

Quarterly Activities Report for the period ended 31 March 2024

Highlights

- PRM continues to progress existing projects including Big Apple work up and Farm-out activities.
- \$1.55M Capital Raise announced in March
 - Proceeds to fund further technical studies and ongoing farmout activities at Big Apple as well as Umine Uranium Opportunity
- PRM invests US\$200,000 to secure a 20% equity interest of Umine LLP a Kazakh company
 - Umine is seeking to produce Uranium through execution of a site decontamination project in Kazakhstan
- Subsequent to the end of the quarter, PRM relinquished the Bowsprit Project lease.

Prominence Energy (ASX: PRM) is pleased to report on its activities for the quarter ended 31 March 2023.

Managing Director Alex Parks said: “Completion of the Umine transaction, work up of the Big Apple Prospect and review of potential new venture projects have been the focus for the Company this quarter. Our \$1.55M capital raise is a strategic enabler, advancing the Big Apple Prospect evaluation and facilitating the pursuit of a potential farm-out. This effort is complemented by our entry into the Umine partnership, which positions us to capitalise on the strong uranium market and unlock nearer term production opportunities.”

BIG APPLE PROJECT

The **Big Apple prospect straddles the boundary of two blocks A87 & A90 in the Brazos Area**, South Addition (see map below). The Blocks are located approximately 200km south of Houston in approximately 75m (250ft) of water, together they cover an area of 11,520 acres (~46km²). PRM is Operator of the leases and holds the blocks with a Net Revenue Interest (NRI) of 80.25%¹.

PRM was awarded the two Big Apple Leases commencing 1 July 2023. PRM calculated internal prospective Gas Initially In Place (GIIP) estimates based on typical reservoir parameters for the area.

¹ Federal Royalty of 18.75% and 1% Royalty to the Prospect Finder.

* *Cautionary note: Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of moveable hydrocarbons.*



PRM's provisional interpretation of the seismic confirmed the presence of a **closed structure with a most likely area of approximately 7,370 acres (29.8 km²)**. The main sand is interpreted to be approximately 43m thick in the main area of the field, thinning to the north/northeast and thickening to the southwest. A second shallower sand also with a Class II AVO anomaly is interpreted to be approximately 15m thick and cover an area of 3,690 acres (14.9 km²)².

Figure 1- Location of Big Apple Block A87 and A90, 200km south of Houston

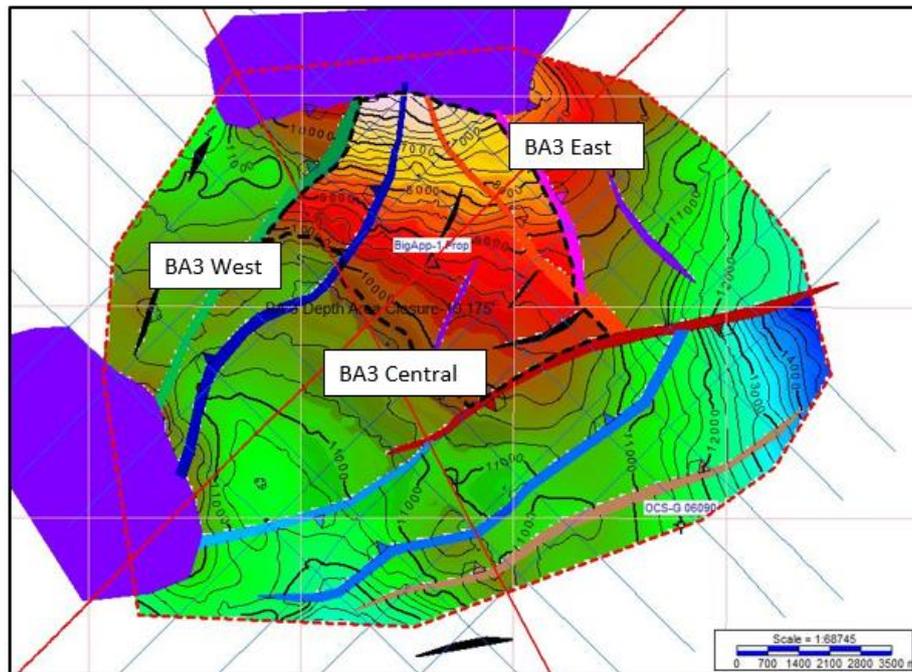


Figure 2: Big Apple BA3 Structure Map with approximately 7,400 acres of 'most likely' closure across three prospective fault blocks.

