2025.

Baker Steel Resources Trust Limited ("BSRT") a related entity of Trevor Steel, lent the Company \$1,400,000 during the year. With accrued interest of \$63,518 as of 30 June 2025.

BSRT has convertible notes with the group for a total of \$4,700,000. The accrued convertible interest is \$ 709,397 as of 30 June 2025. The loan balance from Baker Steel Resources Trust Limited (a related party to Trevor Steel) is \$1,400,000 as of 30 June 2025. (2024: \$Nil).

c) Other

The royalty payable to Baker Steel Resources Trust Limited, an entity related to Trevor Steel, is \$Nil, with \$349,123 paid during FY2025, while the royalty payable to NextGen Coals Ltd, related to Donald Carroll and Cameron Vorias, is \$Nil, with \$187,107 paid in FY2025.

The marketing payable to NextGen Coals Ltd, related to Donald Carroll and Cameron Vorias, is \$378,126, of which \$220,022 was paid during FY2025.

22. Related Party Transactions (Continued)

The Company entered into the following transactions with related entities of Trent Franklin, a Director of the Company including Enrizen Pty Ltd received \$121,369 (2024: \$94,444) for insurance services; Enrizen Lawyers Pty Ltd received \$194,949 (2024: \$181,769) for legal and company secretarial services; Enrizen Accounting Pty Ltd received \$77,000 (2024: \$77,000) for accounting services; Enrizen Capital Pty Ltd received \$nil (2024:Nil). and Enrizen Services Pty Ltd received \$11,869 (2024: \$Nil).

d) Consolidated entities

The Group operates in the exploration industry in Australia only. The Group has the following 100% wholly owned subsidiaries whose transactions have been consolidated into the Group accounts:

Coal of Queensland Pty Ltd	acquired 12/09/2016
Fairhill Coking Coal Pty Ltd	acquired 12/09/2016
Wilton Coking Coal Pty Ltd	acquired 12/09/2016
COQ Mining Services Pty Ltd	acquired 12/09/2016
Futura Mining Services Pty Ltd	incorporated 16/02/2018
Futura GC Pty Ltd	incorporated 11/03/2020

23. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments

The Company has a commitment to pay royalties of 2.75% on gross revenue over the Wilton and Fairhill Projects.

The mining tenement commitment as at the 30 June 2025 is \$142,900 (2024: \$329,000).

R&D Proceedings

Orders were made by the Federal Court on 23 April 2021 in respect of Coal of Queensland Pty Ltd (**COQ**) v Innovation and Science Australia (**Innovation and Science**) and orders were also made by the High Court on 2 September 2021 (which dismissed COQ's application for special leave to appeal) (**Proceedings**).

COQ is a wholly owned subsidiary of the Parent and thus a member of the Group.

A summary of the proceedings is as follows:

1. For the income years ended 30 June 2012 to 30 June 2014, Innovation and Science granted COQ a research and development grant. COQ accordingly submitted a project that focused on developing new mining beneficiating processes to Innovation and Science for rebate of funds pursuant to the research and development grant (**Project**). These activities therefore give rise to deductions and tax offsets of \$5,076,671 in favour of COQ for the income years ended 30 June 2012, 2013 and 2014. The total legal costs of Innovation and Science totalled \$106,300 (excluding GST).
2. Innovation and Science challenged that the Project was eligible for a rebate of funds.
3. On or about 28 May 2015, Innovation and Science concluded, pursuant to section 27J of the *Industry Research and Development Act 1986* (Cth) (**IRD Act**), that the Project was not considered a "core R&D activity" or "supporting R&D activities" within the meaning of section 4 of the IRD Act and sections 355-25 and 355-30 of the *Income Tax Assessment Act 1997* (Cth) (the **Decision**).
4. COQ sought a review of the Decision in the Administrative Appeals Tribunal on the grounds that the Project did not fall within the ordinary course of exploring or prospecting for minerals. The Administrative Appeals Tribunal did not accept COQ's submissions and affirmed the Decision (**AAT Decision**).
5. COQ lodged an application for judicial review of the AAT Decision in the Federal Court on the basis that the Administrative Appeals Tribunal did not correctly assess the evidence provided by COQ and that as a result the purpose of the Project was misunderstood. For this reason, COQ considered that the Project should be considered a R&D activity or supporting R&D activities.
6. On 23 April 2021, the Federal Court order that the appeal be dismissed, with the applicant required to pay the respondent's costs of the appeal.

23. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments (Continued)

7. On or about May 2021, COQ lodged an application for special leave to appeal with the High Court of Australia on the basis that the Federal Court erred:

- (a) in failing to recognise that the adoption at a point in time of a conceptually different approach to the carrying out of activities intended to identify improvements to be made to existing coal mining and beneficiation processes, or new processes which could be developed to enable the mining, processing and handling (transporting) of coal in the highly banded coal seams in the Fort Cooper Coal Measures, does not preclude activities undertaken prior to the adoption of the conceptually different approach from being directly related to, and undertaken for the dominant purpose of supporting, activities undertaken in adoption of the conceptually different approach; and
- (b) erred in failing to conclude that the Administrative Appeals Tribunal in proceeding 1017/1135 erred in failing to consider the submission advanced by the applicant, that drilling and survey activities undertaken in the year of income ended 30 June 2012 should be regarded as “supporting R&D activities” within the meaning of s 355-30 of the Income Tax Assessment Act 1997.

On 2 September 2021, the High Court of Australia dismissed the application of special leave to appeal with costs. Legal fees of \$106,300, as recorded as provision as at 30 June 2021, were subsequently paid to Innovation Australia pursuant to the decision.

The \$5,076,671 received as part of Research and Development tax concession will need to be refunded to the Australian Tax Office and had been recorded as current liabilities as at 30 June 2024. The Group has not received any tax notices from the ATO and the directors are of the opinion that it is uncertain whether the ATO will impose on penalties or interests. No provision has been recognised on the balance sheet as at 30 June 2024.

The Board of Directors believe that there are no other contingent liabilities or capital equipment commitments up to or subsequent to the 30 June 2025 (2024: Nil) for either the parent company or its subsidiary.

24. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Crowe Sydney, the auditor of the company, its network firms and unrelated firms:

	2025 \$	2024 \$
Audit of the financial statements	125,000	100,000

25. Events Subsequent to Reporting Date

Re-allocation of Operational Resources – Wilton to Fairhill

Subsequent to the financial year, the Company undertook a review of the deployment of operational assets (people, equipment, infrastructure) between the operating pits. This review was undertaken with direct reference to the road haulage approvals, and the limitations currently placed on total coal haulage as a result of those approvals.

The key outcome of this review was that coal from the Fairhill pit is yielding higher at the CHPP and generating higher revenue for the Company than coal from the Wilton pit. As such, with haulage limitations in place, the decision was made to prioritise maximising the haulage of Fairhill pit coal. This resulted in the operational resources of the business being focused on the Fairhill Pit, with only rehabilitation works and pit maintenance activities being conducted at the Wilton pit since September 2025.

The Company plans to re-allocate resources back to the Wilton pit upon the release of the next haulage limit threshold, such release is expected to occur late in the Jan-2026 Quarter with coal production to resume at the Wilton pit in July 2026.

XCMG Equipment Purchase

Subsequent to the financial year, Futura entered into an equipment sales contract with Australia XG Mining Engineering Pty Ltd ACN 641 694 019 (**XG Mining**) to purchase equipment and accessories (**Collateral**) for the pithead air separation pre-gangue discharge project (**Equipment Sales Agreement**). The purchase Price for a single complete set was AUD\$6,000,000.

To facilitate Futura's purchase of equipment under the Equipment Sales Agreement, XCMG Engineering Solutions Australia Pty Ltd ACN 633 968 340 (**XCMG**) provided Alternative Debt Financing to Futura on the terms set out in a separate loan agreement (**XCMG Loan Agreement**).

As part of these terms, XCMG agreed to make directional payments on Futura's behalf to XG Mining under the Equipment Sales Agreement. In exchange, Futura (as grantor) agreed to grant XCMG (as secured party):

- (c) a first ranking specific security over the Collateral, exclusive to all other existing security interests, including the security held by Gamma Mining over the Collateral; and
- (d) a general security over all present and after acquired property of Futura, Wilton, Fairhill and Coal of Queensland, subordinated to both Gamma Mining and Trafigura Asia Trading Pte. Ltd.,

to secure the obligations of Futura to repay the principal amount under the Alternative Debt Financing (**XCMG Security Interest**).

For completing the transaction with XCMG, Futura executed the following documents:

- 5. XCMG Loan Agreement for the advance of AUD \$6,000,000;
- 6. XCMG Security Interest in favour of XCMG;
- 7. Pre-positioned Spare Parts Contract; and
- 8. Equipment Sales Contract.

XCMG Placement

Subsequent to the Financial Year, Futura completed a \$3 million strategic placement to XCMG through the issue of 1,000,000 shares at \$3.00 each. The placement strengthens Futura's capital position and introduces a globally recognised industrial partner, with potential for future collaboration across project development and equipment supply.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Equentia Short Term Loan

Subsequent to the financial year, on 9 July 2025, Futura received a USD\$2million loan from Equentia Natural Resources Pte Ltd (**Equentia**).

The loan from Equentia had a 3-month repayment term and bears interest at 2% per month. The loan remains outstanding as at the date of this report.

L11 Capital Short Term Loan

Subsequent to the Financial Year, on 4 July 2025, Futura received a \$250,000 loan from L11 Capital Pty Ltd. The loan had a repayment date of 11 July 2025 and was duly repaid along with all outstanding interest.

Baker Steel Short Term Loan

Subsequent, to the Financial Year, on 20 October 2025, the Company received a short-term loan of USD\$1.05 million from Baker Steel Resources Trust Limited repayable by 29 November 2025 with a loan fee of US\$31,500 payable to Baker Steel on maturity. This loan is outstanding as on the date of the report.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

26: COMPANY DETAILS

The registered office and principal place of business of the Group is:

Futura Resources Limited

Level 28

88 Phillip Street,

Sydney NSW 2000

Australia

Tel: +61 2 8316 3992

Fax: +61 2 8316 3999

**Consolidated Entities Disclosure Statement
For the year ended 30 June 2025**



Entity name	Entity type	Country of incorporation	Country of tax residence	2025 Percentage of capital held	2024 Percentage of capital held
Futura Resources Limited	Body Corporate	Australia	Australia	N/A	N/A
Coal of Queensland Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Fairhill Coking Coal Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Wilton Coking Coal Pty Ltd	Body Corporate	Australia	Australia	100%	100%
COQ Mining Services Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Futura Mining Services Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Futura GC Pty Ltd	Body Corporate	Australia	Australia	100%	100%

Directors' Declaration

The directors declare that:

- 1 the financial statements and notes, as set out on pages 22 to 52 are in accordance with the Corporations Act 2001 and:
 - (a) comply with the Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the consolidated entity; and
 - (c) comply with International Financial Reporting Standards as issued by the International Accounting Standard Board as described in note 1 to the financial statements;
- 2 the Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view;
- 3 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 4 the disclosures on page 52 relating to the consolidation entity and its subsidiaries are true and correct at 30 June 2025, in accordance with the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Donald Carroll
Chairman

Date: 9 December 2025

Independent Auditor's Report to the Members of Futura Resources Limited

Opinion

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

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report which outlines the directors' assessment in relation to the appropriateness of the going concern basis for the preparation of the financial statements. The matters as set out in Note 1(c) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, and whether it will realise the assets and extinguish its liabilities in the normal course of business, at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

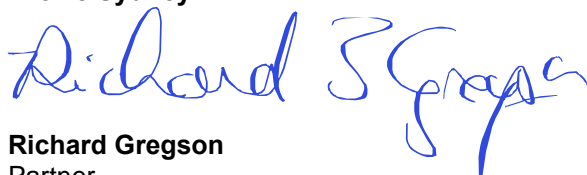
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

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

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



Crowe Sydney



Richard Gregson
Partner

9 December 2025
Perth



**Futura
Resources**



2024

ANNUAL REPORT

ABN 64 113 707 458

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ABN 64 113 707 458

Directors:

Mr Donald Carroll (Chairman)
Mr Cameron Vorias (Director)
Mr Timothy Lowry (Director)
Mr Trevor Steel (Director)
Mr Trent Franklin (Director)
Mr Clement Ko (Director, appointed 6 December 2023 and resigned 30 September 2024)

Company Secretary

Mr Kar Chua

Registered Office

Level 28, 88 Phillip Street,
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Telephone: 02 8316 3992
 07 3149 8225
Facsimile: 02 8316 3999

Brisbane Office

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Brisbane QLD 4000

Mine Site

Wilton and Fairhill Mines Fairhill Road
Lilyvale QLD 4000

Auditors:

Crowe Sydney
Chartered Accountants
Level 24
1 O'Connell Street
Sydney NSW 2000

Directors' Report

The Directors of Futura Resources Limited and its controlled entities (**Futura**, the **Group** or the **Company**) present their report, together with the financial statements for the year ended 30 June 2024 (**Financial Year**).

Directors

The names of the directors of the Company during or since the end of the financial year are:

Mr Donald Carroll	(Chairman)
Mr Cameron Vorias	(Director)
Mr Timothy Lowry	(Director)
Mr Trevor Steel	(Director)
Mr Trent Franklin	(Director)
Mr Clement Ko	(Director) (appointed 6 December 2023 and resigned 30 September 2024)

Principal Activities

The principal activities of the company during the financial year were in the mining and exploration industry, principally the development and mining of coal.

Operation Review

During the Financial Year, the Company has continued the development of its two large, adjacent coking coal projects in the Bowen Basin, Queensland (**Projects**), which it holds via its wholly owned subsidiaries, Wilton Coking Coal Pty Ltd and Fairhill Coking Coal Pty Ltd (together **Wilton Fairhill**).

The Financial Year was transformational for the Company, seeing the transition from exploration to development and operation at the Wilton Project (**Wilton** or the **Wilton Mine**), facilitated by the successful Convertible Note capital raise completed in October 2023, followed by development of the mine commencing in December 2024.

Subsequent to the Financial Year (July 2024) Futura also obtained the necessary funding to bring the Fairhill Project (**Fairhill** or the **Fairhill Mine**) Mine into production, with operational activities at Fairhill commencing in August 2024.

Both licences (Wilton and Fairhill) represent exposure to hard coking coal, which the Company sees as having very strong medium-long term market dynamics. The Company's growth plan is to develop the Projects into income generating assets through the mining and sale of hard coking coal, a near term goal with both Projects now fully funded and in development/operation.

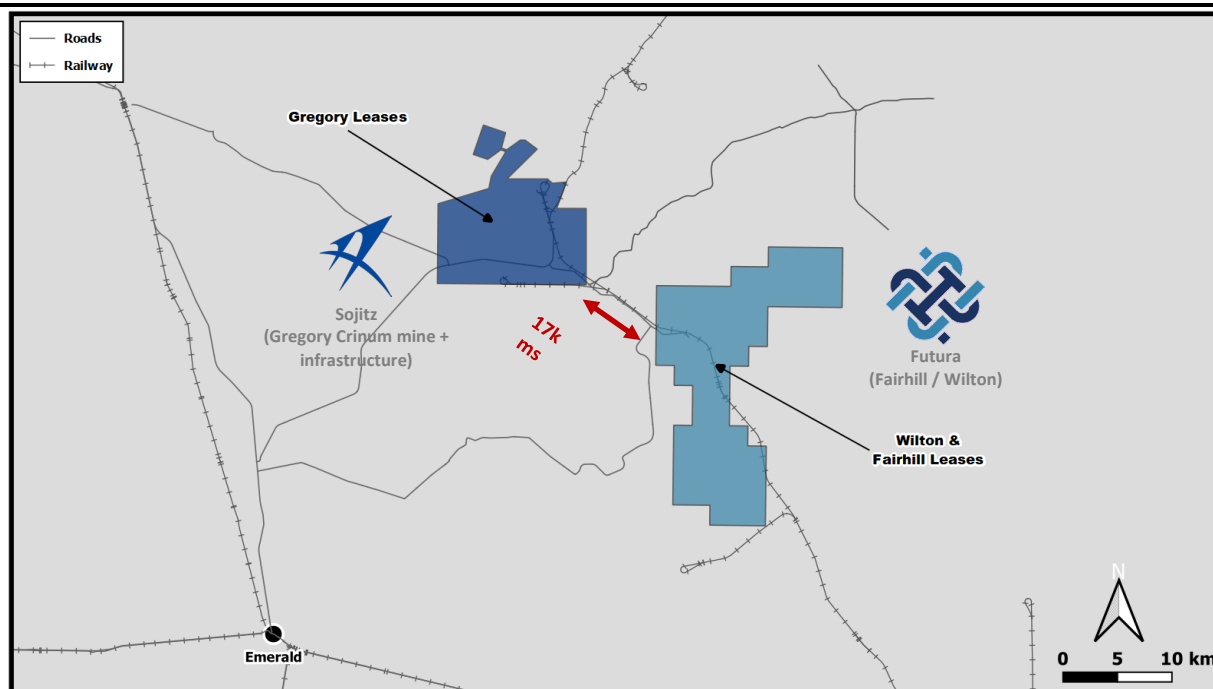


Figure 1 – Project Location

Wilton Mine

The Company continued its rapid development of its Wilton Coal Mine (**Wilton** or the **Wilton Mine**) towards a fully operational site following the completion of supporting funding activities in October 2023. During the Financial Year, the Company achieved the following milestones at the Wilton Mine:

- First Ground-Breaking – 30 October 2024
- First Coal Mined – 23 February 2024;
- First Coal Hauled – 1 March 2024;
- First Coal Washed – 12 March 2024;
- First Coal Railed – 12 March 2024;
- First Coal Sailed – 16 March 2024; and
- First Coal Sales Revenue – 11 April 2024.

Since the commencement of mining operations at Wilton, the Company has focused on ramping production to align with long term output, while developing the required site infrastructure to support ongoing mining operations.

Wilton Mine		Total FY24
Total Overburden	bcm	1,226,499
ROM Coal Mined	t	193,062
Strip Ratio		6.35
Coal Hauled	t	123,819
Coal Washed	t	103,764
Coal Sold	t	19,101

Directors' Report

Coal hauled during the period was aligned with road use approvals in place with local councils, and significant efforts were placed into increasing haulage volumes and deliveries to the Sojitz Gregory Coal Handling and Preparation Plant (CHPP). Major road network upgrades are to be undertaken in 4 stages with Stage 1 partially completed at the end of the reporting period and Stage 2 works to be underway in October. Stage 2, 3 and 4 works jointly support Wilton and Fairhill.

All coal washed was done so at the Gregory CHPP via the 15-year Coal Tolling Agreement (**CTA**) between Futura and Sojitz which was put in place on 12 November 2021. During the Financial Year, Sojitz and Futura agreed to the extend the sunset date to the conditions precedent of the revised coal tolling agreement to 31 March 2024.

On 8 February 2024, Sojitz provided notice to the Company waiving the conditions precedent required under clause 6.1 of the Coal Tolling Agreement. Following this waiver, the Coal Tolling Agreement is now in effect.

All coal sales for the Financial Year were made in conjunction with Sojitz.

The Wilton Mine is run on an 'owner operator' basis, with Futura management staff supervising and directing Futura operational personnel operating contract hire plant and equipment. The Company also utilises specialist contractors for activities such as overburden removal by scrapers, and equipment maintenance.

The management and operational teams grew quickly through the Financial Year, with a strong and broadly experienced management team in place, and site staffing and equipment settled to the level required to support medium-term production requirements of approximately 85,000 ROM tonnes per month.



Figure 2: Mining activities at the Wilton Mine.

Fairhill Mine

Subsequent to the end of the Financial Year capital funding required to support the development of the Fairhill Pit was completed and received. Operational activities at Fairhill commenced in August 2024, focusing on access roads and supporting infrastructure in advance of mining commencement late in the September quarter.

During the Financial Year the underlying landholder at Fairhill brought a case to the Supreme Court seeking a review of compensation paid to the landholder as part of the Compensation Agreement in place and allowing for the mining activities to be undertaken. Subsequent to the end of the Financial Year the landholders proposed orders were rejected in full by the court, and both the Queensland Government Department of Resources (**DoR**), the department which administers mining leases and activities has reiterated and confirmed Futura's rights to access the land and undertake the approved mining activities.

Directors' Report

Tenement Holdings

Wilton Coking Coal Pty Ltd (**WCC**) holds Exploration Permit for Coal (**EPC**) 1235 and 27172, Mineral Development License 463 (**MDL**) and Mining Lease's (**ML**) 700028 and 700029 with an exploration area comprising of approximately 145km².

Fairhill Coking Coal Pty Ltd (**FCC**) holds the adjacent exploration tenure EPC 2177, and ML 700043 which covers, in total approximately 66km².

The Wilton and Fairhill Projects are located in Central Queensland, approximately 279 km west of the coastal Port of Gladstone and 50 km north east of the regional centre, Emerald within the Bowen Basin of Central Queensland. The Wilton and Fairhill Projects are ~25km by road from the Gregory Crinum CHPP.

All tenures possess current Environmental Authorities (**EA**'s). For EPC 1235, EPC 27172, EPC 2177 and MDL 463 these approvals allow for exploration activities, such as drilling and field mapping, and in the certain cases bulk sampling work such as a test pit. For ML's 700028, 700029 and 700043 the EA's permit to mining activities being undertaken.

Table 1 – Futura's Tenements

Project	State	Registered Owner	Tenement Reference	Equity Interest	Status
Wilton	QLD	Wilton Coking Coal Pty Ltd	MDL463	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	EPC 1235	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	EPC27172	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	ML700028	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	ML700029	100%	Live
Fairhill	QLD	Fairhill Coking Coal Pty Ltd	EPC 2177	100%	Live
	QLD	Fairhill Coking Coal Pty Ltd	ML700043	100%	Live

Directors' Report

Geology

The Wilton and Fairhill Projects are located in the central region of the Bowen Basin surrounded by prominent operational coal mines such as Ensham, Gregory-Crinum, Kestrel and Oaky Creek. The Bowen Basin is the northern part of the 1,800km long Bowen-Sydney-Gunnedah Basin, a thick meridional accumulation of Permian and Triassic sediments with extensive coal measure development.

The exposed part of the basin in Central Queensland is triangular in shape, 250km wide at its base and 600km long. Permian coal sequences typical of those found on the Comet Ridge in the central Bowen Basin are found on these projects. The multiple coal seams of the Burngrove (6 seams) and Fairhill (6 seams) formations occur at shallow depths and are the primary targets within the tenements. The German Creek formations are present but at depth.

Exploration has confirmed the presence of both the Burngrove and Fairhill Formations. Extensive field mapping in the south west of the Wilton tenement has identified coal outcrops of seams from both the Burngrove and Fairhill Formation. Drilling in the north of the tenement has confirmed continuity of the seams across the entire tenement with consistent thicknesses and low angle dips.

Coal Resource

The Coal Resource estimation for both projects has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), December 2012, which is used internationally for public reporting. These resource estimations are based on mapping, costeaming and additional exploration drilling with a proportion of the boreholes providing core samples for analytical testing in accredited laboratories in Queensland. All boreholes utilised on the JORC modelling were logged using a suite of wireline geophysical probes in order to provide reliable data set suited for coal exploration evaluation.

Accompanying the Resource estimate is extensive documentation which outlines the methodology used to prepare the geological model, and in particular, the modelling of raw coal quality parameters that included a mixture of real data and parameters estimated from the downhole long-spaced density geophysical logs. This data has, in effect, created a ply-by-ply dataset. When combined with raw coal quality estimated parameters from downhole geophysical logging (courtesy of work completed by Coal Resource Consulting; Donelan, 2014) the model has been used to generate working section sub-models with the purpose of carrying out detailed mine design studies from the output.

Directors' Report

The Projects hold the following resources:

Table 2: Resource Estimates

Deposit / seam	Depth (m)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Wilton¹					
Burngrove / Fairhill	0-100	87.0	139.9	279.7	506.6
Burngrove / Fairhill	100-200	99.4	283.4	627.4	1,010.2
Burngrove / Fairhill	200-300	13.8	220.3	526.8	760.8
Total	-	200.1	643.7	1,433.8	2,277.6
Fairhill¹					
Fairhill	0-100	-	331.0	690.0	1,021.0
Fairhill	100-200	-	106.0	83.0	189.0
Fairhill	200-300	-	-	-	-
Total	-	-	437.0	773.0	1,210

¹. Prepared by ROM Resource Pty Ltd in accordance with Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Funding

Convertible Note Funding

During the Financial Year, the Company conducted a capital raising (**Capital Raising**) via the issue of convertible notes (**Convertible Notes**).

The Company received \$30.30 million in commitments pursuant to the Capital Raising.

The terms of the Convertible Notes are as follows:

- (a) Each Convertible Note has a face value of \$50,000 each;
- (b) The Convertible Notes will mature three years from their date of issue (**Maturity**);
- (c) The Convertible Notes will bear interest at a rate of 21% per annum (**Interest**);
- (d) Interest on the Convertible Notes will first be payable on the first anniversary of their date of issue and subsequent Interest payments will then be made semi-annually;
- (e) Convertible Notes are convertible into fully paid ordinary shares (**Shares**) of Futura at the lower of:
 - (i) Eighty percent (80%) of, as is applicable:
 - A. The offer price of Shares to be issued in connection with an Initial Public Offering on ASX;
 - B. The value of Shares as agreed between the parties of an alternative change of control event, or
 - (ii) The price per Share of \$2.38,

(Collectively, the **Conversion Price**).

Directors' Report

- (f) Convertible Notes will be convertible into Shares at the Conversion Price at the earlier of:
- (i) election by the convertible noteholder;
 - (ii) Maturity;
 - (iii) promptly upon receipt by the Company of ASX Approval of an IPO; or
 - (iv) immediately prior to completion of a share sale or trade sale of the Company.
- (g) The convertible note holders will have the option to redeem the Convertible Notes at par in cash within 30 days of Maturity by providing written notice to the Company.

Funds raised from the Capital Raising were utilised for development funds for the Wilton Fairhill Projects, loan repayments and working capital purposes.

USD\$24 Million Debt Facility

Subsequent to the Financial Year, Futura entered into a binding agreement with Trafigura Asia Trading Pte Ltd (**Trafigura**) for a USD\$24 million debt facility (**Debt Facility**) along with associated secondary coal offtake contract (**Offtake Agreement**). The funds provided by Trafigura will be used by Futura for the development and commencement of production at the Fairhill Project.

The Debt Facility has been provided jointly by Trafigura and MCM Partners. Trafigura is a multinational commodity trader, predominantly operating out of Singapore. MCM Partners is a Hong Kong based asset manager.

The key terms of the Debt Facility and Offtake Agreement are as follows:

Loan Agreement	
Amount	USD\$24,000,000 (being, approximately A\$35,000,000) (Loan Amount)
Debt Term	30 months
Interest Rate	14% per annum
Repayments	<ul style="list-style-type: none"> ▪ Repayments are to be made via uniform quarterly payments of principal and interest after the repayment holiday/grace period as provided in the transaction documents. ▪ The loan agreement also provides for the option of making repayment by way of set off or deduction of deliveries of coal under the Coal Sales Contract. ▪ Interest payments are not subject to a grace period. Interest accrues immediately post drawdown with the first repayment due at the completion of month 3 after drawdown and on a quarterly basis thereafter.
Voluntary Repayment	<p>Voluntary Prepayment of part or all of the Loan Amount is permitted for a 1.5% fee of the part of the Loan Amount prepaid but does not affect the validity of the Offtake Agreement.</p> <p>The 1.5% fee will be waived if voluntary repayment is part of a refinancing provided by the Trafigura.</p>
Grace Period	<p>A repayment grace period will apply from the date of the drawdown of the Loan Amount to the earlier of:</p> <ul style="list-style-type: none"> (a) the date of first production of saleable Coal from the Fairhill Pit; and (b) the date falling six months after the drawdown date.
Upfront Fee	1.00% of the Loan Amount.
Right of first refusal	Futura may seek alternative debt financing. However, Trafigura has the right to offer financing under the same or better conditions as obtained by Futura.
General Security Deed	Under a general security deed, first ranking security is provided over all assets of Futura, Wilton and Fairhill, including the mining tenements.

Offtake Agreement	
Delivery Period	Under the Offtake Agreement, the delivery period is 36 months which may be extended for a period of a further 6 months if the tonnage commitment is not satisfied.
Tonnage	Under the Offtake Agreement, 2 million metric tonnes of Secondary coal is to be provided to Trafigura.
Marketing Fee	1.75% of the sale price of the coal, adjusted to actual delivered CV and any other bonus or penalty.
Pricing	Agreed per cargo/bid and set out in the confirmation.
Delivery Point	FOB Gladstone.
Laycan	15 days laycan to be mutually agreed 30 days prior to month of scheduled shipment.
Demurrage	Demurrage and despatch to be accordance with the charterparty for the vessel.
Minimum Cargo Size	10,000 tonnes.

Shareholder and Director Loans

In the financial year ending 30 June 2023, the Company received a \$600,000 loan from Baker Steel in two \$300,000 tranches (**BRST Loan**). Tranche 1 of the BSRT Loan was repayable by 31 March 2023, and tranche 2 of the BSRT Loan was repayable by 30 June 2023. The Baker Steel loan was interest bearing at 15%.

During the Financial Year, Futura and Baker Steel agreed to convert all outstanding principal and interest under the BSRT Loan in total into Convertible Notes pursuant to the Capital Raising, and the BSRT Loan has been fully extinguished.

During the Financial Year, the Company also has the following loans from its directors and shareholders:

- (a) \$100,000 loan from Forceseven Limited, a company related to director Trevor Steel (**Forceseven Loan**) carried forward from the previous financial year;
- (b) The Company received a further \$60,000 from Ventura Resources Pty Ltd, an entity related to Cameron Vorias, bringing a total outstanding principal of \$120,000 owed by the Company to Ventura Resources Pty Ltd (**Ventura Loan**);
- (c) The Company received a further \$60,000 from the Gascoyne Family Trust an entity related a Company shareholder, bringing the total outstanding loan principal of \$120,000 owed by the Company to the Gascoyne Family Trust (**Gascoyne Loan**);
- (d) The Company received a further \$148,500 from Donald Carroll bringing the total outstanding loan principal of \$283,500 owed by the Company (**Carroll Loan**);

(Collectively, **Director and Shareholder Loans**).

In September 2023, the Forceseven Limited Loan was fully repaid and extinguished.

Directors' Report

As part of the Capital Raising, and to preserve cash reserves, the Company agreed with lenders under Director and Shareholder Loans to convert into Convertible Notes, a portion of the principal and interest owing under the Director and Shareholder Loans as follows:

- (a) \$100,000 of principal under the Ventura Loan;
- (b) \$100,000 of principal under the Gascoyne Loan; and
- (c) \$200,000 of principal and interest under the Carroll Loan.

The balance of any principal and interest owing under the Ventura Loan, Gascoyne Loan, and the Carroll Loan was paid by the Company in cash.

Subsequent to Financial Year in July 2024, the Company received a \$250,000 loan from Donald Carroll.

In late July 2024, the additional loans provided by Donald Carroll to the Company were repaid and extinguished in full.

Equentia Loan

Subsequent to the Financial Year in July 2024, Futura received:

- (a) a USD\$1million loan from Equentia Natural Resources Pte Ltd (**Equentia**); and
- (b) a USD\$1million loan from Rajiv Ramnarayan (**Rajiv**).

The loans from Equentia and Rajiv have a 3 month repayment term and bear interest at 2% per month. These loans and all outstanding interest have since been repaid by the Company.

Information on Board

The names and details of the Directors and the Company Secretary of the Group in office at the date of this report are as follows:

Mr Donald Carroll, Chairman

Mr Carroll is a former senior executive with BHP Limited including the following: Group General Manager Marketing of BHP Asia, Country Head and President of BHPB Japan, Country Head and President of BHPB India.

Mr Cameron Vorias, Director

Mr Vorias is the former Chief Operating Officer of Q Coal and Peabody Energy Australia. He is currently Managing Director and Chief Executive Officer of Sojitz Coal (owner and operator of Minerva Coal Mine, Central Queensland) and previously a General Manager at Excel Coal, New Hope Coal (New Acland Coal Mine).

Mr Timothy Lowry, Director

Mr Lowry has 38 years' experience spanning multiple commodities, including dry and wet bulk cargoes, gas and containers. He is a shipping and ocean freight logistics specialist.

Mr Trevor Steel, Director

Mr Steel is the former Senior Portfolio Manager at Merrill Lynch Investment Managers, specialising in natural resources. He is currently the Chief Investment Officer and Managing Partner at Baker Steel. He has a degree in Geology from the Royal School of Mines Imperial College, London.

Mr Trent Franklin, Director

Mr Franklin holds qualifications in finance, risk management, a Bachelor of Science (Geology/Geophysics) from the University of Sydney and is a graduate of the Australian Institute of Company Directors. Mr Franklin is Managing Director of Enrizen Financial Group, a financial services, accounting and legal firm. He is also a director of listed companies Gateway Mining Limited, Strickland Metals Limited and Company Secretary of listed company Silver Mines Limited. He has previously served as a Director of the Australian Olympic Committee Inc and the Australian Olympic Foundation.

Directors' Report

Mr Clement Ko, Director (appointed 6 December 2023, resigned 30 September 2024)

Mr Ko holds an MBA from the University of New South Wales. Mr Ko commenced his career as a Marketing Manager in the BHP Asian regional marketing office based in Hong Kong. Mr Ko remained at BHP for 10 years before setting out to establish his own highly successful marketing business Pacific Minerals. Initially he focussed on China and has since expanded to other Asian countries such as Korea and more recently India.

Mr Kar Chua, Company Secretary

Mr Chua is a member of the Institute of Chartered Accountants in Australia and New Zealand. He has a range of experience in assisting several ASX-listed companies with their reporting, company secretarial and accounting functions, in addition to having a background in financial reporting for the Australia/New Zealand operations of a substantial multi-national group. He is currently Company Secretary of listed company Gateway Mining Limited.

Directors' Meetings

During the financial year, 3 meetings of directors (including committees) were held.

Directors	Meetings eligible to attend	Meetings attended
D. Carroll	3	3
C. Vorias	3	3
T. Lowry	3	3
T. Steel	3	3
T. Franklin	3	3
C. Ko	1	1

Environmental Regulation

The Group's operations are subject to various environmental regulations under Queensland State Legislation and Regulations. The directors are not aware of any material breaches during the financial year.

Significant Changes in the State of Affairs

Except as already disclosed in this financial report, no significant changes in the Company's state of affairs occurred during the Financial Year.

Future Developments, Prospects and Business Strategies

The directors believe, on reasonable grounds, that it would unreasonably prejudice the interests of the Group if any further information on likely developments, future prospects and business strategies in the operations of the Group and the expected results of these operations, were included herein.

