



HALF YEAR REPORT

30 JUNE 2024

Corporate Information

Directors

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

Chief Executive Officer

Mr Adam Kiley

Company Secretary

Mr Stuart McKenzie

Registered Office and Principal Place of Business

Level 20, 140 St Georges Terrace
Perth WA 6000
Tel: +61 8 9200 3428

Share Registry

Automic Registry Services
Level 5, 126 Philip Street
Sydney NSW 2000
Tel: +61 2 8072 1463

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000
Tel: +61 8 9429 2222

Website

<https://frontierhe.com/>

Securities Exchange Listing

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

Frontier Energy Limited

ABN 64 139 522 553

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

Forward looking statements

The Review of activities contains forward looking statements, including statements of current intention, statements of opinion, estimates and projections and predictions as to possible future events and future financial prospects. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors including; economic, competitive, political and social uncertainties, regulatory and political changes related to energy production and consumption and decarbonisation and climate change related matters both at federal and state level that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements, and the outcomes are not all within the control of Frontier.

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Frontier Energy Limited (the "Company" or "Frontier") and its subsidiaries for the half-year ended 30 June 2024.

Directors

The names of the Directors in office during the half-year ended 30 June 2024 and up to the date of this report, unless otherwise indicated, were:

Name	Position
Mr Grant Davey	Executive Chairman
Mr Chris Bath	Executive Director and Chief Financial Officer
Ms Dixie Marshall	Non-Executive Director
Ms Amanda Reid	Non-Executive Director

Review of activities

Overview

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

In January 2024 Frontier appointed Leeuwin Capital Partners as debt advisor for the Stage One development of the Waroona Renewable Energy Project (**Project**), following a competitive process.

In February 2024 Frontier released the results of its Definitive Feasibility Study (**DFS** or **Study**) for Stage One of the Project, comprising a 120MWdc solar facility and an integrated four-hour 80MW battery. The Study confirms the Project as a long life, low operating cost and highly profitable renewable energy project.

Subsequent to the release of the DFS, engagement with debt providers confirmed strong interest with indicative terms in-line with the DFS and a select number of Australian and international banks were shortlisted for further engagement in the debt financing process. Subsequent to the end of the half, Frontier signed a mandate with Infradebt Pty Ltd, an Australian specialist infrastructure fund, for Infradebt to provide up to \$215 million senior project finance debt for the construction and operation of Stage One of its Waroona Project.

In June Frontier achieved a key milestone in the Stage One development of the Project, signing contracts with Western Power, the WA Government owned electricity network operator, to commence detailed design and procurement of long-lead items to enable connection to the South West Interconnected System (**SWIS**).

Waroona Renewable Energy Project

The Project is located in the South West region of Western Australia, approximately 120km from Perth and 8km from the town of Waroona. A key strategic advantage is the proximity to the Landwehr Terminal which is located within 0.5km of the Project. The Company has secured access to a network connection, enabling the sale of electricity into the SWIS, on one of the least constrained portions of the electricity transmission network.

The Project's location (refer Figure 1) provides the Company with several strategic advantages for developing a renewable energy project including:

- Mediterranean climate, characterised by warm to hot, dry summers and mild, wet winters. Year-round solar radiation that is well suited for solar energy generation.
- Freehold land holding of 868ha on flat, largely cleared agricultural land where native title has been extinguished. The Stage One development sits on 303ha and comprises of largely cleared farming land, currently used for grazing, with small patches of native vegetation.
- Skilled workforce in several regional population centres located within 60km of the Project site, including Waroona, Collie, Mandurah and Bunbury.

Definitive Feasibility Study

The Company completed a Definitive Feasibility Study (**DFS** or **Study**) for Stage One of the Project, comprising a 120MWdc solar facility and an integrated four-hour 80MW battery during the half-year period (Refer ASX Announcement dated 28 February 2024).

The Study forecasts annual renewable electricity generation of approximately 258GWh on year one. Of this, 120GWh is stored in integrated direct current ("DC") coupled batteries and sold in the WA Wholesale Electricity Market ("WEM") at peak demand times, with a charging and discharging efficiency loss of 15% or 18GWh.

