



ENRG
elements

ABN 73 149 230 811

Formerly known as Kopore Metals Limited

2022 ANNUAL REPORT

ENRG ELEMENTS LIMITED

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ABN 73 149 230 811

ANNUAL REPORT 30 JUNE 2022

CORPORATE DIRECTORY

Directors

James Eggins

Non-executive Chairman

Caroline Keats

Managing Director

Quinton de Klerk

Non-executive Director

Company Secretaries

Sarah Wilson

Shannon Coates

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Securities Exchange Listing

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ANNUAL REPORT

30 JUNE 2022

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LETTER FROM THE CHAIRMAN

Dear fellow Shareholders,

With a clear focus on uranium and copper for a clean energy future, ENRG Elements has had a significant year of achieving milestones, as we have continued to advance our portfolio of projects in Niger, Botswana and our joint venture in Australia.

Over the past months, we have seen the global demand for carbon neutral energy continue to build and the thematic for uranium has never been stronger, as the world continues to shift towards nuclear power with countries globally striving to meet ambitious net zero carbon emission targets.

The nuclear renaissance continues to build momentum and in August 2022 alone, we have seen further commitments to nuclear power from countries globally.

Importantly, Japan recently reaffirmed its commitment to nuclear power for the first time since Fukushima¹, with the country planning to accelerate the restart of reactors

and signalling the construction of new plants, which represents a monumental shift in the global sentiment towards nuclear energy, with many more countries expected to follow.

Another Asian nation joining the nuclear shift is India recently announcing plans to develop two new nuclear power plants, as the country aims to shift from its reliance on coal power². India is currently building six gigawatts of nuclear capacity, the most after China, which has nearly three times that volume under construction, according to the International Atomic Energy Agency (IAEA).

Japan and India represent just two of the many countries globally that continue to join the rapid momentum driven by the nuclear power renaissance.

Africa too is now exploring nuclear energy as a climate friendly way to ease power shortfalls, with at least an additional 10 African countries considering nuclear power as of 2018³.

To capitalise on this nuclear shift, since acquiring the Agadez Uranium Project in the highly prospective Tim Merso Basin of Niger, we have continued to advance our Project with the drilling program nearing completion, and initial results announced in August 2022, further confirming Agadez as highly prospective for uranium.

Guiding this exploration is the recently acquired historical exploration data on the Project, which, when combined with the current results from the Company's own exploration, will result in an improved geological understanding of Agadez, enabling us to further refine our exploration strategy for the project.

Over the coming periods, we will continue exploration at Agadez with the results from the current drilling expected to enable an update to the existing Inferred JORC Resource.

In Botswana, we have continued to advance the Ghanzi West Copper-Silver Project in the Kalahari Copper Belt, with the commencement of an airborne electromagnetic and gravity survey over the Kara dome assets, with the aim of further identifying areas which are favourable for hosting significant economic mineralisation.

The Kalahari Copper Belt represents a significant opportunity for the Company and its shareholders, with exciting copper discoveries reported by other companies in the area over the past months, with the Kara target also located in the same structural zone as Sandfire's globally significant Motheo and A4 copper-silver projects.

Copper remains an important commodity for a clean energy future, as an important metal for the electrification of vehicles, with the medium to long term demand for copper remaining strong.

In October 2021, the Company appointed Ms Caroline Keats as Managing Director, a legally qualified, strategically focused business leader who has since driven ENRG Elements forwards, applying her in depth experience operating in Africa.

Our Company recently changed its name to ENRG Elements Limited and its ASX Ticker Code to ASX: EEL, better reflecting the strategic direction of the Company, as we continue to focus on the exploration and development of our Uranium and Copper projects, both commodities which are critical for a carbon neutral energy system and the electrification of transport.

With the new ENRG Elements name and brand, we have continued to market the Company to both Australian and international investors, generating further interest in our exciting portfolio of assets.

1 https://www.ft.com/content/b380cb74-7b2e-493f-be99-281bd0dd478f?utm_source=AEE+Twitter

2 <https://www.dailyo.in/news/ntpc-to-develop-2-new-nuclear-power-plants-as-india-aims-to-shift-to-clean-energy-37078>

3 <https://allianceforscience.cornell.edu/blog/2022/08/africa-explores-nuclear-energy-as-climate-friendly-way-to-ease-power-shortfalls/>

I would like to thank shareholders, my fellow Directors and the wider team for their support to date and we look forward to an exciting 2023 Financial Year for ENRG Elements.

Yours faithfully



James Eggins
Non-Executive Chairman



LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders,

Overview

I would like to thank all of our shareholders for the ongoing support of ENRG Elements (the **Company**) over the past twelve months. This year has been a critical juncture for the Company with numerous developments including: completion of acquisition of the Agadez Uranium Project (**Agadez Project**); activities at Agadez that included a review of historical information, upgrade of the previous Inferred Mineral Resource Estimate to JORC 2012, and exploration program consisting of 5,500m drilling, logging, and a surface sampling campaign; commencement of an electromagnetic and gravity survey at the Ghanzi West Copper-Silver Project (**Ghanzi West Project**); and review of the Horseshoe West Copper-Gold Project (**Horseshoe West Project**). In addition to our exploration activities, the Company successfully raised A\$3.0m in June 2022 via a placement that was supported by new domestic and

international institutions as well as existing shareholders. Importantly, during the period, the Board underwent a number of changes to better align its composition with the Company's future plans. Lastly, following Shareholder approval, the Company also changed its name from Kopore Metals Limited to ENRG Elements Limited – to better reflect the focus on future-facing commodities. In summary, the refreshed Company is well-positioned for success as we continue to deliver shareholder value through the exploration of uranium and copper, whilst advancing ENRG Elements to be a leader in commodities for a carbon neutral and electric future.

Background

The past few months have highlighted the global need for carbon neutral energy. The thematic for uranium has never been stronger – as the world continues to shift towards nuclear power with countries striving to meet ambitious net zero carbon emission targets. The nuclear renaissance continues to build momentum and in August 2022 alone, we have seen further commitments to nuclear power from countries globally.

Recently, the European Union put forward a proposal to make nuclear and uranium a green investment. This is set to be implemented by the end of 2022, with nuclear power being viewed as a core building block to provide net zero carbon emissions and ensure energy security within Europe.