During the prior quarter PRM licensed an additional 40,000 acres of 3D seismic surrounding the Big Apple blocks. Whilst the data only touches the edges of the structure it is all the data available in the surrounding area. The data has been used to improve the structural mapping and prepare for farming out of Big Apple.

The Henry Hub gas price is currently at a depressed price of about US\$1.75/Mscf due to an abnormally mild winter in the USA. With three new LNG facilities due to come online in the next 12 – 18 months that will add over 10bcf of demand to the US market, PRM does not expect the gas price to remain this low. Whilst PRM is making Big Apple ready for farm-out, a better deal is considered more likely once gas prices improve.

Umine Investment

As announced on 6 March 2024, PRM acquired a 20% equity interest in Umine LLP (Umine) for an investment of US\$200,000 (~A\$300,000). Umine is a private company incorporated in Kazakhstan. Prior to PRM's investment, Umine was equally owned by the Chief Executive Officer, the Chief Financial Officer and Chief Technology Officer. The CFO is known to PRM

² See PRM's ASX Announcement dated 23 August 2023 'PRM Maps Big Apple Seismic Data Gulf of Mexico'



Management from a previous business dealing. Umine intends to secure and execute the “Djideli deposit, decontamination and remediation project” (Djideli) in Kazakhstan.

PRM sees Umine as another passive energy related project investment, that is carbon-friendly to balance PRM’s fossil fuel-based core business. Umine intends to conduct uranium production from the dumps of low-grade material in a decontamination and remediation process over a period of multiple years.

Project Summary

Kazakhstan is a leading destination for the mining of Uranium. In addition to current operating mine sites, at sites located all over Kazakhstan, there are abandoned uranium mines and processing plants, that were closed before or at the break-up of the Former Soviet Union (FSU).

The sites have dumps of material containing uranium that was mined but contained uranium at concentrations below the (then) processing plant’s threshold capability of approximately 1,000ppm. Mined material of less than 1,000ppm was mostly impracticable to process and was typically dumped adjacent to the plant. These sites have been identified as areas to rehabilitate.

Umine believes there is an opportunity to execute the decontamination and remediation of the sites and collect, process and sell the Uranium during the remediation and decontamination. As such it is not a mining project. The Djideli project would be the first remediation project of its kind in Kazakhstan, however, the heap leaching and ion-exchange technologies are industrially proven and have been used in particular by Areva (now Orano) to treat waste from uranium open pit mines in France and Niger.

Next Steps

Umine has planned a strategic roadmap for the development of a new plant facility on the Djideli site in Kazakhstan. The company has garnered crucial support from local state authorities, and will submit a Permit application to the Kazakh Ministry of Industry (MOI), followed by detailed engineering plans. MOI have a statutory approval process and timeline over a period of 27 days, so it is anticipated a permit could theoretically be in place in CYQ3-2024.

Sampling and Mineral Resource assessment and reporting of Uranium contained in the low-grade material dumps will be conducted at Djideli. Subject to confirming an Ore Reserve and Feasibility Study concluding commercial viability, it is expected to take ~6 to 12 months to construct the processing facilities necessary for the project. Umine intends to target mine and processing facilities within a 250km radius from the Djideli site as potential purchasers of the intermediate uranium product produced from operations. Discussions with local operators are only preliminary and will progress as the project is implemented.

A final investment decision by Umine is subject to sampling and Mineral Resource evaluation concluding there are adequate Mineral Resources in the low-grade material dumps to commercially justify progressing the project and the ability to secure further funding to construct the necessary decontamination and remediation operations underpinned by the assessed resources.



This project is considered to be commercial and socially responsible, and the Djideli pilot plant will result in the decontamination of a former mine site, whilst producing uranium, that will be used in the generation of carbon-free nuclear electricity.



Figure 4 – Google Earth image of Djideli site showing the material on site to be remediated

Bowsprit Oil Project, Louisiana USA

Subsequent to the end of the March quarter, PRM announced on 12th April 2024, that it had decided to relinquish the Bowsprit Project Lease. The Bowsprit-1 well will be abandoned and the site remediated over the coming 12 months seeking to utilise abandonment equipment operating in the area, with the wellhead and protection cage sold as second-hand equipment.

Indirect Interests

PRM owns 12.5% of Western Gas 519 Pty Ltd which holds 100% of WA-519-P located offshore Western Australia. The WA-519-P permit extension is still pending a decision by the government.