The key advantage of integrating the battery with the solar array is that this enables solar electricity, typically generated during the time of day when there is an oversupply of electricity and prices are low or negative, to be stored and sold during the time of day when there is peak demand and prices are at their highest. This not only results in optimisation of revenue, but it also enables the Project to receive increased Reserve Capacity Payments.

Highlights

- Study confirms the Project as a long life, low operating cost and highly profitable renewable energy project.
- Project generates average earnings before interest, taxes, depreciation and amortisation ("EBITDA")¹ of \$68 million per annum ("pa") over the first five years of production and \$63 million pa over the first 10 years of production.
- Post-tax payback¹ of 5.8 years (4.6 years pre-tax) based on a \$304 million total initial capital cost.
- Leveraged² post-tax Internal Rate of Return (IRR) is 21.6%¹ and pre-tax IRR of 27.3%¹. 100% equity financed post-tax IRR is 14.8%¹ and the pre-tax IRR is 18.0%¹
- First year solar energy generation forecast at 258GWh³, with 119GWh discharged/sold through the battery (in peak periods) and 115GWh discharged from direct solar generation (i.e., at daytime market) into the WEM.
- Stage One utilises only a third of Frontier's 868 hectare landholding and represents only a fraction of the total long-term potential generation that the Project can unlock.

Debt financing

Frontier has engaged Leeuwin Capital Partners, debt capital advisor's, to facilitate a debt process and support Frontier's interactions with banks and other financial institutions who are playing a leading role in financing construction of renewable energy projects.

Engagement with debt providers confirmed strong interest from Australian and international banks with indicative terms in-line with the DFS. Frontier shortlisted preferred banks ahead of additional due diligence to enable submission of binding, credit approved terms in conjunction with commencing a due diligence process which included:

- Appointment of independent technical engineer (ITE) on behalf of potential financiers
- Appointment of legal advisers to undertake legal due diligence and to assist with key procurement contracts and loan documentation
- Advancing procurement of long lead items including the battery storage unit, photovoltaic panels and inverters.

Subsequent to end of the half year, Frontier signed a mandate with Infradebt Pty Ltd, an Australian specialist infrastructure fund, for Infradebt to provide up to \$215 million senior project finance debt for the construction and operation of Stage One of its Waroona Project.

Infradebt is a specialist infrastructure fund manager focused on lending to Australian infrastructure projects. Infradebt was founded in 2013 and is active in the renewable energy and decarbonisation real asset space, having financed over 50 projects in Australia. Infradebt is the manager of Australia's first ethically screened infrastructure debt fund, the Infradebt Ethical Fund.

¹ Nominal – Base Case Scenario

² 70% leverage assumptions – subject to confirmation during debt financing process

³ Year one forecast production

Design and procurement contracts

Frontier has executed a contract with Western Power to prepare detailed design of the connection to the Landwehr Terminal. A further contract has been executed with Western Power for procurement of long-lead items including key high-voltage equipment such as high voltage circuit breakers and switches to make the Landwehr Terminal ready for the Project to connect into.

Expansion opportunities

In addition to the Stage One development, Frontier continues to assess expansion opportunities. Stage One covers only a third of Frontier's freehold landholdings, and the Company can potentially export multiples of Stage One of renewable electricity by virtue of accessing the two connections to the Landwehr Terminal.