Financial Results

The loss of the Company for the year ended 30 June 2024 after providing for income tax amounted to \$8,292,931 (2023: \$3,005,349).

Proceedings on Behalf of the Group

On 27 August 2020, Fairhill and Peter Comiskey and Denise Comiskey (collectively **Comiskeys**) had executed a compensation agreement under which Fairhill was required to pay \$7,500,000 as compensation for utilising the land owned by Comiskeys in accordance with the Compensation Agreement.

During the reporting period, on 10 June 2024, the Comiskeys filed an originating application with the Supreme Court of Queensland (**Supreme Court**) against Fairhill seeking the following:

Directors' Report

- (a) a declaration that Fairhill is bound by an agreement made on 3 April 2023 to renegotiate, afresh, the compensation payable to the Comiskeyes under the Compensation Agreement; and
- (b) an interim injunction restraining Fairhill and its agents from commencing mining activities pursuant to ML 700043 on the land, until such time as the parties have finalised their compensation renegotiations and payment has been made by Fairhill to the Comiskeyes,

(Comiskey Claim).

On 31 July 2024, Fairhill was successful in defending the Comiskey Claim with the Supreme Court dismissing the Comiskey Claim. The Comiskeyes' were ordered to pay Fairhill's costs.

The Comiskeyes' subsequently lodged an appeal in the Queensland Supreme Court of Appeal (**Court of Appeal**) on 28 August 2024 challenging the decision of the Supreme Court (**Appeal**). On 2 October 2024, the parties mutually agreed to dismiss the appeal.

On 25 October 2024, the Comiskey's lodged an application with the Land Court of Queensland seeking among other things a review by the Court of the compensation originally agreed in the Comiskey Compensation Agreement (**Land Court Proceedings**). Futura is vigorously defending the Land Court Proceedings.

No other person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Indemnifying Officers

The Group has paid a premium to insure the directors and officers of the Group.

The insurance agreement limits disclosure of premium details.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Indemnity and Insurance of Auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Securities over Unissued Capital

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	Exercise Price	Expiry Date
300,000	\$2.00	9/11/2025 (vested 9/11/2021)
350,000	\$2.00	9/11/2025 (vested 9/5/2022)

Directors' Report

As at the date of this report unissued ordinary shares of the Company subject to performance rights are:

Number of Performance Rights Granted	Vesting Milestone	Expiry Date
150,000	Vest upon the government grant of approval to increase ROM production at Fairhill above 2 million tonnes per annum at any time before the Expiry Date.	31/10/2025
150,000	Vest upon the delivery of an extension area (at Wilton or Fairhill) comprising no less than 30 million tonnes additional JORC compliant coal Proven and Probable Reserve, and increasing the combined approved annual production rate of run of mine coal from the Company's projects above 4 million tonnes per annum at any time before the Expiry Date.	31/10/2026
150,000	Vest upon the completion of the rail level crossing and road upgrade required to enable the delivery of AAB-Quads on haulage route, Wilton and Fairhill to the Gregory Coal Handling and Processing Plant at any time before the Expiry Date.	31/10/2025
150,000	Vest upon the receipt by the Company of a conditional admission letter from ASX relating to a Listing at any time before the Expiry Date with the Company at the time of Listing having an enterprise value of not less than \$300,000,000.	31/08/2026

These options and performance rights do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of options are not entitled to any voting rights until the options are converted into ordinary shares.

Directors' Report

Events Subsequent to Reporting Date

USD\$24 Million Debt Facility

Subsequent to the Financial Year, Futura entered into a binding agreement with Trafigura Asia Trading Pte Ltd (**Trafigura**) and for a A\$35 million debt facility (**Debt Facility**) along with associated secondary coal offtake contract (**Offtake Agreement**). The funds provided by Trafigura will be used by Futura for the development and commencement of production at the Fairhill Project.

The Debt Facility has been provided jointly by Trafigura and MCM Partners. Trafigura is a multinational commodity trader, predominantly operating out of Singapore. MCM Partners is a Hong Kong based asset manager.

The key terms of the Debt Facility and Offtake Agreement are as follows:

Loan Agreement	
Amount	USD\$24,000,000 (being, approximately A\$35,000,000) (Loan Amount)
Debt Term	30 months
Interest Rate	14% per annum
Repayments	<ul style="list-style-type: none"> ▪ Repayments are to be made via uniform quarterly payments of principal and interest after the repayment holiday/grace period as provided in the transaction documents. ▪ The loan agreement also provides for the option of making repayment by way of set off or deduction of deliveries of coal under the Coal Sales Contract. ▪ Interest payments are not subject to a grace period. Interest accrues immediately post drawdown with the first repayment due at the completion of month 3 after drawdown and on a quarterly basis thereafter.
Voluntary Repayment	<p>Voluntary Prepayment of part or all of the Loan Amount is permitted for a 1.5% fee of the part of the Loan Amount prepaid but does not affect the validity of the Offtake Agreement.</p> <p>The 1.5% fee will be waived if voluntary repayment is part of a refinancing provided by the Trafigura.</p>
Grace Period	<p>A repayment grace period will apply from the date of the drawdown of the Loan Amount to the earlier of:</p> <p style="padding-left: 20px;">(a) the date of first production of saleable Coal from the Fairhill Pit; and</p> <p style="padding-left: 20px;">(b) the date falling six months after the drawdown date.</p>
Upfront Fee	1.00% of the Loan Amount.
Right of first refusal	Futura may seek alternative debt financing. However, Trafigura has the right to offer financing under the same or better conditions as obtained by Futura.
General Security Deed	Under a general security deed, first ranking security is provided over all assets of Futura, Wilton and Fairhill, including the mining tenements.

Offtake Agreement	
Delivery Period	Under the Offtake Agreement, the delivery period is 36 months which may be extended for a period of a further 6 months if the tonnage commitment is not satisfied.
Tonnage	Under the Offtake Agreement, 2 million metric tonnes of Secondary coal is to be provided to Trafigura.
Marketing Fee	1.75% of the sale price of the coal, adjusted to actual delivered CV and any other bonus or penalty.
Pricing	Agreed per cargo/bid and set out in the confirmation.
Delivery Point	FOB Gladstone.
Laycan	15 days laycan to be mutually agreed 30 days prior to month of scheduled shipment.
Demurrage	Demurrage and despatch to be accordance with the charterparty for the vessel.
Minimum Cargo Size	10,000 tonnes.

Director Loans

Subsequent to Financial Year in July 2024, the Company received \$250,000 loans from Donald Carroll.

In late July 2024, the additional loans provided by Donald Carroll to the Company were repaid and extinguished in full.

Equentia Loan

Subsequent to the Financial Year in July 2024, Futura received:

- (a) a USD\$1million loan from Equentia Natural Resources Pte Ltd (**Equentia**); and
- (b) a USD\$1million loan from Rajiv Ramnarayan (**Rajiv**).

The loans from Equentia and Rajiv have a 3-month repayment term and bear interest at 2% per month.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Directors' Report

Auditors Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 for the year ended 30 June 2024 is enclosed and forms part of this annual report.

The directors' report is signed in accordance with a resolution of the Board of Directors.



Donald Carroll
Chairman

Date 31 October 2024

Auditor's Independence Declaration Under Section 307c of the *Corporations Act 2001* to the Directors of Futura Resources Limited

As lead engagement partner, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,



Crowe Sydney



Harsh Shah
Senior Partner

31 October 2024
Sydney

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	2	4,818,977	-
Cost of goods sold	3	(2,885,133)	-
Interest income		52,533	318
Foreign exchange gains/(losses)		16,680	(123)
Royalties		(801,479)	-
Depreciation and amortisation	3	(813,680)	-
Accountancy fees		(101,166)	(197,000)
Corporate and administration expenses		(1,765,656)	(707,861)
Consulting fees		(388,965)	(213,673)
Directors' remuneration		(772,000)	(744,000)
Employee benefits expenses	3	(57,936)	-
Legal fees		(295,359)	(91,297)
Marketing expenses		(96,150)	-
Travelling expenses		(38,938)	-
Share based payment expenses	3	(1,724,997)	-
Finance costs	3	(6,356,858)	(2,053,412)
Loss before income tax expenses		(11,210,127)	(4,007,048)
Income tax benefits	18	2,917,196	1,001,699
Loss for the year		(8,292,931)	(3,005,349)
Total comprehensive loss for the year		(8,292,931)	(3,005,349)

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current Assets			
Cash and cash equivalents	4	5,556	24,748
Trade and other receivables	5	1,339,662	991,712
Inventories	6	9,063,129	-
Total Current Assets		10,408,347	1,016,460
Non-Current Assets			
Exploration and evaluation expenditure	7	70,831,613	79,444,771
Deferred development costs	8	7,500,000	12,393,000
Right of use assets	9	1,994,161	-
Property, plant and equipment	10	7,290,611	-
Intangible assets	11	14,332,555	-
Financial assets	12	2,385,529	64,142
Total Non-Current Assets		104,334,469	91,901,913
Total Assets		114,742,816	92,918,373
Liabilities			
Current Liabilities			
Trade and other payables	13	16,222,321	17,935,010
Employee provisions	14	164,658	-
Provision for income tax	18	5,076,671	5,076,671
Financial liabilities	16	30,200,000	-
Loans and borrowings	15	16,416,117	15,703,416
Total Current Liabilities		68,079,767	38,715,097
Non-Current Liabilities			
Deferred tax liabilities	18	4,189,158	7,106,354
Employee provisions	14	12,182	-
Provision for Rehabilitation	20	1,813,721	-
Total Non-Current Liabilities		6,015,061	7,106,354
Total Liabilities		74,094,828	45,821,451
Net Assets		40,647,988	47,096,922
Equity			
Issued capital	17	13,783,428	13,664,428
Options reserves	17	1,751,632	166,323
Performance rights reserves	17	139,688	-
Retained earnings		24,973,240	33,266,171
Total Equity		40,647,988	47,096,922

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024



	Notes	Ordinary Shares \$	Performance rights and Loan shares reserve	Share based payment reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2022		13,664,428	-	166,323	36,271,520	50,102,271
Transactions with owners, in their capacity as owners						
Comprehensive income for period						
Restated loss attributable to owners of the company		-	-	-	(3,005,349)	(3,005,349)
Total comprehensive loss for the period		-	-	-	(3,005,349)	(3,005,349)
Balance at 30 June 2023 / 1 July 2023		13,664,428	-	166,323	33,266,171	47,096,922
Transactions with owners, in their capacity as owners						
Issue of shares		119,000	-	-	-	119,000
Loan shares reserve		-	1,585,309	-	-	1,585,309
Performance rights issued		-	139,688	-	-	139,688
Total transactions with owners, in their capacity as owners		119,000	1,724,997	-	-	1,843,997
Comprehensive income for period						
Loss attributable to owners of the company		-	-	-	(8,292,931)	(8,292,931)
Total comprehensive income for the period		-	-	-	(8,292,931)	(8,292,931)
Balance at 30 June 2024	17	13,783,428	1,724,997	166,323	24,973,240	40,647,988

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		4,818,977	-
Payments to suppliers		(14,339,303)	(545,746)
Interest received		52,533	318
Interest paid		(357,536)	-
Net cash used in operating activities		(9,825,329)	(545,428)
Cash flows from investing activities			
Payments for exploration expenditure		(8,931,333)	(294,211)
Payment for deferred development costs		(194,500)	-
Payment for PPE acquisition		(4,878,565)	-
Right of use assets		(2,027,961)	-
Payment of financial provision surety bond		(2,308,106)	-
Payment for leasing bond		(13,280)	-
Net cash used in investing activities		(18,353,745)	(294,211)
Cash flows from financing activities			
Proceeds from borrowings		2,305,140	775,000
Repayment of borrowings		(295,258)	-
Convertible notes		26,150,000	-
Net cash from financing activities		28,159,882	775,000
Net decrease in cash and cash equivalents			
Cash at beginning of the year		24,748	89,387
Cash and cash equivalents at end of the year	4	5,556	24,748

The accompanying notes form part of these financial statements.

1. Material Accounting Policies Information

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASB) and the requirements of Corporations Act 2001 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Australian dollars which is the Group's presentation and functional currency.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Critical accounting estimates and significant judgements used in applying accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1. Material Accounting Policies (Continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying coal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as coal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised if they are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Company's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs will include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site, when relevant.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has been incurred as at the reporting date. Increases due to additional environmental disturbance (to the extent that it relates to the development of an asset) are capitalised and amortised over the remaining lives of the mines.

Annual increases in provision relating to the change in the present value of the provision are accounted for in earnings. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from sale of assets or from plant clean-up at closure.

1. Material Accounting Policies (Continued)

Deferred development costs

Deferred development costs represent the costs incurred in preparing mines for production and includes land compensation. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering land compensation costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised if they are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Income Tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Dry hire agreements

The Group utilizes dry hire agreements for mining equipment on a short-term basis without a service component. These agreements include an initial lease term of 12-month extension, which management has determined is not reasonably certain to be exercised under current plans. Consequently, these leases are classified as short-term under AASB 16, with no right-of-use asset or lease liability recognized. Lease payments are expensed as incurred or on a straight-line basis over the lease term. This classification supports the Company's operational flexibility needs.

Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

Share-based payments

(i) Equity-settled share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date. Fair value excludes the effect of non-market-based vesting conditions. The fair value is charged to the consolidated statement of income and credited to retained earnings on a straight-line basis over the period the estimated awards are expected to vest.

At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

1. Material Accounting Policies (Continued)

(ii) Cash-settled share-based payments

For cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market and non-market-based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in fair value recognised in the consolidated statement of income.

Foreign currency translation

Futura's reporting currency and the functional currency of the majority of its operations is the US dollar as this is assessed to be the principal currency of the economic environment in which it operates.

(i) Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. Non-monetary items measured in terms of historical cost are translated using the exchange rate at the date of the transaction. The resulting exchange differences are recorded in the consolidated statement of income.

Property, plant and equipment and intangible assets – estimation of the remaining useful economic life of assets for depreciation and amortisation purposes

Property, plant and equipment and intangible assets are depreciated / amortised to estimated residual values over the estimated useful lives of the specific assets concerned, or the estimated remaining life of the associated mine, field or lease, using a straight-line or a units of production over recoverable reserves method. The estimated useful lives of our specific assets and / or operations (and therefore the rate of depreciation / amortisation) aligns with, and reflects, our emissions reduction commitments and ambition.

(c) Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued losses before income tax of \$8,292,931 (2023: \$3,005,349), net current liabilities of \$57,671,420 (2023: \$37,698,637), as the directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations. The cash is managed through:

- a. tight control of administrative expenses;
- b. raising additional capital, including completion of A\$30.3million Capital Raising in September 2023;
- c. the USD\$24million debt facility provided by Trafigura; and
- d. the Company intends to negotiate with the Australian Tax Office ("ATO") for a periodic payment plan regarding refund of \$5,076,671 R&D amount, and any penalties imposed (if any).

First revenue commenced 16 March 2024. Mining Operations at the Company's Wilton Project have commenced as of 30 November 2023. First coal was exposed in January 2024, facilitating first mining in the same month, followed by first coal haulage in February 2024 and washing and sales in March 2024.

The directors have prepared a forecast for the foreseeable future reflecting the above-mentioned expectations and their effect on the Group, including that the loans and borrowings will not be recalled for a period of at least 12 months from the date of this report.

1. Material Accounting Policies (Continued)

The forecast is based on directors' best estimates and reflects current market prices and reduction in interest income. Although some mining operations are underway, the Group will keep tight control on operations costs and capital expenditure costs and minimising costs where possible.

In the event that the above results in a negative outcome, then the going concern basis may not be appropriate to this may result in a material uncertainty around the going concern basis.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(e) Comparatives

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Consolidated Entity presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. The consolidated financial statements present reclassified comparative information where required for consistency with the current year's presentation.

2. Revenue

	2024 \$	2023 \$
<i>Revenue from contracts with customers</i>		
Coal sales in Australia	4,818,977	-
Total	4,818,977	-

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The transaction price includes base price which is calculated as a percentage of the relevant index, provisional price will be applied when the base price is unavailable, with adjustments invoiced later, price Adjustment: Finalized based on weight and quality certifications to reflect the final consideration owed.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Payments received for future coal sales deliveries (prepayments) are accounted for as executory contracts whereby the prepayment is initially recorded as deferred revenue in the consolidated statement of financial position. The initial deferred revenue amount is unwound and revenue is recognised in the consolidated statement of income as and when the Company physically delivers the coal and loses control of it.

Sale of coal is recognised at the point of sale (point in time), which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

3. Expenses

	2024 \$	2023 \$
Profit before income tax includes the following specific expenses:		
<i>Cost of goods sold</i>		
Cost of goods sold	2,885,133	-
	2,885,133	-
<i>Depreciation and amortisation</i>		
Depreciation on fixed assets	27,199	-
Amortisation on development costs	793,891	-
Total	813,680	-
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	6,356,858	-
Total	6,356,858	-
<i>Superannuation expenses</i>		
Defined contribution superannuation expenses	232,162	-
Total	232,162	-
<i>Share based payment</i>		
Share based payment	1,724,997	-
Total	1,724,997	-
<i>Employee benefits</i>		
Employee benefits expenses	57,936	-
Total	57,936	-

4. Cash and Cash Equivalents

	2024 \$	2023 \$
Cash at bank	5,556	24,748
Total	5,556	24,748

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

5. Trade and Other Receivables

	2024 \$	2023 \$
Other receivables	1,339,662	991,712
Total	1,339,662	991,712

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

6. Inventories

	2024 \$	2023 \$
Product coal	3,788,727	-
Run-of-mine (ROM) coal	1,892,611	-
Stores inventories	6,097	-
Overburden in advance	3,375,694	-
Closing balance	9,063,129	-

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The costing method of coal inventories is determined using an activity-based costing method. Cost includes direct material, overburden removal, mining, processing, labour, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. The tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

7. Exploration and Evaluation Expenditure

	2024 \$	2023 \$
Opening balance	79,444,771	78,961,367
Reclassification of exploration assets to mining tenements	(9,901,083)	-
Additions at cost	1,287,925	483,404
Closing balance	70,831,613	79,444,771

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas.

Mineral tenements, exploration and evaluation expenditure relate to the following projects:

	2024 \$	2023 \$
EPC 1235 Wilton Coal Project	64,699,646	73,922,114
EPC 2177 Fairhill Project	6,131,967	5,522,657
Closing balance	70,831,613	79,444,771

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profits in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from where exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Exploration and evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

8. Deferred development costs

	2024 \$	2023 \$
<i>Land compensation payments¹</i>		
Wilton project	-	4,893,000
Fairhill project	7,500,000	7,500,000
	7,500,000	12,393,000

¹ Represent land compensation payments made to landholders neighbouring to Wilton and Fairhill exploration sites to gain land access to the Group's sites when the Group enters the development phase post reporting period.

9. Right of Use Assets

	2024 \$	2023 \$
Mine development	2,027,960	-
Gregory Crinum CIP - Accumulated Amortization	(33,799)	-
	1,994,161	-

10. Property, Plant and Equipment

	2024 \$	2023 \$
Property, plant and equipment		
At cost	7,517,102	102,638
Accumulated depreciation	(226,491)	(102,638)
	7,290,611	-

	Plant & Mining Equipment	Buildings & Infrastructure	Software	Mine development	Work in progress	Total
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	102,638	-	-	-	-	102,638
Additions	-	-	-	-	-	-
Depreciation expense	(102,638)	-	-	-	-	(102,638)
Balance at 30 June 2023	-	-	-	-	-	-
Additions	118,343	30,183	55,567	7,005,288	205,082	7,414,464
Depreciation expense	(15,980)	(3,810)	(7,409)	(96,654)	-	(123,853)
Balance at 30 June 2024	102,363	26,373	48,158	6,908,634	205,082	7,290,611

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items

10. Property, Plant and Equipment (continued)

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant & Mining Equipment	2-8 years
Buildings and Infrastructure	4-5 years
Software	2-3 years
Mine Development	10-40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

11. Intangible Assets

	2024 \$	2023 \$
Mining tenements	9,466,251	-
Tenure rights	4,866,304	-
Total	14,332,555	-

12. Financial Assets

	2024 \$	2023 \$
Financial assurance bond	2,385,529	64,142
Total	2,385,529	64,142

Financial assurance is a security deposit held by the administering authority to ensure the holder of an environmental authority (EA) complies with the conditions of the EA and to cover potential rehabilitation costs.

13. Trade and Other Payables

	2024 \$	2023 \$
Trade and other payables	4,611,303	15,145,010
Accrued director fees	2,362,000	2,368,000
Accrued consulting fees	521,000	401,000
Accrued audit fees	100,000	21,000
Accrued expenses	3,709,790	-
Accrued convertible notes interest	4,918,228	-
Total	16,222,321	17,935,010

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid. The balance includes land compensation (GST-inclusive) payables of \$nil (\$2023: 13,577,300).

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Convertible notes interest is due to be paid semi-annually.

14. Employee Provisions

	2024 \$	2023 \$
Current		
Provision for employee benefits	164,658	-
Total	164,658	-
Non-current		
Provision for employee benefits	12,182	-
Total	12,182	-

Short-term employee benefits

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

Other long-term employee benefits

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

15. Loans and Borrowings

	2024 \$	2023 \$
Loan - NTG Investments Group Pty Ltd	8,126,032	6,991,505
Loan - Aldersberg Limited	8,290,085	7,651,103
Loan - Baker Steel Resources Trust Limited	-	646,675
Loan - Forceseven Limited	-	112,238
Loan - Donald Carroll	-	157,275
Loan - Ventura Resources	-	71,808
Loan - Gascoyne Family trust	-	72,812
Total	16,416,117	15,703,416

The above loans are principal and interest payable. The loans (unsecured) from NTG and Aldersberg have no fixed repayment terms. The interest rate is 15% and 8% respectively. Both of which are non-related third parties.

16. Financial Liabilities

	2024 \$	2023 \$
Convertible notes	30,200,000	-
Balance at the end of the financial year	30,200,000	-

The Group issued convertible notes with a face value of \$30.30 million in the year under review. Interest accrues at 21% per annum and the notes will mature three years from their date of issue. The fair value of the debt was quantified at \$30,300,000. The directors do not consider the fair value of the conversion option to have changed materially between the date of issue and the financial year end and consequently, no adjustments have been passed in this regard.

Accounting policy for convertible notes

Convertible notes are separated into the host liability and embedded derivative components based on the terms of the agreement. On issuance of the convertible notes, the liability component of hybrid financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is initially recognised at fair value. The host debt is carried at amortised cost using the effective interest method until it is extinguished on conversion or redemption.

Derivative conversion option

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. The embedded derivative is separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. The embedded derivative is measured at fair value with changes in value being recorded in profit or loss. The Group de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

17. Capital and Reserves

a. Issued Capital

	Number of Shares	\$
On issue at 1 July 2023	41,971,434	13,664,428
Conversion of convertible notes and interest	50,000	119,000
On issue at 30 June 2024	42,021,434	13,783,428
Shares issued under the loan share plan (i)	1,600,000	3,200,000

Ordinary Shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

No dividends were declared or paid during the 2024 financial year (2023: Nil)

b. Option Reserve

	2024 \$	2023 \$
Balance at the beginning of the financial year	166,323	166,323
Shares issued under the loan share plan (i)	1,585,309	-
Balance at the end of the financial year	1,751,632	166,323

(i) The 5-year loan share plan is awarded to Donald Carroll and Cameron Vorias to purchase 800,000 Shares at an issue price of \$2.00 per share which amount to approximately \$1,600,000. The shares will be issued subject to the following conditions:

- 400,000 shares each to be issued immediately on acceptance of the offer;
- 200,000 shares each to be issued immediately, but will only vest on production of first saleable coal from the Wilton Project and will be subject to a holding lock until satisfaction of the Milestone; and
- 200,000 shares each to be issued immediately, but will only vest on production of first saleable coal from the Fairhill Project and will be subject to a holding lock until satisfaction of the Milestone;

Grant date	Expiry date	Exercise price	Balance at the start of the year	Grant	Exercised	Balance at the end of the year
10/11/2020	9/11/2025	\$ 2.00	650,000	-	-	650,000
11/12/2023	10/12/2028	\$ 2.00	-	1,600,000	-	1,600,000
			650,000	1,600,000	-	2,250,000

Weighted average exercise price \$2 \$2 \$2

17. Capital and Reserves (Continued)

c. Performance Rights

	2024 \$	2023 \$
Performance rights movement	139,688	-
Balance at the end of the financial year	139,688	-

d. Share based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the board of directors, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the board of directors.

For the share loan granted during the year ended 30 June 2024, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Number of shares	Share price at grant date	Exercised price	Expected volatility	Risk-free interest rate
11/12/2023	10/12/2028	1,600,000	\$ 2.38	160,000	40.72%	3.67%

For the performance rights granted during the year ended 30 June 2024, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Number of performance rights	Share price at grant date	Exercised price	Expected volatility	Risk-free interest rate
13/12/2023	31/10/2025	150,000	\$ 2.38	Nil	NA	4.08%
13/12/2023	31/10/2026	150,000	\$ 2.38	Nil	NA	4.08%
13/12/2023	31/10/2025	150,000	\$ 2.38	Nil	NA	4.08%
13/12/2023	31/08/2026	150,000	\$ 2.38	Nil	NA	4.08%

18. Taxation

	2024 \$	2023 \$
(i) Income tax		
<i>Income tax benefit/(expense)</i>		
Deferred tax - origination and reversal of temporary differences	2,917,196	1,001,699
Aggregate income tax (benefit)/expense	2,917,196	1,001,699
(ii) Deferred tax liability		
<i>Deferred tax liability comprises differences attributable to:</i>		
Prepayments	146,475	106,729
Property, plant and equipment	180,544	-
Deferred exploration cost	17,007,456	19,138,265
Accrued expenses	(2,914,672)	(697,500)
Employee provisions	(44,210)	-
Intangible assets	2,344,082	-
Tax losses	(12,530,518)	(11,441,140)
Deferred tax liability	4,189,158	7,106,354
<i>Movements</i>		
Opening balance	(1,222,925)	(221,226)
Charged to profit or loss	(2,917,196)	(1,001,699)
Closing balance	(4,140,121)	(1,222,925)

(iii) Provision for income tax

	2024 \$	2023 \$
Provision for Income tax	5,076,671	5,076,671
	5,076,671	5,076,671

Accounting policy

The current tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate and laws enacted or substantially enacted at the end of the reporting period for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax expense or benefit associated with these items is recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

18. Taxation (Continued)

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 value of deferred tax assets are reviewed at each reporting period and reduced to the extent that it is no longer probable that future taxable profit will be available to allow all or part of the asset to be recovered.

Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

19. Parent entity information

Statement of financial position	2024 \$	2023 \$
Assets		
Current assets		
Cash and cash equivalents	3,227	24,748
Trade and other receivables	805,695	993,163
Amount due from related company	33,866,138	19,369,105
Total current assets	34,675,060	20,387,016
Non-current assets		
Financial assets	6,298,107	3,990,001
Deferred development costs	7,450,000	-
Intangible assets	4,866,304	-
Right of use assets	1,994,161	12,393,000
Total non-current assets	20,608,572	16,383,001
Total assets	55,283,632	36,770,017
Liabilities		
Current liabilities		
Trade and other payables	10,158,921	17,928,490
Provision for income tax	5,076,671	5,076,671
Loans and borrowings	16,416,117	15,703,416
Total current liabilities	31,651,709	38,708,577
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,189,158	7,106,354
Financial liabilities	30,200,000	-
TOTAL NON-CURRENT LIABILITIES	34,389,158	7,106,354
Total liabilities	66,040,867	45,814,931
Net assets	(10,757,235)	(9,044,914)
Equity		
Issued capital	13,683,428	13,664,428
Reserve	1,891,320	166,323
Retained earnings	(26,431,983)	(22,875,665)
Total equity	(10,757,235)	(9,044,914)
Statement of comprehensive income		
Total profit /(loss) after income tax	(4,844,244)	(3,004,466)
Total comprehensive profit/(loss)	(4,844,244)	(3,004,466)

20 Provision

	2024 \$	2023 \$
Provision for rehabilitation	1,813,721	-
	<u>1,813,721</u>	<u>-</u>

Rehabilitation

The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the consolidated entity at the end of the exploration or mining activity.

21. Related Party Transactions

a) Directors and Key Management Persons

Key Management Persons	Position
Mr Donald Carroll	Chairman
Mr Cameron Vorias	Director
Mr Timothy Lowry	Director
Mr Trevor Steel	Director
Mr Trent Franklin	Director
Mr Clement Ko	Director (appointed 6 December 2023 and resigned 30 September 2024)
Mr Kar Chua	Company secretary
Mr Benjamin Dunlop	Chief executive officer (appointed 1 October 2023)

Total directors and key management persons' remuneration (including share-based payment of \$1,724,997) during the financial year 2024 is \$2,856,977 (2023: \$744,000).

b) Directors' loans

Donald Carroll further lent the Company \$48,500 in July 2023. A portion of this loan was converted into a convertible note with the group for a total of \$200,000, with accrued convertible interest amounting to \$33,600. The remaining loan balance, including accrued interest of \$4,881 was paid during the year, resulting in a balance of \$nil as of 30 June 2024 (2023: \$157,275).

The loan from Forceseven Limited, a related entity of Trevor Steel, has been fully repaid during the year, including loan interest of \$2,896, and the balance as of 30 June 30, 2024 (2023: 112,238)

Ventura Resources Pty Ltd, a related entity of Cameron Vorias, further lent the Company \$60,000 in Aug 2023. A portion of this loan was converted into a convertible note with the group for a total of \$100,000, with accrued convertible interest amounting to \$16,282. The remaining loan balance, including accrued interest of \$2,075 was paid during the year, resulting in a balance of \$nil as of 30 June 2024 (2023: \$71,808).

PML Investment Limited, a related entity of Clement Ko has a convertible note balance of \$5,000,000 during the year, with accrued interest amounting to \$736,438.

Enable Investment Manager Pty Ltd, a related entity of Trent Franklin, has a convertible note balance of \$500,000 during the year, with accrued interest amounting to \$82,274. Baker Steel Resources Trust Limited a related entity of Trevor Steel, further lent the Company \$2,036,640 during the year. With accrued interest of \$16,685. This amount was converted to a convertible note with the group for a total of \$2,700,000. And the accrued convertible interest is \$ 445,833. The loan balance from Baker Steel Resources Trust Limited (a related party to Trevor Steel) is \$nil as of 30 June 2024. (2023: \$646,675).

c) Other

The royalty payable to Baker Steel Resources Trust Limited, an entity related to Trevor Steel, is \$50,599, while the royalty payable to NextGen Coals Ltd, related to Donald Carroll and Cameron Vorias, is \$28,914.

The marketing payable to NextGen Coals Ltd, related to Donald Carroll and Cameron Vorias, is \$96,379.

21. Related Party Transactions (Continued)

The Company entered into the following transactions with related entities of Trent Franklin, a Director of the Company including Enrizen Pty Ltd received \$94,144 (2023: \$70,500) for insurance services; Enrizen Lawyers Pty Ltd received \$181,769 (2023: \$113,753) for legal and company secretarial services; Enrizen Accounting Pty Ltd received \$77,000 (2023: \$197,000) for accounting services; Enrizen Capital Pty Ltd received \$nil (2023:180,000). and Enrizen Services Pty Ltd received \$nil (2023: \$3,380).

d) Consolidated entities

The Group operates in the exploration industry in Australia only. The Group has the following 100% wholly owned subsidiaries whose transactions have been consolidated into the Group accounts:

Coal of Queensland Pty Ltd	acquired 12/09/2016
Fairhill Coking Coal Pty Ltd	acquired 12/09/2016
Wilton Coking Coal Pty Ltd	acquired 12/09/2016
COQ Mining Services Pty Ltd	acquired 12/09/2016
Futura Mining Services Pty Ltd	incorporated 16/02/2018
Futura GC Pty Ltd	incorporated 11/03/2020

22. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments

The Company has a commitment to pay royalties of 2.75% on gross revenue over the Wilton and Fairhill Projects.

The mining tenement commitment as at the 30 June 2024 is \$329,000 (2023: \$318,833).

R&D Proceedings

Orders were made by the Federal Court on 23 April 2021 in respect of Coal of Queensland Pty Ltd (**COQ**) v Innovation and Science Australia (**Innovation and Science**) and orders were also made by the High Court during the reporting period on 2 September 2021 (which dismissed COQ's application for special leave to appeal) (**Proceedings**).

COQ is a wholly owned subsidiary of the Parent and thus a member of the Group.

A summary of the proceedings is as follows:

1. For the income years ended 30 June 2012 to 30 June 2014, Innovation and Science granted COQ a research and development grant. COQ accordingly submitted a project that focused on developing new mining beneficiating processes to Innovation and Science for rebate of funds pursuant to the research and development grant (**Project**). These activities therefore give rise to deductions and tax offsets of \$5,076,671 in favour of COQ for the income years ended 30 June 2012, 2013 and 2014. The total legal costs of Innovation and Science totalled \$106,300 (excluding GST).
2. Innovation and Science challenged that the Project was eligible for a rebate of funds.
3. On or about 28 May 2015, Innovation and Science concluded, pursuant to section 27J of the *Industry Research and Development Act 1986* (Cth) (**IRD Act**), that the Project was not considered a "core R&D activity" or "supporting R&D activities" within the meaning of section 4 of the IRD Act and sections 355-25 and 355-30 of the *Income Tax Assessment Act 1997* (Cth) (the **Decision**).
4. COQ sought a review of the Decision in the Administrative Appeals Tribunal on the grounds that the Project did not fall within the ordinary course of exploring or prospecting for minerals. The Administrative Appeals Tribunal did not accept COQ's submissions and affirmed the Decision (**AAT Decision**).
5. COQ lodged an application for judicial review of the AAT Decision in the Federal Court on the basis that the Administrative Appeals Tribunal did not correctly assess the evidence provided by COQ and that as a result the purpose of the Project was misunderstood. For this reason, COQ considered that the Project should be considered a R&D activity or supporting R&D activities.
6. On 23 April 2021, the Federal Court order that the appeal be dismissed, with the applicant required to pay the respondent's costs of the appeal.

22. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments (Continued)

7. On or about May 2021, COQ lodged an application for special leave to appeal with the High Court of Australia on the basis that the Federal Court erred:
- (a) in failing to recognise that the adoption at a point in time of a conceptually different approach to the carrying out of activities intended to identify improvements to be made to existing coal mining and beneficiation processes, or new processes which could be developed to enable the mining, processing and handling (transporting) of coal in the highly banded coal seams in the Fort Cooper Coal Measures, does not preclude activities undertaken prior to the adoption of the conceptually different approach from being directly related to, and undertaken for the dominant purpose of supporting, activities undertaken in adoption of the conceptually different approach; and
 - (b) erred in failing to conclude that the Administrative Appeals Tribunal in proceeding 1017/1135 erred in failing to consider the submission advanced by the applicant, that drilling and survey activities undertaken in the year of income ended 30 June 2012 should be regarded as “supporting R&D activities” within the meaning of s 355-30 of the Income Tax Assessment Act 1997.

On 2 September 2021, the High Court of Australia dismissed the application of special leave to appeal with costs. Legal fees of \$106,300, as recorded as provision as at 30 June 2021, were subsequently paid to Innovation Australia pursuant to the decision.

The \$5,076,671 received as part of Research and Development tax concession will need to be refunded to the Australian Tax Office and had been recorded as current liabilities as at 30 June 2024. The Group has not received any tax notices from the ATO and the directors are of the opinion that it is uncertain whether the ATO will impose on penalties or interests. No provision has been recognised on the balance sheet as at 30 June 2024.

The Board of Directors believe that there are no other contingent liabilities or capital equipment commitments up to or subsequent to the 30 June 2024 (2023: Nil) for either the parent company or its subsidiary.

23. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Crowe Sydney, the auditor of the company, its network firms and unrelated firms:

	2024 \$	2023 \$
Audit of the financial statements	100,000	25,000

24. Events Subsequent to Reporting Date

USD\$24 Million Debt Facility

Subsequent to the Financial Year, Futura entered into a binding agreement with Trafigura Asia Trading Pte Ltd (**Trafigura**) and for a A\$35 million debt facility (**Debt Facility**) along with associated secondary coal offtake contract (**Offtake Agreement**). The funds provided by Trafigura will be used by Futura for the development and commencement of production at the Fairhill Project.

The Debt Facility has been provided jointly by Trafigura and MCM Partners. Trafigura is a multinational commodity trader, predominantly operating out of Singapore. MCM Partners is a Hong Kong based asset manager.

The key terms of the Debt Facility and Offtake Agreement are as follows:

Loan Agreement	
Amount	USD\$24,000,000 (being, approximately A\$35,000,000) (Loan Amount)
Debt Term	30 months
Interest Rate	14% per annum
Repayments	<ul style="list-style-type: none"> ▪ Repayments are to be made via uniform quarterly payments of principal and interest after the repayment holiday/grace period as provided in the transaction documents. ▪ The loan agreement also provides for the option of making repayment by way of set off or deduction of deliveries of coal under the Coal Sales Contract. ▪ Interest payments are not subject to a grace period. Interest accrues immediately post drawdown with the first repayment due at the completion of month 3 after drawdown and on a quarterly basis thereafter.
Voluntary Repayment	<p>Voluntary Prepayment of part or all of the Loan Amount is permitted for a 1.5% fee of the part of the Loan Amount prepaid but does not affect the validity of the Offtake Agreement.</p> <p>The 1.5% fee will be waived if voluntary repayment is part of a refinancing provided by the Trafigura.</p>
Grace Period	<p>A repayment grace period will apply from the date of the drawdown of the Loan Amount to the earlier of:</p> <ul style="list-style-type: none"> (c) the date of first production of saleable Coal from the Fairhill Pit; and (d) the date falling six months after the drawdown date.
Upfront Fee	1.00% of the Loan Amount.
Right of first refusal	Futura may seek alternative debt financing. However, Trafigura has the right to offer financing under the same or better conditions as obtained by Futura.
General Security Deed	Under a general security deed, first ranking security is provided over all assets of Futura, Wilton and Fairhill, including the mining tenements.

24. Events Subsequent to Reporting Date (Continued)

Offtake Agreement	
Delivery Period	Under the Offtake Agreement, the delivery period is 36 months which may be extended for a period of a further 6 months if the tonnage commitment is not satisfied.
Tonnage	Under the Offtake Agreement, 2 million metric tonnes of Secondary coal is to be provided to Trafigura.
Marketing Fee	1.75% of the sale price of the coal, adjusted to actual delivered CV and any other bonus or penalty.
Pricing	Agreed per cargo/bid and set out in the confirmation.
Delivery Point	FOB Gladstone.
Laycan	15 day laycan to be mutually agreed 30 days prior to month of scheduled shipment.
Demurrage	Demurrage and despatch to be accordance with the charterparty for the vessel.
Minimum Cargo Size	10,000 tonnes.

Director Loans

Subsequent to financial year in July 2024, the Company received \$250,000 loans from Donald Carroll.

In late July 2024, the additional loans provided by Donald Carroll to the Company were repaid and extinguished in full.

Equentia Loan

Subsequent to the financial year in July 2024, Futura received:

- (c) a USD\$1million loan from Equentia Natural Resources Pte Ltd (**Equentia**); and
- (d) a USD\$1million loan from Rajiv Ramnarayan (**Rajiv**).

The loans from Equentia and Rajiv have a 3 month repayment term and bear interest at 2% per month.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

25: COMPANY DETAILS

The registered office and principal place of business of the Group is:

Futura Resources Limited

Level 28

88 Phillip Street,

Sydney NSW 2000

Australia

Tel: +61 2 8316 3992

Fax: +61 2 8316 3999

**Consolidated Entities Disclosure Statement
For the year ended 30 June 2024**



Entity name	Entity type	Country of incorporation	Country of tax residence	2024 Percentage of capital held	2023 Percentage of capital held
Futura Resources Limited	Body Corporate	Australia	Australia	N/A	N/A
Coal of Queensland Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Fairhill Coking Coal Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Wilton Coking Coal Pty Ltd	Body Corporate	Australia	Australia	100%	100%
COQ Mining Services Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Futura Mining Services Pty Ltd	Body Corporate	Australia	Australia	100%	100%
Futura GC Pty Ltd	Body Corporate	Australia	Australia	100%	100%

Directors' Declaration

The directors declare that:

- 1 the financial statements and notes, as set out on pages 19 to 50 are in accordance with the Corporations Act 2001 and:
 - (a) comply with the Accounting Standards and the Corporations Regulations 2001;
 - (b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated entity; and
 - (c) comply with International Financial Reporting Standards as issued by the International Accounting Standard Board as described in note 1 to the financial statements;
- 2 the Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view;
- 3 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 4 the disclosures included in note 25 relating to the consolidation entity and its subsidiaries are true and correct at 30 June 2024 in accordance with the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Donald Carroll
Chairman

Date 31 October 2024

Independent Auditor's Report to the Members of Futura Resources Limited

Opinion

We have audited the financial report of Futura Resources Limited (the Company) and its controlled entities (the Group) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report which outlines the directors' assessment in relation to the appropriateness of the going concern basis for the preparation of the financial statements. The matters as set out in Note 1(c) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, and whether it will realise the assets and extinguish its liabilities in the normal course of business, at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*;
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act, 2001*; and

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



Crowe Sydney



Harsh Shah
Senior Partner

31 October 2024
Sydney



FUTURA RESOURCES LIMITED
Annual Report
For the year ended 30 June 2023

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Corporate Information

ABN 64 113 707 458

Directors:

Mr Donald Carroll (Chairman)
Mr Cameron Vorias (Director)
Mr Timothy Lowry (Director)
Mr Trevor Steel (Director)
Mr Trent Franklin (Director)
Mr Clement Ko (Director, appointed 6 December 2023)

Company Secretary

Mr Kar Chua

Registered Office

Level 28, 88 Phillip Street,
Sydney NSW 2000
Telephone: 02 8316 3992
 07 3149 8225
Facsimile: 02 8316 3999

Brisbane Office

Level 54, 111 Eagle Street,
Brisbane QLD 4000

Auditors:

Crowe Sydney
Chartered Accountants
Level 24
1 O'Connell Street
Sydney NSW 2000

Directors' Report

The Directors of Futura Resources Limited and its controlled entities (**Futura**, the **Group** or the **Company**) present their report, together with the financial statements for the year ended 30 June 2023.

Directors

The names of the directors of the Company during or since the end of the financial year are:

Mr Donald Carroll	(Chairman)
Mr Cameron Vorias	(Director)
Mr Timothy Lowry	(Director)
Mr Trevor Steel	(Director)
Mr Trent Franklin	(Director)
Mr Clement Ko	(Director) (appointed 6 December 2023)

Principal Activities

The principal activities of the company during the financial year were in the mineral exploration industry, principally coal.

Operation Review

During the financial year, the Company has continued the development of its two large, adjacent coking coal projects in the Bowen Basin, Queensland (**Projects**), which it holds via its wholly owned subsidiaries, Wilton Coking Coal Pty Ltd and Fairhill Coking Coal Pty Ltd (together **Wilton Fairhill**).

The Projects provide exposure to the hard-coking coal commodity with strong medium to long term market dynamics. It also includes readily accessible first coal for production and a premium hard coking coal product confirmed by extensive test work.

The activities of Futura involve progressing the Projects towards production by continuing to advance the already substantially completed work relating to the analysis of the coal resource, mine planning studies, environmental permitting, and coal quality. Futura will leverage off existing infrastructure in the development and operation of the Projects, including the Gregory Crinum Coal Handling and Preparation Plant (**CHPP**). Futura is considerably advanced on all aspects of infrastructure access arrangements.

On 12 November 2021, Sojitz Coal Mining Pty Ltd (**Sojitz**) and Futura entered into a coal tolling agreement (**Coal Tolling Agreement**), whereby Sojitz agreed to toll coal mined by Futura through the Gregory Crinum CHPP. The term of the Coal Tolling Agreement is for 15 years. During and subsequent the reporting period the parties agreed to extend the sunset date to the conditions precedent under the Coal Tolling Agreement as follows:

- (i) On 29 September 2022, the parties agreed to extend the sunset date to 30 June 2023; and
- (ii) On 29 June 2023, the parties agreed to extend the sunset date to 31 December 2023; and

Directors' Report

(iii) on 1 December 2023, the parties agreed to extend the sunset date to 31 March 2024 being the current sunset date under the Coal Tolling Agreement.

On 19 January 2024, the Company provided notice to Sojitz of the Company's first contract for sale of Wilton Fairhill Coal. This notice satisfied the outstanding condition precedent in relation to the Coal Tolling Agreement, and the Coal Tolling Agreement is now in effect.

Project Highlights

The Company's growth plan is to develop the Projects into income generating assets through the mining and sale of hard coking coal. The Projects comprise a very large, near-surface coal deposit, and represent exceptional value for Shareholders.

Both licences (Wilton and Fairhill) represent exposure to hard coking coal, which the Company sees as having very strong medium-long term market dynamics. Additionally, there is available infrastructure within close proximity to the Projects, which the Company anticipates utilising as it progresses towards production. The Company is considerably advanced on all aspects of infrastructure access arrangements.

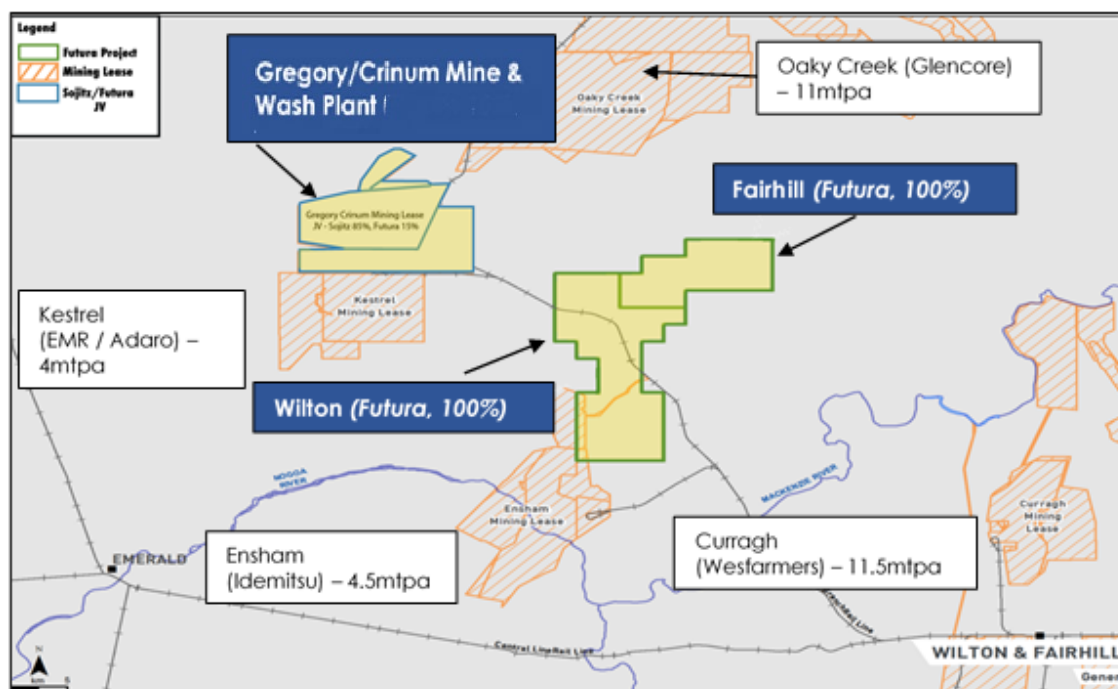
The Projects are proximal to substantial existing operations, as demonstrated by Figure 1, below, including a rail line traversing the tenement holding.

The Projects offer a number of considerable advantages:

- Readily accessible first coal for production;
- Mining methodology confirmed by test pits;
- Premium hard coking coal product confirmed by extensive wash plant test work; and
- Environmental Authorities issued for the Projects at both the State and Federal level.

Additionally, substantial work relating to analysis of the coal resource, scoping studies, environmental permitting and coal quality have been conducted over the previous five years under prior ownership, with additional work complete during the period. The Company is leveraging off this work to rapidly progress the Projects through to production.

Fig 1 – Project Locations



Wilton and Fairhill

Directors' Report

Wilton Coking Coal Pty Ltd (**WCC**) holds Exploration Permit for Coal (**EPC**) 1235 and 27172, and Mineral Development License 463 (**MDL**), with an exploration area comprising of approximately 145km². Fairhill Coking Coal Pty Ltd (**FCC**) holds the adjacent exploration tenure EPC 2177 which covers, in total, some 22 sub-blocks (approximately 66km²). Both projects currently possess Environmental Authorities (**EA**'s) over both EPC 1235, EPC 27172, EPC 2177 and MDL 463. These approvals allow for exploration activities, such as drilling and field mapping, and in the certain cases bulk sampling work such as a test pit.

The Projects also consist of Mining Lease applications ML 700028 and ML 700029 (collectively Wilton) and ML 700043 (Fairhill) (**Mining Lease Applications**). During the reporting period in November 2022, the Mining Lease Applications were granted by the Queensland Department of Resources, and the required Environmental Authorities (EA's) and Federal environmental approvals to proceed into production are in place.

Having received the Environmental Authority (EA) for the Wilton Mine (ML 700028 and 700029) on 14 November 2019, and the Mining Leases on 20 November 2022, Futura has progressed the Wilton Mine into operation as of 30 November 2023. Initial onsite activities consist of scrub clearing, topsoil removal and stockpiling, and infrastructure area setup, followed by the progression into formal mining activities. First coal was exposed in January 2024, facilitating first mining in the same month, followed by first coal haulage in February 2024 and washing and sales in March 2024.

Directors' Report

Table 1 – Futura's Tenements

Project	State	Registered Owner	Tenement Reference	Equity Interest	Status
Wilton	QLD	Wilton Coking Coal Pty Ltd	MDL463	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	EPC 1235	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	EPC27172	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	ML700028	100%	Live
	QLD	Wilton Coking Coal Pty Ltd	ML700029	100%	Live
Fairhill	QLD	Fairhill Coking Coal Pty Ltd	EPC 2177	100%	Live
	QLD	Fairhill Coking Coal Pty Ltd	ML700043	100%	Live

Location

The Wilton and Fairhill Projects are located in Central Queensland, approximately 279 km west of the coastal Port of Gladstone and 50 km north east of the regional centre, Emerald within the Bowen Basin of Central Queensland. The Wilton and Fairhill Projects are ~25km by road from the Gregory Crinum CHPP.

Geology

Across the Wilton and Fairhill Projects, a total of 176 boreholes have been completed to date totalling 17,801 metres. All drill holes have been geophysically logged for inclusion in the project geological model contributing to the JORC report and mine planning work. Completed boreholes include:

- 92 Chip Holes
- 61 Core Holes
- 3 Large Diameter (LD) Core Holes
- 20 Water bores

Core drilling and sampling has captured over 1,200 samples used for further analysis.

The Wilton and Fairhill Projects are located in the central region of the Bowen Basin surrounded by prominent operational coal mines such as Ensham, Gregory-Crinum, Kestrel and Oaky Creek. The Bowen Basin is the northern part of the 1,800km long Bowen-Sydney-Gunnedah Basin, a thick meridional accumulation of Permian and Triassic sediments with extensive coal measure development.

The exposed part of the basin in Central Queensland is triangular in shape, 250km wide at its base and 600km long. Permian coal sequences typical of those found on the Comet Ridge in the central Bowen Basin are found on these projects. The multiple coal seams of the Burngrove (6 seams) and Fairhill (6 seams) formations occur at shallow depths and are the primary targets within the tenements. The German Creek formations are present but at depth.

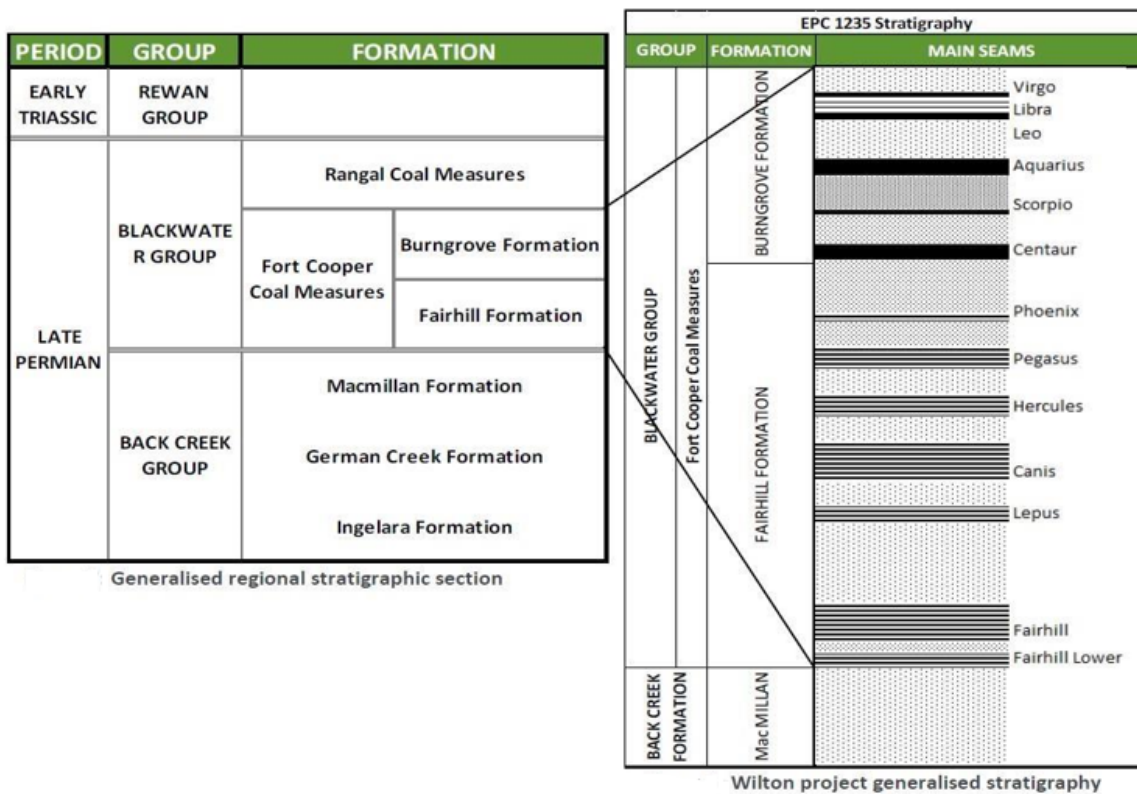
Exploration has confirmed the presence of both the Burngrove and Fairhill Formations. Extensive field mapping in the south west of the Wilton tenement has identified coal outcrops of seams from both the Burngrove and Fairhill Formation. Drilling in the north of the tenement has confirmed continuity of the seams across the entire tenement with consistent thicknesses and low angle dips.

Directors' Report

The Wilton and Fairhill Projects overlay a large area of deep-to-outcropping Fort Cooper Coal Measures within the central Bowen Basin. Coal seams of both the Burngrove Formation (Upper) and Fairhill Formation (Lower) subcrop throughout the project area on a regionally NE-SW trend, dipping very slightly to the west/north west. At the shallowest fresh coal intersections have obtained at a depth of 10.5m during costeaning operations while averaging 10m to 15m across the east of the projects. A maximum depth of cover in targeted resource areas of approximately 49m and a strike length of over 10km across both these projects ensures long term low cost mining.

The Project's resources are contained within all 6 coal seams of the Burngrove Formation and all 6 seams of the Fairhill Formation. Individual seam thickness varies across the project with recorded intercepts up to approximately 20m, however these seams can contain a large number of coal and waste plies. In total 210 coal plies have been correlated and modelled across both the Burngrove and Fairhill Formation coal seams.

Fig 2 – Relative thickness of the Fort Cooper coal seams



Coal Resource

The nature of the coal seams from the Burngrove and Fairhill Formations is typically thickly banded sequences of coal and non-coal material reaching up to 20m of thickness. The coal material contains a high proportion of vitrinite (70-80%), producing a high-quality bituminous coking coal.

The Coal Resource estimation for both projects has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), December 2012, which is used internationally for public reporting. These resource estimations are based on mapping, costeaning and additional exploration drilling with a proportion of the boreholes providing core samples for analytical testing in accredited laboratories in Queensland. All boreholes utilised on the JORC modelling were logged using a suite of wireline geophysical probes in order to provide reliable data set suited for coal exploration evaluation.

Directors' Report

Accompanying the Resource estimate is extensive documentation which outlines the methodology used to prepare the geological model, and in particular, the modelling of raw coal quality parameters that included a mixture of real data and parameters estimated from the downhole long-spaced density geophysical logs. This data has, in effect, created a ply-by-ply dataset. When combined with raw coal quality estimated parameters from downhole geophysical logging (courtesy of work completed by Coal Resource Consulting; Donelan, 2014) the model has been used to generate working section sub-models with the purpose of carrying out detailed mine design studies from the output.

Stringent cut-off parameters were applied to the coal plies as follows:

- <0.02m excluded (for reporting);
- >1.80 kg/m³ relative density (air-dried basis) excluded;
- >60% raw ash excluded;
- Plies above the base of weathering excluded; and
- >300m depth below the ground surface excluded.

From the cross-correlations established by Coal Resource Consulting it is objectively possible and entirely credible to estimate a range of raw coal quality parameters, based on correlations of historical and available company laboratory data.

The Projects hold the following resources:

Table 2: Resource Estimates

Deposit / seam	Depth (m)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Wilton¹					
Burngrove / Fairhill	0-100	87.0	139.9	279.7	506.6
Burngrove / Fairhill	100-200	99.4	283.4	627.4	1,010.2
Burngrove / Fairhill	200-300	13.8	220.3	526.8	760.8
Total	-	200.1	643.7	1,433.8	2,277.6
Fairhill¹					
Fairhill	0-100	-	331.0	690.0	1,021.0
Fairhill	100-200	-	106.0	83.0	189.0
Fairhill	200-300	-	-	-	-
Total	-	-	437.0	773.0	1,210

¹. Prepared by ROM Resource Pty Ltd in accordance with Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Directors' Report

Mining

The Projects will be mined as an open-cut, truck and shovel operation including dozer push and evolving to incorporate a dragline to maximise mining efficiency. ROM coal from the Wilton and Fairhill Projects will be hauled to a centralised ROM stockpile at the Gregory CHPP. From the ROM stockpile Gregory CHPP feed will be pre-treated through crushing and screening to remove as much waste material as possible and set the material to the optimum topsize. This material will then be fed into the Gregory CHPP, along with some direct feed, to be processed producing both the primary coking coal and secondary coal product from a single ROM feed.

Mining Method

The mining method chosen for the Wilton Project is strip mining. A boxcut will be excavated in the first strip to the basal seam to establish the void, with waste material being placed out of pit.

The project resource area is a deposit with moderate coal dips and lends itself to the application of a bulk dozer push as a less expensive alternative to truck shovel. This involves the stripping of waste with a bulk dozer push prior to the extraction of coal and partings by a backhoe excavator and trucks. The overburden waste in the coal edge wedge that is pushed by dozers is handled again by truck shovel during excavation of the coal. The savings generated by the use of dozers justifies the small amount of additional truck shovel excavation from the coal edge. Excavated waste will be hauled and placed over the dozer push spoil piles during steady state strip mining to backfill the pit to approximately original topography, creating a low-cost rehabilitated landform.

Logistics

Rail

Product coal will be separately stockpiled at Gregory Crinum before being loaded onto trains and railed to the Port of Gladstone. The Gregory Branch of the main Blackwater rail line runs through the Wilton project and connects with the coal export terminals at the Port of Gladstone. The Blackwater rail system is owned by Aurizon, of which the Queensland Government is the major shareholder, and is a regulated asset covered by an open access regime. This system offers direct access from the Wilton and Fairhill Projects to the Port of Gladstone approximately 340 km away by rail.

Port

Coal from Wilton, Fairhill will be exported through the Port of Gladstone. The RG Tanna Terminal and Wiggins Island Coal Export Terminal have excess capacity due to recent expansions.

Permitting

The Company lodged its Wilton Project Mining Lease Application (ML700028 and ML700029) (**Wilton Mining Leases**) with the Department of Natural Resources, Mines and Energy. The public consultation period for the Wilton Mining Leases has been completed.

The Company also lodged its Fairhill Project Mining Lease Application (ML700043) (**Fairhill Mining Lease**) with the Department of Natural Resources. The public consultation period for the Wilton Mining Leases has been completed.

The Company has received the Environmental Authority for both Wilton and Fairhill, issued by the Queensland Government Department of Environment and Science (DES).

During the reporting period in November 2022, the Wilton Mining Leases and Fairhill Mining Leases were granted by the Queensland Department of Resources. These Mining Lease grants now allow the Company to proceed into production.

The Company was advised by the Australian Government Department of Agriculture, Water and the Environment, that it had decided to grant Environment Protection and Biodiversity Conservation Act (**EPBC**) approval for the Fairhill mine. This is the last of the environmental approvals required to be able to commence coal mining at Fairhill.

Directors' Report

The Company has now received all environmental and mining lease approvals required for the Wilton and Fairhill mines to enter into production.

Landholder Compensation Agreement

The Company has entered into compensation agreements with the affected landholders for both Wilton and Fairhill. The specifics of these arrangements have been previously reported.

The Company has reached compensation arrangements with all affected landholders.

Subsequent to the reporting period, the Company paid all outstanding compensation payments to affected landholders.

Funding

Subsequent to the reporting period, In September 2023, the Company conducted a capital raising (**Capital Raising**) via the issue of convertible notes (**Convertible Notes**).

The Company has received \$30.30 million in commitments pursuant to the Capital Raising.

The terms of the Convertible Notes are as follows:

- (a) Each Convertible Note has a face value of \$50,000 each;
- (b) The Convertible Notes will mature three years from their date of issue (**Maturity**);
- (c) The Convertible Notes will bear interest at a rate of 21% per annum (**Interest**);
- (d) Interest on the Convertible Notes will first be payable on the first anniversary of their date of issue and subsequent Interest payments will then be made semi-annually;
- (e) Convertible Notes are convertible into fully paid ordinary shares (**Shares**) of Futura at the lower of:
 - (i) Eighty percent (80%) of, as is applicable:
 - A. The offer price of Shares to be issued in connection with an Initial Public Offering on ASX;
 - B. The value of Shares as agreed between the parties of an alternative change of control event, or
 - (ii) The price per Share of \$2.38,

(Collectively, the **Conversion Price**).
- (f) Convertible Notes will be convertible into Shares at the Conversion Price at the earlier of:
 - (i) election by the convertible noteholder;
 - (ii) Maturity;
 - (iii) promptly upon receipt by the Company of ASX Approval of an IPO; or
 - (iv) immediately prior to completion of a share sale or trade sale of the Company.
- (g) The convertible note holders will have the option to redeem the Convertible Notes at par in cash within 30 days of Maturity by providing written notice to the Company.

Funds raised from the Capital Raising will be utilised for development funds for the Wilton Fairhill Projects, loan repayments and working capital purposes.

Directors' Report

Shareholder and Director Loans

During the reporting period, the Company received a \$600,000 loan from Baker Steel in two \$300,000 tranches (**BRST Loan**). Tranche 1 of the BSRT Loan was repayable by 31 March 2023, and tranche 2 of the BSRT Loan was repayable by 30 June 2023. The BSRT Loan is interest bearing at 15%. Subsequent to the reporting period, in August 2023, Futura and Baker Steel agreed to convert all outstanding principal and interest under the BSRT Loan into Convertible Notes pursuant to the Capital Raising, and the BSRT Loan has been fully extinguished.

During and subsequent to the reporting period, the Company received the following loans from its directors and shareholders:

- (a) \$100,000 loan from Forceseven Limited, a company related to director Trevor Steel (**Forceseven Loan**);
 - (b) \$60,000 from Ventura Resources Pty Ltd, an entity related to Cameron Vorias, bringing a total outstanding principal of \$120,000 owed by the Company to Ventura Resources Pty Ltd (**Ventura Loan**);
 - (c) \$60,000 from L11 Capital Pty Ltd an entity related a Company shareholder, bringing the total outstanding loan principal of \$120,000 owed by the Company to L11 Capital Pty Ltd (**L11 Loan**);
 - (d) \$123,500 from Donald Carroll bringing the total outstanding loan principal of \$120,000 owed by the Company to \$183,500 (**Carroll Loan**);
- (Collectively, **Director and Shareholder Loans**).

The Director and Shareholder Loans are interest bearing at 15% per annum.

Information on Board

The names and details of the Directors and the Company Secretary of the Group in office at the date of this report are as follows:

Mr Donald Carroll, Chairman

Mr Carroll is a former senior executive with BHP Limited including the following: Group General Manager Marketing of BHP Asia, Country Head and President of BHPB Japan, Country Head and President of BHPB India.

Mr Cameron Vorias, Director

Mr Vorias is the former Chief Operating Officer of Q Coal and Peabody Energy Australia. He is currently Managing Director and Chief Executive Officer of Sojitz Coal (owner and operator of Minerva Coal Mine, Central Queensland) and General Manager at Excel Coal, New Hope Coal (New Acland Coal Mine).

Mr Timothy Lowry, Director

Mr Lowry has 38 years' experience spanning multiple commodities, including dry and wet bulk cargoes, gas and containers. He is a shipping and ocean freight logistics specialist.

Mr Trevor Steel, Director

Mr Steel is the former Senior Portfolio Manager at Merrill Lynch Investment Managers, specialising in natural resources. He is currently the Chief Investment Officer and Managing Partner at Baker Steel. He has a degree in Geology from the Royal School of Mines Imperial College, London.

Directors' Report

Mr Trent Franklin, Director

Mr Franklin holds qualifications in finance, risk management, a Bachelor of Science (Geology/Geophysics) from the University of Sydney and is a graduate of the Australian Institute of Company Directors. Mr Franklin is Managing Director of Enrizen Financial Group, a financial services, accounting and legal firm. He is also Chairman of listed company Gateway Mining Limited (since February 2013), Director of listed Company Strickland Metals Limited (since April 2021) and Company Secretary of listed company Silver Mines Limited. He has previously served as a Director of the Australian Olympic Committee Inc and the Australian Olympic Foundation.

Mr Clement Ko, Director (appointed 6 December 2023)

Mr Ko holds an MBA from the University of New South Wales. Mr Ko commenced his career as a Marketing Manager in the BHP Asian regional marketing office based in Hong Kong. Mr Ko remained at BHP for 10 years before setting out to establish his own highly successful marketing business Pacific Minerals. Initially he focussed on China and has since expanded to other Asian countries such as Korea (where he is one of the major suppliers of US coal to Posco), and more recently India.

Mr Kar Chua, Company Secretary

Mr Chua is a member of the Institute of Chartered Accountants in Australia and New Zealand. He has a range of experience in assisting several ASX-listed companies with their reporting, company secretarial and accounting functions, in addition to having a background in financial reporting for the Australia/New Zealand operations of a substantial multi-national group. He is currently Company Secretary of listed company Gateway Mining Limited.

Directors' Meetings

During the financial year, 4 meetings of directors (including committees) were held.

Directors	Meetings eligible to attend	Meetings attended
D. Carroll	4	4
C. Vorias	4	4
T. Lowry	4	4
T. Steel	4	4
T. Franklin	4	4
C. Ko	0	0

Environmental Regulation

The Group's operations are subject to various environmental regulations under Queensland State Legislation and Regulations. The directors are not aware of any material breaches during the financial year.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Future Developments, Prospects and Business Strategies

The directors believe, on reasonable grounds, that it would unreasonably prejudice the interests of the Group if any further information on likely developments, future prospects and business strategies in the operations of the Group and the expected results of these operations, were included herein.

Financial Results

The loss of the Company for the year ended 30 June 2023 after providing for income tax amounted to \$4,007,048 (2022: \$963,297).

Proceedings on Behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Directors' Report

Indemnifying Officers

The Group has paid a premium to insure the directors and officers of the Group.

The insurance agreement limits disclosure of premium details.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Indemnity and Insurance of Auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Events Subsequent to Reporting Date

Capital Raising

Subsequent to the reporting period, In September 2023, the Company conducted a capital raising (**Capital Raising**) via the issue of convertible notes (**Convertible Notes**).

The Company has received \$30.30 million in commitments pursuant to the Capital Raising.

The terms of the Convertible Notes are as follows:

- (a) Each Convertible Note has a face value of \$50,000 each;
- (b) The Convertible Notes will mature three years from their date of issue (**Maturity**);
- (c) The Convertible Notes will bear interest at a rate of 21% per annum (**Interest**);
- (d) Interest on the Convertible Notes will first be payable on the first anniversary of their date of issue and subsequent Interest payments will then be made semi-annually;
- (e) Convertible Notes are convertible into fully paid ordinary shares (**Shares**) of Futura at the lower of:
 - (iii) Eighty percent (80%) of, as is applicable:
 - C. The offer price of Shares to be issued in connection with an Initial Public Offering on ASX;
 - D. The value of Shares as agreed between the parties of an alternative change of control event, or
 - (iv) The price per Share of \$2.38,

(Collectively, the **Conversion Price**).