In the US, over 50% of carbon free power is generated from nuclear⁴, with the Biden Administration recently committing to a US\$6 billion nuclear power credit program to prevent nuclear reactors from shutting down as part of the country's goal of transitioning to clean energy.⁵

In Asia, China has committed to spending US\$440bn on at least 150 new reactors over the next fifteen years – more than the amount built by the rest of the world in the past thirty-five years⁶. Japan has also announced their intentions to restart four nuclear reactors by winter⁷. Indonesia, Thailand, Vietnam, Malaysia, the Philippines and Singapore are also now considering nuclear power.

Agadez Uranium Project

With uranium and nuclear power continuing to gain momentum as the world shifts towards a carbon neutral energy system, we are well positioned with Agadez to capitalise on growing demand for nuclear fuels.

Following the 100% acquisition of Agadez, the Company also acquired the project's historical exploration data from Paladin Energy Limited in March 2022. A review of this previously unannounced historical drilling data confirmed Agadez as prospective for uranium, with identified anomalous uranium grades in prospective geology. This data was used to inform the Company's subsequent exploration program.

On 30 May 2022, the Company also announced an upgrade to the historic JORC 2004 Inferred Mineral Resource Estimate (**MRE**) at Takardeit for compliance with JORC 2012 compliant Inferred MRE. The Takardeit Deposit contains a JORC 2012 Inferred MRE of 16.5Mt at a grade of 295ppm eU₃O₈ for 10.7Mlbs contained eU₃O₈ (at 150ppm cut-off).

In the same month as the MRE update, the Company commenced an initial exploration program following review of the historic exploration data. The program consisted of a drilling program totalling 5,500m, comprising approximately 5,340m of rotary mud drilling and 160 meters of diamond core, plus a detailed logging and surface sampling program. On 1 September 2022, we announced encouraging results from the initial, shallow drill program at the Agadez, with key downhole gamma results including 2m at 2,266ppm eU₃O₈ from 22.7m, 2m at 1,562ppm eU₃O₈ from 28.2m and 2m at 1,172ppm eU₃O₈ from 24.7m. These initial results, that were released post the end of FY22, provide further confirmation that Agadez is highly prospective for uranium, with the Takardeit Deposit remaining open in multiple directions and at depth.

⁴ <https://apnews.com/article/climate-technology-business-nuclear-power-environment-and-nature-cfb21ab68a9e7005cc08873f2a5a7031>

⁵ <https://www.reuters.com/world/us/biden-admin-launches-6-bltn-nuclear-power-credit-program-2022-04-20/>

⁶ <https://www.bloomberg.com/news/features/2021-11-02/china-climate-goals-hinge-on-440-billion-nuclear-power-plan-to-rival-u-s>

⁷ <https://www.reuters.com/business/energy/japan-hopes-restart-4-more-nuclear-reactors-by-winter-2022-07-15/>

The review of the historic exploration data and our initial exploration program has allowed us to significantly improve our geological understanding of Agadez. This expanded dataset allows us to execute a more targeted exploration program requiring less time and capital. With a clearly defined exploration program, we aim to develop this high potential asset further and continue to capitalise on the growing demand for nuclear energy.

Ghanzi West Copper-Silver Project

In Botswana, the Company has continued to advance Ghanzi West, located in the highly prospective Kalahari Copper Belt. An airborne electromagnetic and gravity survey was commenced in August 2022. The survey is focused on the Kara Dome target, located in the same structural zone as Sandfire Resources' globally significant Motheo and A4 copper-silver projects and in the same region as Cobre's recent Ngami copper discovery. Kara Dome is located in favourable stratigraphy between Sandfire's existing deposits to the northeast, and their new licences in Namibia to the northwest. Rio Tinto also has extensive exploration licences in Namibia, further highlighting regional prospectivity.

The Kalahari Copper Belt represents a significant opportunity for the Company and its shareholders, with exciting copper discoveries in the area over the past months. We expect the results from the airborne electromagnetic and gravity survey at Ghanzi to further increase our understanding of the geology at the Kara Dome, thereby guiding further exploration at this high potential project.

Horseshoe West Copper-Gold Project

In Australia, at our Horseshoe West Copper-Gold Project, in August 2022 we announced the completion of a Dipole-Dipole Induced Polarisation (DDIP) survey that identified new targets. We are currently assessing our exploration strategy on this ground.

Going Forward

Over the coming period, we aim to continue to create further shareholder value:

Agadez Uranium Project – Developing the project through confirming and extending the existing uranium resource and targeting other areas for further exploration.

Ghanzi West Copper-Silver Project – Identifying drill targets for an upcoming drill campaign through the airborne electromagnetic and gravity survey.

Horseshoe West Gold Project – Conduct a review of the Project to identify potential opportunities.

Corporate

In late 2021 and early 2022, the Board was refreshed, with the appointment of high-calibre Directors James Eggins and Quinton de Klerk, both of whose experience and skill sets are closely aligned with the Company's forward plans and direction.

In June 2022, the Company successfully completed a A\$3.0 million share placement (before costs), which included a cornerstone investment by Kevin Bambrough, former President of Sprott Inc and CEO of Sprott Resources Corporation. The capital raising was supported by existing shareholders, and we welcomed new domestic and institutional investors to our shareholder register. The commitment to the Company from investors of this calibre is a strong testament to the potential of our projects.

August 2022 saw our Company change its name to ENRG Elements and its ticker code to ASX: EEL to better reflect the strategic direction of the Company, as we continue to focus on the exploration and development of our uranium and copper projects – commodities which are critical for a carbon neutral energy system.

With the new ENRG Elements name and brand, we have continued to market the Company to both Australian and international investors, generating further interest in our exciting portfolio of assets.

Conclusion

On behalf of the Board of ENRG Elements Limited I would like to thank you for your ongoing support to date.

We look forward to an exciting 2023 Financial Year, as we continue to build shareholder value through the exploration of uranium and copper, and as we advance ENRG Elements to be a leader in commodities for a carbon free and electric future.

Yours faithfully,



Caroline Keats
Managing Director

OPERATIONS REVIEW 2022

ENRG Elements Limited (formerly known as Kopore Metals Limited) (ASX: EEL) (**ENRG** or the **Company**) is pleased to present its review of operations for the financial year ended 30 June 2022 (FY22).

Key activities and achievements for FY22 are summarised below.

Agadez Project, Niger**Acquisition of Agadez Project**

On 9 December 2021, the Company announced it had entered into a binding share sale agreement with Endeavour Financial AG (**Endeavour**) to acquire 100% of Endeavour's uranium project in the Agadez region of Niger (**Agadez Project**) (**Transaction**).