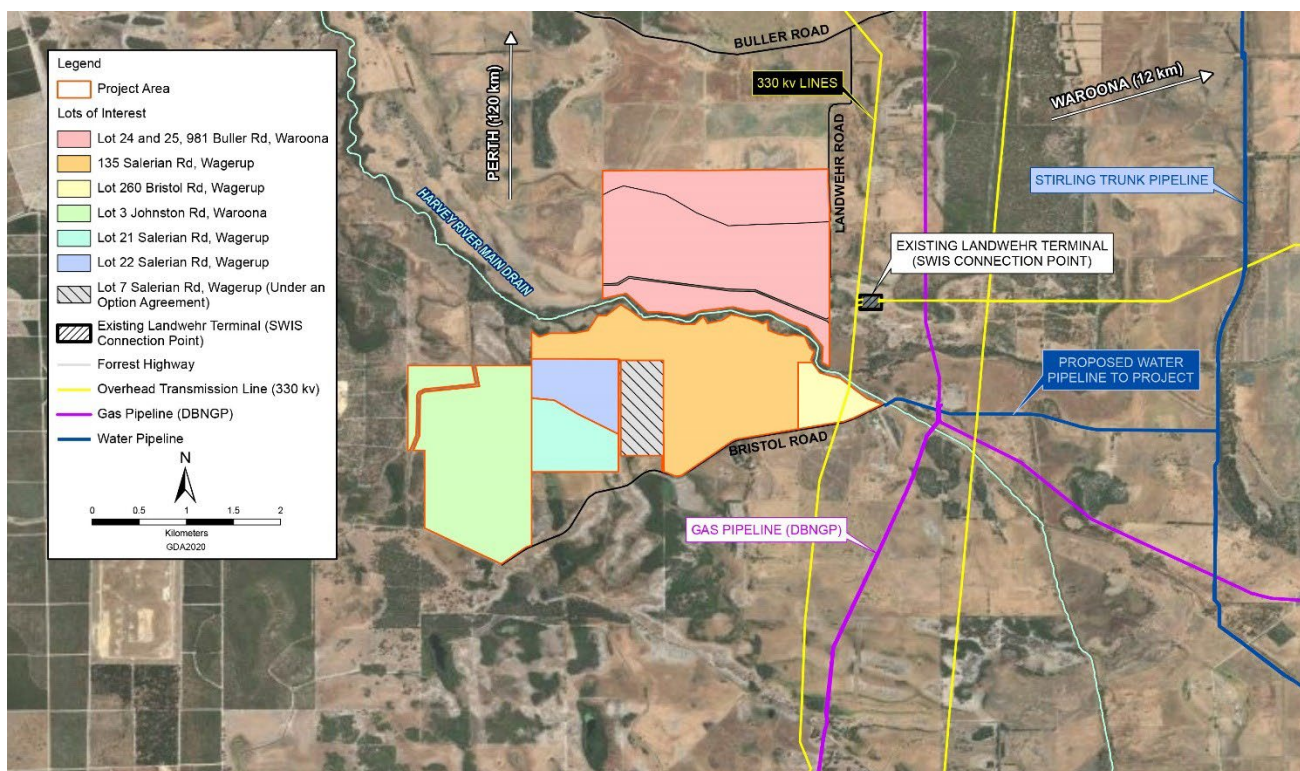


Figure 1: Frontier freehold land and nearby infrastructure in South-West WA.

Superior Lake Zinc and Copper Project

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

The Superior Lake Project ranks as one of the highest-grade zinc projects in North America. Waroona Energy Inc. completed a positive Feasibility Study that highlights that the Superior Lake Project will rank in the lowest quartile of operating costs [i.e., C1 costs – C\$0.44 / lb; all-in sustaining costs ("AISC") C\$0.51 / lb]. These low costs combined with the high grade of the Superior Lake Project drive robust economic returns. The majority of permits and licenses are in place allowing for a quick re-development following a final investment decision.

Principal activities

Frontier operates in the renewable energy sector and its principal activity is the development of a large scale integrated renewable energy facility.

Financial results

The net loss of the Group for the half-year ended 30 June 2024 was \$2,166,007 (30 June 2023: net profit of \$3,906,783, including a gain on the deconsolidation of Waroona Energy Inc. of \$7,052,175).

Cash and cash equivalents at 30 June 2024 amounted to \$8,326,820 (31 December 2023: \$11,573,748).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half-year ended 30 June 2024.

Events occurring after the reporting date

The contract liability of the Group to a third-party seller of land as disclosed in note 10 to the financial statements was paid in full in July 2024.