- (f) Convertible Notes will be convertible into Shares at the Conversion Price at the earlier of:

Directors' Report

- (v) election by the convertible noteholder;
- (vi) Maturity;
- (vii) promptly upon receipt by the Company of ASX Approval of an IPO; or
- (viii) immediately prior to completion of a share sale or trade sale of the Company.

(g) The convertible note holders will have the option to redeem the Convertible Notes at par in cash within 30 days of Maturity by providing written notice to the Company.

Funds raised from the Capital Raising will be utilised for development funds for the Wilton Fairhill Projects, loan repayments and working capital purposes.

Director and Shareholder Loans

Subsequent to the reporting period, in August 2023, Futura and Baker Steel agreed to convert all outstanding principal and interest under the BSRT Loan into Convertible Notes pursuant to the Capital Raising, and the BSRT Loan has been fully extinguished.

During and subsequent to the reporting period, the Company received the following loans from its directors and shareholders:

- (e) \$100,000 loan from Forceseven Limited, a company related to director Trevor Steel (**Forceseven Loan**);
- (f) \$60,000 from Ventura Resources Pty Ltd, an entity related to Cameron Vorias, bringing a total outstanding principal of \$120,000 owed by the Company to Ventura Resources Pty Ltd (**Ventura Loan**);
- (g) \$60,000 from L11 Capital Pty Ltd an entity related a Company shareholder, bringing the total outstanding loan principal of \$120,000 owed by the Company to L11 Capital Pty Ltd (**L11 Loan**);
- (h) \$123,500 from Donald Carroll bringing the total outstanding loan principal of \$120,000 owed by the Company to \$183,500 (**Carroll Loan**);

(Collectively, **Director and Shareholder Loans**).

The Director and Shareholder Loans are interest bearing at 15% per annum.

Subsequent to the reporting period in September 2023, The Forceseven Limited Loan was fully repaid and extinguished.

As part of the Capital Raising, and to preserve cash reserves, the Company agreed with lenders under Director and Shareholder Loans to convert into Convertible Notes, a portion of the principal and interest owing under the Director and Shareholder Loans as follows:

- (a) \$100,000 of principal under the Ventura Loan;
- (b) \$100,000 of principal under the L11 Capital Loan; and
- (c) \$200,000 of principal and interest under the Carroll Loan.

The balance of any principal and interest owing under the Ventura Loan, L11 Capital Loan, and the Carroll Loan was paid by the Company in cash.

Extension of Sunset Date and satisfaction of conditions for Revised Coal Tolling Agreement

Subsequent to the reporting period on 1 December 2023, Sojitz and Futura agreed to the extend the sunset date to the conditions precedent of the revised coal tolling agreement to 31 March 2024.

Directors' Report

On 19 January 2024, the Company provided notice to Sojitz of the Company's first contract for sale of Wilton Fairhill Coal. This notice satisfied the outstanding condition precedent in relation to the Coal Tolling Agreement, and the Coal Tolling Agreement is now in effect.

Payment of Landholder Compensation

The Company has a compensation commitment to a key landholder of the Wilton project comprising \$4,893,000. These commitments were satisfied and paid subsequent to the reporting period.

The Company has a compensation commitment to a key landholder of the Fairhill project comprising \$7,500,000. These commitments were satisfied and paid subsequent to the reporting period.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

The directors' report is signed in accordance with a resolution of the Board of Directors.

Donald Carroll
Chairman
Date

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Other income – sales of royalty interests		-	2,450,000
Interest income		318	1
Foreign exchange losses		(123)	814
Accountancy fees		(197,000)	(77,200)
Consulting fees		(213,673)	(182,335)
Directors' remuneration		(744,000)	(771,340)
Legal fees		(91,297)	(200,790)
Corporate and administration expenses		(707,861)	(462,857)
Finance costs		(2,053,412)	(1,719,590)
Loss before income tax expenses		(4,007,048)	(963,297)
Income tax expense		-	-
Loss for the year		(4,007,048)	(963,297)
Other comprehensive income		-	-
Total comprehensive loss for the year		(4,007,048)	(963,297)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current Assets			
Cash and cash equivalents	2	24,748	89,387
Trade and other receivables	3	812,412	229,414
Total Current Assets		837,160	318,801
Non-Current Assets			
Exploration and evaluation expenditure	4	90,044,771	78,961,367
Financial assets	6	64,142	64,142
Total Non-Current Assets		90,108,913	79,025,509
Total Assets		90,946,073	79,344,310
Liabilities			
Current Liabilities			
Trade and other payables	7	15,962,710	2,789,496
Provision for income tax	10	5,076,671	5,076,671
Loans and borrowings	8	15,703,416	13,267,819
Total Current Liabilities		36,742,797	21,133,986
Total Liabilities		36,742,797	21,133,986
Net Assets		54,203,276	58,210,324
Equity			
Issued capital	9	13,664,428	13,664,428
Options reserves	9	166,323	166,323
Retained earnings		40,372,525	44,379,573
Total Equity		54,203,276	58,210,324

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity For the year ended 30 June 2023

	Notes	Ordinary Shares \$	Share based payment reserve \$	Retained earnings \$	Total \$
Balance at 1 July 2021		13,664,428	88,468	45,342,870	59,095,766
Transactions with owners, in their capacity as owners					
Options issued		-	77,855	-	77,855
Total transactions with owners, in their capacity as owners		-	77,855	-	77,855
Comprehensive income for period					
Loss attributable to owners of the company		-	-	(963,297)	(3,366,457)
Total comprehensive income for the period		-	-	(963,297)	(3,366,457)
Balance at 30 June 2022 / 1 July 2022		13,664,428	166,323	44,379,573	58,210,324
Transactions with owners, in their capacity as owners					
Comprehensive income for period					
Loss attributable to owners of the company		-	-	(4,007,048)	(4,007,048)
Total comprehensive income for the period		-	-	(4,007,048)	(4,007,048)
Balance at 30 June 2023	9	13,664,428	166,323	40,372,525	54,203,276

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers		(374,173)	(978,148)
Interest received		318	1
Net cash provided by operating activities		(373,855)	(978,147)
Cash flows from investing activities			
Payments for exploration expenditure		(465,783)	(109,523)
Net cash used in investing activities		(465,783)	(109,523)
Cash flows from financing activities			
Proceeds from borrowings		775,000	1,175,185
Net cash provided by financing activities		775,000	1,175,185
Net decrease in cash and cash equivalents		(64,639)	87,515
Cash at beginning of the year		89,387	1,872
Cash and cash equivalents at end of the year	2	24,748	89,387

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

1. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standard - Simplified Disclosures and interpretations issued by the Australian Accounting Standards (AASB) and the requirements of Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Australian dollars which is the Group's functional currency.

(b) Basis of Consolidation

The financial statements comprise the financial information of the consolidated entity. Subsidiaries are determined to be entities which the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with that of the Company. All intragroup balances and transactions, including income, expenses and dividends, are eliminated in full upon consolidation.

(c) Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

1. Statement of Significant Accounting Policies (Continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying coal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as coal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised if they are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Income Tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(d) Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued operating losses of \$4,007,048 (2022: \$963,297), net current liabilities of \$36,742,797 (2022: \$21,133,986), as the directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations. The cash is managed through:

- i. tight control of administrative expenses;
- ii. raising additional capital, including completion of recent A\$30.3million Capital Raising;
- iii. the potential of shareholder working capital loans and pre-payment debt facilities; and
- iv. the Company intends to negotiate with the Australian Tax Office ("ATO") for a periodic payment plan regarding refund of \$5,076,671 R&D amount, and any penalties imposed (if any).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

1. Statement of Significant Accounting Policies (Continued)

Revenue streams are expected to occur in the first calendar quarter of 2024. Mining Operations at the Company's Wilton Project have commenced as of 30 November 2023. Initial onsite activities consist of scrub clearing, topsoil removal and stockpiling, and infrastructure area setup, followed by the progression into formal mining activities. First coal was exposed in January 2024, facilitating first mining in the same month, followed by first coal haulage in February 2024 and washing and sales in March 2024.

The directors have prepared a forecast for the foreseeable future reflecting the above mentioned expectations and their effect on the Group.

The forecast is based on directors' best estimates and reflects current market prices and reduction in interest income. Whilst the forecast includes a proposed start-up of mining operations, the Company will keep tight control on operations costs and capital expenditure costs and minimising costs where possible.

In the unlikely event that the above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

(e) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted the following new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The consolidated entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

2. Cash and Cash Equivalents

	2023 \$	2022 \$
Cash at bank	24,748	89,387
Total Cash and Cash equivalents	24,748	89,387

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3. Trade and Other Receivables

	2023 \$	2022 \$
Other receivables	812,412	229,414
	812,412	229,414

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

4. Exploration and Evaluation Expenditure

	2023 \$	2022 \$
Opening Balance	78,961,367	78,717,580
Additions at cost	11,083,404	243,787
Closing Balance	90,044,771	78,961,367

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas.

Mineral tenements, exploration and evaluation expenditure relate to the following projects:

	2023 \$	2022 \$
EPC 1235 Wilton Coal Project	77,022,114	73,606,099
EPC 2177 Fairhill Project	13,022,657	5,355,268
	90,044,771	78,961,367

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profits in the year in which the decision to abandon the area is made.

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

4. Exploration and Evaluation Expenditure (Continued)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from where exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Exploration and evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

5. Property, Plant and Equipment

	2023 \$	2022 \$
Property, plant and equipment		
At cost	102,638	102,638
Accumulated depreciation	(102,638)	(102,638)
	<u>-</u>	<u>-</u>

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of non-current asset between the beginning and the end of the current financial year:

	Plant and Equipment \$
Balance at 1 July 2022	27,280
Disposals	(5,500)
Depreciation expense	(21,780)
Carrying amount at 30 June 2023	<u><u>-</u></u>

All property, plant and equipment excluding freehold land and buildings, are initially measured at cost and are depreciated over their useful lives to the company.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

6. Financial Assets

	2023 \$	2022 \$
Financial Assurance Bond	64,142	64,142

7. Trade and Other Payables

	2023 \$	2022 \$
Trade and other payables	15,962,710	2,789,496
	15,962,710	2,789,496

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Convertible notes interest is due to be paid semi-annually.

8. Loans and Borrowings

	2023 \$	2022 \$
Loan - NTG Investments Group Pty Ltd	6,991,505	6,017,851
Loan - Aldersberg Limited	7,651,103	7,062,921
Loan - Baker Steel Resources Trust Limited	646,675	-
Loan - Forceseven Limited	112,238	-
Loan - Don Carroll	157,275	62,568
Loan - Ventura Resources	71,808	61,808
Loan-Gascoyne Family trust	72,812	62,671
Total Loans and Borrowings	15,703,416	13,267,819

The above loans are principal and interest payable. The loans from NTG and Aldersberg have no fixed repayment terms. The interest rate is 15% and 8% respectively. The loans from Baker Steel have no fixed repayment terms. The interest rate is 15% and 18% respectively. The loans from Donald Carroll, Ventura Resources, Forceseven Limited and the Gascoyne Family Trust are repayable by 31 March 2023 are interest bearing at 15%. The Loans from Donald Carroll, Ventura Resources, Forceseven Limited and the Gascoyne Family Trust were extinguished subsequent to the reporting period.

9. Capital and Reserves

a. Issued Capital

	Number of Shares	\$
On issue at 1 July 2020	31,680,459	3,082,478
Conversion of convertible notes and interest	10,290,975	10,581,950
On issue at 30 June 2021, 2022 and 2023	41,971,434	13,664,428

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

9. Capital and Reserves (Continued)

Ordinary Shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

No dividends were declared or paid during the 2023 financial year (2022: Nil)

b. Option Reserve

	2023	2022
Balance at the beginning of the financial year	166,323	88,468
Option reserve movement	-	77,855
Balance at the end of the financial year	166,323	166,323

10. Income Tax

	2023	2022
	\$	\$
Provision for income tax	5,076,671	5,076,671
	5,076,671	5,076,671

Provision for income tax relates to the orders made by the Federal Court on 23 April 2021 in respect of Coal of Queensland Pty Ltd (COQ) v Innovation and Science Australia and orders were also made by the High Court during the reporting period on 2 September 2021 (which dismissed COQ's application for special leave to appeal). For full details please refer to Note 13.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

11. Parent Entity Information

Statement of financial position	2023	2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	24,748	89,387
Trade and other receivables	813,863	230,863
Amounts due from related companies	29,969,105	18,884,806
Total current assets	30,807,716	19,205,056
Non-current assets		
Financial assets	3,990,011	3,990,011
Total non-current assets	3,990,011	3,990,011
Total assets	34,797,717	23,195,067
Liabilities		
Current liabilities		
Trade and other payables	15,962,092	2,782,973
Provision for income tax	5,076,671	5,076,671
Loans and borrowings	15,703,416	13,267,819
Total current liabilities	36,742,179	21,127,463
Total liabilities	36,742,179	21,127,463
Net assets	(1,944,462)	2,067,604
Equity		
Issued capital	13,664,428	13,664,428
Options reserves	166,323	166,323
Accumulated losses	(15,775,213)	(11,763,147)
Total equity	(1,944,462)	2,067,604
Statement of comprehensive income		
Total loss after income tax	(4,006,165)	(962,034)
Total comprehensive loss	(4,006,165)	(962,034)

12. Related Party Transactions

a) Directors and Key Management Persons

Key Management Persons	Position
Mr Donald Carroll	Chairman
Mr Cameron Vorias	Director
Mr Timothy Lowry	Director
Mr Trevor Steel	Director
Mr Trent Franklin	Director
Mr Clement Ko	Director (appointed 6 December 2023)
Mr Kar Chua	Company Secretary

Total directors' remuneration during the financial year 2023 is \$744,000 (2022: \$771,340).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

12. Related Party Transactions (Continued)

b) Directors' loans

Donald Carroll had made a loan of \$60,000 to the Group during the year with an outstanding balance of \$157,274.76 as at 30 June 2023 (2022: \$62,568). The outstanding loans from Ventura Resources Pty Ltd (an entity related to Cameron Vorias) with an outstanding balance of \$71,808.26 as at 30 June 2023 (2022: \$61,808) and, Forceseven Limited (an entity related to Trevor Steel had also made a loan of \$100,000 (2022: \$NIL).

The loans are repayable by 31 March 2023 and are interest bearing at 15%. The Loans from Donald Carroll, Ventura Resources and Forceseven Limited were extinguished subsequent to the reporting period.

c) Other

The Company entered into the following transactions with related parties of Trent Franklin, a Director of the Company including Enrizen Pty Ltd received \$585,648 (2022: \$2,185) for insurance services; Enrizen Lawyers Pty Ltd received \$113,753 (2022: \$106,704) for legal and company secretarial services; Enrizen Accounting Pty Ltd received \$197,000 (2022: \$77,000) for accounting services; Enrizen Capital Pty Ltd received \$180,000 (2022: \$Nil). and Enrizen Services Pty Ltd received \$3,380 (2022: \$1,280).

The loan from Baker Steel Resources Trust Limited (a related party to Trevor Steel) of \$600,000 (2022: \$Nil).

d) Consolidated entities

The Group operates in the exploration industry in Australia only. The Group has the following 100% wholly owned subsidiaries whose transactions have been consolidated into the Group accounts:

Coal of Queensland Pty Ltd	acquired 12/09/2016
Fairhill Coking Coal Pty Ltd	acquired 12/09/2016
Wilton Coking Coal Pty Ltd	acquired 12/09/2016
COQ Mining Services Pty Ltd	acquired 12/09/2016
Futura Mining Services Pty Ltd	incorporated 16/02/2018
Futura GC Pty Ltd	incorporated 11/03/2020

13. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments

The Company has a commitment to pay royalties of 2.75% on gross revenue over the Wilton and Fairhill Projects.

The mining tenement commitment as at the 30 June 2023 is \$318,833 (2022: \$318,833).

The Company has a commitment to pay a Required Capital Improvement of \$2million as part of the coal tolling agreement signed with Sojitz on 12 November 2021.

R&D Proceedings

Orders were made by the Federal Court on 23 April 2021 in respect of Coal of Queensland Pty Ltd (**COQ**) v Innovation and Science Australia (**Innovation and Science**) and orders were also made by the High Court during the reporting period on 2 September 2021 (which dismissed COQ's application for special leave to appeal) (**Proceedings**).

COQ is a wholly owned subsidiary of the Parent and thus a member of the Group.

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

13. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments (Continued)

A summary of the proceedings is as follows:

1. For the income years ended 30 June 2012 to 30 June 2014, Innovation and Science granted COQ a research and development grant. COQ accordingly submitted a project that focused on developing new mining beneficiation processes to Innovation and Science for rebate of funds pursuant to the research and development grant (**Project**). These activities therefore give rise to deductions and tax offsets of \$5,076,671 in favour of COQ for the income years ended 30 June 2012, 2013 and 2014. The total legal costs of Innovation and Science totalled \$106,300 (excluding GST).
2. Innovation and Science challenged that the Project was eligible for a rebate of funds.
3. On or about 28 May 2015, Innovation and Science concluded, pursuant to section 27J of the *Industry Research and Development Act 1986* (Cth) (**IRD Act**), that the Project was not considered a "core R&D activity" or "supporting R&D activities" within the meaning of section 4 of the IRD Act and sections 355-25 and 355-30 of the *Income Tax Assessment Act 1997* (Cth) (the **Decision**).
4. COQ sought a review of the Decision in the Administrative Appeals Tribunal on the grounds that the Project did not fall within the ordinary course of exploring or prospecting for minerals. The Administrative Appeals Tribunal did not accept COQ's submissions and affirmed the Decision (**AAT Decision**).
5. COQ lodged an application for judicial review of the AAT Decision in the Federal Court on the basis that the Administrative Appeals Tribunal did not correctly assess the evidence provided by COQ and that as a result the purpose of the Project was misunderstood. For this reason, COQ considered that the Project should be considered a R&D activity or supporting R&D activities.
6. On 23 April 2021, the Federal Court order that the appeal be dismissed, with the applicant required to pay the respondent's costs of the appeal.
7. On or about May 2021, COQ lodged an application for special leave to appeal with the High Court of Australia on the basis that the Federal Court erred:
 - (a) in failing to recognise that the adoption at a point in time of a conceptually different approach to the carrying out of activities intended to identify improvements to be made to existing coal mining and beneficiation processes, or new processes which could be developed to enable the mining, processing and handling (transporting) of coal in the highly banded coal seams in the Fort Cooper Coal Measures, does not preclude activities undertaken prior to the adoption of the conceptually different approach from being directly related to, and undertaken for the dominant purpose of supporting, activities undertaken in adoption of the conceptually different approach; and
 - (b) erred in failing to conclude that the Administrative Appeals Tribunal in proceeding 1017/1135 erred in failing to consider the submission advanced by the applicant, that drilling and survey activities undertaken in the year of income ended 30 June 2012 should be regarded as "supporting R&D activities" within the meaning of s 355-30 of the *Income Tax Assessment Act 1997*.

On 2 September 2021, the High Court of Australia dismissed the application of special leave to appeal with costs. Legal fees of \$106,300, as recorded as provision as at 30 June 2021, were subsequently paid to Innovation Australia pursuant to the decision.

The \$5,076,671 received as part of Research and Development tax concession will need to be refunded to the Australian Tax Office and had been recorded as current liabilities as at 30 June 2021 and 30 June 2022. The Group has not received any tax notices from the ATO and the directors are of the opinion that it is uncertain whether the ATO will impose on penalties or interests. No provision has been recognised on the balance sheet as at 30 June 2023.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

13. Contingent Liabilities, Capital Expenditure and Mining Tenement Commitments (Continued)

Compensation arrangements

The Company has reached compensation arrangements with affected landholders.

The Company has a compensation commitment to a key landholder of the Wilton project comprising \$4,893,000. Subsequent, to the reporting period, these payments were made to the affected landholders. These commitments were paid subsequent to the reporting period.

The Company has a compensation commitment to a key landholder of the Fairhill project comprising \$7,500,000. Subsequent, to the reporting period, these payments were made to the affected landholders. These commitments were paid subsequent to the reporting period.

The Board of Directors believe that there are no other contingent liabilities or capital equipment commitments up to or subsequent to the 30 June 2023 (2022: Nil) for either the parent company or its subsidiary.

14. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Crowe Sydney, the auditor of the company, its network firms and unrelated firms:

	2023	2022
	\$	\$
Audit of the financial statements	21,000	21,000

15. Events Subsequent to Reporting Date

Capital Raising

Subsequent to the reporting period, In September 2023, the Company conducted a capital raising (**Capital Raising**) via the issue of convertible notes (**Convertible Notes**).

The Company has received \$30.30 million in commitments pursuant to the Capital Raising.

The terms of the Convertible Notes are as follows:

- (h) Each Convertible Note has a face value of \$50,000 each;
- (i) The Convertible Notes will mature three years from their date of issue (**Maturity**);
- (j) The Convertible Notes will bear interest at a rate of 21% per annum (**Interest**);
- (k) Interest on the Convertible Notes will first be payable on the first anniversary of their date of issue and subsequent Interest payments will then be made semi-annually;
- (l) Convertible Notes are convertible into fully paid ordinary shares (Shares) of Futura at the lower of:
 - (v) Eighty percent (80%) of, as is applicable:
 - E. The offer price of Shares to be issued in connection with an Initial Public Offering on ASX;
 - F. The value of Shares as agreed between the parties of an alternative change of control event, or
 - (vi) The price per Share of \$2.38,(Collectively, the **Conversion Price**).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

15. Events Subsequent to Reporting Date

(m) Convertible Notes will be convertible into Shares at the Conversion Price at the earlier of:

- (ix) election by the convertible noteholder;
- (x) Maturity;
- (xi) promptly upon receipt by the Company of ASX Approval of an IPO; or
- (xii) immediately prior to completion of a share sale or trade sale of the Company.

(n) The convertible note holders will have the option to redeem the Convertible Notes at par in cash within 30 days of Maturity by providing written notice to the Company.

Funds raised from the Capital Raising will be utilised for development funds for the Wilton Fairhill Projects, loan repayments and working capital purposes.

Director and Shareholder Loans

Subsequent to the reporting period, in August 2023, Futura and Baker Steel agreed to convert all outstanding principal and interest under the BSRT Loan into Convertible Notes pursuant to the Capital Raising, and the BSRT Loan has been fully extinguished.

During and subsequent to the reporting period, the Company received the following loans from its directors and shareholders:

- (i) \$100,000 loan from Forceseven Limited, a company related to director Trevor Steel (**Forceseven Loan**);
- (j) \$60,000 from Ventura Resources Pty Ltd, an entity related to Cameron Vorias, bringing a total outstanding principal of \$120,000 owed by the Company to Ventura Resources Pty Ltd (**Ventura Loan**);
- (k) \$60,000 from L11 Capital Pty Ltd an entity related a Company shareholder, bringing the total outstanding loan principal of \$120,000 owed by the Company to L11 Capital Pty Ltd (**L11 Loan**);
- (l) \$123,500 from Donald Carroll bringing the total outstanding loan principal of \$120,000 owed by the Company to \$183,500 (**Carroll Loan**);

(Collectively, **Director and Shareholder Loans**).

The Director and Shareholder Loans are interest bearing at 15% per annum.

Subsequent to the reporting period in September 2023, The Forceseven Limited Loan was fully repaid and extinguished.

As part of the Capital Raising, and to preserve cash reserves, the Company agreed with lenders under Director and Shareholder Loans to convert into Convertible Notes, a portion of the principal and interest owing under the Director and Shareholder Loans as follows:

- (d) \$100,000 of principal under the Ventura Loan;
- (e) \$100,000 of principal under the L11 Capital Loan; and
- (f) \$200,000 of principal and interest under the Carroll Loan.

The balance of any principal and interest owing under the Ventura Loan, L11 Capital Loan, and the Carroll Loan was paid by the Company in cash.

Extension of Sunset Date and satisfaction of conditions for Revised Coal Tolling Agreement

Notes to the Consolidated Financial Statements For the year ended 30 June 2023

15. Events Subsequent to Reporting Date

Subsequent to the reporting period on 1 December 2023, Sojitz and Futura agreed to extend the sunset date to the conditions precedent of the revised coal tolling agreement to 31 March 2024.

On 19 January 2024, the Company provided notice to Sojitz of the Company's first contract for sale of Wilton Fairhill Coal. This notice satisfied the outstanding condition precedent in relation to the Coal Tolling Agreement, and the Coal Tolling Agreement is now in effect.

Payment of Landholder Compensation

The Company has a compensation commitment to a key landholder of the Wilton project comprising \$4,893,000. These commitments were satisfied and paid subsequent to the reporting period.

The Company has a compensation commitment to a key landholder of the Fairhill project comprising \$7,500,000. These commitments were satisfied and paid subsequent to the reporting period.

No other matter or circumstance has arisen since the reporting date that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

The directors declare that:

- 1 the financial statements and notes, as set out on pages 16 to 32:
 - (a) comply with Australian Accounting Standards – Simplified Disclosures, and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group;
- 2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Donald Carroll
Chairman

Date

APPENDIX 2

THE ISSUER'S CONSTITUTION

Constitution

Futura Resources Limited
(ACN 113 707 458)

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Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Constitution the following terms shall bear the following meanings:

Alternate Director means a person appointed as an alternate director under article 7.7(a).

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the Australian Securities Exchange operated by it.

Committee means a committee of Directors constituted under article 8.7.

Company means Futura Resources Limited (ACN 113 707 458), and as that name may be changed from time to time.

Constitution means this constitution, and a reference to an article or a schedule is a reference to an article or a schedule of this constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

CS Facility has the same meaning as prescribed CS facility in the Corporations Act.

CS Facility Operator means the operator of a CS Facility.

Director means a person holding office as a director of the Company, and where appropriate includes an Alternate Director.

Directors means all or some of the Directors acting as a board.

ESS Interests has the meaning under section 1100M(1) of the Corporations Act.

Executive Director means a person appointed as an executive director under article 9.1(a).

Issuer Sponsored Holding means a holding on an electronic sub-register maintained by the Company in accordance with the Listing Rules.

Listing Rules means, in relation to a Stock Exchange, the rules of that Stock Exchange governing trading in securities quoted on that Stock Exchange, in force from time to time which apply while the company is a listed company, each as amended or replaced from time to time, except to the extent of any express written waiver by that Stock Exchange.

Managing Director means a person appointed as a managing director under article 9.1(a).

Member means a person entered in the Register as a holder of shares in the capital of the Company.

Operating Rules means the operating rules of a CS Facility regulating the settlement, clearing and registration of uncertificated shares as amended, varied or waived (whether in respect of the Company or generally) from time to time.

Prescribed Interest Rate means the rate determined by the Directors for the particular purpose or generally under this Constitution, including any revised rate or new determination, and in the absence of a determination means a rate of 12% per annum.

Register means the register of Members of the Company under the Corporations Act and, if appropriate, includes a branch register.

Registered Office means the registered office of the Company.

Representative means a person appointed to represent a corporate Member at a general meeting of the Company in accordance with the Corporations Act.

Restricted Securities has the meaning given to it by the Listing Rules.

Restriction Deed means a restriction deed in a form prescribed by the Listing Rules or otherwise approved by a Stock Exchange.

Secretary means a person appointed under article 9.2 as a secretary of the Company and where appropriate includes an acting secretary and a person appointed by the Directors to perform all or any of the duties of a secretary of the Company.

Share means a fully paid ordinary share in the capital of the Company.

Stock Exchange means any stock exchange on which shares in the capital of the company are quoted from time to time, which for the avoidance of doubt and without limitation may include ASX.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this Constitution:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include all other genders;
- (c) a reference to a document includes any variation or replacement of it;
- (d) the meaning of general words is not limited by specific examples introduced by 'including', 'for example', 'such as' or similar expressions;
- (e) a reference to 'person' includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (g) a reference to 'law' includes common law, principles of equity and legislation (including regulations);
- (h) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacement of any of them;
- (i) a reference to 'regulations' includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a power, an authority or a discretion given to a Director, the Directors, the Company in general meeting or a Member may be exercised at any time and from time to time;
- (l) a reference to 'writing' or 'written' includes printing, typing and other modes of reproducing words in a visible form including any representation of words in a physical document or in an electronic communication or form or otherwise;

- (m) a chair appointed under this Constitution may be referred to as a chairperson, chairwoman or as chair, as appropriate; and
- (n) a reference to a person being 'present' at a meeting includes participating using technology approved by the Directors in accordance with this Constitution.

1.3 Corporations Act interpretation

In this Constitution unless the contrary intention appears:

- (a) a word or expression defined or used in the Corporations Act has the same meaning when used in this Constitution in a similar context; and
- (b) 'section' means a section of the Corporations Act.

1.4 Listing Rules interpretation

In this Constitution, unless the contrary intention appears the expressions 'Trading Platform', 'takeover bid' and 'Issuer Sponsored subregister' have the same meaning as in the Listing Rules.

1.5 Replaceable rules not to apply

The provisions of the Corporations Act that apply as replaceable rules are displaced by this Constitution and do not apply to the Company.

1.6 Currency

The Directors may:

- (a) differentiate between Members as to the currency in which any amount payable to a Member is paid (whether by way of or on account of dividends, repayment of capital, participation in surplus property of the Company or otherwise);
- (b) determine to pay a distribution in a currency other than Australian dollars and the amount payable will be converted from Australian dollars in any manner, at any time and at any exchange rate as the Directors think fit; and
- (c) in deciding the currency in which a payment is to be made to a Member, have regard to the registered address of the Member, the register on which a Member's shares are registered and any other matters as the Directors consider appropriate.

Payment in another currency of an amount converted under this article is as between the Company and a Member adequate and proper payment of the amount payable.

1.7 Nature of the Company

The Company is a public company limited by shares.

1.8 Articles of this Constitution

- (a) Unless the Applicable Law provides that the Constitution may contain a provision contrary to the Applicable Law, the Articles of this Constitution are subject to the Applicable Law such that any Article of this Constitution that is inconsistent with or contrary to the Applicable Law will be read down to the extent of the inconsistency with the Applicable Law.
- (b) If an Article is inconsistent with or contrary to the Applicable Law and is not capable of being read down to the extent of the inconsistency under Article 1.8(a), the relevant Article will be severed from this Constitution.

- (c) If at any time any provision of this Constitution is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that does not affect or impair:
 - (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Constitution; or
 - (ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Constitution.

1.9 Provisions required by Listing Rule 15.11.1

If the Company is admitted to the Official List of ASX, the following clauses apply:

- (a) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

2. Share capital

2.1 Directors to issue shares

The issue of shares in the Company is under the control of the Directors who may:

- (a) issue, allot and cancel or otherwise dispose of shares in the Company;
- (b) grant options over unissued shares in the Company;
- (c) reclassify or convert shares; and
- (d) settle the manner in which fractions of a share, however arising, are to be dealt with,

subject to the Corporations Act, the Listing Rules and any special rights conferred on the holders of any shares or class of shares.

2.2 Preference shares

- (a) The Company may issue preference shares and issued shares may be converted into preference shares provided that the rights of the holders of the preference shares with respect to the repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividends in relation to other shares or other classes of preference shares are:
 - (i) as set out in Schedule 1; or

- (ii) as approved by a resolution of the Company in accordance with the rights of holders of preference shares issued by the Company other than pursuant to Schedule 1, but in accordance with the Corporations Act, are determined by the terms of issue of those preference shares and the relevant resolution of the Company, and are not determined by or affected by the rights set out in Schedule 1.
- (b) Subject to the Corporations Act and the Listing Rules, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed or to be converted into other shares on such conditions and in such a manner as the Directors decide under the terms of issue of the preference shares.
- (c) Subject to the Corporations Act and the Listing Rules, the Company may issue any combination of fully paid, partly paid or unpaid preference shares.
- (d) Despite this article 2.2 and Schedule 1, the Company may not issue a preference share that confers on the holder rights that are inconsistent with those specified in the Listing Rules, except to the extent of any waiver or modification of the Listing Rules by the relevant Stock Exchange.

2.3 Class meetings

The provisions of this Constitution relating to general meetings apply so far as they are capable of application and with any necessary changes to every separate meeting of the holders of a class of shares except that:

- (a) a quorum is constituted by at least 2 persons who, between them, hold or represent one-third of the issued shares of the class (unless only one person holds all of the shares of the class, in which case that person constitutes a quorum); and
- (b) any holder of shares of the class, present in person or by proxy, or attorney or Representative, may demand a poll.

2.4 Non-recognition of interests

Except as required by law, the Company is not required to recognise:

- (a) a person as holding a share on any trust; or
- (b) any other interest in any share or any other right in respect of a share except an absolute right of ownership in the registered holder,

whether or not it has notice of the trust, interest or right.

2.5 Joint holders of shares

Where 2 or more persons are registered as the joint holders of shares then they are taken to hold the shares as joint tenants with rights of survivorship.

However, the Company is not bound:

- (a) to register more than 3 persons as joint holders of a share; or
- (b) to issue more than one certificate or holding statement for shares jointly held.

2.6 Less than marketable parcels of Shares

Schedule 4 applies and forms part of this Constitution.

2.7 Restricted Securities

- (a) While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.
- (b) Notwithstanding the generality of article 2.7(a):
 - (i) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (ii) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
 - (iii) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
 - (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of the Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

2.8 Issue cap for offers involving monetary consideration under an employee incentive scheme

For the purposes of section 1100V(2)(a) of the Corporations Act, the Company may only make an offer of ESS Interests if, at the time the offer is made, the Company reasonably believes:

- (a) the total number of Shares that are, or are covered by, the ESS Interests of the Company that may be issued under the offer; and
- (b) the total number of Shares that are, or are covered by, the ESS Interests that have been issued, or could have been issued, under offers made under the Company's employee share scheme at any time during the 3 year period ending on the day the offer is made,

does not exceed 10% of the number of Shares actually on issue as at the start of the day the offer is made.

2.9 Buy-Backs

- (a) In this clause "Buy-Back Provisions" means the provisions of Part 2J.1 Division 2 of the Corporations Act.
- (b) The Company may, subject to the Corporations Act and the Listing Rules and in accordance with the Buy-Back Provisions, purchase its own Shares on such terms and at such times as may be determined by the Directors from time to time.

- (c) The Company may give financial assistance to any person or entity for the purchase of its own Shares in accordance with the Buy-Back Provisions on such terms and at such times as may be determined by the Directors from time to time.
-

3. Liens, calls and forfeiture

Schedule 2 applies and forms part of this Constitution.

4. Transfer of shares

4.1 Forms of instrument of transfer

Subject to this Constitution and the Listing Rules, a share in the Company is transferable:

- (a) as provided by the Operating Rules of an applicable CS Facility; or
- (b) by any other method of transfer which is required or permitted by the Corporations Act and any relevant Stock Exchange.