The Agadez Project comprises three (3) granted exploration permits (**Permits**) (**Targets**) and one (1) exploration licence application in the highly prospective Tim Mersoi Basin, considered one of the world's major uranium producing areas. The Permits host the same geology that is represented at Orano's Cominak (now shut down), Somair and Imouraren mines and the Madaouela (Goviex) and Dasa (Global Atomic) projects. According to the World Nuclear Association, Niger was the 7th largest producer of uranium in 2021 and has been an exporter of uranium since the early 1970's.

The Company agreed to purchase 100% of the issued capital in EF Niger Exploration SARL (**EF Niger**), the wholly owned subsidiary of Endeavour that held the Niger Agadez Project Permits (**Agreement**). In consideration, the Company paid US\$100,000 to Endeavour (as reimbursement for historic shareholder loans) and issued Endeavour (or its nominees) 120,000,000 Company shares at a deemed issued price of \$0.02 (**Consideration Shares**). These Consideration Shares were subject to a cascading voluntary escrow regime, with shares escrowed for 3, 6 and 12 months. The Agreement contains orderly sales provisions in relation to the sale of the Consideration Shares.

Under the terms of the Transaction, the Company agreed to spend a minimum of US\$2,000,000 on the Permits within the first 24 months (subject to any force majeure extension), with US\$1,500,000 of that amount to be spent on a drilling program. This obligation falls away if the Company declares a Mineral Resource of at least 16Mlb of U₃O₈ at a minimum grade of 200ppm U₃O₈ on any of the Permits (prepared and reported in accordance with the JORC Code).

The Company issued Endeavour (or its nominees) 80,000,000 performance shares with a 5-year expiry date, and 50,000,000 performance options with an exercise price of \$0.03 and a 3-year expiry date, with the vesting of those performance shares and options linked to the Target having declared a Mineral Resource of at least 16Mlb of U₃O₈ at a minimum grade of 200ppm U₃O₈ on any of the permits.

Completion of the Transaction was conditional upon:

- the Company raising at least A\$1,000,000 (before costs);
- the Company being satisfied around its due diligence on the Target and the Agadez Project;
- the Target obtaining a 2-year extension on the Agadez Project permits (on terms satisfactory to it) taking the Permit term to November 2024;
- the Company obtaining all necessary regulatory, government and shareholder approvals in respect of the Transaction; and
- the Target terminating certain contracts.

On the 24 May 2022, following the conditions of the Transaction being achieved, ENRG Elements announced the completion of the 100% acquisition of the Agadez Project in Niger.

Historical Exploration Review and Resource Update

The Company announced on 14 March 2022 that it had acquired historical data on the Agadez Project, which included geological and geophysical information, surveys, photographs, drill logs and assay results from Paladin Energy Limited (**Paladin**).

This acquisition of the historical data enabled ENRG Elements to validate the historically reported information and utilise the data to inform and guide upcoming exploration.

On 7 April 2022, the Company confirmed the Agadez Project as prospective for uranium, following the completion of a review of historical exploration information and results from the previously unannounced drilling program completed by Paladin in 2011. The review by the Company's technical consultants identified mineralisation across the permits, recognised the potential for higher-grade areas of mineralisation within the Takardeit Inferred Mineral Resource (originally under JORC 2004) and enabled the prioritisation of key exploration targets at the Agadez Project.

Historical exploration on the tenements was completed by NGM Resources Limited (previous owners), who published a JORC 2004 Inferred Mineral Resource Estimate in 2010 for the Takardeit deposit (ASX Release – 9 December 2021). The Company undertook a process of updating this Mineral Resource Estimate to comply with JORC 2012 Guidelines with the Takardeit deposit now holding 16.5Mt at a grade of 295ppm eU₃O₈ for 10.7Mlbs, in the Inferred category (ASX Release – 30 May 2022).

Drilling Program in Niger

In May 2022, the Company announced an exploration program at the Agadez Project, which commenced in June 2022. The program consisted of both a drilling campaign as well as logging and surface sampling, with drilling for a total of 5,500m including approximately 5,340m of rotary mud drilling and 160m of diamond core.

The program aimed to confirm and extend uranium mineralisation previously delineated within Jurassic formations (Tchirezrine I and Mousseden) in the Takardeit prospect (NGM Resources Limited's historical resource area). The drill and surface sampling program completed on 1 September 2022, with preliminary downhole gamma results expected shortly after completion of the program and assay results due in Q4 CY2022.

Virgo Project and Ghazi West Copper-Silver Project, Botswana**Sale of 75% of Virgo Project**

On 11 November 2021, the Company announced completion of the sale of 75% of the issued capital in its wholly owned subsidiary, Alvis-Crest (Proprietary) Limited (**Alvis**), to ARC Minerals Limited (**ARC**). The transaction was first announced on 25 March 2021. 35,488,259 fully paid ordinary shares in ARC, based upon a 10-day VWAP of 3.3814 pence per share for a total consideration value of £1.2 million (approx. A\$2.2 million), were issued to the Company and subject to customary orderly sale provisions. As at 30 June 2022, the Company had sold all of the ARC shares for consideration of approximately A\$2.14 million (before costs).

ARC retains an option to acquire the remaining 25% of Alvis for consideration of US\$5 million. The option is valid until ARC reaches a Final Investment Decision (**FID**) is reached by ARC and the option consideration is payable in cash or ARC Shares (or a combination of the two) at the election of ARC. ARC is responsible for sole funding Alvis up to FID, ensuring the Company's remaining 25% interest in Alvis is not diluted during this period, and will spend an average of a minimum of US\$200,000 per year on exploration drilling and resources definition on the licences over any rolling three-year period prior to FID.

The Company will receive a 1% net smelter royalty over the Virgo Project, capped at a maximum of US\$30 million. ARC has the option to purchase the royalty for US\$5 million at any time up to FID, on the terms included in the royalty agreement.

Ghazi West Copper-Silver Project

On 15 November 2021, the Company advised that three of its Botswana prospecting licenses for PL203/2016, PL204/2016 and PL205/2016 had been renewed for a further two years. On 26 July 2022 ENRG advised it had received prospecting license renewals for a further two years for PL127/2017, PL128/2017 and PL129/2017 from the Botswana Ministry of Mineral Resources, Green Technology and Energy Security. These prospecting licenses cover the Company's high priority Kara Dome target and the Korong Dome prospect.

A desktop review of the historical work on this Project area, including the results of the in progress airborne electromagnetic and gravity survey, will inform the future drilling program.