On 27 August 2024 the Company completed a Two-tranche non-underwritten institutional placement of New Securities comprising:

- an unconditional placement of approximately 67.0 million new shares equating to approximately A\$16.8 million under the Company's placement capacity under ASX Listing Rule 7.1 ("Tranche 1"); and
- a conditional placement of approximately 93.0 million new shares equating to approximately A\$23.2 million subject to obtaining shareholder approval at a General Meeting of the Company's shareholders ("Tranche 2").

Apart from the matters noted above, there were no other matters or circumstances which have arisen since 30 June 2024, which have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Auditors independence declaration

The auditors independence declaration as required pursuant to section 307C of the *Corporations Act 0221* is set out on page 8.

Signed in accordance with a resolution of the directors.



Mr Grant Davey
Executive Chairman
Perth, 30 August 2024

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

As lead auditor for the review of the half-year financial report of Frontier Energy Ltd for the half-year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Frontier Energy Ltd and the entities it controlled during the financial period.



Ernst & Young



Pierre Dreyer
Partner
30 August 2024

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2024

	Notes	2024 \$	2023 \$
Other income		556,877	137,597
Amortisation of right-of-use asset		(48,615)	(42,599)
Depreciation expense		(398)	(345)
Exploration and evaluation expenses		-	(3,297)
Study expenses		-	(7,720)
Corporate expenses	5	(1,143,222)	(985,536)
Employee benefit expenses and consultancy fees	5	(508,823)	(598,851)
Gain on deconsolidation of Waroona Energy Inc.		-	7,052,175
Share in losses of equity-accounted investee		-	(122,285)
Share-based payments expense	12	(868,297)	(1,512,202)
Finance costs		(57,330)	(10,076)
Other expenses		(102,230)	(78)
Net (loss)/profit before income tax		(2,172,038)	3,906,783
Income tax credit		6,031	-
Net (loss)/profit for the half-year		(2,166,007)	3,906,783
Other comprehensive (loss)/income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operation	12	(1,134,844)	1,133,522
Other comprehensive (loss)/income for the half-year		(1,134,844)	1,133,522
Total comprehensive (loss)/income for the half-year		(3,300,851)	5,040,305
(Loss)/profit attributable to:			
Owners of the Company		(2,171,525)	3,887,579
Non-controlling interests		5,518	19,204
		(2,166,007)	3,906,783
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(3,306,369)	4,654,098
Non-controlling interests		5,518	386,207
		(3,300,851)	5,040,305
Basic (loss)/earnings per share (cents per share)	14	(0.49)	1.32
Diluted (loss)/earnings per share (cents per share)	14	(0.49)	1.09

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 \$	31 December 2023 \$
Current Assets			
Cash and cash equivalents	6	8,326,820	11,573,748
Trade and other receivables		283,140	270,402
Prepayments		196,577	95,156
Total Current Assets		8,806,537	11,939,306
Non-Current Assets			
Right-of-use asset		60,573	105,173
Property, plant and equipment	7	63,552,892	60,676,673
Exploration & evaluation assets	8	15,932,433	16,103,227
Other financial assets		153,665	255,896
Total Non-Current Assets		79,699,563	77,140,969
Total Assets		88,506,100	89,080,275
Current Liabilities			
Trade and other payables	9	3,577,169	1,748,578
Provision for annual leave		24,615	17,311
Lease liability		49,680	87,005
Other liability	10	3,831,206	3,777,880
Total Current Liabilities		7,482,670	5,630,774
Non-Current Liability			
Lease liability		-	8,350
Total Non-Current Liability		-	8,350
Total Liabilities		7,482,670	5,639,124
Net Assets		81,023,430	83,441,151
Equity			
Contributed equity	11	104,818,610	104,683,243
Reserves	12	3,449,550	4,082,103
Non-controlling interests	13	(716,505)	(722,023)
Accumulated losses		(26,528,225)	(24,602,172)
Total Equity		81,023,430	83,441,151