4.2 Execution and delivery of transfer

If a duly completed instrument of transfer:

- (a) is used to transfer a share in accordance with article 4.1(b); and
- (b) is left for registration at the share registry of the Company, accompanied by any information that the Directors properly require to show the right of the transferor to make the transfer,

the Company must, subject to the powers vested in the Directors by this Constitution, register the transferee as the holder of the share.

4.3 Effect of registration

Except as provided by any applicable Operating Rules of a CS Facility, a transferor of a share remains the holder of the share transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of the share.

4.4 Company to register forms without charge

The Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note transfer forms without imposing a charge except where a charge is permitted by the Listing Rules.

4.5 Power to refuse to register

If permitted by the Listing Rules, the Directors may:

- (a) request any applicable CS Facility Operator to apply a holding lock to prevent a transfer of shares in the Company from being registered on the CS Facility's subregister; or
- (b) refuse to register a transfer of shares in the Company to which article 4.5(a) does not apply.

4.6 Obligation to refuse to register

The Directors must:

- (a) request any applicable CS Facility Operator to apply a holding lock to prevent transfer of shares in the Company from being registered on the CS Facility's subregister; or
- (b) refuse to register any transfer of shares in the Company to which article 4.6(a) does not apply,

if:

- (c) the Listing Rules require the Company to do so; or
- (d) the transfer is in breach of the Listing Rules or a Restriction Deed.

4.7 Written notice to security holder of holding lock or refusal

If in the exercise of their rights or obligations under article 4.5 or 4.6 the Directors request application of a holding lock to prevent a transfer of shares in the Company or refuse to register a transfer of shares they must give written notice of the request or refusal to the holder of the shares, the transferee and any broker lodging the transfer. Failure to give notice does not invalidate the decision of the Directors.

4.8 Company to retain instrument of transfer

The Company must retain every instrument of transfer which is registered for the period required by any applicable law.

4.9 Proportional Takeover Bid Approval

Schedule 5 applies and forms part of this Constitution.

4.10 Transmission of Shares

Schedule 3 applies and forms part of this Constitution.

5. General meetings

5.1 Annual general meeting

Annual general meetings of the Company are to be held in accordance with the Corporations Act.

5.2 Convening a general meeting

- (a) The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.
- (b) The Company may hold a meeting of Members at a time determined by the Directors:
 - (i) at one or more physical venues;
 - (ii) at one or more physical venues and using virtual meeting technology; and
 - (iii) using virtual meeting technology only,provided that, in each case, Members as a whole are given a reasonable opportunity to participate in the meeting, and otherwise in the manner determined by the Directors.
- (c) If the Directors elect to use virtual meeting technology for a general meeting of the Company, the Directors will determine the type of virtual meeting technology to be

used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio and/or visual device which permits instantaneous communication.

- (d) Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.
- (e) In computing the period of notice under article 5.2(d), the day of the meeting is to be disregarded.
- (f) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.

5.3 Cancellation or postponement of a meeting

- (a) Where a general meeting (including an annual general meeting) is convened by the Directors they may by notice, whenever they think fit, cancel the meeting or postpone the holding of the meeting to a date and time determined by them or change the place for the meeting.
- (b) This article 5.3 does not apply to a meeting convened in accordance with the Corporations Act by a single Director, by Members, by the Directors on the request of Members or to a meeting convened by a court.
- (c) Notice of cancellation or postponement or change of place of a general meeting must state the reason for cancellation or postponement and be:
 - (i) given to any relevant Stock Exchange; or
 - (ii) subject to the Corporations Act and the Listing Rules, given in any other manner determined by the Directors.
- (d) A notice of postponement of a general meeting must specify:
 - (i) the postponed date and time for the holding of the meeting;
 - (ii) a place for the holding of the meeting which may be either the same as or different from the place specified in the notice convening the meeting; and
 - (iii) if the meeting is to be held in 2 or more places, the technology that will be used to facilitate the holding of the meeting in that manner.
- (e) The only business that may be transacted at a postponed general meeting is the business specified in the original notice convening the meeting.
- (f) Where by the terms of an instrument appointing a proxy or attorney or an appointment of a Representative:
 - (i) the appointed person is authorised to attend and vote at a general meeting or general meetings to be held on or before a specified date; and
 - (ii) the date for holding the meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of Representative,

then, that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of Representative unless the Member appointing the proxy, attorney or Representative gives to the Company at its Registered Office written notice to the contrary not less

than 48 hours before the time to which the holding of the meeting has been postponed.

5.4 Non-receipt of or defective notice

- (a) The non-receipt of notice of a general meeting or cancellation or postponement of a general meeting by, or the accidental omission to give notice of a general meeting or cancellation or postponement of a general meeting to, a person entitled to receive notice does not invalidate any resolution passed at the general meeting or at a postponed meeting or the cancellation or postponement of a meeting.
- (b) A person who attends a general meeting waives any objection the person may have to:
 - (i) any failure to give notice, or the giving of a defective notice, of the meeting unless at the start of the meeting the person objects to the holding of the meeting; and
 - (ii) the consideration of a particular matter which is not within the business referred to in the notice of meeting, unless the person objects to the consideration of the matter when first presented.

5.5 Proxy, attorney or Representative appointments

- (a) An instrument appointing a proxy is valid if it is in accordance with the Corporations Act or in any form (including electronic) and received at any time that the Directors prescribe or accept, or the chair of a general meeting accepts.
- (b) Where a notice of meeting provides for electronic lodgement of proxy appointments, an appointment received at the electronic address or by the electronic means specified in the notice is taken to have been received at the Registered Office of the Company and validated by the Member if there is compliance with the requirements set out in the notice.
- (c) If the Company receives an instrument or form appointing a proxy, attorney or Representative from a Member and the Directors consider that it is not properly executed or authenticated, or is incomplete or unclear:
 - (i) if the name, or the name of the office, of the proxy, attorney or Representative, is not filled in or is unclear, then the proxy, attorney or Representative of that Member is the person specified by the Company in the instrument or form of proxy or if no person is specified, the chair of that meeting;
 - (ii) if the instrument or form has not been duly signed or authenticated, the Company may (but is not required to) return the instrument or form to the appointing Member and request the Member sign or authenticate the instrument or form and return it to the Company within a period determined by the Directors (which may be later than the time specified in the notice of meeting for the receipt of proxy appointments);
 - (iii) if the instrument or form is otherwise unclear or incomplete, the Company may (but is not required to):
 - (A) by oral or written communication, clarify with the Member any instruction on the appointment; and
 - (B) complete or amend the contents of any instrument or form to reflect the clarification in the instructions received from the Member (which

may occur later than the time specified in the notice of meeting for the receipt of proxy appointments) and the Member appoints the Company as its attorney for this purpose.

6. Proceedings at general meetings

6.1 Membership at a specified time

The Directors may determine, for the purposes of a particular general meeting, that all the shares that are quoted on a Stock Exchange at a specified time before the meeting are taken to be held at the time of the meeting by the persons who hold them at the specified time. The determination must be made and published in accordance with the Corporations Act.

6.2 Quorum

- (a) Subject to article 6.3, the quorum for a general meeting is, where the Company has only one Member, that Member, and otherwise two Members present in person or by proxy, attorney or Representative. In determining whether a quorum is present, each individual attending as a proxy, attorney or Representative is to be counted, except that:
 - (i) where a Member has appointed more than one proxy, attorney or Representative, only one is to be counted; and
 - (ii) where an individual is attending both as a Member and as a proxy, attorney or Representative, or as a proxy, attorney or Representative for more than one Member, that individual is to be counted only once.
- (b) A member placing a direct vote under article 6.17 is not taken into account in determining whether or not there is a quorum at a general meeting.
- (c) An item of business may not be transacted at a general meeting unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the time the first item of business is transacted, it is taken to be present when the meeting proceeds to consider each subsequent item of business unless the chair of the meeting (on the chair's own motion or at the request of a Member, proxy, attorney or Representative who is present) declares otherwise.
- (d) If within 60 minutes after the time appointed for a meeting a quorum is not present, the meeting:
 - (i) if convened by a Director, or at the request of Members, is dissolved; and
 - (ii) in any other case, stands adjourned to the same day in the next week and the same time and place, or to such other day, time and place as the Directors appoint by notice to the Members and others entitled to notice of the meeting.

6.3 Adjourned meetings

- (a) At a meeting adjourned under article 6.2(d)(ii), where the Company has only one Member, the quorum is that Member, and otherwise the quorum is 2 Members present in person or by proxy, attorney or Representative. If a quorum is not present within 60 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.
- (b) The chair of a general meeting may at any time during the meeting adjourn the meeting or any business, motion, question, resolution, debate or discussion being

considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting at any time and place, but:

- (i) in exercising the discretion to do so, the chair may, but need not, seek the approval of the Members present in person or by proxy, attorney or Representative; and
 - (ii) only unfinished business is to be transacted at a meeting resumed after an adjournment.
- (c) Unless required by the chair, a vote may not be taken or demanded by the Members present in person or by proxy, attorney or Representative in respect of any adjournment.
- (d) It is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless a meeting is adjourned for one month or more. In that case, notice of the adjourned meeting must be given as in the case of an original meeting.

6.4 Chair of general meeting

- (a) If the Directors have elected one of their number as chair of their meetings, that person is entitled to preside as chair at a general meeting.
- (b) If a general meeting is held and:
- (i) a chair has not been elected by the Directors; or
 - (ii) the elected chair is not present within 30 minutes after the time appointed for the holding of the meeting, or is unable or unwilling to act for all or part of the meeting,

the following may preside as chair for all or the relevant part of the meeting (in order of precedence):

- (iii) any deputy chair;
 - (iv) a Director chosen by a majority of the Directors present;
 - (v) the only Director present;
 - (vi) the Secretary if present; or
 - (vii) a Member chosen by a majority of the Members present in person or by proxy, attorney or Representative.
- (c) The chair of a general meeting may, for any item of business or discrete part of the meeting, vacate the chair in favour of another person nominated by him or her.
- (d) If a proxy instrument appoints the chair of the meeting as proxy for the part of the proceedings for which an acting chair is nominated, the proxy instrument is taken to be in favour of that acting chair for the relevant part of the proceedings.

6.5 Conduct of general meetings

The chair of a general meeting (including any person acting with the authority of the chair):

- (a) has charge of the general conduct of the meeting and the procedures to be adopted in relation to or at the meeting;

- (b) may require any person wishing to attend the meeting to comply with searches, restrictions or other security arrangements considered appropriate;
- (c) may refuse entry to, or require security measures be taken in respect of any person who does not comply with security arrangements, or who possesses a recording or broadcasting device without consent, or an article considered to be dangerous, offensive or liable to cause disruption, or who was not entitled to notice of the meeting;
- (d) if there is insufficient room at the meeting venue, may arrange another or a second venue (without giving notice or putting the matter to a vote);
- (e) may require the adoption of any procedure which is in the chair's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the general meeting;
- (f) may determine that a vote be disregarded and treated as not having been cast (without requiring that the matter be put to a vote), if a person purports to cast a vote at or for the purposes of a general meeting in contravention of the Corporations Act or Listing Rules;
- (g) subject to the Corporations Act, may refuse to allow:
 - (i) any amendment to be moved to a resolution set out in the notice of meeting
 - (ii) any business to be transacted unless the general nature of the business is stated in the notice calling the meeting;
- (h) may withdraw from consideration by the meeting any resolution that is set out in the notice of that meeting (other than those requisitioned by Members or required by law); and
- (i) subject to the Corporations Act, may terminate discussion or debate on any matter whenever the chair considers it necessary or desirable for the proper conduct of the meeting.

A decision by the chair under this article (including any person acting with the chair's authority) is final.

6.6 Resolutions

- (a) Subject to the requirements of the Corporations Act and the Listing Rules, a resolution is taken to be carried if a simple majority of the votes cast on the resolution are in favour of it.
- (b) If there is an equality of votes, either on a show of hands or on a poll, the chair of the general meeting is entitled to a casting vote, in addition to any votes to which the chair is entitled as a Member or proxy or attorney or Representative.
- (c) Subject to any rules prescribed by the Directors pursuant to article 6.15, at any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless:
 - (i) the chair decides that a poll will be held without a show of hands; or
 - (ii) a poll is effectively demanded and the demand is not withdrawn.
- (d) A declaration by the chair that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in

the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact. Neither the chair nor the minutes need state, and it is not necessary to prove, the number or proportion of the votes recorded in favour of or against the resolution.

6.7 Poll

If a poll is effectively demanded:

- (a) it must be taken in the manner and at the date and time directed by the chair and the result of the poll is a resolution of the meeting at which the poll was demanded;
- (b) on the election of a chair or on a question of adjournment, it must be taken immediately;
- (c) the demand may be withdrawn;
- (d) the demand does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded; and
- (e) the result of the poll may be announced in the manner and at the time (whether during the relevant meeting or afterwards) that the chair considers appropriate.

6.8 Entitlement to vote

Subject to this Constitution, the Corporations Act, article 6.17 and any rules prescribed by the Directors pursuant to article 6.15 and to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) on a show of hands, each Member present in person and each other person present as a proxy, attorney or Representative of a Member has one vote; and
- (b) on a poll:
 - (i) each Member present in person has one vote for each fully paid share held by the Member;
 - (ii) each person present as proxy, attorney or Representative of a Member has one vote for each fully paid share held by the Member that the person represents; and
 - (iii) each Member who has duly lodged a valid direct vote in respect of the relevant resolution under article 6.15 has one vote for each fully paid share held by the Member.

A Member is not entitled to vote at a general meeting in respect of shares which are the subject of a current Restriction Deed for so long as any breach of that agreement by that Member subsists.

6.9 Voting on a poll for partly paid shares

Subject to article 6.12 and the terms on which shares are issued, if a Member holds partly paid shares, the number of votes the Member has in respect of those shares on a poll is determined as follows:

$$D = (A \times B) / C$$

where:

A is the number of those shares held by the Member;

B is the amount paid on each of those shares excluding any amount:

paid or credited as paid in advance of a call; and

credited as paid on those shares to the extent that it exceeds the value (ascertained at the time of issue of those shares) of the consideration received for the issue of those shares;

C is the issue price of each of those shares; and

D is the number of votes attached to those shares.

6.10 Fractions disregarded for a poll

On the application of article 6.9, any fraction which arises is to be disregarded.

6.11 Joint shareholders' vote

If a share is held jointly and more than one Member votes in respect of that share, only the vote of the Member whose name appears first in the Register counts.

6.12 Effect of unpaid call

A Member is not entitled at a general meeting to cast a vote attached to a share on which a call is due and payable and has not been paid.

6.13 Validity of vote in certain circumstances

Unless the Company has received written notice of the matter before the start or resumption of the meeting at which a person votes as a proxy, attorney or Representative, a vote cast by that person is valid even if, before the person votes:

- (a) the appointing Member dies;
- (b) the Member is mentally incapacitated;
- (c) the Member revokes the appointment or authority;
- (d) the Member revokes the authority under which the appointment was made by a third party; or
- (e) the Member transfers the share in respect of which the appointment or authority was given.

6.14 Objection to voting qualification

An objection to the right of a person to attend or vote at the meeting or adjourned meeting:

- (a) may not be raised except at that meeting or adjourned meeting; and
- (b) must be referred to the chair of the meeting, whose decision is final.

A vote not disallowed under the objection is valid for all purposes.

6.15 Direct voting

The Directors may determine that at any general meeting or class meeting, a Member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A 'direct vote' includes a vote delivered to the Company by post, fax or other electronic means approved by Directors. The Directors may prescribe rules to govern

direct voting including specifications as to the form, method and timing of giving the direct vote in order for the vote to be valid, and the treatment of direct votes.

6.16 Treatment of direct votes

A direct vote on a resolution at a meeting in respect of a share cast in accordance with article 6.15 is of no effect and will be disregarded:

- (a) if, at the time of the resolution, the person who cast the direct vote:
 - (i) is not entitled to vote on the resolution in respect of the share; or
 - (ii) would not be entitled to vote on the resolution in respect of the share if the person were present at the meeting at which the resolution is considered;
- (b) if, had the vote been cast in person at the meeting at which the resolution is considered:
 - (i) the vote would not be valid; or
 - (ii) the Company would be obliged to disregard the vote;
- (c) subject to any rules prescribed by the Directors, if the person who cast the direct vote is present in person at the meeting at the time the resolution is considered; and
- (d) if the direct vote was cast otherwise than in accordance with any regulations, rules and procedures prescribed by the Directors under article 6.15.

6.17 Multiple votes

Subject to any rules prescribed by the Directors, if the Company receives a valid direct vote on a resolution in accordance with article 6.15 and 6.16 and, prior to, after or at the same time as receipt of the direct vote, the Company receives an instrument appointing a proxy, attorney or Representative to vote on behalf of the same Member on that resolution, the Company may regard the direct vote as effective in respect of that resolution and disregard any vote cast by the proxy, attorney or Representative on the resolution at the meeting.

7. Directors

7.1 Number of Directors

Unless otherwise determined by the Company in general meeting, the number of Directors is to be not less than 3.

7.2 Retirement and election of Directors

- (a) A Director must not hold office without re-election:
 - (i) past the third annual general meeting following the Director's appointment or last election; or
 - (ii) for more than 3 years,whichever is the longer.
- (b) There must be an election of Directors at each annual general meeting of the Company. This can be satisfied by one or more of the following:

- (i) a person standing for election as a new Director having been nominated in accordance with article 7.5;
 - (ii) any Director who was appointed under article 7.6 standing for election as a Director;
 - (iii) any Director who is retiring at the end of the annual general meeting due to the tenure limitation in article 7.2(a), standing for re-election; or
 - (iv) if no person or Director is standing for election or re-election in accordance with articles 7.2(b)(i), 7.2(b)(ii) or 7.2(b)(iii), any Director who wishes to retire and stand for re-election. Otherwise, the person who has been a Director the longest without re-election must retire and stand for re-election. If 2 or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.
- (c) This article does not apply to one Executive Director who is exempt from retirement and re-election in accordance with article 9.1(d).

7.3 Office held until conclusion of meeting

A retiring Director holds office until the conclusion of the meeting at which that Director retires but is eligible for re-election.

7.4 Director elected at general meeting

The Company may, at a general meeting at which a Director retires or otherwise vacates office, by resolution fill the vacated office by electing a person to that office.

7.5 Eligibility for election as Director

Except for:

- (a) a person who is eligible for election or re-election under article 7.2 or 7.6;
- (b) a person recommended for election by the Directors;
- (c) a person who is a Member, if they have lodged at the Registered Office, at least 35 business days before the general meeting, but no more than 90 business days before the meeting, a notice they have signed stating their desire to be a candidate for election at that meeting; or
- (d) a person who is not a Member, if a Member intending to nominate the person for election at a general meeting has lodged at the Registered Office, at least 35 business days before the general meeting, but no more than 90 business days before the meeting, a notice signed by the Member stating the Member's intention to nominate the person for election, and a notice signed by the person stating their consent to the nomination,

a person is not eligible for election as a Director at a general meeting of the Company.

7.6 Casual vacancy or additional Director

- (a) The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.
- (b) A Director appointed under article 7.6(a) may retire at the next general meeting of the Company and is eligible for election at that meeting.

- (c) Subject to article 7.6(d) and unless the Director has already retired under article 7.6(b) and been elected, a Director appointed under article 7.6(a) holds office until the conclusion of the next annual general meeting of the Company but is eligible for election at that meeting.
- (d) Article 7.6(c) does not apply to one Managing Director nominated by the Directors under article 9.1(d).

7.7 Alternate Directors

- (a) Subject to the Corporations Act, a Director may appoint a person approved by a majority of the other Directors to be an Alternate Director in the Director's place for any period as the Director thinks fit.
- (b) An Alternate Director is entitled to notice of all meetings of the Directors and, if the appointor does not participate in a meeting, the Alternate Director is entitled to participate and vote in the appointor's place.
- (c) An Alternate Director may exercise all the powers of the appointor except the power to appoint an Alternate Director and, subject to the Corporations Act, may perform all the duties of the appointor except to the extent that the appointor has exercised or performed them.
- (d) While acting as a Director, an Alternate Director:
 - (i) is an officer of the Company and not the agent of the appointor; and
 - (ii) is responsible to the exclusion of the appointor for the Alternate Director's own acts and defaults.
- (e) An Alternate Director is not entitled to receive from the Company any remuneration or benefit under articles 7.8, 7.10 or 7.11.
- (f) The appointment of an Alternate Director may be terminated at any time by the appointor even if the period of the appointment of the Alternate Director has not expired, and terminates in any event if the appointor ceases to be a Director for any reason.
- (g) An appointment, or the termination of an appointment, of an Alternate Director must be effected by a notice signed by the Director who makes or made the appointment and delivered to the Company.
- (h) An Alternate Director is not to be taken into account separately from the appointor in determining the number of Directors.

7.8 Remuneration of Directors

Subject to the Listing Rules, the Directors are to be remunerated for their services as Directors as follows:

- (a) the amount of the remuneration of the Directors is a yearly sum not exceeding the aggregate sum from time to time determined by the Company in general meeting, or until so determined, as the Directors resolve. The notice convening the meeting must include any proposal to increase the Directors' maximum aggregate remuneration and specify both the amount of any increase and the new yearly aggregate sum proposed for determination. As at the date of adopting this Constitution, the maximum aggregate remuneration is \$400,000;

- (b) the amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally;
- (c) the remuneration is to be provided wholly in cash unless the Directors, with the agreement of the Director concerned, determine that part is to be satisfied in the form of non-cash benefits, including the issue or purchase of shares in the Company or the grant of options or rights to subscribe for such shares (subject to the receipt of any prior Member approvals required under the Corporations Act and Listing Rules);
- (d) the sum determined by the Company in general meeting under article 7.8(a) does not include:
 - (i) remuneration in the form of share, option or other equity plans approved separately by the Company in general meeting; or
 - (ii) payments or remuneration under articles 7.11 (unless otherwise determined), 7.12 or 11;
- (e) in making a determination under article 7.8(c), the Directors may fix the value of any non-cash benefit; and
- (f) the Directors' remuneration accrues from day to day, except for any non-cash benefit which is taken to be provided at the time the benefit is provided, subject to the terms on which the benefit is provided.

This article does not apply to the remuneration of any Executive Director, or any other Director appointed under article 9.1(a).

7.9 Retirement benefits

Subject to the Corporations Act, the Company may give, or agree to give, a person a benefit in connection with that person's, or someone else's, retirement from a board or managerial office in the Company or a related body corporate of the Company.

7.10 Superannuation contributions

If required by law, the Company may make contributions to a fund for the purpose of making provision for or obtaining superannuation benefits for a Director. If required by the Listing Rules, these contributions are included in the sum determined by the Company in general meeting under article 7.8(a).

7.11 Additional or special duties

If a Director at the request of the Directors performs additional or special duties for the Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's remuneration under article 7.8.

7.12 Expenses

A Director is entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses as the Director may incur when travelling to or from meetings of the Directors or a Committee or when otherwise engaged on the business of the Company.

7.13 Director's interests

Subject to complying with the obligations of the Corporations Act regarding disclosure of and voting on matters involving material personal interests and the terms of any individual engagement between the Director and the Company, a Director may:

- (a) hold any office or place of profit in the Company, except that of auditor;
- (b) hold any office or place of profit in any other company, body corporate, trust or entity promoted by the Company or in which it has an interest of any kind;
- (c) enter into any contract or arrangement with the Company;
- (d) participate in any association, institution, fund, trust or scheme for past or present employees of the Company or Directors or persons dependent on or connected with them;
- (e) act in a professional capacity (or be a member of a firm, or an officer or employee of a body corporate, which acts in a professional capacity) for the Company, except as auditor;
- (f) participate in, vote on and be counted in a quorum for any meeting, resolution or decision of the Directors and may be present at any meeting where any matter is being considered by the Directors;
- (g) sign or participate in the execution of a document by or on behalf of the Company;
- (h) do any of the above despite the fiduciary relationship of the Director's office:
 - (i) without any liability to account to the Company for any direct or indirect benefit accruing to the Director; and
 - (ii) without affecting the validity of any contract or arrangement;
- (i) exercise the voting power conferred by securities in any entity held by the Company, in accordance with the terms of their appointment, even in circumstances where a Director may be interested in the exercise (such as a resolution appointing a Director as an officer of the entity or providing for the payment of remuneration to officers of the entity); and
- (j) act as a nominee or representative of a shareholder of the Company.

A reference to the Company in this article 7.13 is also a reference to each related body corporate of the Company.

7.14 Vacation of office of Director

In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, the office of a Director becomes vacant (unless the board of Directors determines otherwise) if the Director:

- (a) is a Managing or Executive Director and ceases to be employed by the Company or a related body corporate;
- (b) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (c) becomes prohibited from being a Director by reason of any order made under the law;

- (d) becomes bankrupt or insolvent or makes any arrangement or composition with his or her creditors generally;
 - (e) resigns from the office by notice in writing to the Company;
 - (f) removed from office pursuant to this Constitution or the law; or
 - (g) comes to the end of his or her term of appointment.
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8. Powers and duties of Directors

8.1 Directors to manage Company

The Directors are responsible for overseeing the proper management of the business of the Company. They may exercise all the powers of the Company as are not by the Corporations Act or by this Constitution required to be exercised by the Company in general meeting.

8.2 Specific powers of Directors

Without limiting the generality of article 8.1, the Directors may exercise all the powers of the Company to borrow or raise money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

8.3 Company as a wholly owned subsidiary

For the purposes of section 187 of the Corporations Act, for such time as the Company is a wholly owned subsidiary of a body corporate (Holding Company), a Director is authorised to act in the best interests of the Holding Company. In doing so, a Director will be taken to act in good faith and in the best interests of the Company provided also that:

- (a) the Director acts in good faith in the best interests of the Holding Company; and
- (b) the Company is not insolvent at the time the Director acts and does not become insolvent because of the Director's act.

8.4 Appointment of attorney

The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for the purposes and with the powers, authorities and discretions vested in or exercisable by the Directors for such period and subject to such conditions as they think fit.

8.5 Provisions in power of attorney

A power of attorney granted under article 8.4 may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate (including by way of appointment of a substitute attorney) all or any of the powers, authorities and discretions vested in the attorney.

8.6 Signing of receipts and negotiable instruments

The Directors may determine the manner in which and persons by whom cheques, promissory notes, bankers' drafts, bills of exchange and other negotiable instruments, and receipts for money paid to the Company, may be signed, drawn, accepted, endorsed or otherwise executed.

8.7 Committees

- (a) The Directors may delegate any of their powers, other than powers required by law to be dealt with by Directors as a board, to a Committee or Committees consisting of one or more of their number as they think fit.
- (b) A Committee to which any powers have been delegated under article 8.7(a) must exercise those powers in accordance with any directions of the Directors.

8.8 Delegation of Directors' powers

- (a) The Directors may delegate any of their powers to any persons they select for any period, to be exercised for any objects and purposes on any terms and subject to any conditions and restrictions as they think fit, and may revoke, withdraw, alter or vary the delegation of any of those powers.
- (b) The powers of delegation expressly or impliedly conferred by this Constitution on the Directors are conferred in substitution for, and to the exclusion of, the power conferred by section 198D of the Corporations Act.

8.9 Seals

- (a) The Directors must provide for the safe custody of any seal of the Company.
- (b) If the Company has a common seal or duplicate common seal:
 - (i) it may be used only by the authority of the Directors, or of a Committee authorised by the Directors to authorise its use; and
 - (ii) every document to which it is affixed must be signed by a Director and be countersigned by another Director, a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

9. Officers

9.1 Managing and Executive Directors

- (a) The Directors may appoint an employee of the Company or one of its subsidiaries to the office of managing director or executive director of the Company, to hold office as Director for the period determined at the time of appointment, but not to exceed the term of employment of the employee.
- (b) The Directors may, subject to the terms of any employment contract between the relevant Director and the Company or subsidiary, at any time remove or dismiss any Managing Director or Executive Director from employment with that company, in which event the appointment as a Director will automatically cease.
- (c) Subject to article 9.1(d), a Managing Director or Executive Director appointed under article 9.1(a) is subject to re-election as director in accordance with article 7.2.
- (d) One Executive Director, nominated by the Directors, is, while holding that office, exempt from retirement by rotation under article 7.2.
- (e) The remuneration of a Managing Director or an Executive Director may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue.

- (f) The Directors may:
 - (i) confer on a Managing Director or an Executive Director such of the powers exercisable by them, on such terms and conditions and with such restrictions, as they think fit; and
 - (ii) withdraw or vary any of the powers conferred on a Managing Director or an Executive Director.

9.2 Secretary

- (a) The Company must have at least one Secretary who is to be appointed by the Directors.
 - (b) The Directors may suspend or remove a Secretary from that office.
 - (c) A Secretary holds office on the terms and conditions (including as to remuneration) and with the powers, duties and authorities, as determined by the Directors. The exercise of those powers and authorities and the performance of those duties by a Secretary is subject at all times to the control of the Directors.
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10. Proceedings of Directors

10.1 Directors' meetings

- (a) The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) A Director may at any time, and the Secretary must on the written request of a Director, convene a meeting of the Directors.
- (c) A Directors' meeting may be called or held using any technology consented to by all the Directors. The consent may be a standing one. A Director may only withdraw their consent within a reasonable period before the meeting.

10.2 Questions decided by majority

A question arising at a meeting of Directors is to be decided by a majority of votes of Directors present and entitled to vote and that decision is for all purposes a decision of the Directors.

10.3 Alternate Director or proxy and voting

A person who is present at a meeting of Directors as an Alternate Director or as a proxy for another Director has one vote for each absent Director who would be entitled to vote if present at the meeting and for whom that person is an Alternate Director or proxy and, if that person is also a Director, has one vote as a Director in that capacity.

10.4 Chair and deputy chair of Directors

- (a) The Directors may elect one of their number as chair of their meetings and one of their number as deputy chair. They may also determine the periods for which the chair and deputy-chair are to hold office.
- (b) If a Directors' meeting is held and:
 - (i) a chair has not been elected under article 10.4(a); or
 - (ii) the chair is not present within 30 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the deputy chair will be the chair of the meeting. If a deputy chair has not been elected, or is not present or willing to act, the Directors present must elect one of their number to be chair of the meeting.

- (c) If there are an equal number of votes for and against a question, the chair of the Directors' meeting has a casting vote, unless only 2 Directors are present and entitled to vote on the question.

10.5 Director attending and voting by proxy

A Director may participate in and vote by proxy at a meeting of the Directors if the proxy:

- (a) is another Director; and
- (b) the appointment is signed by the appointor.

The appointment may be general or for one or more particular meetings. A Director present as a proxy for another Director, who would be entitled to vote if present at the meeting, has one vote for the appointor and one vote in his or her own capacity as a Director.

10.6 Quorum for Directors' meeting

At a meeting of Directors, the number of Directors whose presence in person or by proxy is necessary to constitute a quorum is as determined by the Directors and, unless so determined, is 2.

10.7 Continuing Directors may act

The continuing Directors may act despite a vacancy in their number. If their number is reduced below the minimum fixed by article 7.1, the continuing Directors may, except in an emergency, act only for the purpose of filling vacancies to the extent necessary to bring their number up to that minimum or to convene a general meeting.

10.8 Committee Meetings

- (a) The members of a Committee may elect one of their number as chair of their meetings. If a meeting of a Committee is held and:
 - (i) a chair has not been elected; or
 - (ii) the chair is not present within 15 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,the members involved may elect one of their number to be chair of the meeting.
- (b) A Committee may meet and adjourn as it thinks proper.
- (c) Questions arising at a meeting of a Committee are to be determined by a majority of votes of the members of the Committee present and voting.
- (d) If there are an equal number of votes for and against a question, the chair of the meeting has a casting vote, unless only 2 members of the Committee are present and entitled to vote on the question.

10.9 Circulating resolutions

- (a) The Directors may pass a resolution without a Directors' meeting being held if all of the Directors entitled to vote on the resolution (but excluding any Director on leave of absence approved by the Directors) have consented to the resolution in accordance with this article 10.9. The resolution is passed when the last participating Director

consents to the resolution in accordance with this article 10.9. The resolution is not invalidated if it is consented to by a Director who is not entitled to vote.

- (b) A Director may consent to a resolution by signing a document that sets out the terms of the resolution and contains a statement to the effect that the Director is in favour of the resolution.
- (c) Alternatively, a Director may consent to a resolution by giving the Company a written notice (including by fax or other electronic means) addressed to and received by the Secretary or the Chair:
 - (i) that signifies the Director's assent to the resolution;
 - (ii) that sets out the terms of the resolution or identifies those terms; and
 - (iii) if the Director has notified the Company in writing of a specified means by which his or her consent must be authenticated (including by providing particular personal information or an allocated code), that authenticates the Director's consent by those specified means.
- (d) Any document referred to in this article may be in the form of a fax or electronic notification. Separate copies of a document (including in electronic form) may be signed by the Directors if the wording of the resolution and statement is identical in each copy.
- (e) This article 10.9 applies to resolutions of Committees as if the references to Directors were references to Committee members.

10.10 Validity of acts of Directors

All acts done at a meeting of the Directors or of a Committee, or by a person acting as a Director are, even if it is afterwards discovered that:

- (a) there was a defect in the appointment or continuance in office of a person as a Director or of the person so acting; or
- (b) a person acting as a Director was disqualified or was not entitled to vote,

as valid as if the relevant person had been duly appointed or had duly continued in office and was qualified and entitled to vote.

11. Indemnity and insurance

11.1 Indemnity

To the maximum extent permitted by law, the Company will indemnify any current or former Director or Secretary or officer of the Company or a subsidiary of the Company out of the property of the Company against:

- (a) any liability incurred by the person in that capacity (except a liability for legal costs);
- (b) legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity; and
- (c) legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the

Company or a subsidiary, if that expenditure has been approved in accordance with the Company's policy,

except to the extent that:

- (d) the Company is forbidden by law to indemnify the person against the liability or legal costs; or
- (e) an indemnity by the Company of the person against the liability or legal costs, if given, would be made void by law.

It is not necessary for a Director to incur expense or make payment before enforcing a right of indemnity against the Company.

11.2 Insurance

The Company may pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring a person who is or has been a Director or Secretary or officer of the Company or of a subsidiary of the Company against liability incurred by the person in that capacity, including a liability for legal costs, unless:

- (a) the Company is forbidden by law to pay or agree to pay the premium; or
- (b) the contract would, if the Company paid the premium, be made void by law.

11.3 Contract

The Company may enter into an agreement with a person referred to in articles 11.1 and 11.2 with respect to the matters covered by those articles. An agreement entered into pursuant to this article may include provisions relating to rights of access to the books of the Company conferred by the Corporations Act or otherwise by law.

