

QUARTERLY ACTIVITY REPORT 30 June 2025

Frontier Energy Limited (ASX: FHE; OTCQB: FRHYF) (Frontier or the Company) provides its quarterly activity report for the quarter ended 30 June 2025 (Quarter).

HIGHLIGHTS

- **Strategic investor process advanced significantly with multiple definitive proposals received in June 2025**
 - *The Company aims to select the preferred party and enter into exclusive negotiations for binding agreements during the 3rd quarter*
- **The Company has received positive engagement with debt financiers following the successful outcome with the Capacity Investment Scheme (CIS) (ASX announcement dated 24 March 2025)**
- **2025 Wholesale Energy Market (WEM) CIS tender is expected to open in August 2025, targeting 1.5GW of energy generation and 0.4GW of battery storage**
 - *The Company expects to submit bids in the 2025 WEM CIS tender for both the energy generation from Stage One (120MW solar facility) and the Stage Two expansion*
- **The Company advanced multiple work programs focused on ensuring the Waroona Project remains on track for commercial operations by October 2027, the most important of which was procurement of the cable (\$4.3 million) between the substation and the Landwehr Terminal, the critical path long-lead item, and commencement by Western Power of the associated detailed design**
 - *No further procurement of major capital items is envisaged prior to selection of a strategic investor*
- **Engagement of Engineering, Procurement and Construction (EPC) contractor, Monford Group**
- **Extension of the Company's existing Bristol Springs development approval to 31 December 2027, for Stage 2 expansion**
- **The Company entered into an Option Agreement, exercisable to 15 October 2025, for the sale of the non-core Pick Lake Zinc Project in Canada to Panther Metals PLC for \$2.75 million**

Strategic Investor Process advances towards preferred party selection

Following completion of the Definitive Feasibility Study for Stage One of the Project in December 2024, the Company undertook a strategic partnering process for the development of the Waroona Renewable Energy Project (**Waroona Project**).

During the March quarter, the Company received multiple non-binding indicative offers (**NBIOs**). Having assessed the merits of each NBIO, a select number of parties progressed to stage two of the process.

Subsequent to receiving NBIOs, shortlisted parties conducted site visits, carried out detailed due diligence and participated in numerous Q&A sessions and meetings with management. A number of parties submitted definitive proposals in June.

Following receipt of these proposals, Frontier has advanced negotiations with a select number of preferred parties. The Company anticipates confirming its preferred party in the near term, to enter into exclusive negotiations of binding agreements.

All proposals received remain non-binding and indicative, and accordingly, investors are cautioned that there is no certainty that a transaction will be finalised on terms acceptable to the Company.

Capacity Investment Scheme Agreement nearing finalisation

In March this year, Stage One of the Waroona Project was one of four WA renewable energy projects to secure support under the CIS.

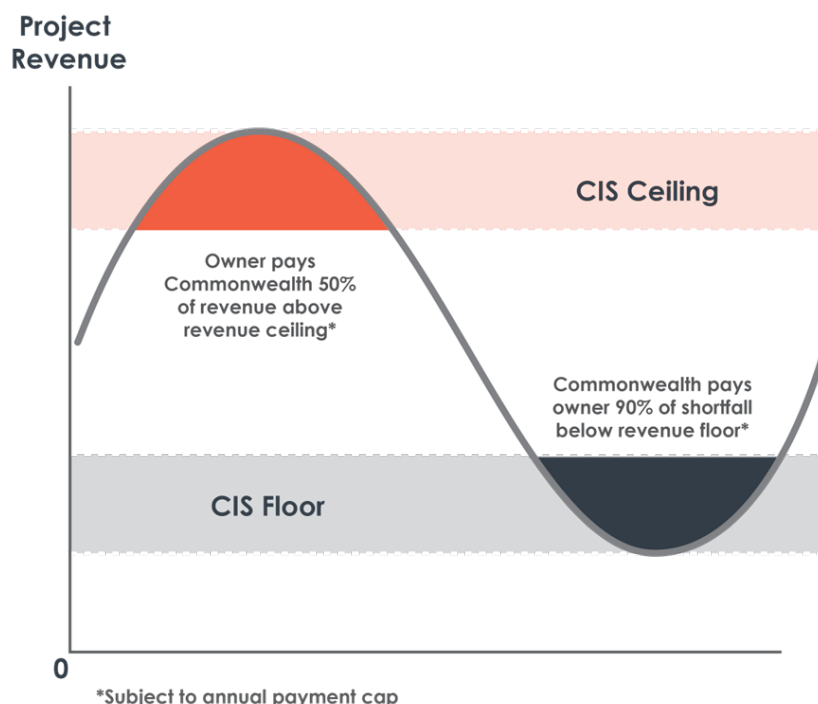
The CIS is a revenue underwriting scheme, aimed at accelerating investment in renewable energy and storage projects. The CIS provides a long-term revenue safety net for up to 15 years, that decreases financial risk for investors and debt financiers.