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

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2024

	Contributed equity \$	Accumulated losses \$	Share- based payments reserve \$	Foreign currency translation reserve \$	Non- controlling interests \$	Total \$
Balance at 1 January 2024	104,683,243	(24,602,172)	4,141,683	(59,580)	(722,023)	83,441,151
Net loss for the half-year	-	(2,171,525)	-	-	5,518	(2,166,007)
Foreign exchange translation differences	-	-	-	(1,134,844)	-	(1,134,844)
Total comprehensive loss for the half-year	-	(2,171,525)	-	(1,134,844)	5,518	(3,300,851)
Transactions with owners in their capacity as owners						
Issue of shares	14,833	-	-	-	-	14,833
Exercise of employee share options	120,534	-	(120,534)	-	-	-
Expiry of employee share options	-	245,472	(245,472)	-	-	-
Share-based payments	-	-	868,297	-	-	868,297
At 30 June 2024	104,818,610	(26,528,225)	4,643,974	(1,194,424)	(716,505)	81,023,430

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

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2024

	Contributed equity \$	Accumulated losses \$	Share- based payments reserve \$	Foreign currency translation reserve \$	Non- controlling interests \$	Total \$
Balance at 1 January 2023	46,465,228	(26,987,333)	3,731,135	140,050	3,232,900	26,581,980
Net profit for the half-year	-	3,887,579	-	-	19,204	3,906,783
Foreign exchange translation differences	-	89,530	-	676,989	367,003	1,133,522
Total comprehensive income for the half-year	-	3,977,109	-	676,989	386,207	5,040,305
Transactions with owners in their capacity as owners						
Issue of shares	1,000,000	-	-	-	-	1,000,000
Share- based payments	-	-	1,512,202	-	-	1,512,202
Deconsolidation of Waroona Energy Inc.	-	-	-	(817,039)	(4,341,150)	(5,158,189)
Exercise of employee share options	1,364,528	-	(404,527)	-	-	960,001
Expiry of employee share options	-	8,257	(8,257)	-	-	-
Balance at 30 June 2023	48,829,756	(23,001,967)	4,830,553	-	(722,043)	29,936,299

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

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2024

	Notes	2024 \$	2023 \$
Operating Activities			
Payments to suppliers and employees (inclusive of GST)		(1,328,180)	(1,186,094)
Interest received		155,938	115,133
Interest paid		(4,004)	(8,014)
Rent received		43,990	1,552
Payments for exploration activities and evaluation activities		-	(3,272)
Payments for studies		(7,496)	(7,720)
Receipt of tax refund		6,031	-
Net cash used in operating activities		(1,133,721)	(1,088,415)
Investing Activities			
Release of cash on deconsolidation of Waroona Energy Inc		-	(13,440,833)
Purchases of property, plant and equipment		(1,774,172)	(332,834)
Payment of exploration costs		-	(110,372)
Proceeds from disposal of property, plant and equipment		-	1,790
Net cash used in investing activities		(1,774,172)	(13,882,249)
Financing Activities			
Lease payments		(49,690)	(41,986)
Proceeds from issue of shares by Waroona Energy Inc.		-	8,636,612
Proceeds from issue of shares		-	1,960,000
Capital raising costs at Waroona Energy Inc. before		-	(341,663)
Net cash (used in)/from financing activities		(49,690)	10,212,963
Net decrease in cash and cash equivalents		(2,957,583)	(4,757,701)
Effects of exchange rate changes on cash and cash		(289,345)	112,898
Cash and cash equivalents at the beginning of the half-year		11,573,748	13,455,335
Cash and cash equivalents at the end of the half-year	6	8,326,820	8,810,532

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

Notes to the Consolidated Financial Statements

1. Corporate information

The consolidated financial statements of Frontier Energy Limited (the **Company** or **FHE**) and its subsidiaries (the **Group**) were authorised for issue in accordance with a resolution of the directors on 30 August 2024. FHE is a for profit company limited by shares incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange and has a secondary listing on the OTCQB® ("OTC") market in the United States.

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

2. Summary of accounting policies

(a) Basis of preparation

The interim consolidated financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

These interim consolidated financial statements do not include all notes of the type normally included in the annual financial statements. Accordingly, these interim consolidated financial statements are to be read in conjunction with the financial statements contained within the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the half-year ended 30 June 2024 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

The accounting policies are consistent with those disclosed in the 31 December 2023 financial statements and the comparative half-year period. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies.