Horseshoe West Project**Earn in and Joint Venture Agreement**

In January 2021, the Company announced that its wholly owned subsidiary, Kopore (WA) Pty Ltd, had entered into binding earn-in and joint venture agreement (**Agreement**) with Murchison Copper Mines Pty Ltd (**MCM**), a subsidiary of Horseshoe Metals Limited (ASX:HOR) (**HML**), providing for an earn in and joint venture in relation to the tenements surrounding the historical Horseshoe Lights Copper-Gold Mine (**Horseshoe Project**).

The Horseshoe Project area totals 32.4km² and comprises 1 exploration licence, 9 prospecting licences and part of 1 mining lease (M52/743). The Horseshoe Project is located immediately west of the Horseshoe Lights Copper-Gold Mine and 140km north of Meekatharra, Western Australia. On 17 November 2021, the Company announced it had received confirmation from HML that the 9 prospecting licenses had received a four-year extension of term. HML also advised the Company that mining lease ML52/743, where the Horseshoe Lights Mine is situated, had been renewed for a further 21 years.

Under the terms of the Agreement, the Company is required to spend \$1.45 million on exploration to earn a 51% beneficial interest in the project area over a two-year period. This includes a minimum expenditure amount of \$250,000 to be spent in year 1. Upon completion of this stage, ENRG and MCM will form an unincorporated joint venture in relation to the exploration of the agreement area. The parties' initial respective interest in the Joint Venture will be ENRG 51% and MCM 49%.

ENRG can then elect to expend an additional \$1.5 million within a further 2 years to earn into an additional 19% beneficial interest over the Horseshoe Project area. If ENRG completes the stage 2 earn in, the parties' respective interest in the Joint Venture will be ENRG 70% and MCM 30%. Following the earn-in, the parties must each contribute to Joint Venture expenses in proportion to their respective percentage.

In February 2022, the Company advised of a variation to the Agreement such that the initial expenditure of \$1.45 million to earn a 51% beneficial interest must be expended by 30 June 2023 (previously 17 February 2023), unless otherwise extended. In

February 2022 the Company also announced that it had successfully achieved the first-year minimum expenditure milestone under the Agreement.

Exploration

ENRG is investigating the Horseshoe Project area for potential Horseshoe Lights style copper-gold and shear-zone hosted gold mineralisation exploration targets.

Following the completion of an airborne magnetic survey over the Horseshoe Project area, where several priority targets were highlighted (ASX Release – 29 July 2021), an auger program was designed to investigate the magnetic trends and test for potential shallow anomalous copper-gold mineralisation. ENRG completed the soil sampling program across an area of approximately 2.9km², partially covering P52/1443, P52/1544, E52/3759 and ML52/743 and at a 100 x 60m grid spacing. A total of 451 auger samples were collected for a total of 270m, down to drill refusal and a maximum of 2.5 metres. In November 2021 the Company announced the delineation of a coherent copper-gold soil anomaly in a largely unexplored area of the Horseshoe Project.

A Dipole-Dipole Induced Polarisation (**DDIP**) survey was then designed at the Horseshoe Project to investigate both historic and recent copper-gold geochemical and geophysical anomalies for signs of chargeability anomalies that could indicate sulphide minerals at depth to target reverse circulation or diamond drilling. Six DDIP survey lines were acquired along the western margin of the project licences. The DDIP interpretation highlighted several priority chargeable targets for sulphide minerals related to VMS or lode-gold styles of mineralisation (ASX Release – 16 August 2022). The Company is now in the process of reviewing all the existing information on the Horseshoe Project and assessing how to best advance the project.

Corporate**Board Changes**

During the period ending 30 June 2022, the Company underwent several corporate developments, most notably with the appointment of Ms Caroline Keats as Managing Director on a full-time basis. Ms Keats was initially appointed as a Non-Executive Director on 5 August 2021. Mr Simon Jackson stepped down as Managing Director upon Ms Keats' appointment on 4 October 2021 and continued in a part-time executive role for six months.

On 15 November 2021, Mr James Eggins was appointed as Non-Executive Chairman and Mr Peter Meagher and Mr Simon Jackson resigned as Non-Executive Chairman and Non-Executive Director respectively.

On 17 January 2022, the Company announced the appointment of Mr Quinton de Klerk as a Non-Executive Director and the resignation of Mr Grant Ferguson as a Non-Executive Director of the Company.

Capital Raisings

On 17 December 2021 the Company raised A\$1.2 million (before costs) through a placement of 40 million shares at an issue price of A\$0.03 per share. The funds raised were used to fund the Niger Transaction and for working capital.

ENRG announced the completion of a further successful capital raising for \$3.0 million (before costs) on 3 June 2022, to fund the exploration and development of the Company's portfolio of assets, in particular the Agadez Project, and for general working capital purposes (**Placement**). 89,393,939 fully paid ordinary shares were issued at \$0.033 per Share pursuant to the Placement. A further 1,515,151 fully paid ordinary shares were subject to shareholder approval which was obtained subsequent to the period, on 28 July 2022 pursuant to ASX Listing Rule 10.11. The Placement was strongly supported by existing shareholders and incoming investors, including domestic and offshore institutional investors with a cornerstone investment from Kevin Bambrough, former President of Sprott Inc and CEO of Sprott Resources Corporation. Funds are being deployed toward exploration of the Agadez Project, Ghazi West Copper-Silver Project and working Capital.

The Company's cash balance as at 30 June 2022 was \$4,148,000.

Subsequent to the End of The Period

Subsequent to the end of the period:

1. Following shareholder approval at the meeting held on 28 July 2022, the Company changed its name from Kopore Metals Limited to ENRG Elements Limited, with the Company's shares registered for trading under the new ticker code ASX:EEL on the Australian Securities Exchange (**ASX**). The new name reflects the Company's strategy and focus of developing its uranium and copper projects supporting a carbon neutral and electric future.
2. The Company appointed NRG Exploration CC in July 2022 to conduct an airborne electromagnetic and gravity survey, commencing in August 2022, across the Kara Dome asset at the Company's Ghanzi West Copper-Silver Project in Botswana (ASX Release – 12 July 2022). The program is focused on identifying fold related anticline hinge zones and structurally controlled trap sites associated with domal structures, similar to those discovered along strike by Sandfire Resources (Motho and A4 copper-silver projects), with results from the program expected in Q4 CY2022.

