



ASX Announcement
(ASX:PRL)
8 March 2023

Investor Call Transcript

Attached to this announcement is the transcript of Province Resources' Investor Call on 7 March 2023.

This announcement has been approved by the Board.

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BEGINNING OF TRANSCRIPT

David Frances:

Hello everyone. Welcome To the Q&A Session in relation to this morning's ASX announcements. My name is David Frances and I'm the Managing Director and CEO of Province Resources. I'd like to open by acknowledging the Traditional Owners of the land that I'm sitting on today, the Whadjuk people of the Noongar Nation, and also the Traditional Owners of the region where our HyEnergy project is based, the Yinggarda and Baiyungu Peoples.

We're doing something a little out of the ordinary today. We thought it would be appropriate to allow investors to ask some questions today on the back of two pretty significant announcements this morning. Just to summarise those announcements, Province is now progressing the HyEnergy project without Total Eren Australia. Our binding term sheet with Total Eren has expired on the basis that a proposed development agreement with Total Eren Australia was not entered into prior to the expiry date of the term sheet, which was 16 February 2023.

This now allows Province Resources to progress the development on our own. We are fully funded to undertake pre-feasibility and definitive feasibility studies. We will also continue to advance our land tenure position and the negotiation of an Indigenous Land Use Agreement with Native Title parties. We are well supported by Traditional Owners, pastoralists, the broader Gascoyne communities and the Western Australian Government and we will continue to work closely with our stakeholders as we drive the HyEnergy project forward.

Our second announcement is obviously related to this, which is the pre-feasibility study for the Project. We have awarded the contract to GHD for the downstream component of the development. It's obviously great to have such a quality outfit involved. We had four high quality bids for this work, which will cover all the necessary downstream processing infrastructure for

the production of green hydrogen. We expect to complete the downstream PFS in Q3 of 2023. This is a significant step up in development activities for the HyEnergy project and we're excited to get this work underway.

We've taken time to go about negotiations with Native Title groups, pastoralists and other stakeholders the right way which has resulted in our extremely strong position on land tenure and we are well placed to significantly increase the pace of this development. The PFS tender process for the upstream component of the Project is almost complete and a contract is expected to be awarded soon. I'll now open it up for any questions you may have in relation to these two announcements. I have our Chief Development Officer, Cameron Bateman, with me if there are any specific technical questions in relation to the PFS.

Question: Hi David. Just want to ask what was the misalignment between Total Eren and PRL? Could you elaborate on that statement?
Thanks.

David Frances: Yes. Hi Josh. I think the main misalignment is that Total Eren have a large portfolio of projects that they're looking to develop. We have one obviously which is our main focus and we intend to drive that as fast as we can forward. Obviously, Total have to split their time over numerous projects and I think let's say the focus was perhaps elsewhere.

Question: Mmm. Okay, thank you.

David Frances: One thing I will add Josh is that in the 30 years or so of developing projects, I've never had the experience that we have with this Project which is everybody wants it to happen. Everybody's rowing in the same direction. We've never had such support from every group of stakeholders in a project in my history.

Question: Could I ask a further question?

David Frances: Sure.

Question: Yes, okay. So regarding the land tenure negotiations, right? What kind of timeline are we looking at? When would we - when could we look forward to some kind of tenure being awarded?

David Frances: I'm not sure which tenure? I think you - are you referring to Government awarded tenure or to agreements with pastoralists and Indigenous parties?

Question: Government.

David Frances: Government? There's a process to go through with Government. So the next step for us is a Section 88 and that's - that could take up to six months to award. There are a few things. PFS requirements one thing, some details from the PFS - downstream PFS - which will feed into that and it's before the Government now. They're considering that Section 88 application now.

Question: Okay. Thanks.

Question: Good day Dave. Just wondering what your movements will be over the next week or two in regards to getting out there now that your hands aren't tied with the obligations with Total with the general media? Also on another note, in regard to Total, what was - with such a large organisation showing its indecision so much over the negotiations, I was just wondering how they were tying your hands in regard to being able to communicate with the general shareholders?

David Frances: Hi Shane. Thanks for the questions. Firstly, the answer to your question is I'm free and unencumbered now to start marketing the Company again thankfully and as you can probably appreciate with a company of Total's size, getting any announcements through, that is a very arduous process and in the end, almost impossible. So I think what it has done now is that we're free to push full steam ahead with the Project but also to market the Company again as it warrants which we've been unable to do for such a long time now.

Question: Yes. Look, Dave, thanks for that. It's been - I'm rather pleased that it's been clarified. I'm still - I still maintain my shareholding

and took the opportunity today to increase it so I'm a rather happy camper in regard to what the naysayers have been saying. So keep up the good work mate and keep it going.

David Frances: Thanks Shane. Thanks very much for your support. Appreciate it.

Question: Any time, mate. Any time. It's...

Question: David, they say in real estate, position, position, position. Your next door neighbour has maintained his position right beside you and he's already announced very ambitious - great ambitions for pure hydrogen. Would you care to comment?

David Frances: Thanks for your question David. All I can really say is that Andrew is our best advocate for green hydrogen. He's championing green hydrogen for all of us players who sit in behind and there's a reason why we chose the area that we did. We believe it's the best place. Best bit of real estate if you like. We're a real estate company I guess. They're not making any more land and we've managed to acquire in what our opinion is the best parcel of land to develop a green hydrogen project in Western Australia. We have sufficient requirements now under agreements with pastoralists and Traditional Owners to advance the Project to its full capacity.