12. Inspection of records

12.1 Inspection by Members

Subject to the Corporations Act, the Directors may determine whether, to what extent, at what time and places, and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Members (other than Directors).

12.2 Right of a Member or other person to inspect

A Member or other person (other than a Director) does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

13. Dividends and reserves

13.1 Payment of dividend

Subject to the Corporations Act, this Constitution and the terms of issue or rights of any shares with special rights to dividends, the Directors may determine or declare that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Member entitled to that dividend. The Directors may rescind or alter any such determination or declaration before payment is made.

13.2 No interest on dividends

Interest is not payable by the Company on a dividend.

13.3 Calculation and apportionment of dividends

- (a) Subject to the rights of any persons entitled to shares with special rights as to dividend and to the terms of issue of any shares to the contrary, all sums that the Company determines are to be distributed among the Members as dividends are divisible among the Members so that, on each occasion on which a dividend is paid:
 - (i) the same sum is paid on each fully paid share; and
 - (ii) the sum paid on a share on which all amounts payable have not been paid is the proportion of the sum referred to in article 13.3(a)(i) that the amount paid on the shares bears to the total of the amounts paid and payable on the share.
- (b) To determine the amount paid on a share, exclude any amount:
 - (i) paid or credited as paid in advance of a call; and
 - (ii) credited as paid on a share to the extent that it exceeds the value (ascertained at the time of issue of the share) of the consideration received for the issue of the share.
- (c) All dividends are to be apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period for which the dividend is paid, but, if any share is issued on terms providing that it will rank for dividend as from a particular date, that share ranks for dividend accordingly.

13.4 Deductions from dividends

The Directors may deduct from any dividend payable to, or at the direction of, a Member any sums presently payable by that Member to the Company on account of calls or otherwise in relation to shares in the Company.

13.5 Distribution of specific assets

When resolving to pay a dividend or to return capital by a reduction of capital, a buy-back or otherwise, the Directors may:

- (a) resolve that the dividend or return of capital be satisfied either wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend or return of capital, including shares, debentures or other securities of the Company or any other body corporate or trust; and
- (b) direct that the dividend or return of capital payable in respect of any particular shares be satisfied wholly or partly by such distribution, and that the dividend or return of capital payable in respect of other shares be paid in cash.

13.6 Ancillary powers regarding distributions

- (a) In relation to any decision to pay a dividend or to return capital by a reduction of capital, buy-back or otherwise, the Directors may:
 - (i) settle any difficulty that arises in making the distribution as they think expedient and in particular:

- (A) make cash payments in cases where Members are entitled to fractions of shares, debentures or other securities;
 - (B) decide that amounts or fractions of less than a particular value decided by the Directors may be disregarded in order to adjust the rights of all parties by withholding assets, cash, shares, debentures or other securities where the Company is required to make a payment in respect of the Member to a government or taxing authority in relation to the distribution or issue;
 - (C) decide to make distributions by disregarding transfers of shares or aggregating parcels of shares where they form the opinion that shareholdings have been split or aggregated to obtain the benefit of rounding on fractions of shares; and
 - (D) for an electronic transfer, if no account is nominated, or payment is rejected or refunded, the Company may credit the amount to an account of the Company until the Member nominates a valid account, or the amount is otherwise dealt with under article 13.11;
- (ii) fix the value for distribution of any specific assets;
 - (iii) pay cash or issue shares, debentures or other securities to any Member in order to adjust the rights of all parties;
 - (iv) vest any of those specific assets, cash, shares, debentures or other securities in a trustee or nominee on trust for the persons entitled to the distribution or capitalised amount, on any terms that seem expedient to the Directors; and
 - (v) authorise any person to make, on behalf of the Members, or a particular Member, entitled to any specific assets, cash, shares, debentures or other securities as a result of the decision, an agreement (including in writing) with the Company or another person which provides, as appropriate, for the distribution or issue to them of the assets, cash, shares, debentures or other securities and by applying to them their respective proportions of the amount resolved to be distributed.
- (b) Any agreement made under an authority referred to in article 13.6(a)(v) is effective and binds all Members concerned
 - (c) Instead of making a distribution or issue of specific assets, shares, debentures or other securities to a particular Member, the Directors may make a cash payment to that Member or allocate some or all of the assets, shares, debentures or other securities to a trustee to be sold on behalf of, and for the benefit of, or in respect of, that Member, if:
 - (i) the distribution or issue would otherwise be illegal or unlawful;
 - (ii) the distribution or issue would give rise to parcels of securities which do not constitute a marketable parcel;
 - (iii) in the Directors' discretion, the distribution or issue would, for any reason, be impracticable; or
 - (iv) the Member so agrees.
 - (d) If the Company distributes to Members (either generally or to specific Members) shares, debentures or securities of the Company or another body corporate or trust

(whether as a dividend or return of capital or otherwise and whether or not for value), each of those Members appoints the Company, and any officer of the Company nominated on their behalf by the Directors, as his or her agent or attorney to do anything needed or desirable to give effect, or assist in giving effect, to that distribution, including agreeing to become a member, holder of shares, holder of debentures or holder of securities of the Company or that other body corporate or trust.

13.7 Payments in respect of shares

A dividend, interest or other money payable in cash in respect of shares may be paid, unless otherwise directed by the Member, using any payment method chosen by the Directors, including:

- (a) by means of a direct credit or other means determined by the Directors to an account (of a type approved by the Directors) as provided in writing by the holder or holders shown on the Register; or
- (b) by cheque sent through the post directed to the address in the Register of the holder or, in the case of joint holders, to the address of the joint holder first named in the Register or to such other address as the holder or joint holder directs in writing.

Payment of money is at the risk of the holder or holders to whom it is sent.

13.8 Effectual receipt from one joint holder

Any one of 2 or more joint holders may give an effectual receipt for any dividend, interest or other money payable in respect of the shares held by them as joint holders.

13.9 Election to reinvest dividend

Subject to the Listing Rules, the Directors may grant to Members or any class of Members the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on such terms and conditions as the Directors think fit.

13.10 Election to accept shares instead of dividends

Subject to the Listing Rules, the Directors may determine for any dividend which it is proposed to pay on any shares of the Company that holders of the shares may elect:

- (a) to forego the right to share in the proposed dividend or part of such proposed dividend; and
- (b) to receive instead an issue of shares credited as fully paid on such terms as the Directors think fit.

13.11 Unclaimed dividends or other distributions

- (a) Subject to article 13.11(b) unclaimed dividends or other distributions may be reinvested, after deducting reasonable expenses, into shares in the Company on behalf of, and in the name of the member concerned or dealt with by the Directors as they think fit for the benefit of the Company until claimed, or until required to be dealt with in accordance with any law relating to unclaimed moneys.
- (b) Any unclaimed dividend or other distribution, which is less than \$100.00 or a residual sum which arises from a reinvestment that has not been claimed for 12 months or

more, may, at the discretion of the Directors, be donated to charity on behalf of the Member, as the board of Directors decides.

13.12 Capitalisation of reserves and profits

The Directors:

- (a) may resolve to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to Members; and
- (b) may, but need not, resolve to apply the sum in any of the ways mentioned in article 13.13, for the benefit of Members in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend.

13.13 Applying a sum for the benefit of Members

The ways in which a sum may be applied for the benefit of Members under article 13.12 are:

- (a) in paying up any amounts unpaid on shares held by Members;
- (b) in paying up in full unissued shares or debentures to be issued to Members as fully paid; or
- (c) partly as mentioned in article 13.13(a) and partly as mentioned in article 13.13(b).

13.14 Implementing the resolution

The Directors may do all things necessary to give effect to the resolution under article 13.12 and in particular, to the extent necessary to adjust the rights of the Members among themselves, may:

- (a) make cash payments in cases where shares or debentures become issuable in fractions;
- (b) authorise any person to make, on behalf of all or any of the Members entitled to any further shares or debentures on the capitalisation, an agreement with the Company providing for:
 - (i) the issue to them, credited as fully paid up, of any further shares or debentures; or
 - (ii) the payment by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,and any agreement so made is effective and binding on all the Members concerned;
- (c) fix the value of specified assets; or
- (d) vest property in trustees.

14. Service of documents

14.1 Document includes notice

In this article 14, a reference to a document includes a notice and a notification by electronic means.

14.2 Form of document

Unless expressly stated otherwise in this Constitution, all notices, certificates, statements, demands, appointments, directions and other documents referred to in this Constitution must be in writing.

14.3 Methods of service

The Company may give a document to a Member:

- (a) personally;
- (b) by delivering it or sending it by post to the address for the Member in the Register or an alternative address nominated by the Member;
- (c) by sending it to a fax number or electronic address nominated by the Member;
- (d) by notifying the Member by an electronic means nominated by the Member that:
 - (i) the document is available; and
 - (ii) how the Member may use the nominated access means to access the document; or
- (e) by any other means permitted by law.

14.4 Time of service

- (a) A document sent by post:
 - (i) if sent to an address in Australia, may be sent by ordinary post; and
 - (ii) if sent to an address outside Australia, must be sent by airmail,and, in either case, is taken to have been given and received on the day after the day of its posting.
- (b) A document sent or given by fax or other electronic means:
 - (i) is taken to be effected by properly addressing and transmitting the fax or other electronic transmission; and
 - (ii) is taken to have been given and received on the day after the date of its transmission.

14.5 Deemed notice to uncontactable Members

If a Member does not have an address in the Register, or has not nominated an alternative address in accordance with article 14.3, or if the Company reasonably believes that a Member is not known at the Member's address in the Register or any alternative address provided, a document is taken to be given to the Member if the document is exhibited in the registered office of the Company for 48 hours. The document is taken to be served at the start of that period. It need not be addressed to the Member.

14.6 Evidence of service

A certificate signed by a Director or a Secretary stating that a document was sent, delivered or given to a Member personally, by post, fax or other electronic means on a particular date is evidence that the document was sent, delivered or given on that date and by that means.

14.7 Joint holders

A document may be given by the Company to the joint holders of a share by giving it to the joint holder first named in the Register for the share.

14.8 Persons entitled to shares

A person who by operation of law, transfer or other means whatsoever becomes entitled to any share is absolutely bound by every document given in accordance with this article 14 to the person from whom that person derives title prior to registration of that person's title in the Register.

15. Winding up

15.1 Distribution of assets

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.

15.2 Powers of liquidator to vest property

The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

15.3 Shares issued on special terms

Articles 15.1 and 15.2 do not prejudice or affect the rights of a Member holding shares issued on special terms and conditions.

Schedule 1 – Terms of preference shares

The Company may issue preference shares under article 2.2 on the following terms.

1. Dividend rights and priority of payment

- (a) Each preference share confers on the holder a right to receive a dividend (**Dividend**) at the rate or in the amount and on the conditions decided by the Directors under the terms of issue unless, and to the extent that, the Directors decide under the terms of issue that there is no right to receive a Dividend.
- (b) Without limiting the conditions which, under the terms of issue, the Directors may impose upon any right to receive a Dividend, the Directors may under the terms of issue, impose conditions upon the right to receive a Dividend which may be changed or reset at certain times or upon certain events and in the manner and to the extent the Directors decide under the terms of issue.
- (c) Any Dividend:
 - (i) is non-cumulative unless, and to the extent that, the Directors decide otherwise under the terms of issue; and
 - (ii) will rank for payment:
 - (A) in priority to ordinary shares unless, and to the extent that, the Directors decide otherwise under the terms of issue;
 - (B) in priority to shares in any other class of shares or class of preference shares expressed under the terms of issue to rank behind for the payment of dividends;
 - (C) equally with shares in any other class of shares or class of preference shares expressed under the terms of issue to rank equally for the payment of dividends; and
 - (D) behind shares in any other class of shares or class of preference shares expressed under the terms of issue to rank in priority for the payment of dividends.
- (d) If, and to the extent that, the Directors decide under the terms of issue, each preference share may, in addition to any right to receive a Dividend, participate equally with the ordinary shares in distribution of profits available as dividends.
- (e) Each preference share confers on its holder:
 - (i) if, and to the extent that the Dividend is cumulative, the right in a winding up or on redemption to payment of the amount of any Dividend accrued but unpaid on the share at the commencement of the winding up or the date of redemption, whether earned or determined or not;
 - (ii) if, and to the extent that the Dividend is non-cumulative, and if, and to the extent that, the Directors decide under the terms of issue, the right in a winding up or on redemption to payment of the amount of any Dividend accrued but unpaid for the period commencing on the dividend payment date which has then most recently occurred and ending on the commencement of the winding up or the date of redemption, whether earned or determined or not,

with the same priority in relation to each other class of shares as the priority that applies in relation to the payment of the Dividend.

2. Entitlement to payment of capital sum

- (a) Each preference share confers on its holder the right in a winding up or on a redemption to payment of:
- (i) any amount paid on the share, or any amount fixed by the Directors under the terms of issue or capable of determination pursuant to a mechanism adopted by the Directors under the terms of issue; and
 - (ii) a further amount out of the surplus assets and profits of the Company on the conditions decided by the Directors under the terms of issue unless, and to the extent that, the Directors decide under the terms of issue that there is no right to any payment of a further amount out of the surplus assets and profits of the Company,
- in priority to ordinary shares and, unless the Directors decide otherwise under the terms of issue, in priority to shares in any other class of shares or class of preference shares expressed to rank behind on a winding up, equally with shares in any other class of shares or class of preference shares expressed to rank equally on a winding up, and behind shares in any other class of shares or class of preference shares expressed to rank in priority on a winding up.
- (b) Unless otherwise decided by the Directors under the terms of issue, a preference share does not confer on its holder any right to participate in the profits or property of the Company except as set out in this Schedule 1.
-

3. Bonus issues and capitalisation of profits

If, and to the extent that the Directors decide under the terms of issue, a preference share may confer a right to a bonus issue or capitalisation of profits in favour of holders of those shares only.

4. Voting rights

- (a) A preference share does not entitle its holder to vote at any general meeting of the Company except on the questions, proposals or resolutions or during periods of time or in circumstances identified by the Directors in the terms of issue, which, unless the Directors decide otherwise under the terms of issue, are as follows:
- (i) a proposal:
 - (A) to reduce the share capital of the Company;
 - (B) that affects rights attached to the share;
 - (C) to wind up the Company; or
 - (D) for the disposal of the whole of the property, business and undertaking of the Company;
 - (ii) a resolution to approve the terms of a buy-back agreement;

- (iii) during a period in which a Dividend or part of a Dividend on the share is in arrears;
 - (iv) during the winding up of the Company.
- (b) Each holder of a preference share who has a right to vote on a resolution is entitled to the number of votes specified in article 6.8 of the Constitution.
-

5. Meeting

Each preference share confers on its holder the same rights as those conferred by the Constitution upon the holders of ordinary shares in relation to receiving notices (including notices of general meetings), reports, balance sheets and audited accounts and of attending and being heard at all general meetings of the Company.

6. Foreign Currency

Where any amount is payable by the Company to the holder of a preference share in a currency other than Australian dollars, and the amount is not paid when due or the Company has commenced winding up, the holder may give notice to the Company requiring payment of an amount in Australian dollars equal to the foreign currency amount calculated by applying the reference rate on the date of payment for the sale of the currency in which the payment is to be made for Australian dollars. Reference rate means the rate applicable in the market and at the time determined by the Directors before allotment of those preference shares and specified in the terms of issue for those preference shares.

7. Conversion to ordinary shares

Subject to the Corporations Act, any other applicable laws and the terms of issue of a preference share as determined by the Directors:

- (a) a preference share which may be converted into an ordinary share in accordance with its terms of issue, at the time of conversion and without any further act:
 - (i) has the same rights as a fully paid ordinary share; and
 - (ii) ranks equally with other fully paid ordinary shares on issue,however, the terms of issue of the preference share may provide otherwise including for the issue of additional ordinary shares on conversion as determined by the Directors; and
 - (b) the conversion does not constitute a cancellation, redemption or termination of the preference share or the issue, allotment or creation of new shares, but has the effect of varying the status of, and the rights attaching to, the preference share so that it becomes an ordinary share.
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8. Amendment to the terms

Subject to complying with all applicable laws, the Company may, without the consent of preference shareholders, amend or add to the terms of the preference shares if, in the opinion of the Company, the amendment or addition is:

- (a) of a formal, minor or technical nature;

- (b) to correct a manifest error;
 - (c) made to comply with any applicable law, Listing Rule or requirement of a Stock Exchange;
 - (d) convenient for the purpose of obtaining or maintaining the listing of the Company or quotation of the preference shares; or
 - (e) is not likely to be or become materially prejudicial to the preference shareholders.
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9. Variation of rights

Subject to paragraph 8 and the terms of issue of a preference share as determined by the Directors, the rights attaching to a preference share may only be varied or cancelled by a special resolution of the Company and:

- (a) by a special resolution passed at a meeting of preference shareholders entitled to vote and holding shares in that class; or
 - (b) with the written consent of holders of at least 75% of the issued shares of that class.
-

10. Further issue of shares

If the Company issues new preference shares that rank equally with existing preference shares, the issue will not be taken to vary the rights attached to the existing preference shares unless otherwise determined by the Directors in the terms of issue of the existing shares.

Schedule 2 – Liens, calls and forfeiture

1. Lien

1.1 Lien on shares

To the extent permitted by law, the Company has a first and paramount lien on every share for:

- (a) all due and unpaid calls and instalments in respect of that share;
- (b) all money which the Company is required by law to pay, and has paid, in respect of that share;
- (c) interest at the Prescribed Interest Rate on the amount due from the date it becomes due until payment; and
- (d) reasonable expenses of the Company in respect of the default on payment.

1.2 Lien on loans under employee incentive schemes

The Company also has a first and paramount lien on each share registered in the name of the Member for all money payable to the Company by the Member under loans made under an employee incentive scheme.

1.3 Lien on distributions

A lien on a share under paragraph 1.1(a) or 1.2 extends to all distributions for that share, including dividends.

1.4 Exemption from paragraph 1.1(a) or 1.2

The Directors may at any time exempt a share wholly or in part from the provisions of paragraph 1.1(a) or 1.2.

1.5 Extinguishment of lien

The Company's lien on a share is extinguished if a transfer of the share is registered without the Company giving notice of the lien to the transferee.

1.6 Company's rights to recover payments

A Member must reimburse the Company on demand in writing for all payments the Company makes to a government or taxing authority in respect of the Member, the death of a Member or the Member's shares or any distributions on the Member's shares, including dividends, where the Company is either:

- (a) required by law to make the relevant payment; or
- (b) advised by a lawyer qualified to practice in the jurisdiction of the relevant government or taxing authority that the Company is required by law to make the relevant payment.

The Company is not obliged to advise the Member in advance of its intention to make the payment.

1.7 Reimbursement is a debt due

The obligation of the Member to reimburse the Company is a debt due to the Company as if it were a call on all the Member's shares, duly made at the time when the written demand for

reimbursement is given by the Company to the Member. The provisions of this Constitution relating to non-payment of calls, including payment of interest and sale of the Member's shares under lien, apply to the debt.

1.8 Sale under lien

Subject to paragraph 1.9, the Company may sell, in any manner the Directors think fit, any share on which the Company has a lien.

1.9 Limitations on sale under lien

A share on which the Company has a lien may not be sold by the Company unless:

- (a) an amount in respect of which the lien exists is presently payable; and
- (b) the Company has, not less than 14 days before the date of sale, given to the registered holder of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder, a notice setting out, and demanding payment of, the amount which is presently payable in respect of which the lien exists.

1.10 Transfer on sale under lien

For the purpose of giving effect to a sale under paragraph 1.8, the Company may receive the consideration, if any, given for the share so sold and may execute a transfer of the share sold in favour of the purchaser of the share, or do all such other things as may be necessary or appropriate for it to do to effect the transfer. The purchaser is not bound to see to the application of the purchase money.

1.11 Irregularity or invalidity

The title of the purchaser to the share is not affected by any irregularity or invalidity in connection with the sale of the share under paragraph 1.8.

1.12 Proceeds of sale

The proceeds of a sale under paragraph 1.8 must be applied by the Company in payment of the amount in respect of which the lien exists as is presently payable, and the residue, if any, must be paid to the person entitled to the share immediately before the sale. The payment of any residue to the person entitled to the share immediately before the sale is subject to the existence of any like lien on the share immediately before the sale for amounts not presently payable.

2. Calls on shares

2.1 Directors to make calls

The Directors may:

- (a) make calls on a Member in respect of any money unpaid on the shares of that Member, if the money is not by the terms of issue of those shares made payable at fixed times;
- (b) make a call payable by instalments; and
- (c) revoke or postpone a call.

2.2 Time of call

A call is taken to be made at the time when the resolution of the Directors authorising the call is passed.

2.3 Members' liability

On receiving not less than 10 business days' notice (or any other period required by the Listing Rules) specifying the time or times and place of payment, each Member must pay to the Company by the time or times, and at the place, specified in the notice the amount called on that Member's shares.

2.4 Joint holders' liability

The joint holders of a share are jointly and individually liable to pay all calls in respect of the share.

2.5 Non-receipt of notice

The non-receipt of a notice of any call by, or the accidental omission to give notice of a call to, a Member does not invalidate the call.

2.6 Interest on default

If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due must pay interest on the sum from the day it is due to the time of actual payment at the Prescribed Interest Rate. The Directors may waive payment of that interest wholly or in part.

2.7 Fixed instalments

Subject to any notice requirements under the Listing Rules, if the terms of a share make a sum payable on issue of the share or at a fixed date, this is taken to be a call duly made and payable on the date on which by the terms of issue the sum becomes payable. In the case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the sum had become payable by virtue of a call duly made and notified.

2.8 Differentiation between holders as to calls

The Directors may, on the issue of shares, differentiate between the holders of the shares as to the amount of calls to be paid and the times of payment.

2.9 Prepayment of calls and interest

The Directors may:

- (a) accept from a Member the whole or a part of the amount unpaid on a share even if no part of that amount has been called; and
- (b) authorise payment by the Company of interest on the whole or any part of an amount so accepted, until the amount becomes payable, at such rate, not exceeding the Prescribed Interest Rate, as is agreed between the Directors and the Member paying the sum.

3. Forfeiture of shares

3.1 Notice requiring payment of call

If a Member fails to pay a call, or instalment of a call, on the day appointed for payment of the call or instalment, the Directors may, at any time afterwards during such time as any part of the call or instalment remains unpaid, give a notice to the Member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all costs and expenses that may have been incurred by the Company by reason of that non-payment.

3.2 Contents of notice

The notice must name a further day, which is at least 14 days from the date of service of the notice, on or before which the payment required by the notice is to be made and must state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

3.3 Forfeiture for failure to comply with notice

If a notice under paragraph 3.1 has not been complied with, the Directors may by resolution forfeit the relevant shares, at any time before the payment required by the notice has been made.

3.4 Dividends and distributions included in forfeiture

A forfeiture under paragraph 3.3 includes all dividends and other distributions to be made in respect of the forfeited shares which have not been paid or distributed before the forfeiture.

3.5 Sale or re-issue of forfeited shares

Subject to the Corporations Act, a share forfeited under paragraph 3.3 may be sold, re-issued or otherwise disposed of to such person and on such terms as the Directors think fit.

3.6 Notice of forfeiture

If any share is forfeited under paragraph 3.3, notice of the forfeiture must be given to the Member holding the share immediately before the forfeiture and an entry of the forfeiture and its date must be made in the Register. Any failure to give notice or enter the forfeiture in the Register does not invalidate the forfeiture.

3.7 Surrender instead of forfeiture

The Directors may accept the surrender of any share which they are entitled to forfeit on any terms they think fit and any share so surrendered is taken to be a forfeited share.

3.8 Cancellation of forfeiture

At any time before a sale, re-issue or disposal of a share under paragraph 3.5, the forfeiture of that share may be cancelled on such terms as the Directors think fit.

3.9 Effect of forfeiture on former holder's liability

A person whose shares have been forfeited:

- (a) ceases to be a Member in respect of the forfeited shares;
- (b) waives all claims and demands against the Company in respect of the forfeited shares; and

- (c) remains liable to pay and will immediately pay to the Company all money that, at the date of forfeiture, was payable by that person to the Company in respect of the shares, plus interest at the Prescribed Interest Rate from the date of forfeiture and the reasonable expenses of the sale of the shares, until the Company receives payment in full of all money (including interest and expenses) so payable in respect of the shares.

3.10 Evidence of forfeiture

A written statement declaring that the person making the statement is a Director or a Secretary, and that a share has been forfeited in accordance with this Constitution on the date declared in the statement, is evidence of the facts in the statement as against all persons claiming to be entitled to the share.

3.11 Transfer of forfeited share

The Company may receive any consideration given for a forfeited share on any sale, re-issue or disposal of the share under paragraph 3.5 and may execute or effect a transfer of the share in favour of the person to whom the share is sold, re-issued or disposed.

3.12 Registration of transferee

On the execution of the transfer, the transferee must be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.

3.13 Irregularity or invalidity

The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the forfeiture, sale, re-issue or disposal of the share.

Schedule 3 – Transmission of Shares

1. Transmission of shares on death

If a Member who does not hold shares jointly dies, the Company will recognise only the personal representative of the Member as being entitled to the Member's interest in the shares.

2. Information given by personal representative

If the personal representative of the member who has died gives the Directors the information they reasonably require to establish the representative's entitlement to be registered as a holder of the shares:

- (a) the personal representative may:
 - (i) by giving a signed notice to the Company, elect to be registered as the holder of the shares; or
 - (ii) by giving a completed transfer form to the Company, transfer the shares to another person; and
- (b) the personal representative is entitled, whether or not registered as the holder of the shares, to the same rights as the Member.

A transfer under this article is subject to the articles that apply to transfers generally.

3. Death of joint owner

If a Member who holds shares jointly dies, the Company will recognise only the survivor as being entitled to the Member's interest in the shares. The estate of the Member is not released from any liability in respect of the shares.

4. Transmission of shares on bankruptcy

If a person entitled to shares because of the bankruptcy of a Member gives the Directors the information they reasonably require to establish the person's entitlement to be registered as the holder of the shares, the person may:

- (a) by giving a signed notice to the Company, elect to be registered as the holder of the shares; or
- (b) by giving a completed transfer form to the Company, transfer the shares to another person.

A transfer under this article is subject to the articles that apply to transfers generally.

This article has effect subject to the Bankruptcy Act 1966.

5. Transmission of shares on mental incapacity

If a person entitled to shares because of the mental incapacity of a Member gives the Directors the information they reasonably require to establish the person's entitlement to be registered as the holder of the shares:

- (a) the person may:
 - (i) by giving a signed notice to the Company, elect to be registered as the holder of the shares; or
 - (ii) by giving a completed transfer form to the Company, transfer the shares to another person; and
- (b) the person is entitled, whether or not registered as the holder of the shares, to the same rights as the Member.

A transfer under this article is subject to the articles that apply to transfers generally.

6. Transmission of shares to joint holders

Where two or more persons are jointly entitled to be registered pursuant to paragraphs 1, 4 or 5, they will, for the purposes of this Constitution, be deemed to be joint holders of the share.

Schedule 4 – Less than marketable parcels of Shares

1. Definitions

In this Schedule 4:

Divestment Notice	means a notice given under paragraph 2 to a Holder or a New Holder.
Holder	is a Member who is the holder or a joint holder of a Less than Marketable Parcel.
Market Value	in relation to a Share means the closing price of the Share on a Trading Platform, excluding special crossings, overnight sales and exchange traded options.
New Holder	is a Member who is the holder or a joint holder of a New Less than Marketable Parcel.
New Less than Marketable Parcel	means a holding of Shares created after the date on which Schedule 4 came into effect by the transfer of a parcel of Shares the aggregate Market Value of which at the time a proper transfer was initiated or a paper based transfer was lodged, was less than a marketable parcel of Shares as provided under the Listing Rules.
Relevant Period	means the period specified in a Divestment Notice under paragraph 3.
Relevant Shares	are the Shares specified in a Divestment Notice.
Shares	for the purposes of Schedule 4 are shares in the Company all of the same class.
Less than Marketable Parcel	means a holding of Shares the aggregate Market Value of which at the relevant date is less than a marketable parcel of Shares as provided under the Listing Rules.

2. Divestment Notice

If the Directors determine that a Member is a Holder or a New Holder, the Company may give the Member a Divestment Notice to notify the Member:

- (a) that the Member is a Holder or a New Holder, the number of Shares making up and the Market Value of the Less than Marketable Parcel or New Less than Marketable Parcel and the date on which the Market Value was determined;
- (b) that the Company intends to sell the Relevant Shares in accordance with this article after the end of the Relevant Period specified in the Divestment Notice;
- (c) if the Member is a Holder, that the Member may at any time before the end of the Relevant Period notify the Company in writing that the Member desires to retain the Relevant Shares and that if the Member does so the Company will not be entitled to sell the Relevant Shares under that Divestment Notice; and
- (d) after the end of the Relevant Period the Company may for the purpose of selling the Relevant Shares that are in a CS Facility holding initiate a holding adjustment to

move those Shares from that CS Facility holding to an Issuer Sponsored Holding or certificated holding.

If the Operating Rules of a CS Facility apply to the Relevant Shares, the Divestment Notice must comply with those Operating Rules.

3. Relevant Period

For a Divestment Notice given to a Holder, the Relevant Period must be at least 6 weeks from the date the Divestment Notice was given. For a Divestment Notice given to a New Holder, the Relevant Period must be at least 7 days from the date the Divestment Notice was given.

4. Company can sell Relevant Shares

At the end of the Relevant Period the Company is entitled to sell on-market or in any other way determined by the Directors:

- (a) the Relevant Shares of a Member who is a Holder, unless that Member has notified the Company in writing before the end of the Relevant Period that the Member desires to retain the Relevant Shares, in which event the Company must not sell those Relevant Shares under that Divestment Notice; and
 - (b) the Relevant Shares of a Member who is a New Holder.
-

5. No obligation to sell

The Company is not bound to sell any Relevant Shares which it is entitled to sell under this Schedule 4.

6. Company as Member's attorney

To effect the sale and transfer by the Company of Relevant Shares of a Member, the Member appoints the Company and each Director and Secretary jointly and severally as the Member's attorney in the Member's name and on the Member's behalf to do all acts and things which the Company considers necessary or appropriate to effect the sale or transfer of the Relevant Shares and, in particular:

- (a) to initiate a holding adjustment to move the Relevant Shares from a CS Facility holding to an Issuer Sponsored Holding or a certificated holding; and
 - (b) to execute on behalf of the Member all deeds instruments or other documents necessary to transfer the Relevant Shares and to deliver any such deeds, instruments or other documents to the purchaser.
-

7. Conclusive evidence

A statement in writing by or on behalf of the Company under this Schedule 4 is (in the absence of manifest error) binding on and conclusive against a Member. In particular, a statement that the Relevant Shares specified in the statement have been sold in accordance with this article is conclusive against all persons claiming to be entitled to the Relevant Shares and discharges the purchaser from all liability in respect of the Relevant Shares.

8. Registering the purchaser

The Company must register the purchaser of Relevant Shares as the holder of the Relevant Shares transferred to the purchaser under this article. The purchaser is not bound to see to the application of any money paid as consideration. The title of the purchaser to the Relevant Shares transferred to the purchaser is not affected by any irregularity or invalidity in connection with the actions of the Company under this article.

9. Payment of proceeds

Subject to paragraph 10, where:

- (a) Relevant Shares of a Member are sold by the Company on behalf of the Member under this article; and
- (b) the certificate for the Relevant Shares (unless the Company is satisfied that the certificate has been lost or destroyed or the Relevant Shares are on the Issuer Sponsored subregister) has been received by the Company,

the Company must, within 60 days of the completion of the sale, send the proceeds of sale to the Member using any payment method chosen by the Company including under article 13.7. Payment of any money under this article is at the risk of the Member to whom it is sent.

10. Costs

In the case of a sale of the Relevant Shares of a New Holder in accordance with this article, the Company is entitled to deduct and retain from the proceeds of sale, the costs of the sale as determined by the Company. In any other case, the Company or a purchaser must bear the costs of sale of the Relevant Shares. The costs of sale include all stamp duty, brokerage and government taxes and charges (except for tax on income or capital gains of the Member) payable by the Company in connection with the sale and transfer of the Relevant Shares.

11. Remedy limited to damages

The remedy of a Member to whom this article applies, in respect of the sale of the Relevant Shares of that Member is expressly limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

12. Dividends and voting suspended

Unless the Directors determine otherwise, where a Divestment Notice is given to a New Holder in accordance with this article, then despite any other provision in this Constitution, the rights to receive payment of dividends and to vote attached to the Relevant Shares of that Member are suspended until the Relevant Shares are transferred to a new holder or that Member ceases to be a New Holder. Any dividends that would, but for this article, have been paid to that Member must be held by the Company and paid to that Member within 60 days after the earlier of:

- (a) the date the Relevant Shares of that Member are transferred; and
- (b) the date that the Relevant Shares of that Member cease to be subject to a Divestment Notice.

13. Twelve month limit

If it is a requirement of the Listing Rules, the Company must not give a Holder more than one Divestment Notice in any 12 month period (except as contemplated by paragraph 14).

14. Effect of a takeover bid

From the date of the announcement of a takeover bid for the Shares until the close of the offers made under the takeover bid, the Company's powers under this article to sell Relevant Shares of a Member cease. After the close of the offers under the takeover bid, the Company may give a Divestment Notice to a Member who is a Holder or a New Holder, despite paragraph 13 and the fact that it may be less than 12 months since the Company gave a Divestment Notice to that Member.

Schedule 5 – Proportional Takeover Bid Approval

1. Resolution required for proportional takeover provisions

Despite articles 4.1, 4.2 and 4.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

- (a) this Schedule 5 applies;
 - (b) the registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an “approving resolution”) to approve the bid is passed or taken to be passed in accordance with paragraph 4 or 5; and
 - (c) the Directors must ensure that an approving resolution is voted on in accordance with paragraphs 2 to 3 before the 14th day before the last day of the bid period.
-

2. Procedure for resolution

The Directors may determine whether the approving resolution is voted on:

- (a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of paragraph 3, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or
- (b) by means of a postal ballot conducted in accordance with the following procedure:
 - (i) a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;
 - (ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;
 - (iii) the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;
 - (iv) each ballot paper must specify the name of the person entitled to vote;
 - (v) a postal ballot is only valid if the ballot paper is duly completed and:
 - (A) if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or
 - (B) if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;
 - (vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of that power or authority certified as a true copy by statutory declaration is or are

received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the Registered Office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and

- (vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.
-

3. Persons entitled to vote

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time. Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

4. Resolution passed or rejected

If the resolution is voted on in accordance with paragraphs 1 to 3, then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

5. Resolution taken as passed

If a resolution to approve the bid has not been voted on as at the end of the day before the 14th day before the last day of the offer period, then a resolution to approve the bid is taken to have been passed in accordance with paragraphs 2 to 4.