3. On 1 September 2022, the Company advised the market that the shallow drill program at the Agadez Project delivered encouraging drill results. The ~5,500 mud rotary and diamond drilling program commenced in June 2022 shortly after the Company completed the acquisition of the Agadez Project. The campaign confirmed that mineralisation, occurring from surface to ~40m, extends beyond the current Mineral Resource Estimate at Takardeit and is open in multiple directions. Significant downhole gamma result at Takardeit Centre included:

- KMP0048 – 2m at 2,266 eU₃O₈ from 22.7m;
- KMP0030 – 2m at 1,562 eU₃O₈ from 28.2m; and
- KMP0018 – 2m at 1,172 eU₃O₈ from 24.7m;

The Company anticipates an update to the Takardeit Mineral Resource Estimate, following receipt of assay results, which are expected in Q4 CY 2022.

Annual Mineral Resource and Ore Reserves Statement

On 24 May 2022, the Company completed the acquisition of the Agadez Uranium Project in Niger. At the time of completion, an Inferred Mineral Resource had been estimated under the JORC 2004 guidelines for the Takardeit Deposit (see ASX announcement dated 9 December 2021).

Following the acquisition, the Company updated the Inferred Mineral Resource for the Takardeit Deposit in accordance with the JORC 2012 guidelines. The updated Mineral Resource was disclosed to ASX on 30 May 2022.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource as reported on 30 May 2022 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company carries out an annual review of its Mineral Resources and Ore Reserves, as required by the ASX Listing Rules. The review was carried out as at 30 June 2022.

Takardeit Inferred Mineral Resources as at 30 June 2022

Mineral Resource	Cut off	M Tonnes	Grade ppm eU ₃ O ₈	MLb eU ₃ O ₈
Update (JORC 2012)	150	16.5	295	10.7

Comparison to previous Inferred Mineral Resource Estimate

Mineral Resource	Cut off	M Tonnes	Grade ppm eU ₃ O ₈	MLb eU ₃ O ₈
Historical (JORC 2004)	120	23.2	210	10.9

The updated Mineral Resource has been reported above a cut-off grade of 150ppm eU₃O₈ reflecting estimated processing costs and recoveries as well as projected product pricing. The updated Mineral Resource reflects an increase in grade of 39% with a corresponding reduction in tonnes primarily due to the exclusion of internal sub-grade material from the previous mineralisation wireframe and the increase in reporting cut-off grade. The updated Mineral Resource represents a minor decrease in total contained metal.

Estimation Governance Statement

The Company ensures that all Mineral Resource and Ore Reserves estimations are subject to appropriate levels of governance and internal controls.

Exploration results are collected and managed by an independent competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource and Ore Reserves estimates are prepared by appropriately qualified, independent Competent Persons. If there is a material change in the estimate of a Mineral Resource or Ore Reserves, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons and announced to the ASX in accordance with the Listing Rules.

The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with JORC Code 2012.

Competent Person's Statement

The information on the Mineral Resources and exploration results outlined in this Annual Report was compiled by Mr. David Princep, an independent consultant employed by Gill Lane Consulting. Mr Princep is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist. Mr Princep has more than five years relevant experience in estimation of mineral resources and the mineral commodity uranium. Mr Princep has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". The Company confirms that the form and context in which the Competent Person's findings in relation to Mineral Resources are presented have not been materially modified from the original announcement on 30 May 2022. Mr Princep approves of, and consents to, this Annual Mineral Resource and Reserves Statement as a whole and the inclusion of the information in relation to the exploration results and Mineral Resource for the Agadez Project in this announcement in the form and context in which it appears.

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities (collectively the **Group**), for the financial year ended 30 June 2022.

1. DIRECTORS

The names, qualifications, experience and special responsibilities of the Directors in office at any time during or since year-end are as follows. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

● **JAMES EGGINS** Non-Executive Chairman (*Appointed 15 November 2021*)

BA, LLB (Hons)

Mr Eggins previously held senior management roles at Queensland Mines Ltd, that developed and operated the Nabarlek uranium project in the Northern Territory; was General Manager and then Divisional Manager for Olympic Dam Marketing during his 15-year tenure with WMC Ltd and later, was the General Manager (Sales & Contract Administration) at Paladin Energy Ltd for seven years. Complementing forty years of uranium experience, Mr Eggins has also managed marketing and business development roles in mineral sands, refined copper, precious metals, and for the last seven years with Greenland Minerals Ltd, rare-earth minerals.

He has been involved with the mine-to-market supply chain for mines in Australia and Africa. Mr Eggins, who holds a BA from the University of Sydney and an LLB (Hons) from the Australian National University, Canberra, also served as Chair of the Uranium Information Centre and as a Board member of the World Nuclear Association.

Directorships held in other listed entities:

None

● **CAROLINE KEATS** Managing Director (*Appointed Non-executive director on 5 August 2021. Appointed Managing Director on 4 October 2021*)

BBus, LLB (Hons)

Ms Keats is a focused business leader and corporate executive with 20 years of corporate/commercial experience. She has extensive experience working with assets in foreign jurisdictions, particularly Africa and has successfully liaised with foreign governments to improve understanding about operational and Australian corporate requirements and facilitated outcomes beneficial to mining projects, local communities and the local economy.

Ms Keats is legally qualified, having commenced her career as a lawyer at Blake Dawson Waldron (now Ashurst) and then at Blakiston & Crabb (now Gilbert & Tobin). She has since worked in senior management and executive roles at Paladin Energy Ltd, Mawson West Limited, MRX Technologies (a Siemens business) and more recently held the Managing Director role at Tiger Resources Limited.

Directorships held in other listed entities:

Rincon Resources Ltd (ASX:RCR) – Non-executive Director. Appointed 6 December 2021, resigned 18 August 2022.

● **QUINTON DE KLERK** Non-Executive Director (*Appointed 14 January 2022*)

NHD, FAusIMM

Mr de Klerk is a highly qualified and accomplished mining engineer with more than 30-years' experience spanning operational roles in open pit and underground mining environments as well as consulting services across multiple jurisdictions and commodities.

Mr de Klerk has held senior positions with AngloGold Ashanti Ltd in South Africa, Namibia and Australia. He is currently the Head of Mining Engineering and a Director of Cube Consulting Pty Ltd where, for the past 16 years, he led the mining team in multiple feasibility studies, due diligence processes, reserves CP responsibilities and audits. He has a demonstrated and respected capability in providing strategic direction and advice to executives and boards of junior and mid-tier mining companies.

In addition to being a qualified mining engineer, Mr de Klerk is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a graduate of the Australian Institute of Company Directors (AICD) Company Directors course.