The process to finalise the CIS agreement (**CISA**) with the Australian Government has been delayed due to several factors, including the federal election, however it is progressing towards an executable form.

The CIS aims to support accelerated progress towards the Australian Government's 2030 target of 82% renewable electricity generation (from less than 40% in 2024¹).

¹ www.opennem.org.au

Image 1: Dispatchable CIS structure^{2, 3}



The CIS provides support for the development of renewable energy capacity and is in addition to existing State and Territory Government initiatives, such as the reserve capacity mechanism, which is unique to WA.

For the purposes of the 2024 WEM CIS tender, revenue is comprised of all revenue generated from the battery component of the Waroona Project, with revenue generated by the solar facility excluded from the CIS revenue calculation. This includes electricity sales (whether merchant or under bilateral agreement), reserve capacity payments and essential system services relating to the battery.

2025 WEM CIS tender expected to open in August targeting 1.5GW of renewable energy generation

The 2025 WEM CIS tender is targeting a reported 1.5GW of energy generation and 0.4GW of battery storage.

Accordingly, the Company expects to submit a bid into the 2025 WEM CIS tender for the Stage One solar facility which, if successful, would mean that the entire Stage One development is supported by the CIS.

² <https://www.dccew.gov.au/sites/default/files/documents/capacity-investment-scheme-wa-design-paper-webinar.pdf>

³ <https://www.dccew.gov.au/sites/default/files/documents/capacity-investment-scheme-wa-design-paper-webinar.pdf>

In addition to a bid for the Stage One solar facility, Frontier expects to submit a second application for a Stage Two expansion, with the Company currently assessing alternatives regarding the size and strategy for this bid.

The 2025 WEM CIS tender will also be condensed to a single stage and the assessment period reduced from nine months to six months, with the tender expected to open in August.

Project development activities

Western Power works

The major long-dated critical work program for the development of the Project is related to the design, development and procurement of the connection from the substation and the Landwehr Terminal (**Connection Works**). This work is required to be completed by Western Power, a State Government-owned corporation responsible for building, maintaining, and operating the electricity transmission and distribution network in the Southwest Interconnected System.

For the Waroona Project to be suitable for connection to the Western Australian electricity network, Western Power is required to complete the Connection Works, a key element of which is the procurement and design activities.

During the Quarter, Western Power completed procurement of the underground 330kv cable (**Cable**), and the design activities associated with installation of the Cable. The total cost related to the procurement and detailed design works was \$5.4 million, of which \$4.3 million was incurred this Quarter.

Undertaking these procurement and design works is expected to position the Company to meet the 2027-28 Reserve Capacity cycle. Importantly, no further critical path items related to this program are outstanding.

Engineering, procurement and construction

During the Quarter, the Company signed an early works contract with engineering, procurement and construction (**EPC**) contractor, Monford Group (**Early Works Contract**).

Monford specialises in the infrastructure, resources and energy sectors with extensive experience in the renewable energy sector, having played leading roles in the development of the Maryborough, Glenellen, Bundaberg and Port Hedland solar farms and the Cunderdin hybrid battery and solar project.

In addition to validation of the EPC contract price, an updated EPC schedule and confirmation of long lead procurement items, key deliverables under the Early Works Contract include:

- Engineering, including design of external access site roads, design and optimisation of the solar facility, electrical and mechanical design and confirmation of key plant and equipment.
- Various studies and surveys including topographical and boundary surveys, review of geotechnical and pile information, water flow and drainage study, and a stormwater and drainage management plan.

Cultural heritage

A heritage survey was recently carried out by Frontier and Gnaala Karla Booja Aboriginal Corporation (**GKB**). The survey covered the area of the Stage One solar project and was a key step in ensuring the Waroona Project aligns with cultural heritage responsibilities.

GKB delivered the heritage report in May 2025, which confirmed there were no material findings.