Any new, revised or amending Accounting Standards or interpretations that are not yet mandatory have not been adopted early.

The financial statements have been prepared on a historical cost basis, except for certain non-current financial assets that are measured at fair value. All amounts are presented in Australian dollars, unless otherwise noted. The interim consolidated financial statements comprise the financial results of the Group for the half-year ended 30 June 2024.

(b) Accounting policies adopted during the half-year for new transactions and events

There were no new accounting policies adopted during the half year ended 30 June 2024.

3. Critical accounting estimates and judgements

Estimates and assumptions are continually evaluated and are based management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

During the half-year ended 30 June 2024, the Group has not identified an additional area where significant judgments, estimates and assumptions were required apart from those disclosed in the annual report for the year ended 31 December 2023.

Notes to the Consolidated Financial Statements

4. Segment information

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

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

	Operating (Loss)/Income		Total Assets		Total Liabilities	
	30/06/2024	30/06/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023
	\$	\$	\$	\$	\$	\$
Renewable energy	(2,096,201)	(2,830,961)	70,965,998	72,959,754	(7,139,758)	(5,053,063)
Corporate	-	7,052,175	-	-	-	-
Mineral exploration	(69,806)	(314,431)	17,540,102	16,120,521	(342,912)	(586,061)
	(2,166,007)	3,906,783	88,506,100	89,080,275	(7,482,670)	(5,639,124)

	30 June 2024	30 June 2023
	\$	\$

5. Expenses

(a) Corporate expenses

Accounting, audit and taxation fees	52,618	43,891
Compliance costs	300,354	127,294
Investor relations	237,553	150,470
Occupancy expenses	50,394	68,771
Stakeholder management expenses	21,429	38,237
Travel and accommodation expenses	25,521	24,940
Other expenses	455,353	531,933
	1,143,222	985,536

(b) Employee benefit expenses and consultancy fees

Directors' salaries and consulting fees	459,657	511,484
Salaries and wages	49,166	87,367
	508,823	598,851



Notes to the Consolidated Financial Statements

	30 June 2024 \$	31 December 2023 \$
6. Cash and cash equivalents		
Cash at banks	7,230,344	3,768,775
Term deposits	1,096,476	7,804,973
	<u>8,326,820</u>	<u>11,573,748</u>

As at 30 June 2024, the term deposits have maturity dates of less than three months (31 December 2023: less than three months).

	30 June 2024 \$	31 December 2023 \$
7. Property, plant and equipment		
Land	11,130,120	11,278,665
Land option fees	1,532,604	1,532,604
Solar Project in progress	49,741,201	46,866,268
Hydrogen Project in progress	493,601	493,601
Peaking plant project in progress	653,425	505,133
Plant and equipment – at cost	12,290	10,353
Accumulated depreciation	(10,349)	(9,951)
Balance at end of period/ year	<u>63,552,892</u>	<u>60,676,673</u>

Movement in property, plant and equipment

Cost

Balance at beginning of period/ year	60,686,624	15,744,345
Additions, net of refund from tax authority of \$187,404 (31 December 2023: net of research and development tax incentive of \$210,843)	2,876,617	1,769,021
Acquisition of Waroona Energy Inc.	-	43,176,482
Write-off/Disposal	-	(3,224)
Balance at end of period/ year	<u>63,563,241</u>	<u>60,686,624</u>

Accumulated depreciation

Balance at beginning of period/ year	(9,951)	(12,479)
Write-off/Disposals	-	3,224
Depreciation for the period/ year	(398)	(696)
Balance at end of period/ year	<u>(10,349)</u>	<u>(9,951)</u>

Additions agreed to statement comprises the following:

Hydrogen Project-in-progress	-	38,601
Land	38,860	1,495,394
Peaking plant project-in-progress	148,293	6,000
Office equipment	1,936	-
Solar Project-in-progress acquired from Waroona Energy Inc.	-	43,176,482
Solar Project-in-progress	2,874,932	229,026
Total additions	3,064,021	44,945,503
Less: Refund from tax authority	(187,404)	-
	<u>2,876,617</u>	<u>44,945,503</u>

Notes to the Consolidated Financial Statements

7. Property, plant and equipment (continued)

During the half-year, total expenditure amounting to \$2,874,932 (31 December 2023: \$229,026) relating to the Solar Project-in-progress was capitalised as it was necessarily incurred in the development of the asset. There were no additions to Hydrogen Project in-progress during the half-year (31 December 2023: \$38,601).

During the half-year, the Group received a refund of tax dues from the tax authority amounting to \$187,404 which was deducted from the total land costs capitalised. In the previous half-year, government grants totalling \$210,843 were received for research and development and deducted from the total costs capitalised for the Solar Project.

	30 June 2024 \$	31 December 2023 \$
8. Exploration & evaluation assets		
Balance at beginning of period/ year	16,103,227	2,108,781
Additions	-	110,373
Deconsolidation of Waroona Energy Inc. in May 2023	-	(2,284,391)
Acquisition of Waroona Energy Inc. in December 2023	-	16,120,521
Foreign exchange adjustment	(170,794)	47,943
Balance at end of period/ year	15,932,433	16,103,227

	30 June 2024 \$	31 December 2023 \$
9. Trade and other payables		
Trade creditors	2,601,890	656,458
Sundry creditors and accruals	875,649	1,064,000
Other payables	99,630	28,120
	3,577,169	1,748,578

	30 June 2024 \$	31 December 2023 \$
10. Other liability		
Balance at beginning of period/ year	3,777,880	3,773,241
Accretion for the period/ year	53,326	4,639
Balance at end of period/ year	3,831,206	3,777,880

The outstanding other liability of \$3,831,206 (31 December 2023: \$3,777,880) represents the contract liability of Waroona Energy Pty Ltd to a third-party seller of land located in Western Australia. The other liability was subsequently settled on 14 July 2024.



Notes to the Consolidated Financial Statements

		30 June 2024 \$	31 December 2023 \$
11. Issued capital			
446,369,988 (31 December 2023: 446,049,780) ordinary shares fully paid		104,818,610	104,683,243
Movement in ordinary shares on issue			
Date	Details	No. of shares	\$
1 January 2023	Balance at beginning of the period/ year	292,477,893	46,465,229
Various	Issued shares on conversion of ESS options	303,378	66,743
27 April 2023	Shares issued on conversion of ESS options ¹	4,000,000	1,334,000
26 May 2023	Shares issued	2,380,953	1,000,000
14 December 2023	Shares issued on acquisition of Waroona Energy Inc.	146,887,556	55,817,271
31 December 2023	Balance at end of the period/ year	446,049,780	104,683,243
1 January 2024	Balance at beginning of the period/ year	446,049,780	104,683,243
29 February 2024	Shares issued	39,033	14,833
Various	Issued shares on conversion of ESS options	281,175	120,534
30 June 2024	Balance at end of the period/ year	446,369,988	104,818,610

¹Out of \$1,334,000 share value, \$960,000 was paid in cash

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

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

		30 June 2024 \$	31 December 2023 \$
12. Reserves			
Share based payments reserve	(a)	4,643,974	4,141,683
Foreign currency translation reserve	(b)	(1,194,424)	(59,580)
Balance at end of the period/ year		3,449,550	4,082,103

a) Share-based payments reserve

Balance at beginning of the period/ year		4,141,683	3,731,135
Payments to directors, executives, and contractors		868,297	1,093,367
Exercise of employee share options		(120,534)	(440,744)
Expiry of employee share options		(245,472)	(242,075)
Balance at end of the period/ year		4,643,974	4,141,683