Directorships held in other listed entities:

None

DIRECTORS' REPORT**● PETER MEAGHER** Non-Executive Chairman (*resigned 15 November 2021*)**B.Econ. B.Com. CPA**

Mr Meagher is an accountant, who has worked in corporate advisory roles in stockbroking and merchant banking and as a finance Director, in Australia and overseas. He has been a Director of listed companies over a long period, including listed resources companies involved in exploration for copper, gold and other metals.

Directorships held in other listed entities:

Former Non-Executive Chairman of Castillo Copper Ltd (ASX:CCZ) (February 2019 - June 2019)

● SIMON JACKSON Managing Director (*stepped down as Managing director on 4 October 2021, resigned 15 November 2021*)**B.Com., FCA**

Mr Jackson is a Chartered Accountant with over 25 years' experience in the mining sector. He has previously held senior management positions at Beadell Resources Limited, Orca Gold Limited and Red Back Mining Inc.

Mr Jackson specialises in M&A, public equity markets management and corporate finance. His career has included corporate transactions in Canada, Australia, Africa and Indonesia and he holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants in Australia.

Directorships held in other listed entities:

Executive Director of Cygnus Gold Limited (ASX:CY5) since November 2017

Non-Executive Chairman of Sarama Resources Limited (TSXV: SWA) since March 2011

Simon is also former director of Orca Gold Inc. (TSXV:ORG) (April 2013 – May 2019), Beadell Resources Limited (ASX:BDR) (November 2015 – July 2019), Cardinal Resources Limited (ASX:CDV) (September 2015 – October 2017) and CZR Resources Limited (ASX:CZR) (January 2019 – September 2021).

● GRANT FERGUSON Non-Executive Director (*resigned 14 January 2022*)**BSc (Geology), PGradDip (Mining and Mineral Exploration)**

Mr Ferguson is a geologist with over 24 years' experience in all aspects of gold and base metal operations including significant African and country experience. He has experience in exploration, scoping/pre-feasibility/feasibility studies, project development and mining operations with a range of public and private companies. His experience includes precious and base metals, bulk commodities (coal & iron ore) and renewable energy projects across Australia, Africa, Asia, North America, Europe, and the Middle East. Mr Ferguson is a Fellow of the Australian Institute of Geoscientists (AIG), and a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM).

Directorships held in other listed entities:

None

2. COMPANY SECRETARIES

The following persons held the position of Joint Company Secretary since the start of the financial year to the date of this report:

● SARAH WILSON

Ms Wilson is a Company Secretary with Emerson Co Sec and has over 10 years' experience in company secretarial, corporate advisory and corporate governance roles, which have included the provision of company secretarial services to a number of resource companies. Ms Wilson holds a Certificate in Governance Practice and is a Certified Member of the Governance Institute of Australia.

● SHANNON COATES

Ms Coates is a non-executive director and Chartered Secretary. She is a qualified lawyer and has over 20 years' experience in corporate law and compliance. Ms Coates is currently Director of Emerson Co Sec, a national corporate advisory firm providing company secretarial and corporate advisory support to boards and various committees across a variety of industries including resources, oil and gas, manufacturing and technology.

DIRECTORS' REPORT

3. DIRECTORS' MEETINGS

The number of Directors' meetings attended by each of the Directors of the Company who hold or held office during the financial year was:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
James Eggins	4	4
Caroline Keats	7	7
Quinton de Klerk	3	3
Peter Meagher	4	4
Grant Ferguson	5	5
Simon Jackson	4	4

As at the date of this report, the Company has not established Remuneration, Nomination, Audit or Risk Committees as the Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.

4. DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company up to the date of this report were as follows:

	Shares (Direct) No.	Shares (Indirect) No.	Options (Direct) No.	Options (Indirect) No.
	No.	No.	No.	No.
2022				
James Eggins ¹	7,000,000	-	-	-
Caroline Keats ²	22,500,000	-	-	-
Quinton de Klerk ³	4,000,000	1,515,151	-	-
Peter Meagher ⁴	-	4,500,000	-	4,000,000
Grant Ferguson ⁵	-	20,266,717	-	8,000,000
Simon Jackson ⁶	-	5,000,000	-	8,000,000
	33,500,000	31,281,868	-	20,000,000

1. Appointed on 15 November 2021.

2. Appointed on 5 August 2021

3. Appointed on 14 January 2022. 1,515,151 Shares held by Mr Quinton de Klerk & Mrs Tina Louise de Klerk as trustee for the de Klerk Super Trust.

4. Held by Bond Street Custodians Limited as custodian for Peter Meagher Superfund Trust. Resigned on 15 November 2021.

5. 16,979,302 Shares and Options held by Fehu Capital Pty Ltd <Fehu Capital A/C>; 3,287,415 Shares held by The Steele Group Pty Ltd <Fergus A/C> as at date of resignation, 14 January 2022.

6. Held by Bigjac Investments Pty Ltd <Bigjac Investments A/C> as at date of resignation, 15 November 2021.

5. PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was uranium, copper/base metals exploration.

6. OPERATING RESULTS

For the 2022 financial year the Group delivered a loss after tax of \$4,542,384 (2021: \$1,243,075 loss).

7. REVIEW OF OPERATIONS

During the year, the Group continued its exploration of the prospecting licence portfolios. Refer to the detailed Operations Review on page 5 of the Annual Report.

8. DIVIDENDS

The Directors have not paid an interim dividend nor do they recommend the payment of a final dividend.

DIRECTORS' REPORT**9. FINANCIAL POSITION**

The net assets of the Group have increased from 30 June 2021 by \$4,139,638 to \$4,722,209 at 30 June 2022 (2021: \$582,571).

As at 30 June 2022, the Group's cash and cash equivalents increased from 30 June 2021 by \$3,595,197 to \$4,148,992 at 30 June 2022 (2021: \$553,795) and had working capital of \$4,045,033 (2021: \$499,566), as noted in Note 9.

The Directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

10. KEY BUSINESS RISKS

The Group is subject to various risk factors. Some of these are specific to its business activities while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of the Group.

a. OCCUPATIONAL HEALTH AND SAFETY RISKS

The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training, and emergency preparedness.

b. EXPLORATION RISK

Exploration and Mineral Resource development incorporates a high degree of technical and geological risk. The natural endowment of the ground being explored is the limiting factor and there always remains a risk of insufficient natural endowment to make an economic discovery.

Detailed planning of exploration programs, with external consultant input where required, ensures the highest quality exploration targets are tested. The Board approves all exploration programs and budgets to achieve outcomes in the Company's (and shareholders) best interests, with regular reporting provided to the Board of the results of exploration programs.