6. Takeover articles cease to have effect

Paragraphs 1 to 5 cease to have effect on the day 3 years after the later of their adoption or last renewal.

APPENDIX 3

BOND TERMS

BOND TERMS

FOR

**Futura Resources Limited 13.125% senior secured USD 95,000,000 bonds
2026/2031**

ISIN NO0013698746

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ATTACHMENT 1 EXISTING ROYALTY ARRANGEMENTS
ATTACHMENT 2 COMPLIANCE CERTIFICATE
ATTACHMENT 3 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS between	
ISSUER:	Futura Resources Limited, a proprietary limited company incorporated under the laws of Australia with Australian registration number 113 707 458 and LEI-code 254900IXVQZ9YW05UP87 and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	<u>23</u> December 2025
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**AASB 16**” means Australian accounting standard AASB 16 (*Leases*).

“**Acceptable Bank**” means a commercial bank, savings bank or trust company which has a rating of BBB or higher from Standard & Poor's Ratings Service or Baa2 or higher from Moody's Investor Service Limited or a comparable rating from a nationally recognized credit rating agency for its long-term debt obligations.

“**Access Agreement – Coal Futura (UT5)**” means the access agreement entered into between Aurizon Network Pty Ltd and the Issuer originally dated 3 September 2025.

“**Accounting Standard**” means the generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

“**Accounts**” means the Escrow Account and the Operating Account(s).

“**Accrued Convertible Note Interest**” means the interest accrued on the Existing Convertible Loan Notes in an approximate amount of AUD 10,000,000.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and

- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over that person.

“**Amended NextGen Agreement Terms**” means terms providing that no payments of commissions shall be made by the Issuer under the NextGen Agreement for as long as the Bonds are outstanding, but those commissions may accrue during the term of the Bonds (and settled following the full and final discharge of all Secured Obligations).

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Obligors for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**ASIC**” means the Australian Securities & Investments Commission.

“**Assumption Deed**” means, with respect to an Existing Royalty Arrangement, a deed between the applicable royalty holder, the Bond Trustee and the Obligor party to that Existing Royalty Arrangement under which:

- (a) the royalty holder consents to the grant and enforcement of the Transaction Security against the Mining and Exploration Tenement and related product subject to that Existing Royalty Arrangement;
- (b) the Bond Trustee agrees that, subject to paragraph (c), any sale or transfer of the relevant Mining and Exploration Tenement and related product in the exercise of its enforcement rights under the Transaction Security will be subject to the transferee entering into an assumption deed with the applicable royalty holder under which the transferee agrees to be bound by the Existing Royalty Arrangement as if it were named in place of the relevant Obligor under that Existing Royalty Arrangement; and
- (c) if the net proceeds to be received by the Bond Trustee from any sale of assets subject to the Transaction Security will be insufficient to pay and discharge the Secured Obligations in full, paragraph (b) will not apply and the Bond Trustee may sell and transfer the Mining and Exploration Tenement and related product without the transferee entering into an assumption deed as described in paragraph (b).

“**ASX**” means ASX Limited ACN 008 624 691.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Currency**” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Bond Terms**” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means (a) the debt instruments issued by the Issuer pursuant to these Bond Terms, and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**BSRT**” means Baker Steel Resources Trust Limited.

“**Business Day**” means a day on which both the relevant CSD settlement system is open and the relevant settlement system for the Bond Currency is open.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

“**Call Notice**” has the meaning ascribed to such term in paragraph (c) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option**” has the meaning ascribed to such term in paragraph (a) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Cash and Cash Equivalents**” means at any time cash in hand or amounts standing to the credit of any Account, in each case to which the relevant Obligor is beneficially entitled at the time and to which it has free and unrestricted access and which is not subject to any Security (other than any Transaction Security).

“**Casual Coal Handling and Port Services Agreement**” means the coal handling and port services agreement entered into between Futura Mining Services Pty Ltd and Gladstone Ports Corporation Limited dated 1 July 2025.

“**Change of Control Event**” means the occurrence of an event or series of events whereby a person or group of persons, acting in concert not theretofore having Decisive Influence over the Issuer, gain such Decisive Influence without the consent of Bondholders representing a simple majority of the voting Bonds attending a quorate Bondholders' Meeting and, in all cases, excludes a Change of Control Event:

- (a) as a result of the exercise of some or all of the Gamma Call Options by Gamma Mining Ltd, pursuant to the terms of the Gamma Agreement; or

(b) that arises as part of an IPO.

“**Closing Procedure**” has the meaning ascribed to such term in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

“**Coal of Queensland**” means Coal of Queensland Pty Ltd, a proprietary limited company incorporated under the laws of Australia with Australian company number 149 250 939, being 100% directly owned by the Issuer.

“**Coal Purchase Contract**” means the coal purchase contract entered into between Trafigura Asia Trading Pte Ltd and the Issuer originally dated 17 July 2024.

“**Coal Rail Transport Agreement**” means the coal rail transport agreement entered into between the Issuer and Aurizon Operations Limited dated 1 September 2025.

“**Coal Tolling Agreement**” means the coal tolling agreement entered into between Sojitz Gregory Mining Pty Ltd and the Issuer, Wilton Coking Coal and Fairhill Coking Coal originally dated 12 November 2021.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 2 hereto.

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**CSD**” means the central securities depository in which the Bonds are registered, being Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)).

“**Cure Amount**” has the meaning ascribed to such term in Clause 13.32 (*Equity cure*).

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Disposal**” means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

“**Distribution**” means any (i) declaration, making or payment of dividend or other distribution on or in respect of shares or preferred equity, (ii) repayment, prepayment, service or any payment of any Subordinated Debt or any payment of any interest, fee, charge or premium

accrued in respect thereof (other than through adding such amounts to the principal amount), (iii) repurchase of shares, redemption of share capital or other restricted equity with repayment to shareholders or (iv) other similar distribution by a person to its shareholders (including but not limited to total return swaps involving any shares issued).

“**EBITDA**” means, for a period, the aggregated net profit of the Obligors for such period and (in all cases without double counting):

- (a) after adding back Net Interest Expenses;
- (b) after adding back corporate tax or tax on income or gains in respect of such period;
- (c) after adding back any depreciation on fixed assets and any amortisation or impairment of assets in respect of that period (other than depreciation, amortisation or impairment in respect of leased assets recognised due to the application of AASB 16 paragraph 9); and
- (d) for the purposes of calculating the Interest Coverage Ratio, after adding any Cure Amount received during that period.

“**Equentia**” Equentia Natural Resources Pte Ltd.

“**Escrow Account**” means a USD-denominated client account established with the Escrow Agent in the name of the Issuer, to which the Net Proceeds shall be transferred in connection with the issuance of the Bonds, restricted so that no withdrawals may be made without the Bond Trustee’s prior written consent and pledged with first priority pursuant to the Escrow Account Pledge.

“**Escrow Account Pledge**” means the pledge over the Escrow Account in favour of the Bond Trustee (on behalf of the Bondholders) as security for the Issuer’s obligations under the Finance Documents, where the Escrow Agent and the bank operating the account has waived any set-off rights.

“**Escrow Agent**” means Nordic Trustee Services AS, P.O. Box 1470 Vika, NO-0116 Oslo, Norway.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means:

- (a) Euronext ABM, a self-regulated marketplace organised and operated by Euronext Oslo Børs; or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on MiFIR.

“Existing Convertible Loan Notes” means certain unsecured convertible redeemable loan notes in the share capital of the Issuer, issued by the Issuer in an aggregate principal amount of AUD 30,300,000 as of the Issue Date.

“Existing Primary Secured Facility” means a facility entered into by and between the Issuer as borrower and the Obligors, and Trafigura Asia Trading Pte Ltd dated 17 July 2024, with an existing outstanding amount of approximately USD 19,100,000.

“Existing Royalty Arrangements” means the royalty arrangements set out in Attachment 1 hereto.

“Existing Secondary Secured Facility” means a facility entered into by and between the Issuer as borrower, the Obligors and Gamma Mining Ltd dated 9 May 2025, with an existing outstanding amount of approximately USD 15,468,494.

“Existing Secured Debt” means all outstanding amounts in respect of the Existing Secured Debt Facilities.

“Existing Secured Debt Facilities” means:

- (a) the Existing Primary Secured Facility; and
- (b) the Existing Secondary Secured Facility.

“Existing Unsecured Debt” means all outstanding amounts in respect of the Existing Unsecured Debt Facilities.

“Existing Unsecured Debt Facilities” means the existing unsecured loans between the Issuer and:

- (a) BSRT;
- (b) NextGen;
- (c) Equentia;
- (d) NTG Investments Group Pty Ltd; and
- (e) Aldersberg Limited.

“Fairhill Coking Coal” means Fairhill Coking Coal Pty Ltd, a proprietary limited company incorporated under the laws of Australia with Australian company number 155 409 199, being 100% directly owned by the Issuer.

“Fee Agreement” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

“Finance Documents” means these Bond Terms, the Fee Agreement, the Transaction Security Documents, any Security Agent Agreement, any account control agreement, any Subordination

Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“**Finance Lease**” means a lease constituting or accounted for in or in a similar way to a finance lease or a capitalised lease under the Accounting Standard and includes any hire purchase agreement but excludes:

- (a) any indebtedness in respect of any lease or hire purchase contract which, in accordance with the Accounting Standard prior to 1 January 2019 were treated as an operating lease; and
- (b) lease liabilities that would not otherwise be classified as leases other than for the application of AASB 16 paragraph 9.

“**Financial Covenants**” means the financial covenants set out in Clause 13.31 (*Financial covenants*).

“**Financial Indebtedness**” means any present or future, actual or contingent liability in connection with any:

- (a) money borrowed or raised;
- (b) amount raised in connection with any note purchase facility or the issue of bonds, notes, debentures, units, loan stock or similar instruments;
- (c) reimbursement obligation or counter-indemnity with respect to a letter of credit, guarantee or similar instrument issued by a bank or financial institution;
- (d) derivative transaction (and, when calculating the liability in connection with any derivative transaction, only the mark to market value is taken into account unless the derivative transaction has been terminated or closed-out, in which case the liability is the termination amount or close out amount for the derivative transaction);
- (e) redeemable share or other redeemable security where the holder has the right, or the right in certain circumstances, to require redemption before the Maturity Date;
- (f) deferred purchase price of property or services (including securities repurchase agreements but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business which are not more than 120 days overdue or which are being contested in good faith);
- (g) any Finance Lease;
- (h) obligation to deliver assets or services paid for in advance by a financier or otherwise relating to a financing transaction;
- (i) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (j) amount raised under any other transaction (including any forward sale or purchase agreement in advance of deliveries or services exceeding 60 days of the date of that agreement, stream, royalty or similar arrangement) having the commercial effect of a borrowing; and
- (k) any guarantee or indemnity of any of the above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“First Call Date” means the Interest Payment Date falling in July 2028.

“First Call Price” has the meaning ascribed to such term in paragraph (a) (ii) of Clause 10.2 (*Voluntary early redemption - Call Option*).

“Gamma Agreement” means the call option deeds between certain shareholders of the Issuer and Gamma Mining Ltd dated on or around 9 May 2025 under which such shareholders grant Gamma Mining Ltd a Gamma Call Option.

“Gamma Call Option” means the call option granted by the shareholders of the Issuer who is the party to a Gamma Agreement to Gamma Mining Ltd to acquire the shares held by that relevant shareholder in the Issuer.

“Government Bond Rate” means the interest rate of debt securities instruments issued by the government of the United States of America on the day falling 2 Business Days before the notification to the Bondholders of the Make Whole Amount pursuant to paragraph (c) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“Group” means the Issuer and all its Subsidiaries from time to time.

“Group Company” means any person which is a member of the Group.

“Guarantee” means the unconditional and irrevocable Norwegian law guarantee, which shall constitute senior obligations of the Guarantors, granted in favour of the Bond Trustee as security for the Secured Obligations.

“Guarantor” means:

- (a) Coal of Queensland;
- (b) Fairhill Coking Coal;
- (c) Wilton Coking Coal; and
- (d) any other Subsidiary of the Issuer from time to time.

“IFRS” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Initial Nominal Amount**” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“**Interest Coverage Ratio**” means, in respect of any Relevant Period, the ratio of EBITDA to Net Interest Expenses.

“**Interest Expenses**” means for any Relevant Period, the aggregate amount of interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness, paid or payable by any Group Company (calculated on a consolidated basis) in cash or capitalised in respect of that Relevant Period:

- (a) excluding any upfront fees or costs;
- (b) including the interest (but not the capital) element of payments in respect of Finance Leases;
- (c) including any commission, fees, discounts and other finance payments payable by any Group Company under any interest rate hedging arrangement;
- (d) taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis; and
- (e) excluding any original issue discount applied in connection with any Financial Indebtedness and any amortization thereof,

and so that no amount shall be added (or deducted) more than once.

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 9 April 2026 and the last Interest Payment Date being the Maturity Date.

“**Interest Period**” means, subject to adjustment in accordance with the Business Day Convention, the periods between 9 January, 9 April, 9 July and 9 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Rate**” means 13.125 percentage points per annum.

“**Interim Accounts**” means the consolidated unaudited financial statements of the Obligors for the half year period ending on each 31 December, in each case prepared in accordance with the Accounting Standard.

“**IPO**” means an initial public offering of shares (or the shares in the capital of any special purpose holding company formed for the purpose of an initial public offer) made under a Prospectus lodged with ASIC (or other relevant regulatory body) (where a Prospectus or equivalent disclosure document is required to be lodged in relation to the initial public offering of shares) stating that the Issuer (or the relevant holding company) has applied or will apply, in conjunction with the offering, for quotation of the shares (or shares in the capital of the relevant holding company) on a Stock Exchange, or any other event which results in securities of the Issuer or any holding company being tradeable on a recognised Stock Exchange.

“**ISIN**” means International Securities Identification Number.

“**Issue Date**” means 9 January 2026.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“**Listing Failure Event**” means:

- (a) the Bonds have not been admitted to listing on an Exchange within 6 months following the Issue Date, or
- (b) in the case of a successful admission to listing, the Bonds have ceased to be admitted to listing on an Exchange.

“**Longstop Date**” means the date falling 60 Business Days after the Issue Date.

“**Long Stop Event**” means in the event that the conditions precedent set out in paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Longstop Date.

“**Make Whole Amount**” means an amount equal to the sum of the present value on the Call Option Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the First Call Price as if such payment originally had taken place on the First Call Date, less the amount of remaining amortisations to and including the First Call Date;
- (b) the remaining amortisations to and including the First Call Date; and
- (c) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date) to the First Call Date (taking into account the remaining amortisations to the First Call Date),

where the present value shall be calculated by using a discount rate of 50 basis points above the comparable Government Bond Rate (i.e. comparable to the remaining Macauley duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).

“**Manager**” means Clarksons Securities AS.

“**Mandatory Redemption Repayment Date**” means the settlement date for the Long Stop Event pursuant to Clause 10.5 (*Mandatory early redemption due to a Long Stop Event*).

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Obligors (taken as a whole) to perform and comply with their obligations under any Finance Document; or
- (b) the validity or enforceability of any Finance Document.

“**Material Assets**” means:

- (a) the Mining and Exploration Tenements; and
- (b) any other assets or infrastructure related to or required for the assets referred to in paragraph (a) above.

“**Maturity Date**” means 9 January 2031, adjusted according to the Business Day Convention.

“**Mining Act**” means *Mineral Resources Act 1989* (Qld), the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) and the *Mineral and Energy Resources (Financial Provisioning) Act 2018* (Qld).

“**Mining and Exploration Tenements**” means:

- (a) the mining and/or exploration tenements ML700043, EPC2177, ML700028, ML700029, MDL463, EPC1235 and EPC27173;
- (b) any present or future renewals, extensions, modifications, substitutions, amalgamations, subdivisions and variations of any such tenement; and
- (c) any interests granted in place of or into which any of the Mining Interests or other interests referred to in paragraphs (a) to (b) above convert.

“**Mining Interest**” has the meaning given to “mining interest” in the *Mineral Resources Act 1989* (Queensland) or if that definition is repealed, means a mining claim, exploration permit, mineral development license, mining lease or water monitoring authority and any other analogue tenement

“**Net Interest Expenses**” means, for any Relevant Period, the Interest Expenses for that Relevant Period after deducting any interest accrued (whether or not paid) in that Relevant Period to any member of the Group on any bank deposit, cash or cash equivalent investment.

“**Net Proceeds**” means the proceeds from the issuance of the Bonds, net of agreed fees and legal cost of the Manager and the Bond Trustee, and any other agreed costs and expenses incurred in connection with the issuance of the Bonds.

“**NextGen**” means NextGen Coals Limited.

“**NextGen Agreement**” means the marketing agency agreement entered into between the Issuer and NextGen, dated 5 July 2017 as amended by the deed of amendment release and waiver dated 11 July 2024.

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

“**Obligors**” means the Issuer and the Guarantors.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by an Obligor under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD, being Nordic Trustee Services AS, P.O. Box 1470 Vika, NO-0116 Oslo, Norway.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Disposal**” means:

- (a) a Disposal by one Obligor to another Obligor, other than the Issuer;
- (b) a Disposal of Product or other trading stock in the ordinary course of trading;
- (c) a Disposal by an Obligor of any asset at arm’s length on ordinary commercial terms (or better):
 - (i) in exchange for comparable assets or assets which are superior in value or utility; or
 - (ii) where an asset is non-performing, non-strategic, surplus to requirements or no longer required for the proper and efficient operation of the Material Assets,
- (d) a Disposal by an Obligor being the grant of any Permitted Security, any Permitted Guarantee or the provision of Permitted Loan;

- (e) a Disposal by an Obligor of any asset under a sale and lease back arrangement where that arrangement constitutes Permitted Financial Indebtedness;
- (f) a Disposal by an Obligor required by law or a government agency (including any assets compulsorily acquired by a government agency); or
- (g) any other Disposal (not otherwise referred to in this definition) at arm's length on ordinary commercial terms (or better) provided that the total consideration for all disposals by all Obligors under this paragraph (g) in any financial year does not exceed AUD 1,000,000.

“Permitted Distribution” means:

- (a) a Distribution made to an Obligor;
- (b) any payments of interest and coupons in respect of the Existing Convertible Loan Notes permitted pursuant to paragraph (d) under “Permitted Financial Indebtedness”, not exceeding an aggregate amount of AUD 1,300,000 in any financial year;
- (c) at the scheduled maturity in November 2026, any cash repayment of some or all of the outstanding principal amount under the Existing Convertible Loan Notes permitted pursuant to paragraph (d) under “Permitted Financial Indebtedness”; or
- (d) any issuance of shares and/or warrants to eligible employees made under an employee share plan or employee option plan, not exceeding an aggregate amount of AUD 10,000,000 in any financial year.

“Permitted Financial Indebtedness” means:

- (a) any Financial Indebtedness incurred under the Finance Documents;
- (b) until the First Release, any Financial Indebtedness incurred under the Existing Secured Debt Facilities;
- (c) until the Second Release, any Financial Indebtedness incurred under the Existing Unsecured Debt Facilities and the Existing Convertible Loan Notes not permitted by paragraphs (d) and (e) below;
- (d) Existing Convertible Loan Notes, in an aggregate principal amount not exceeding AUD 6,060,000;
- (e) the Remaining Aldersberg Unsecured Debt;
- (f) any Financial Indebtedness between any Obligors;
- (g) any Financial Indebtedness arising under any Permitted Hedging;
- (h) any Financial Indebtedness arising under any netting or set-off arrangements entered into by any Obligor in the ordinary course of its banking arrangements for the purpose

of netting debit and credit balances of the Obligor or otherwise arising under cash pooling or cash management arrangements;

- (i) any liability of an Obligor arising under or pursuant to any Permitted Guarantee or Permitted Security;
- (j) in respect of the Issuer, any Subordinated Debt;
- (k) in respect of the Issuer, the XCMG Loan, provided that the annual interest payments on the XCMG Loan shall not exceed AUD 576,000 in any financial year;
- (l) any Finance Lease and/or hire purchase arrangement where the aggregate principal or capital amount of those agreements does not exceed AUD 1,000,000 (or the equivalent in any other currency) in aggregate at any time for the Obligor;
- (m) to the extent constituting Financial Indebtedness, the Existing Royalty Arrangements;
- (n) any Financial Indebtedness incurred under any coal prepayment agreement(s) not exceeding AUD 15,000,000 (or the equivalent in any other currency in aggregate for the Obligor at any time);
- (o) any Financial Indebtedness incurred to:
 - (i) performance bonds in favour of the Queensland Scheme Administrator to the extent required to satisfy the Issuer's or an Obligor's rehabilitation obligations under the Mining Act;
 - (ii) performance bonds in favour of:
 - (A) Aurizon Network Pty Ltd as required under the Access Agreement – Coal Futura (UT5) or any contract with Aurizon Network Pty Ltd (or its related bodies corporate) for the provision of rail access arrangements to an Obligor;
 - (B) Aurizon Operations Limited as required under the Coal Rail Transport Agreement or any contract Aurizon Operations Limited (or its related bodies corporate) for the provision of rail access arrangements to an Obligor; and
 - (C) Gladstone Ports Corporation Limited as required under the Casual Coal Handling and Port Services Agreement or any contract with Gladstone Ports Corporation Limited (or its related bodies corporate) for the utilisation of the port facilities by an Obligor; and
 - (iii) performance bonds in favour of Oaky Creek Holdings Pty Limited, SCAP Oaky Creek Pty Ltd and ICRA OC Pty Ltd to undertake the work to relocate the Oaky Creek joint venture pipeline in an aggregate amount not exceeding AUD 1,000,000 or its equivalent in any other currency at any time; or

- (p) any Financial Indebtedness not permitted by the preceding paragraphs in an outstanding principal amount which does not exceed AUD 1,000,000 (or the equivalent in any other currency) in aggregate for the Obligor at any time.

“Permitted Guarantees” means:

- (a) any guarantee provided by an Obligor to another Obligor;
- (b) any guarantee or indemnity granted by an Obligor under the Finance Documents;
- (c) any unsecured guarantee, indemnity or similar bond granted by an Obligor in relation to its or another Obligor's obligations (other than Financial Indebtedness) under any contract, lease or other arrangement entered into in the ordinary course of business or as permitted or not otherwise prohibited by the Finance Documents;
- (d) any guarantee or indemnity granted by an Obligor on customary terms in favour of any director or officer of the Obligor in relation to their function in that capacity; or
- (e) any guarantee or indemnity granted by an Obligor with respect to:
 - (i) performance bonds in favour of the Queensland Scheme Administrator to the extent required to satisfy the Issuer's or an Obligor's rehabilitation obligations under the Mining Act;
 - (ii) performance bonds in favour of:
 - (A) Aurizon Network Pty Ltd as required under the Access Agreement – Coal Futura (UT5) or any contract with Aurizon Network Pty Ltd (or its related bodies corporate) for the provision of rail access arrangements to an Obligor;
 - (B) Aurizon Operations Limited as required under the Coal Rail Transport Agreement or any contract Aurizon Operations Limited (or its related bodies corporate) for the provision of rail access arrangements to an Obligor; and
 - (C) Gladstone Ports Corporation Limited as required under the Casual Coal Handling and Port Services Agreement or any contract with Gladstone Ports Corporation Limited (or its related bodies corporate) for the utilisation of the port facilities by an Obligor; and
 - (iii) performance bonds in favour of Oaky Creek Holdings Pty Limited, SCAP Oaky Creek Pty Ltd and ICRA OC Pty Ltd to undertake the work to relocate the Oaky Creek joint venture pipeline in an aggregate amount not exceeding AUD 1,000,000 or its equivalent in any other currency at any time, and
- (f) any other guarantee or indemnity granted by an Obligor (not otherwise referred to in this definition) provided that the aggregate amount which may be demanded from all the Obligor pursuant to a claim under all guarantees or indemnities under this paragraph (f) does not exceed AUD 1,000,000 (or the equivalent in any other currency) at any time.

“Permitted Hedging” means hedging of currency, interest rates and product prices on a non-speculative basis in accordance with the Obligors’ hedging policy

“Permitted Loan” means:

- (a) any trade credit provided by an Obligor in the ordinary course of business and on normal commercial terms;
- (b) any loan provided by an Obligor to another Obligor;
- (c) deposits by an Obligor into an Account;
- (d) cash deposits paid by an Obligor to:
 - (i) any suppliers of goods and services as an advance payment for the provision of those goods and services to that Obligor; or
 - (ii) landlords as a deposit for the lease obligations of that Obligor,in each case on normal commercial terms and in the ordinary course of business; and
- (e) any Financial Indebtedness in respect of which an Obligor is a creditor (not otherwise referred to in this definition) provided that the maximum aggregate Permitted Loan made available by the Obligors under this paragraph (e) does not exceed AUD 1,000,000 (or the equivalent in any other currency) at any time.

“Permitted Security” means any Security:

- (a) created under the Transaction Security or otherwise held by the Bond Trustee under the Finance Documents;
- (b) in respect of the Existing Secured Debt Facilities that is released on or before the First Release (provided such security does not extend to any of the property being subject of the Pre-Settlement Security);
- (c) in respect of the XCMG Loan over the XCMG Assets;
- (d) under any bankers’ liens, rights of set-off or other netting arrangements arising in respect of any banking facilities in the ordinary course of an Obligor’s banking arrangements or other rights of set-off arising under commercial contracts entered into by an Obligor in the ordinary course of business;
- (e) under any payment or close out netting or set-off arrangement arising under or pursuant to Permitted Hedging;
- (f) arising by operation of law in the ordinary course of business, and not as a result of any default or omission;
- (g) under any retention of title arrangement in connection with the acquisition of goods in the ordinary course of business;

- (h) granted by an Obligor to another Obligor;
- (i) existing under a lease or hire purchase arrangement permitted or not otherwise prohibited by the Finance Documents; and
- (j) granted by an Obligor securing Financial Indebtedness, the principal amount of which (when aggregated with the principal amount of all other Financial Indebtedness which has the benefit of a Security granted by the Obligors under this paragraph (j) at any time does not exceed AUD 1,000,000.

“Pre-First Release Security” means the Security listed in paragraph (a)(ii) and (iii) of Clause 2.5 (*Transaction Security*).

“Pre-Settlement Security” means the Security listed in paragraph (a)(i) of Clause 2.5 (*Transaction Security*).

“Product” means coal produced, derived, processed, treated or handled from, at or by the Material Assets.

“Prospectus” means a disclosure document required to be lodged with ASIC under section 718 of the Corporations Act in relation to an IPO or, where the Issuer seeks a listing on a foreign Stock Exchange, the equivalent disclosure document required to be lodged (if any) in accordance with the rules applicable to that jurisdiction.

“Put Option” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Put Option Event” means a Change of Control Event.

“Put Option Repayment Date” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Quarter Date” means 31 March, 30 June, 30 September and 31 December each year.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Norway.

“Relevant Period” means a period of 12 months ending on a Quarter Date.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“**Remaining Aldersberg Unsecured Debt**” means a principal amount of AUD 7,225,832 that following the Second Release remains outstanding under the Existing Unsecured Debt Facilities entered into with Aldersberg Limited.

“**Repayment Date**” means any date for payment of instalments in accordance with Clause 10.1 (*Redemption of Bonds*), any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date, the Mandatory Redemption Repayment Date or the Maturity Date.

“**Secured Obligations**” means all present and future liabilities and obligations of the Issuer and the other Obligors under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

“**Secured Parties**” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

“**Securities Trading Act**” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement (including but not limited to set-off rights) having a similar effect.

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“**Security Agent Agreement**” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders), including the Security Trust Deed.

“**Security Trust Deed**” means the security trust deed to be entered into between the Issuer, each Guarantor and the Security Agent.

“**Stock Exchange**” means ASX or another stock exchange.

“**Subordinated Debt**” means debt financing that:

- (a) is provided to the Issuer by a person or entity (the “**Subordinated Lender**”) which is not an Obligor;
- (b) is fully subordinated to the Secured Obligations subject to the terms of a Subordination Agreement; and
- (c) falls due after the Maturity Date, and where no amortisation is scheduled prior to the Maturity Date.

“**Subordination Agreement**” means a subordination agreement between the Bond Trustee (as agent for and on behalf of the Bondholders), the Issuer and any Subordinated Lender whereby the Subordinated Debt is fully subordinated to the Secured Obligations to the satisfaction of

the Bond Trustee and where (a) no principal or interest may be paid, repaid, repurchased, set off, reduced through the payment of other amounts or settled in kind other than through capitalisation of accrued interest (other than as explicitly permitted as a Permitted Distribution), and (b) no acceleration or declaration of default may occur, in each case prior to all Secured Obligations have been repaid in full, and (c) the Subordinated Lender shall undertake to promptly turn-over any proceeds received in breach of such agreement.

“**Subsidiary**” means a company over which another company has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Wilton Coking Coal**” means Wilton Coking Coal Pty Ltd, a proprietary limited company incorporated under the laws of Australia with Australian company number 147 034 277, being 100% indirectly owned by the Issuer.

“**Written Resolution**” means a written (or electronic) resolution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

“**XCMG Assets**” means certain equipment for the pithead air separation pre-gangue project, defined as “Set System Equipment” pursuant to an equipment purchase contract entered into between the Issuer and XG Company dated 5 September 2025.

“**XCMG Loan**” means the loan agreement entered into between the Issuer as borrower and XCMG Engineering Solutions Australia Pty Ltd as lender, originally dated 23 September 2025.

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;

- (e) references to a provision of “**law**” are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*);
- (j) references to an “**instruction**” from the Bondholders includes any instruction or demand in writing or a resolution in accordance with Clause 15 (*Bondholders’ decisions*);
- (k) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (l) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of USD 95,000,000.
- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 1.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders’ Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will apply the Net Proceeds to:

- (a) repay the Existing Secured Debt in full;
- (b) repay the Existing Unsecured Debt in part;
- (c) repay the Accrued Convertible Note Interest in full;
- (d) annual rent payments owed to the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development;
- (e) capital expenditures in relation to haul road; and
- (f) the surplus for general corporate purposes of the Obligor.

2.4 Status of the Bonds

- (a) The Bonds and all present and future obligations and liabilities under or in relation to the Finance Documents shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall be secured on a first priority basis (subject to the XCMG Loan ranking in priority over the XCMG Assets). The Bonds shall rank *pari passu* between themselves and at least *pari passu* with the claims of the Obligor's other unsecured creditors, except for obligations which are mandatorily preferred by law.
- (b) All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties (except for the Pre-Settlement Security, which will be granted in favour of the Bond Trustee (on behalf of itself and the Bondholders)) with first priority within the times agreed in Clause 6 (*Conditions for Disbursement*):

Pre-Settlement Security

- (i) the Escrow Account Pledge;

Pre-First Release Security

- (ii) the Guarantees; and
- (iii) an Australian law general security deed (the “**General Security Deed**”) granted by each Obligor over all of its assets and undertakings (including shares in any Subsidiaries, any Operating Account(s), and intercompany debt and mining tenement mortgages of Mining and Exploration Tenements), including featherweight floating security against the XCMG Assets.

- (b) The Transaction Security shall be entered into on such terms and conditions as the Security Agent in its discretion deem appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (c) The Pre-Settlement Security shall be established in due time (as determined by the Security Agent) prior to the Issue Date.
- (d) The Pre-First Release Security shall be established prior or in connection with the date of First Release.
- (e) The Security Agent shall have the right (acting in its sole discretion) to release the Escrow Account Pledge after all funds on the Escrow Account have been fully and irrevocably released to the Issuer.
- (f) Subject to any mandatory limitations under applicable law:
 - (i) the Issuer shall ensure that at any new Subsidiary accede to the relevant Finance Document as Obligor and provide the Guarantee and relevant Security; and
 - (ii) the Issuer shall ensure that (A) any future additional share capital of any Subsidiary of the Issuer, and all assets and undertakings of the Issuer or any Guarantor from time to time shall be subject to Transaction Security as contemplated above and (B) any future Subordinated Debt is fully subordinated to the Secured Obligations subject to the terms of a Subordination Agreement, in form and substance satisfactory to the Bond Trustee and subject to such supporting documentation, including legal opinions requested by it, in each case acting reasonably.
- (g) The Security Agent is irrevocably authorised to release any Guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (i) as explicitly permitted by the Bond Terms and (ii) as part of an enforcement of the Transaction Security.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from

exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.

- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 6 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD (as the primary recording of the Bonds) according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the Net Proceeds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee (in consultation with its advisors) (the “**Pre-Settlement Conditions Precedent**”):
- (i) evidence that the Escrow Account has been established on the terms and conditions set forth herein;
 - (ii) these Bond Terms duly executed;
 - (iii) confirmation no Event of Default has occurred and is continuing or is likely to occur;
 - (iv) copies of extracts of board resolutions of the Issuer approving the issuance of the Bonds and the execution of the Finance Documents to which it is a party;
 - (v) a copy of any power of attorney under which individuals executed the Finance Documents on behalf of the Issuer (if any);
 - (vi) certified copies of the Issuer’s constitution and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
 - (vii) the Transaction Security Documents for the Pre-Settlement Security, including the Escrow Account Pledge, duly executed by all parties thereto and perfected in accordance with applicable law;
 - (viii) copies of the Issuer’s latest Financial Reports (if any);
 - (ix) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
 - (x) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (xi) copies of any other consent or waiver required from any third parties to issue the Bonds or establish the Pre-Settlement Security;
 - (xii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
 - (xiii) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Manager in connection with the issuance of the Bonds;
 - (xiv) the Fee Agreement duly executed by the parties thereto;

- (xv) confirmation of acceptance from any service of process agent; and
 - (xvi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The first release from the Escrow Account (the “**First Release**”) shall be made in an amount of up to USD 34,500,000 and applied towards the purpose set out in paragraph (a) and (d) of Clause 2.3 (*Use of proceeds*), and be conditional on the Bond Trustee having received or being satisfied that it will receive in due time (as determined by the Bond Trustee) prior to the First Release, each of the following documents, in form and substance satisfactory to the Bond Trustee (in consultation with its advisors) (the “**First Release Conditions Precedent**”):
- (i) a duly executed release notice from the Issuer, as set out in Attachment 3;
 - (ii) copies of extracts of board resolutions of each Guarantor approving the execution of the Finance Documents to which it is a party;
 - (iii) a copy of any power of attorney under which individuals executed the Finance Documents on behalf of each Guarantor (if any);
 - (iv) copies of each Guarantor’s constitution with any amendment required to remove any restriction on transfer of shares on enforcement of the Transaction Security Documents and of a full extract from the relevant company register in respect of each Guarantor evidencing that each of them is validly existing;
 - (v) the Transaction Security Documents for the Pre-First Release Security duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security against the relevant assets, including consent of Trafigura Asia Trading Pte Ltd to the grant of security by the Issuer over its interest in the Coal Purchase Contract and execution by the Bond Trustee and the Security Agent of a Beneficiary Deed Poll (as defined in the Security Trust Deed) under the Security Trust Deed;
 - (vi) evidence that (i) the Existing Secured Debt will be paid and repaid in full prior to or in connection with First Release and (ii) any guarantee and security related thereto be irrevocably released (in each case subject to a Closing Procedure);
 - (vii) evidence that all outstanding annual rent payments owed by the Issuer to the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development will be paid in full prior to or in connection with the First Release;
 - (viii) evidence that BSRT, NextGen and Equentia will not exercise any rights under its Existing Unsecured Debt Facility (as applicable) and that no event of default (however described) has occurred or is subsisting;
 - (ix) a copy of any existing agreement for any Subordinated Debt:

- (x) evidence that the NextGen Agreement has been amended in line with the Amended NextGen Agreement Terms;
 - (xi) a copy of the agreement for the XCMG Loan and consent of XCMG Engineering Solutions Australia Pty Ltd to the grant of the Transaction Security over the XCMG Assets;
 - (xii) a copy of each Subordination Agreement, duly signed by the parties thereto;
 - (xiii) copy of certificates of currency for the insurance together with an undertaking from the Issuer confirming that insurances have been obtained in accordance with the requirements set forth herein;
 - (xiv) details of the Operating Accounts;
 - (xv) evidence that any relevant taxes and fees relating to the Finance Documents have been paid; and
 - (xvi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to each of the Issuer, the Guarantors and any security provider and the legality, validity and enforceability of the Finance Documents (unless delivered as a Pre-Settlement Conditions Precedent)).
- (c) The first release from the Escrow Account following the First Release (the “**Second Release**”) shall be applied towards the purpose set out in paragraph (b), (c), (e) and (f) of Clause 2.3 (Use of Proceeds) above, and in addition to the First Release Conditions Precedent, be conditional on the Bond Trustee having received or being satisfied that it will receive in due time (as determined by the Bond Trustee) prior to the Second Release, each of the following documents, in form and substance satisfactory to the Bond Trustee (in consultation with its advisors)
- (i) a duly executed release notice from the Issuer, as set out in Attachment 3;
 - (ii) evidence that the Existing Convertible Loan Notes have been converted to equity in the Issuer in an amount of minimum AUD 24,240,000;
 - (iii) evidence that the Existing Unsecured Debt has been repaid or will be repaid in full using proceeds from the Second Release (save for the Remaining Aldersberg Unsecured Debt); and
 - (iv) evidence that the Accrued Convertible Note Interest has been repaid or will be repaid in full using proceeds from the Second Release.
- (d) The Bond Trustee shall have authority to, in its sole discretion, agree a closing procedure (a “**Closing Procedure**”) between (as relevant) the Bond Trustee and any trustee, agent and/or the secured parties in respect of the Existing Secured Debt and/or the Issuer to allow for additional time to complete the refinancing and/or that certain matters are

handled post disbursement, as customary or required for practical reasons (including time zones).

6.2 Issuance of the Bonds and disbursement of the Net Proceeds

Issuance of the Bonds to the Bondholders and disbursement of the Net Proceeds are conditional on the Bond Trustee's confirmation to the Paying Agent and the Manager that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (d) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7, in respect of itself and in respect of each Obligor to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date;
- (c) on each date of disbursement of proceeds from the Escrow Account.

7.1 Status

It is a proprietary limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.

- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect and have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bond Terms will accrue at the Interest Rate plus 1 percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
 - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bonds. Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

- (a) The Bonds shall, commencing on the Interest Payment Date falling in July 2028, be repaid by the Issuer in instalments in the amount of USD 4,750,000 on each Interest Payment Date at a price equal to 100 per cent. of the Nominal Amount.

- (b) Instalment payments will be made pro rata in accordance with the applicable regulations of the CSD.
- (c) Any remaining Outstanding Bonds will be redeemed in full on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or some of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in January 2029 at a price equal to 106.563 per cent. of the Nominal Amount for each redeemed Bond (the “**First Call Price**”);
 - (iii) Interest Payment Date in January 2029 to, but not including, the Interest Payment Date in July 2029 at a price equal to 104.922 per cent. of the Nominal Amount for each redeemed Bond;
 - (iv) Interest Payment Date in July 2029 to, but not including, the Interest Payment Date in January 2030 at a price equal to 103.281 per cent. of the Nominal Amount for each redeemed Bond;
 - (v) Interest Payment Date in January 2030 to, but not including, the Interest Payment Date in July 2030 at a price equal to 101.641 per cent. of the Nominal Amount for each redeemed Bond; and
 - (vi) the Interest Payment Date in July 2030 to, but not including, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice (the “**Call Notice**”) to the Bond Trustee and the Bondholders at least 10 Business Days prior to the proposed Call Option Repayment Date. Such Call Notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date, but may, at the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied or waived by the Issuer no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the Call Notice shall be null and void.
- (d) The Call Option Repayment Date may, at the Issuer's discretion, be postponed maximum 3 times by written notice to the Bond Trustee at least 3 Business Days before the then applicable Call Option Repayment Date, provided that the Call Option Repayment Date will not be delayed with more than a total of 10 Business Days from the original Call Option Repayment Date.

- (e) Unless the Make Whole Amount is set out in the Call Notice, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the Call Notice.
- (f) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 20 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders via the CSD that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 10th Business Day after the end of 20 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.5 Mandatory early redemption due to a Long Stop Event

- (a) Upon a Long Stop Event, the Issuer shall, within 5 Business Days after the Long Stop Event, redeem all of the Outstanding Bonds at a price of 95.75 per cent. of the Nominal Amount plus accrued interest.

- (b) Any redemption in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.
- (c) The Bond Trustee shall be authorized to apply any amount credited to the Escrow Account towards any amount payable by the Issuer under any Finance Document until all obligations and liabilities under or in relation to the Finance Documents are repaid and discharged in full.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

- (a) The Issuer may purchase and hold Bonds and such Bonds may be retained, sold, but not cancelled, in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).
- (b) The Issuer may not use funds from the Escrow Account to repurchase bonds.

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports and reporting

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than four months after the end of the financial year, first time for the financial year ending 30 June 2026.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than two months after the end of the relevant interim period, first time for the half year ending on 31 December 2025.
- (c) The Issuer shall procure that the Financial Reports are prepared using the Accounting Standard consistently applied, and contain a profit and loss account, balance sheet and cash flow statement.

- (d) The Issuer shall supply management accounts for the Obligors to the Bond Trustee no later than two months after the Quarter Date ending in September and March each year commencing on the Quarter Date ending on 31 March 2026.
- (e) The Issuer shall, for each financial quarter, host quarterly investor calls with management.

12.2 Requirements for Compliance Certificates

The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to paragraphs (a) and (b), and delivery of its management accounts pursuant to paragraph (d) of Clause 12.1 (*Financial Reports and reporting*), the first time together with the Interim Accounts for the half year ending on 31 December 2025, a Compliance Certificate with a copy of the Financial Reports and the management accounts (as relevant) attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying *inter alia* that the Financial Reports and the management accounts (as relevant) fairly represent its financial condition as at the date of the relevant Financial Report or management accounts, and setting out (in reasonable detail) computations evidencing compliance with Clause 13.31 (*Financial covenants*) as at such date.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;

- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that each other Obligor undertakes) comply with the undertakings set forth in this Clause 13 at all times.

13.1 Authorisations

The Issuer shall, and shall procure that each other Obligor will, obtain, maintain and comply with the terms of any material authorisation, approval, license and consent required for the conduct of its business as carried out from time to time (other than any non-compliance of a minor or immaterial nature).

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Obligor will, comply in all material respects with all laws and regulations to which it may be subject to from time to time.

13.3 Corporate status

The Issuer shall not, and shall procure no Obligor will, change its current jurisdiction of incorporation or entity form.

13.4 Mergers

The Issuer shall not carry out any merger or other business combination or corporate reorganisation involving the consolidation of any of its assets and obligations. No Guarantor shall carry out any merger or other business combination or corporate reorganisation involving the consolidation of any of their assets and obligations with persons who are not Obligors.

13.5 De-mergers

No Obligor shall carry out any demerger or other corporate reorganisation having the same or equivalent effect as a demerger.

13.6 Ownership

The Issuer shall remain the 100 per cent direct or indirect owner of all entities in which it has an ownership interest.

13.7 Disposals

The Issuer shall not, and shall procure that no Obligor will, sell or otherwise dispose of, part with possession of, or create an interest in, any of the assets or rights related to its Material Assets (whether in one or more related or unrelated transactions) except for Permitted Disposals.

13.8 Transaction Security

The Issuer shall, and shall procure that each other Obligor will, procure that the Transaction Security remains valid, binding and enforceable and with the priority it is expressed to have.

13.9 Anti-corruption and sanctions

The Issuer shall, and shall procure that each other Obligor will:

- (a) ensure that no proceeds from the issuance of the Bonds are used by any of them for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption, money laundering or similar applicable to it; and
- (b) conduct its business in all material respects in compliance with applicable anti-corruption and sanction laws applicable to it.

13.10 Investments and activity

- (a) The Issuer shall procure that all material investment related to the Material Assets, including the acquisition of any assets relating thereto, shall be made by and remain with the Obligors. The Obligors shall furthermore procure that all material business operations and activities relating to the Material Assets are conducted by the Obligors.
- (b) The Obligors shall not invest (including making any financial investments) or take part in any activity other than the Material Assets or any activity reasonably incidental to the Material Assets.

13.11 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall, and shall procure that each other Obligor will, conduct all business transactions with any Affiliate which is not an Obligor on an arm's length (or better) basis.

13.12 Environmental

- (a) The Issuer shall, and shall procure that each other Obligor will, obtain and maintain any environmental and social authorisation that is required for its operation from time to time where failure to do so would have a Material Adverse Effect.
- (b) Further, the Issuer shall, and shall ensure that each other Obligor will:
 - (i) comply, in all material respects, with all environmental law, social law and environmental and social authorisations;
 - (ii) use all reasonable precautions to avoid any act or omission that would reasonably result in a material environmental and social incident, and
 - (iii) not release into the environment any dangerous substances in breach of any environmental and social laws, requirements of law or authorisations which results or is likely to result in a Material Adverse Effect.

13.13 Mining business

The Issuer shall, and shall procure that each other Obligor will, conduct their business in material compliance with all applicable laws and good industry practices, and shall comply with all material conditions and requirements of the Mining and Exploration Tenements and do whatever may be reasonably required to keep the Mining and Exploration Tenements in full force and effect. Without limitation, the Issuer shall, and shall procure that each other Obligor will:

- (a) pay all rent payments and other amounts in respect of the Mining and Exploration Tenements by the due date;
- (b) perform all minimum work programs and other requirements as and when required under the Mining and Exploration Tenements;
- (c) renew the Mining and Exploration Tenements prior to expiry;
- (d) notify the Bond Trustee of any material notice or correspondence received from the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development or other relevant authority in respect of the Mining and Exploration Tenements;
- (e) without limiting paragraph (d) above, notify the Bond Trustee immediately of any notice of non-payment, other breach, cancellation or suspension of any Mining and Exploration Tenement and any agreement, or proposal to enter into an agreement, to defer payment of rent or other amounts, or waive any other obligation, in respect of any Mining and Exploration Tenement.

13.14 Inspection

The Issuer shall, and shall procure that each other Obligor will, following an Event of Default, allow the Bond Trustee or its representatives to have access at reasonable times on customary terms to all premises of the Obligors (at the Issuer's cost) to inspect the assets and activities of each Obligor.

13.15 Insurances

The Issuer shall, and shall procure that each other Obligor will, maintain insurances on and in relation to its material business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business. All insurances must be with reputable independent insurance companies or underwriters.

13.16 Distributions

The Issuer shall not, and shall procure that no other Obligor will, make any Distributions to its shareholders, other than a Permitted Distribution.

13.17 Subsidiary distribution

The Issuer shall procure that none of its Subsidiaries will create or permits to subsist any contractual restriction on its right to declare, make or pay dividends or other distributions to its shareholders, other than such restrictions which are not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

13.18 NextGen Agreement payments

The Issuer shall not, and shall procure that no other Group Company will, make any payments of commissions under the NextGen Agreement.

13.19 Financial Indebtedness

The Issuer shall not, and shall procure that no other Obligor will incur, allow to exist or prolong any Financial Indebtedness other than any Permitted Financial Indebtedness.

13.20 Negative pledge

The Issuer shall not, and shall procure that no other Obligor will create or allow to subsist, retain, provide, prolong or renew any Security over any of its assets (whether present or future) other than any Permitted Security.

13.21 Loans or credit

The Issuer shall not, and shall procure that no other Obligor will, be a creditor in respect of any Financial Indebtedness, other than any Permitted Loan.

13.22 No guarantees or indemnities

The Issuer shall not, and shall procure that no other Obligor will, incur or allow to remain outstanding any guarantee in respect of any obligation of any person, other than any Permitted Guarantee.

13.23 Hedging

The Issuer shall not, and shall procure that no other Obligor will, enter into any hedging arrangement or other forms of derivative transactions in connection with protection against or benefit from fluctuation in any rate or price other than any Permitted Hedging.

13.24 Holding company

Notwithstanding anything otherwise permitted under the Finance Documents, the Issuer shall not trade, carry on any business, own any assets or incur any liabilities except for:

- (a) those necessary to maintain its corporate existence as issuer of the Bonds and a holding company in the Group;
- (b) the provision of administrative services to the Obligors of a type customarily provided by a holding company;
- (c) the owner of the XCMG Assets;
- (d) the (direct or indirect) ownership of shares in the Obligors, and such credit balances and Cash and Cash Equivalents that are required in the ordinary course of business as a holding company;
- (e) the right and liabilities under the Finance Documents to which the Issuer is a party;
- (f) the payment of professional fees and administration costs and remuneration of its directors in the ordinary course of business as a holding company; and

- (g) any other activity that is permitted by the Finance Documents and which is consistent with the Issuer's role as a holding company.

13.25 Consents under Wilton Coking Coal royalty deeds

Wilton Coking Coal must, within 60 days after the Issue Date, procure the entry into of Assumption Deeds with the Bond Trustee and each royalty holder under each Existing Royalty Arrangement to which Wilton Coking Coal is party and procure the registration of the Transaction Security against EPC 1235 with the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development.

13.26 Consents under Fairhill Coking Coal royalty deeds

Fairhill Coking Coal must, within 60 days of the Issue Date, procure the entry into of Assumption Deeds with the Bond Trustee and each royalty holder under each Existing Royalty Arrangement to which Fairhill Coking Coal is party and procure the registration of the General Security Deed against EPC 2177 with the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development.

13.27 Consent of Sojitz

The Issuer, Wilton Coking Coal and Fairhill Coking Coal must, within 60 days of the Issue Date, procure the consent of Sojitz Gregory Mining Pty Ltd to the grant of the Transaction Security over their interests in the Coal Tolling Agreement and entry into of a deed of covenant by the parties to that agreement.

13.28 Consent of Aurizon

The Issuer must, within 60 days of the Issue Date, procure the consent of Aurizon Network Pty Ltd to the grant of the Transaction Security by the Issuer over its interest in the Access Agreement – Coal Futura (UT5) and entry into of a deed of covenant by the parties to that agreement.

13.29 Accounts

- (a) The Issuer shall, where relevant, in its own name or in the name of any of the Obligors, establish and maintain, the Accounts, each of which shall be subject to Transaction Security.
- (b) All Accounts shall be maintained with an Acceptable Bank. No Obligor shall open or maintain an account which is not with an Acceptable Bank and subject to perfected first priority Security under the Transaction Security, subject however to any mandatory limitations arising under any applicable law.

13.30 Operating Accounts

- (a) The Issuer shall prior to First Release establish (or designate as) operating accounts (each an “**Operating Account**”).
- (b) Prior to or in connection with the First Release, the Operating Accounts shall be pledged in favour of the Security Agent (on behalf of the Secured Parties), but not blocked unless an Event of Default has occurred and is continuing.

- (c) All revenues generated and amounts received by the Obligors derived from and associated with its operations shall be paid directly into an Operating Account.

13.31 Financial covenants

- (a) The Issuer shall comply with the following:
 - (i) **Cash and Cash Equivalents:** After the Second Release, the Issuer shall ensure that the Obligors maintain Cash and Cash Equivalents at all times of no less than the AUD 10,000,000.
 - (ii) **Interest Coverage Ratio:** From 30 September 2026 and thereafter, the Issuer shall ensure that the Interest Coverage Ratio shall be minimum 3.25x.
- (b) Compliance with the above Financial Covenants shall be tested on each Quarter Date and certified by the Issuer in a Compliance Certificate delivered in connection with the publication of its Financial Reports and management accounts in accordance with Clause 12.2 (*Requirements for Compliance Certificates*).

13.32 Equity cure

- (a) If the Issuer fails (or would otherwise fail) to comply with the Interest Coverage Ratio in respect of a Relevant Period, and the Issuer after the end of that Relevant Period receives cash proceeds in the form of new equity or Subordinated Debt (the “**Cure Amount**”) within 20 Business Days of the date on which the Annual Financial Statements or the Interim Accounts are due hereunder, then the Interest Coverage Ratio for that Relevant Period shall be recalculated by increasing EBITDA for that Relevant Period by the Cure Amount.
- (b) If, after giving effect to the foregoing recalculation, the Issuer is in compliance with the requirements of the Interest Coverage Ratio, the Issuer shall be deemed to have satisfied the requirements of the Interest Coverage Ratio for such Relevant Period as though there had been no failure to comply with such requirement, and the applicable breach or default of such Financial Covenant which had occurred shall be deemed to have been prevented or cured.
- (c) The Issuer shall be limited to a maximum of four equity cures of actual failures to satisfy the Interest Coverage Ratio during the term of the Bonds.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

- (a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Obligor under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

If for any Obligor:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 3,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Obligor:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above; or
 - (E) for paragraphs (A) to (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) Creditor's process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) Unlawfulness

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a notice (a "**Default Notice**") to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of paragraph (a) (*Non-payment*) of Clause 14.1 (*Events of Default*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the First Call Price.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) Subject to Clause 17.1 (*Procedure for amendments and waivers*), a Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting.
- (e) Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (f) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (g) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (h) below.
- (h) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on www.stamdata.com (or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on www.stamdata.com (or other relevant electronically platform or stock exchange announcement).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a

Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at www.stamdata.com, or other relevant electronic platform or via stock exchange announcement.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders' Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (f) or (g) of Clause 15.1 (*Authority of the Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance

Document, or any applicable law. The Bond Trustee may, but is not obligated to, assess or monitor whether any instruction or resolution may be in conflict with these Bond Terms, any other Finance Document or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions or resolutions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions or resolutions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) If the Bond Trustee, in its reasonable opinion, may incur any cost, loss or liability for not acting in accordance with any request or demand from any party to a Finance Document or any court or governmental authority, which will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or Bondholders to its satisfaction, the Bond Trustee may act in accordance with any such request or demand, without any liability towards the Bondholders, the Issuer or others.
- (j) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (k) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act only as representative for the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions or resolutions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts;
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders; or
 - (iii) requesting funding, indemnities or security as conditions for taking any action.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. In this respect, if the Bond Trustee may borrow funds from Bondholders or others, the costs of such borrowings shall be considered as such costs and expenses incurred by the Bond Trustee. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Fee Agreement.

- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged in relation to events or circumstances which (i) constitute an Event of Default, (ii) which the Bond Trustee reasonably believes is or may lead to an Event of Default or (iii) which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bond Trustee or Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds. The Bond Trustee may also refrain from taking any further action until such fees, costs and expenses are paid to the Bond Trustee from others, hereunder the Bondholders and the Issuer, if the Bond Trustee such demands.
- (i) As a condition to effecting any instruction or resolution from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and including a resolution pursuant to Clause 16.5 (*Replacement of the Bond Trustee*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any potential liability, loss, costs and expenses which may arise as a result of effecting such instruction or resolution (and, at its discretion, which may arise or have already arisen as a result of the Bond Trustee's engagement or previous actions in relation to the Bonds) from those Bondholders who have given that instruction or resolution and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The Bond Trustee may in its discretion decide that the change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, hereunder covering of such fees, loss, costs and expenses referred to in

Clause 16.4 (*Expenses, liability and indemnity*). The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

- (a) Unless otherwise specified, written notices to the Bondholders shall be provided as follows:
 - (i) if made by the Bond Trustee, on www.stamdata.com or other relevant information platform;
 - (ii) if made by the Issuer, by stock exchange announcement (if the Bonds are listed) or other relevant information platform.
- (b) Any notice sent to the Bondholders via the CSD will be deemed to be given or made when sent from the CSD, unless otherwise specifically provided.
- (c) Unless otherwise specified, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone number and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then;
- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements for Compliance Certificates*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets for the applicable court in the jurisdiction of the Issuer or any other Obligor or in any court in any other jurisdiction (to the extent possible under applicable law); and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

19.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) irrevocably appoints CSC (Norway) AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed by way of electronic signatures.

SIGNATURES:

Issuer:	
Futura Resources Limited	
Executed by Futura Resources Limited ACN 113 707 458 by:	
 <small>A5C3F214981D49F...</small>	 <small>D608DC722BBF4A7...</small>
▲ Director	▲ Company Secretary
Trent Franklin	Kar Chua
▲ Full name of Director	▲ Full name of Company Secretary
As Bond Trustee and Security Agent:	
Nordic Trustee AS	
 <small>D55A360D18A3417...</small>	
By: Olav Slagsvold	
Position: Authorised signatory	

**ATTACHMENT 1
EXISTING ROYALTY ARRANGEMENTS**

Name of agreement
Gross Revenue Royalty Deed (0.25%) between Wilton Coking Coal Pty Ltd and Baker Steel Resources Trust Limited dated 1 February 2019
Gross Revenue Royalty Deed (0.25%) between Fairhill Coking Coal Pty Ltd and Baker Steel Resources Trust Limited dated 1 February 2019
Gross Revenue Royalty Deed (0.50%) between Wilton Coking Coal Pty Ltd, ATV Resources Royalty 3 Pty Ltd and Baker Steel Resources Trust Limited dated 30 January 2019
Gross Revenue Royalty Deed (0.50%) between Fairhill Coking Coal Pty Ltd, ATV Resources Royalty 3 Pty Ltd and Baker Steel Resources Trust Limited dated 30 January 2019
Gross Revenue Royalty Deed (0.50%) between Wilton Coking Coal Pty Ltd, ATV Resources Royalty 3 Pty Ltd dated 30 January 2019
Gross Revenue Royalty Deed (0.50%) between Fairhill Coking Coal Pty Ltd, ATV Resources Royalty 3 Pty Ltd dated 30 January 2019
Gross Revenue Royalty Deed (0.25%) between Wilton Coking Coal Pty Ltd and Baker Steel Resources Trust Limited dated 21 February 2020
Gross Revenue Royalty Deed (0.25%) between Fairhill Coking Coal Pty Ltd and Baker Steel Resources Trust Limited dated 21 February 2020
Gross Revenue Royalty Deed (0.50%) between Wilton Coking Coal Pty Ltd and Baker Steel Resources Trust Limited dated 8 April 2022
Gross Revenue Royalty Deed (0.50%) between Fairhill Coking Coal Pty Ltd and Baker Steel Resources Trust Limited dated 8 April 2022
Gross Revenue Royalty Deed (0.60%) between Wilton Coking Coal Pty Ltd and NextGen Coals Limited dated 26 February 2024
Gross Revenue Royalty Deed (0.60%) between Fairhill Coking Coal Pty Ltd and NextGen Coals Limited dated 26 February 2024
Gross Revenue Royalty Deed (0.15%) between Fairhill Coking Coal Pty Ltd, Superfine Holdings Pty Ltd and NextGen Coals Limited dated 26 February 2024
Gross Revenue Royalty Deed (0.15%) between Wilton Coking Coal Pty Ltd, Superfine Holdings Pty Ltd and NextGen Coals Limited dated 26 February 2024

**ATTACHMENT 2
COMPLIANCE CERTIFICATE**

[date]

Futura Resources Limited 13.125% senior secured bonds 2026/2031 ISIN NO0013698746

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements for Compliance Certificates*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports and management accounts to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements for Compliance Certificates*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] / [management accounts] are enclosed.

[The financial covenants set out in Clause 13.31 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Futura Resources Limited

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts / management accounts; [and any other written documentation]

**ATTACHMENT 3
RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Futura Resources Limited 13.125% senior secured bonds 2026/2031 ISIN NO0013698746

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw [the amount specified in Enclosure I (*Flow of Funds*)]/[all remaining amounts] from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

Futura Resources Limited

Name of authorised person

Enclosure I: Flow of Funds

APPENDIX 4

LOAN DESCRIPTION



Futura Resources Limited 13.125% senior secured USD 95,000,000 bonds 2026/2031

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

Relevant places:

<https://www.futuraresources.com.au/>

Issuer:

Futura Resources Limited

Borrowing Limit – Tap Issue:

Borrowing limit USD 95,000,000 – No Tap Issue

First Tranche / Loan Amount : ²⁾

USD 95,000,000. The Initial Nominal Amount of each Bond is USD 1.

Disbursement Date: ³⁾

9 January 2026

Maturity Date: ⁴⁾

9 January 2031. The Bonds shall, commencing on the Interest Payment Date falling in July 2028, be repaid by the Issuer in instalments in the amount of USD 4,750,000 on each Interest Payment Date at a price equal to 100 per cent. of the Nominal Amount. Any remaining outstanding Bonds will be redeemed in full on the Maturity Date at a price equal to 100 per cent of the Nominal Amount.

Interest Rate:

13.125 per cent p.a., quarterly interest payments

Yield on Disbursement Date:

15.65 per cent.

Day Count Fraction– Interest rate:⁵⁾

30/360

Business Day Convention: ⁶⁾

Standard Business Day Convention

Interest Payment Date(s): ⁷⁾

9 January, 9 April, 9 July and 9 October

Interest accrual date:

Issue Date (9 January 2026)

Date until which interest accrues:

Maturity Date (9 January 2031)

Status of the loan: ⁸⁾

Senior Secured

Issue Price: ⁹⁾

94.75 per cent. of the Nominal Amount

Denomination:

The Bonds will have a minimum subscription and allocation amount of USD 200,000, but in no circumstance less than the USD equivalent of EUR 100,000, and higher amounts can be subscribed for in integral multiples of USD 100,000 in excess thereof

Call: ¹⁰⁾

Redemption Date(s): See **Price:** See Special (distinct) conditions
Special
(distinct
)
conditio
ns

Issuer's org. number/LEI number:

113 707 458/254900IXVQZ9YW05UP87

Number / Codes:

Sector code: 9100 **Geographic code:** AU **Industry (trade) Code:** 05100

Usage of funds:

The Issuer will apply the Net Proceeds to:

- a) repay the Existing Secured Debt in full;
- b) repay the Existing Unsecured Debt in part;
- c) repay the Accrued Convertible Note Interest in full;
- d) annual rent payments owed to the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development;
- e) capital expenditures in relation to haul road; and

f) the surplus for general corporate purposes of the Obligors.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for Definitions and Clause 2.3 (Use of proceeds).

Approvals / Permissions:	<ul style="list-style-type: none">• The issuance of the Bonds were approved by the Board of Directors on 23 December 2025• The admission document has been inspected by Oslo Børs, cf. ABM-rules sec. 2.7
Trustee:	Nordic Trustee Services AS, P.O. Box 1470 Vika, N-0116 Oslo, Norway
Arranger(s):	Clarksons Securities AS, Munkedamsveien 62C, NO-0270 Oslo, Norway
Paying Agent:	Nordic Trustee Services AS, P.O. Box 1470 Vika, N-0116 Oslo, Norway
Securities Depository:	Verdipapirsentralen ASA (Euronext VPS)
FISN- and CFI-code	FUTURA RESOURCE/13.125 BD 20310109/DBFSBR
Market Making:	No market-making agreement has been made for this Bond Issue
MiFID II target market of end clients:	Professional clients / Eligible Counterparties No PRIIPS, no KID
Withholding tax: ¹¹⁾	Gross up
Special (distinct) conditions:	<u>Redemption of Bonds</u>

The Bonds shall, commencing on the Interest Payment Date falling in July 2028, be repaid by the Issuer in instalments in the amount of USD 4,750,000 on each Interest Payment Date at a price equal to 100 per cent. of the Nominal Amount.

Instalment payments will be made pro rata in accordance with the applicable regulations of the CSD.

Any remaining Outstanding Bonds will be redeemed in full on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.1 (Redemption of Bonds).

Voluntary early redemption - Call Option

The Issuer may redeem all or some of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

- i. the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
- ii. the First Call Date to, but not including, the Interest Payment Date in January 2029 at a price equal to 106.563 per cent. of the Nominal Amount for each redeemed Bond (the "First Call Price");
- iii. Interest Payment Date in January 2029 to, but not including, the Interest Payment Date in July 2029 at a price equal to 104.922 per cent. of the Nominal Amount for each redeemed Bond;
- iv. Interest Payment Date in July 2029 to, but not including, the Interest Payment Date in January 2030 at a price equal to 103.281 per cent. of the Nominal Amount for each redeemed Bond;
- v. Interest Payment Date in January 2030 to, but not including, the Interest Payment Date in July 2030 at a price equal to 101.641 per cent. of the Nominal Amount for each redeemed Bond; and
- vi. the Interest Payment Date in July 2030 to, but not including, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount for each redeemed Bond.

Any redemption of Bonds pursuant to paragraph above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

The Call Option can be made subject to the satisfaction of one or more conditions precedent to be satisfied or waived by the Issuer no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the Call Notice shall be null and void.

The Call Option Repayment Date may, at the Issuer's discretion, be postponed maximum 3 times by written notice to the Bond Trustee at least 3 Business Days before the then applicable Call Option Repayment Date, provided that the Call Option Repayment Date will not be delayed with more than a total of 10 Business Days from the original Call Option Repayment Date.

Unless the Make Whole Amount is set out in the Call Notice, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the Call Notice.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.2 (Voluntary early redemption – Call Option).

Mandatory repurchase due to a Put Option Event

Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “Put Option”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.

If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to the Loan Agreement Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated above.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.3 (Mandatory repurchase due to a Put Option Event).

Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to the Loan Agreement Clause 8.4 (Taxation) as a result of a change in applicable law implemented after the date of the Loan Agreement, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.4 (Early redemption option due to a tax event).

Mandatory early redemption due to a Long Stop Event

Upon a Long Stop Event, the Issuer shall, within 5 Business Days after the Long Stop Event, redeem all of the Outstanding Bonds at a price of 95.75 per cent. of the Nominal Amount plus accrued interest.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.5 (Mandatory early redemption due to a Long Stop Event).

Undertakings

Information undertakings

The Issuer shall comply with certain information undertakings set forth in the Loan Agreement Clause 12 (Information Undertakings). This includes, inter alia, delivering certain annual and interim accounts, a Compliance Certificate, as well as promptly inform the Bond Trustee of any Put Option Event and Listing Failure Event.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 12 (Information Undertakings).

General and Financial Undertakings

The Issuer undertakes to (and shall, where applicable, procure that each Obligor undertakes) comply with the undertakings set forth in the Loan Agreement Clause 13 (General and Financial Undertakings).

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 13 (General and Financial Undertakings).

Purchase and transfer of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold, but not cancelled, in the Issuer’s sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (Mandatory repurchase due to a Put Option Event).

The Issuer may not use funds from the Escrow Account to repurchase bonds.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 11 (Purchase and transfer of Bonds).

Supplementary information about status of the loan and collateral: ⁸⁾

Status of the Bonds

The Bonds and all present and future obligations and liabilities under or in relation to the Finance Documents shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall be secured on a first priority basis (subject to the XCMG Loan ranking in priority over the XCMG Assets). The Bonds shall rank *pari passu* between themselves and at least *pari passu* with the claims of the Obligors' other unsecured creditors, except for obligations which are mandatorily preferred by law.

All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 2.4 (Status of the Bonds).

Transaction Security

As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the Transaction Security set out in the Loan Agreement Clause 2.5 is granted in favour of the Security Agent on behalf of the Secured Parties (except for the Pre-Settlement Security, which will be granted in favour of the Bond Trustee (on behalf of itself and the Bondholders)) with first priority within the times agreed in the Loan Agreement Clause 6 (*Conditions for Disbursement*):

Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 2.5 (Transaction Security).

Standard terms:

If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.

Loan Agreement: ¹⁾	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement. When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: ³⁾⁴⁾	Tap Issues will be opened on Disbursement Date and closed no later than five bank days before Maturity Date.
Disbursement date: ³⁾	Payment of the First Tranche / Loan Amount takes place on the banking date ahead of Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.
Expansions – Tap Issues: ²⁾	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase in the Borrowing Limit.
Issue price – Tap Issues: ⁹⁾	Any taps under the Tap Issue will be made at market prices.
Interest Period: ⁷⁾	The interest rate is due in arrears on the Interest Payment Date. The first Interest Rate is paid on the first Interest Payment Date after Disbursement Date. The subsequent period runs from this date until the next Interest Payment Date. Last Interest Payment Date corresponds to Maturity Date.
Day Count Fraction– Interest rate: ⁵⁾	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, in case of a non-finished month the actual number of calendar days (30/360-basis), with the exception of periods where a) the last day in the period is the 31 st calendar day, and the first day of the period is neither the 30 th nor the 31 st of the month, in which the month containing the period shall not be reduced to 30 days; or b) the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.
Standard Business Day Convention ⁶⁾	Interest Payment Date will not be moved even if it is on a day that is not a banking day. If Interest Payment Date is not a banking day, payments will be made on the following banking day.
Accrued interest:	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening (<i>The Norwegian Society of Financial Analysts</i>).
Condition – Call: ¹⁰⁾	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).

Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository.
Issuer's acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: ⁴⁾	The bonds will, commencing on the Interest Payment Date falling in July 2028, be repaid in instalments in the amount of USD 4,750,000 on each Interest Payment Date at a price equal to 100 per cent. of the Nominal Amount. Any remaining Outstanding Bonds will be redeemed in full on Maturity Date at a price equal to 100 per cent. of the Nominal Amount.
Redemption:	Matured interest rate and matured principal will be credit each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan amount has been sold by the Arranger. Later taps can also take place by other authorized investment firms.
Legislation:	Disputes arising from or in connection with, the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee's competent legal venue.
Fees and expenses:	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
Withholding tax: ¹¹⁾	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.

Sydney, 26 February
2026