Environmental approvals

Frontier received approval from the Department of Water and Environmental Regulation for amendments to the existing Native Vegetation Clearing Permit (CP 9351-2). The amendments included:

- A reduction in the clearing footprint, as the area designated for the Cable was reduced from 0.99 ha to 0.47 ha, further minimising the associated environmental impact.
- Extension of the clearing permit expiry date to January 2030, thereby providing flexibility for future expansion phases.

The amendment of CP 9351-2 allows for the connection of the solar farm substation to the Landwehr Terminal. Western Power completed geophysical and geotechnical studies along the axis of CP 9351-2 for the development of preliminary design documents.

Biodiversity assessment

The Company received the results of comprehensive biodiversity and environmental surveys focused on vegetation and flora and fauna with high conservation value. The surveys, which commenced in late 2024, covered over 525 hectares outside of the Stage One development area of Frontier's landholding. The results of the surveys provide valuable input into the project design process and approvals strategy for future expansions beyond Stage One.

Extension of Development Approval – Stage Two

While Frontier has a development approval for its Stage One development, it also has a development approval for a further 195 hectares, as a potential location for a future

expansion. This second development approval had an expiry date of 31 December 2025, and the Company has been granted an extension to 31 December 2027.

Corporate

Proposed sale of Pick Lake Zinc Project

During the Quarter, the Company entered into an option agreement with Panther Metals PLC (**Panther**) for the sale of the Pick Lake Zinc Project (**Pick Lake Project**) for \$2.75 million (**Option Agreement**). Panther is a base and precious metals exploration company that is listed on the standard segment of the Main Market of the London Stock Exchange.

With the Company focused solely on the development of its Waroona Project, the Pick Lake Project is a non-core asset.

Key terms of the Option Agreement include:

- Panther has acquired an option to purchase the Pick Lake Project (**Option**), for consideration comprising:
 - An up-front fee of \$100,000 payable immediately; and
 - A monthly fee of \$30,000, payable to 15 October 2025.
- Panther may exercise the Option at any time up until 15 October 2025.
- On exercise of the Option:
 - Panther will pay \$2.75 million, less any amounts paid up to 15 October 2025; and
 - The mining licences that comprise the Pick Lake Project, together with all related information, will be transferred to Panther.

The Option Agreement contains other terms and conditions as are customary for such an agreement.

Debt finance update

Following the successful CIS bid and the on-going strategic partnering process, the Company engaged with a number of debt financiers regarding debt financing for the Project.

The CIS provides revenue support for the Project, however the level of support provided varies from project to project based on each company's application. Frontier's target is to maximise gearing to enhance returns for its shareholders.

Cash at the end of the Quarter

As at 30 June 2025, Frontier had cash of \$5.3 million. During the Quarter, the Company spent \$4.3 million on long-lead items for Stage One of the Waroona Project, in order to maintain the critical path.

No other major capital items or work programs are anticipated for spending until a strategic partner has been selected.

Payments to Related Parties

During the Quarter, payments to related parties for directors' fees totalled \$213,288.

Mr Grant Davey, who is a director of the Company, is a director and shareholder of Matador Capital Pty Ltd (**Matador Capital**). The Company makes payments to Matador Capital under Shared Services and Office Use Agreements, under which Matador Capital provides office space, general office administration services, corporate and project personnel, accounting services and IT hardware and infrastructure to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus basis and totalled \$369,614.

Annual General Meeting

Frontier held its annual general meeting on 28 May 2025 (**AGM**). All resolutions put to shareholders at the AGM were passed on a poll.

Authorised for release by Frontier Energy's Board of Directors.

To learn more about the Company, please visit www.frontierhe.com, or contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Frontier Energy Limited

ABN

64 139 522 553

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(290)	(529)
(f) administration and corporate costs	(367)	(678)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	76	205
1.5 Interest and other costs of finance paid	(1)	(8)
1.6 Income taxes received	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Rent received)	19	38
1.8 Other (Study)	-	-
1.9 Net cash from / (used in) operating activities	(563)	(972)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(5,098)	(7,986)
(j) investments	-	-
(k) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(l) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5,098)	(7,986)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(30)	(30)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(23)	(58)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease payments)	-	-
3.11	Net cash from / (used in) financing activities	(53)	(88)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,012	14,335
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(563)	(972)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,098)	(7,986)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.11 above)	(53)	(88)
4.5	Effect of movement in exchange rates on cash held	(3)	6
4.6	Cash and cash equivalents at end of period	5,295	5,295

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,295	11,012
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,295	11,012

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	582
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(563)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,295
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,295
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.4
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

Authorised by: **By the Board**

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.