The Company undertakes business development activities to source new projects for the Company with the objective of acquiring assets with a high potential for exploration success.

c. SUPPLIER RISK

Current economic climate has impacted both the cost and availability of key suppliers (drill contractors, analytical laboratories, labour hire, consultants etc) to allow the Company to conduct exploration activity in a timely manner.

In order to mitigate these risks, the Company:

1. Maintains contact with multiple suppliers for services; and
2. Plans activities ahead of time, taking into account Board approved budget allocations and work programs, to ensure sufficient notice of work can be provided.

d. MINERAL RESOURCES

The Mineral Resources for the Group's projects are estimates only and no assurance can be given that they will be realised.

e. GOVERNMENT CHARGES

The Group has assets in multiple jurisdictions namely, Australia, Botswana and Niger. The mining industry is subject to a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact on the future profitability of the Company. The Company maintains communications with relevant parties to mitigate potential increases.

f. LOSS OF KEY MANAGEMENT PERSONNEL

The resources sector is currently highly competitive with significant cost escalation and wage growth. The loss of key management personnel would impact the Company's ability to undertake activities in a timely manner.

The Board maintains regular contact with the Company's Executive and other personnel to ensure the Board is fully informed of all material business issues. The Company undertakes annual reviews for key roles to ensure competitive contracts are in place and has contractual notice periods in place to minimise business disruption.

DIRECTORS' REPORT

g. ENVIRONMENTAL

The Group has environmental liabilities associated with its tenements which arise as a consequence of its operations. The Group monitors its ongoing environmental obligations and risks and implements rehabilitation and corrective actions as appropriate.

h. COVID-19

The Group continues to consider the implications of the COVID-19 pandemic on its business. Throughout 2022, the Group has continued to manage the risk that COVID-19 poses to the health and safety of its workforce across all jurisdictions that it operates in. The Group follows government guidelines with respect to managing COVID-19 and the impacts on the Group's employees and contractors.

i. MARKET RISK

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long-term debt, and therefore this risk is minimal.

j. COMMUNITY/SOCIAL RISKS

The Group operates in different jurisdictions with varying community, heritage and social laws and cultural practices. Community expectations are continually evolving and are managed through the development of robust strategies, maintaining strong relationships with communities and delivering on its commitments.

k. FINANCIAL RISKS

The Group recognises the importance of maintaining a strong balance sheet that enables flexibility to pursue strategic objectives. ENRG maintains policies which define appropriate financial controls and governance which seek to ensure financial risks are recognised, managed and recorded in a manner consistent with generally accepted industry practice and governance standards.

l. REGULATORY AND COMPLIANCE RISK

New or evolving regulations and international standards are outside the Company's control and are often complex and difficult to predict. The potential development of international opportunities can be jeopardised by changes to fiscal or regulatory regimes, adverse changes to tax laws, difficulties in interpreting or complying with local laws, material differences in sustainability standards and practices, or changes to existing political, judicial or administrative policies and changing community expectations.

m. ANTI-BRIBERY AND CORRUPTION RISK

The Group's business activities and operations are located in jurisdictions with varying degrees of political and judicial stability, including some countries with a relatively high inherent risk with regards to bribery and corruption. This exposes ENRG to the risk of unauthorised payments or offers of payments to or by employees, agents or distributors that could be in violation of applicable anti-corruption laws.

The Group has a clear Anti-bribery and Corruption Policy, and internal controls and procedures to protect against such risks, including training and compliance programmes for its employees, agents and distributors. However, there is no assurance that such controls, policies, procedures or programmes will protect the Group from potentially improper or criminal acts.

n. CHANGES IN GOVERNMENT

A rise in nationalist sentiment presents an operational risk to the Group. Sovereign risk associated with changes of government, including coup d'états, can result in sanctions. Fiscal policy changes can materially impact the profitability of the Group.

11. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group during the year ended 30 June 2022.

DIRECTORS' REPORT

12. EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (**COVID-19**) pandemic is ongoing and while it has been financially positive for the Group up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other events which occurred subsequent to the reporting date that are not covered in this Directors' Report or within the financial statements at Note 16.

13. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Group are referred to in the Operations Review on page 5 of this Annual Report.

14. DIRECTORS' SHAREHOLDINGS, CONTRACTS AND BENEFITS

Since the end of the previous financial year no Director of the Company has received, or became entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in the remuneration report below.

DIRECTORS' REPORT

15. REMUNERATION REPORT (AUDITED)

The full Board currently fulfils the role of a Remuneration Committee in line with a Remuneration Committee Charter and in accordance with the Company's adopted remuneration policy.

15.1. REMUNERATION POLICY

This policy governs the operations of the Remuneration Committee. The Committee shall review and reassess the policy at least annually and obtain the approval of the Board.

a. EXECUTIVE REMUNERATION

The Company's remuneration policy for Executive Directors and senior management is designed to promote superior performance and long-term commitment to the Company. Executive Directors receive a base remuneration which is market related, and may be entitled to performance-based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so.

Executive Directors' remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information and expert advice.

The Committee's reward policy reflects its obligation to align Executive Directors' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- (i) reward reflects the competitive market in which the Company operates;
- (ii) individual reward should be linked to performance criteria; and
- (iii) Executive Directors should be rewarded for both financial and non-financial performance.

The total remuneration of executives and other senior managers consists of the following:

- (i) **salary** - Executive Directors and senior managers receive a sum payable monthly in cash;
- (ii) **bonus** - Executive Directors and nominated senior managers are eligible to participate in a bonus or profit participation plan if deemed appropriate;
- (iii) **long term incentives** - Executive Directors may participate in share option schemes with the prior approval of shareholders. Executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and
- (iv) **other benefits** - Executive Directors and senior managers are eligible to participate in superannuation schemes and other appropriate additional benefits.

Remuneration of other executives consists of the following:

- (i) **salary** - senior executives receive a sum payable monthly in cash;
- (ii) **bonus** - each executive is eligible to participate in a bonus or profit participation plan if deemed appropriate;
- (iii) **long term incentives** - each senior executive may, where appropriate, participate in share option schemes which have been approved by shareholders; and
- (iv) **other benefits** - senior executives are eligible to participate in superannuation schemes and other appropriate additional benefits.

b. NON-EXECUTIVE REMUNERATION

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The full Board recommends the actual payments to Directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for Non-Executive Directors is currently \$300,000.

It is recognised that Non-Executive Directors' remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more closely than may be the case with larger companies, the Non-Executive Directors are entitled to participate in equity-based remuneration schemes subject to shareholder approval.