The Company has a modest investment in Ecostorage Solutions Pty Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises tenement applications/holdings of approximately 11,800km² located in Northern Territory, South Australia and Queensland believed to be prospective for the solution mining of salt and the potential subsequent use of resultant salt caverns for storage purposes.

CORPORATE

Share Placement

On 6 March 2024, PRM announced firm commitments to raise A\$1,550,000, via a share placement of 155 million shares at a price of \$0.01 per share with one free-attaching unlisted options (Option) for every two shares subscribed. The Options are exercisable at \$0.03 and expiring 14 March 2025.

Tranche 1, which consisted of 38,750,000 shares and 19,375,000 options, settled on 12 March 2024 using the Company's 25% placement capacity. The balance will settle via Tranche 2, subject to shareholder approval to be obtained at the General Meeting on 10th May 2024.

The primary use of proceeds is to fund further technical studies and ongoing farmout activities for Big Apple, as well as on new ventures, particularly the Umine uranium opportunity.

Notice of General Meeting

The Company advises that a general meeting of shareholders of Prominence Energy Ltd will be held at:

Time: 10:00 am (AWST)
Date: 10 May 2024
Location: Level 3, 88 William Street, Perth WA 6000

Change of Address

The Company's registered office and principal place of business changed effective 10th April 2024 to:

Level 3,
88 William Street,
Perth Western Australia 6000

and the Company's postal address has changed to:

GPO Box 2570
Perth Western Australia 6001

Cashflow Report

Item 6.1: The aggregate amount of payments to related parties and their associates during the March quarter was \$73,000 in salaries.

During the March quarter, the Company incurred administrative and corporate costs of \$175,000 which is inclusive of annual insurance costs, legal expenses, registry fees, compliance listing fees and corporate administration costs.

Exploration and evaluation expenditure of \$157,000 incurred during the quarter relates to technical exploration consultants, project due diligence and project investment of US\$200,000 in Umine.



As per the ASX release dated 6 March 2024, Tranche 2 Placement for \$1,162,500 will be completed following shareholder approval on 10 May 2024.

BY ORDER OF THE BOARD

Sonu Cheema

Company Secretary

Telephone: +61 (08) 9321 9886

Email: Corporate@ProminenceEnergy.com.au

This report is lodged on the Company's website www.ProminenceEnergy.com.au.

Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Prominence's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth due to various factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological technical and drilling results; predicted production and reserves estimates; operational delays or an unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Prominence, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Announcement sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PROMINENCE ENERGY LTD

ABN

69 009 196 810

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(10)
(b) development	-	-
(c) production	-	-
(d) staff costs	(73)	(208)
(e) administration and corporate costs	(85)	(446)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Richland settlement	-	275
1.8 Other (provide details if material)	(17)	(40)
1.9 Net cash from / (used in) operating activities	(175)	(429)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(157)	(530)
(e) investments	(300)	(300)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(457)	(830)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	478	1,128
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)	(50)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (issue costs)	-	-
3.10	Net cash from / (used in) financing activities	448	1,078

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	750	748
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(175)	(429)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(457)	(830)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	448	1,078

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of period	566	566

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	566	750
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)	566	750

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	73
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>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	60	2
7.3 Other (please specify*)	154	-
7.4 Total financing facilities	214	2
7.5 Unused financing facilities available at quarter end		212
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.	
	Company Credit Card via NAB *BOEM Locked Bond (100k USD)	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(175)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(457)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(632)
8.4 Cash and cash equivalents at quarter end (item 4.6)	566
8.5 Unused finance facilities available at quarter end (item 7.5)	212
8.6 Total available funding (item 8.4 + item 8.5)	778
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.23
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: No- The US\$200,000 investment made in Umine during the quarter is not a recurring expenditure. Exploration and evaluation expenses are anticipated to be lower across the forthcoming quarters.
8.8.2 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: - Yes - The company received commitments to raise A\$1.55million of which A\$1,162,500 is expected to be received in mid-May following shareholder approval at GM being held on 10 May 2024. Please refer ASX release dated 6 March 2024 and Notice of GM lodged with ASX on 11 April 2024 for further details.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: - Yes See answers to 8.8.1 and 8.8.2

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 26 April 2024



Authorised by:
(Alexander Parks – Chief Executive Officer and Managing Director)

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 6: Exploration for and Evaluation of Mineral Resources* and *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 standards apply 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.