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



Notes to the Consolidated Financial Statements

12. Reserves (continued)

	Number of Options	\$
30 June 2024		
Balance at beginning of the period/ year	80,395,044	4,141,683
Share-based payments to directors, executives, and consultants	8,411,975	868,297
Expiry and lapsed employee share options	(24,127,155)	(245,472)
Exercise of employee share options	(281,175)	(120,534)
Balance at end of the period/ year	64,398,689	4,643,974
31 December 2023		
Balance at 1 January	61,500,894	3,731,135
Share-based payments to directors, executives, and consultants	15,938,556	1,093,367
Expiry and cancellation of employee share options	(14,160,591)	(440,744)
Exercise of employee share options	(4,303,378)	(242,075)
Acquisition of Waroona Energy Inc.	21,419,563	-
Balance at 31 December	80,395,044	4,141,683

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

For the half-year ended 30 June 2024, the Company issued 8,411,975 (31 December: 15,938,556) unlisted options to directors, executives, and consultants under the Company's Employee Securities and Incentive Plan. The fair value of the options was estimated using a Black Scholes option pricing model. The Company's total share-based payment expense for the relevant year has been recognised in relation to both these options issued during the half-year as well as unlisted options issued in prior periods which vest over varying time periods.

	30 June 2024 \$	31 December 2023 \$
b) Foreign currency translation reserve		
Balance at beginning of the period/ year	(59,580)	140,050
Foreign exchange translation differences of foreign operations	(1,134,844)	617,409
Deconsolidation of Waroona Energy Inc.	-	(817,039)
Balance at end of the period/ year	(1,194,424)	(59,580)

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

	30 June 2024 \$	31 December 2023 \$
13. Non-controlling interests ("NCI")		
Balance at beginning of the period/ year	(722,023)	3,232,900
NCI - share of profit	5,518	19,224
NCI – Deconsolidation of Waroona Energy Inc.	-	(4,341,150)
NCI on share of foreign exchange translation differences	-	367,003
Balance at end of the period/ year	(716,505)	(722,023)

Notes to the Consolidated Financial Statements

	30 June 2024 \$	30 June 2023 \$
14. Basic and diluted earnings/ (loss) per share		
(a) Reconciliation of earnings used in calculating profit/(loss) per share		
(Loss)/ Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	(2,171,525)	3,887,579
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	446,121,598	293,441,330
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	523,134,111	355,930,866
(c) Basic earnings/(loss) per share – cents per share	(0.49)	1.32
(d) Diluted earnings/(loss) per share – cents per share	(0.49)	1.09

15. Dividends

No dividends were paid during the half- year ended 30 June 2024 (30 June 2023: \$Nil). No recommendation for payment of dividends has been made (30 June 2023: \$Nil).

16. Commitments

The Group's expenditure commitments due within one year amounted to \$1,509,000. The expenditure commitments at 30 June 2024 predominately comprise purchase orders issued for the Waroona Renewable Energy Project and Shared Service Agreement with Matador Capital Pty Ltd ("Matador"), a related party, where Matador provides office space, general office costs, bookkeeping services, and technical staff to the Company.

17. Events occurring after the reporting date

The contract liability of the Group to a third-party seller of land as disclosed in note 10 to the financial statements was paid in full in July 2024.

On 27 August 2024 the Company completed a Two-tranche non-underwritten institutional placement of New Securities comprising:

- an unconditional placement of approximately 67.0 million new shares equating to approximately A\$16.8 million under the Company's placement capacity under ASX Listing Rule 7.1 ("Tranche 1"); and
- a conditional placement of approximately 93.0 million new shares equating to approximately A\$23.2 million subject to obtaining shareholder approval at a General Meeting of the Company's shareholders ("Tranche 2").

Apart from the matters noted above, there were no other matters or circumstance have arisen since 30 June 2024, which have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.



Directors' Declaration

In accordance with a resolution of directors of Frontier Energy Limited, the Directors of the Company declare that:

In the opinion of the directors:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on the date; and
 - (ii) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



Mr Grant Davey
Executive Chairman
30 August 2024

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

Conclusion

We have reviewed the accompanying half-year financial report of Frontier Energy Ltd (the Company) and its subsidiaries (collectively 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, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



Pierre Dreyer
Partner
Perth
30 August 2024