Question: Oh, well. Good luck and keep talking to your neighbours.

David Frances: We always will David. Thank you. Thank you for your question.

Question: Good day David. Thanks for the update. I was just wondering is things like the *Inflation Reduction Act* in America influencing some of those big company investor decisions and some of the announcements today? Do you see sort of any broader support from the Australian Government to help get this type of project off the ground?

David Frances: Thanks for your question. We've had discussions obviously with other parties, banks, et cetera, about what the IRA means to the global industry. Everyone is still unsure exactly but what the - the consensus I believe is that it is likely to be absorbed by the

American market. Any production of green hydrogen that may come from those things. That's the latest consensus I believe. That may change but what they're thinking is it won't have a large impact on the global hydrogen industry. I obviously can't comment on the Government's forthcoming funding on these things. Obviously, we're in discussions almost daily with the West Australian government. We would hope that the national Government comes onboard and supports green hydrogen industry to its fullest capacity.

Question: Thank you.

Question: Hi, David. Thanks for the Q&A today. Could you perhaps outline a little bit why the Company's been in suspension since the 16th? Obviously, you knew well prior to this that negotiations with Total were not progressing as planned and the term sheet expired so why have we had - what material event has resulted in such a delay to resume trading today?

David Frances: Obviously, the separation of the parties - there was post discussions. The expiry of the term sheet as to whether we would continue down the path of reinvigorating a new agreement. Those discussions were unable to get full alignment on both parties as to why we would go forward. We needed that extra time to conclude those discussions.

Question: Okay. So presumably, at this point in time, you don't have any additional partnership possibilities lined up? You know, easily identifiable ones, no?

David Frances: We have been approached by various parties but due to the restrictions of the MOU, we were unable to engage or entertain any discussions. As of 17 April 2023, we'll be able to encompass those discussions further.

Question: Okay, thanks.

Question: Yes, my question has just been answered with the prior question. If I could just ask a further quick one, however? The PFS which - the tender process is about to conclude and we should be advised of that step shortly. What sort

of turnaround time are you looking at for the upstream PFS?

Cameron Bateman: Good morning...

David Frances: Sorry, yes, I'll pass over to Cam for that question.

Cameron Bateman: Good morning. Yes, the plan for the upstream PFS is to complete that in parallel with the downstream PFS so that's complete Q3 this year, 2023.

Question: Great.

Cameron Bateman: Our intention is to have both pieces of technical work complete and wrapped up, Q3 this year.

Question: Okay, if I could just ask another quick one related to the previous question that I was going to pose? In relation to the misalignment with Total, at what point - I mean presumably both parties went into the agreement fully optimistic that there was benefit to both parties and working in this relationship. What changed, do you think?

David Frances: I think the main misalignment is timing and development of the asset. I think obviously our timeframe is our shareholders - our responsibility to our shareholders to drive value as fast as we can for our shareholders. The ability to do that is predicated on being able to do studies, complete studies, do work to advance the value of the projects. Without being able to do that on our own timeframe is something that drives strong misalignment.

Question: Okay and that's obviously something that's become - you've become aware of post the term sheet?

David Frances: Sorry, you broke up with that question. I didn't hear it.

Question: So the misalignment really only became obvious after the signing of the term sheet?

David Frances: Yes, that's right.

Question: Yes. Yes, okay. Look, thank you very much.

David Frances: Thanks. Thanks for your question.

Question: G'day, David. I've just got a couple of questions. One being, now that Total's no longer a project partner, do you have any potential project partners, whether they be in Australia or from Singapore, for example?

David Frances: Yes, Justin. I did answer that question previous to this one and that we have been approached by various parties but because of the exclusivity of the MOU with Total, we haven't been able to discuss any further with them. As of 17 April 2023, obviously this year, we're free and unencumbered to do so.

Question: Okay, cool. Thank you.

David Frances: No problems. Thanks, Justin. Thanks for your question.

Question: Hi guys, me again. Just want to know outright, you know the initial award of land was about - for the study was about 800 square kilometres but it seems to be up to 5,000 now. So from that, can we conjecture that at eight gigawatts for 800 square kilometres now we've got nearly five times that, the size of the project could eventually scale up to five times of eight gigawatts?

David Frances: Hi, Josh. The simple answer is yes, the scale is potentially larger than the original scale. I think we've got access now to about 578,000 hectares under agreement. In fact, we've had to start saying no to any extra land.

We have - as I said, we've built up a very good relationship with participants and stakeholders in the area and everybody wants to participate in the HyEnergy Project but there's only so much we can do. We've had to start saying no to prospective parties to join the party. So yes, the answer is yes, initially and we've had to say no now because we've got as much land as we can physically develop.

Question: Thanks.

David Frances: Thank you very much. Thanks, everybody, for joining the call today. Obviously we're excited as a team here now to be able to drive the project forward at our own pace and

perhaps to be able to talk to other parties who see the same timeline of development as we do.

We're very, very comforted by the amount of support from all of the stakeholders involved, as I said before, 30 years of developing projects, I've never seen a project with the alignment of stakeholders. All stakeholders that we've got here. So thank you very much for your support over the last couple of years and hopefully it's continued and we look to driving the project forward and adding more value to the project for shareholders. Thank you for your call. Thanks for your time.

END OF TRANSCRIPT