All Directors are entitled to have their indemnity insurance paid by the Company.

DIRECTORS' REPORT

15. REMUNERATION REPORT (AUDITED) (CONTINUED)

c. **BONUS OR PROFIT PARTICIPATION PLAN**

Performance incentives may be offered to Executive Directors and senior management of the Company through the operation of a bonus or profit participation plan at the ultimate discretion of the Board.

d. **VOTING AND COMMENTS MADE AT THE COMPANY'S 2021 ANNUAL GENERAL MEETING ("AGM")**

At the 2021 AGM, 99.66% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

e. **ADDITIONAL INFORMATION**

The loss of the Group for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018
	\$	\$	\$	\$	\$
• Sales revenue	-	-	-	-	-
• EBITDA	(7,329,043)	(1,159,088)	(1,139,506)	(2,724,961)	(4,725,945)
• EBIT	(7,328,997)	(1,159,207)	(1,139,625)	(2,730,502)	(4,727,556)
• Loss after income tax	(7,328,997)	(1,159,207)	(1,139,625)	(2,730,502)	(4,727,556)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2022	2021	2020	2019	2018
• Share price at financial year end (\$)	0.032	0.027	0.007	0.009	0.03
• Dividends declared (cents per share)	-	-	-	-	-
• Basic loss per share (cents per share)	(0.65)	(0.19)	-	(0.6)	(1.7)

15.2. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the emoluments of each of the key management personnel (KMP) of the Company for the year ended 30 June 2022 are set out in the following tables.

2022	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
Group KMP	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity / Perf. Rights	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Eggins ¹	37,500	-	-	-	3,750	-	-	5,428	-	46,678
Caroline Keats ²	222,580	50,000	-	-	17,676	-	-	23,833	-	314,089
Quinton de Klerk ³	13,629	-	-	-	1,363	-	-	3,619	-	18,611
Peter Meagher ⁴	22,500	-	-	-	2,250	-	-	-	-	24,750
Simon Jackson ⁵	114,167	-	-	-	11,417	-	-	-	4,712	130,296
Grant Ferguson ⁶	57,950	-	-	-	-	-	-	-	4,283	62,233
	468,326	50,000	-	-	36,456	-	-	32,880	8,995	596,657

1. Appointed on 15 November 2021.

2. Appointed as a Non-executive Director on 5 August 2021, appointed as Managing director on 4 October 2021.

3. Appointed on 14 January 2022.

4. Resigned on 15 November 2021.

5. Resigned on 15 November 2021.

6. Resigned on 14 January 2022. Including \$41,700 in fees relating to consultancy for the year ended 30 June 2022. (2021: \$78,689)

DIRECTORS' REPORT

15. REMUNERATION REPORT (AUDITED) (CONTINUED)

15.2. DETAILS OF REMUNERATION (CONTINUED)

2021 Group KMP	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity / Perf. Rights	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Peter Meagher	60,000	-	-	-	5,700	-	-	-	-	65,700
Simon Jackson	165,000	-	-	-	15,675	-	-	-	12,228	192,903
Grant Ferguson ¹	108,689	-	-	-	-	-	-	-	16,193	124,882
	333,689	-	-	-	21,375	-	-	-	28,421	383,485

1. Including \$78,689 in fees relating to consultancy for the year ended 30 June 2021. (2020: \$131,200)

15.3. THE PROPORTION OF REMUNERATION LINKED TO PERFORMANCE AND THE FIXED PROPORTION ARE AS FOLLOWS:

Name	Fixed remuneration		Short-term Incentive		Long-term Incentive	
	2022	2021	2022	2021	2022	2021
James Eggins ¹	88%	-	-	-	12%	-
Caroline Keats ²	76%	-	16%	-	8%	-
Quinton de Klerk ³	81%	-	-	-	19%	-
Peter Meagher ⁴	100%	100%	-	-	-	-
Simon Jackson ⁵	97%	94%	-	-	3%	6%
Grant Ferguson ⁶	93%	87%	-	-	7%	13%

1. Appointed on 15 November 2021.
2. Appointed as a Non-executive Director on 5 August 2021, appointed as Managing director on 4 October 2021.
3. Appointed on 14 January 2022.
4. Resigned on 15 November 2021.
5. Resigned on 15 November 2021.
6. Resigned on 14 January 2022.

15.4. EQUITY INSTRUMENTS DISCLOSURE RELATING TO KMP

a. SHAREHOLDINGS

Number of shares held by Parent Entity Directors and other KMP of the Group, including their personally related parties, are set out below:

2022	Balance at start of year	Balance on Appointment	Received during the year as loan shares ⁴	Received during the year on the exercise of options	Other changes during the year ¹	Balance at end of year/at resignation
	No.	No.	No.	No.	No.	No.
James Eggins	-	-	6,000,000	-	1,000,000	7,000,000
Caroline Keats	-	-	20,000,000	-	2,500,000	22,500,000
Quinton de Klerk	-	-	4,000,000	-	-	4,000,000
Peter Meagher	4,500,000	-	-	-	-	4,500,000
Simon Jackson ²	5,000,000	-	-	-	-	5,000,000
Grant Ferguson ³	20,266,717	-	-	-	-	20,266,717
	29,766,717	-	30,000,000	-	3,500,000	63,266,717

1. Other changes during the year represent on participation of capital raising.
2. Balance at resignation date on 15 November 2021.
3. Balance at resignation date on 14 January 2022.
4. Refer 15.7 for details.

DIRECTORS' REPORT

15. REMUNERATION REPORT (AUDITED) (CONTINUED)

15.4. EQUITY INSTRUMENTS DISCLOSURE RELATING TO KMP (CONTINUED)

b. OPTION HOLDINGS

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

2022	Balance at start of year	Granted as Compensation	Options Exercised/ lapsed	Net Change Other	Balance on Appointment	Balance at end of year/ at resignation	Total Exercisable	Total at end of year
	No.	No.	No.	No.	No.	No.	No.	No.
James Eggins	-	-	-	-	-	-	-	-
Caroline Keats	-	-	-	-	-	-	-	-
Quinton de Klerk	-	-	-	-	-	-	-	-
Peter Meagher	4,000,000	-	-	-	-	4,000,000	4,000,000	4,000,000
Simon Jackson ¹	8,000,000	-	-	-	-	8,000,000	8,000,000	8,000,000
Grant Ferguson ²	8,000,000	-	-	-	-	8,000,000	8,000,000	8,000,000
	20,000,000	-	-	-	-	20,000,000	20,000,000	20,000,000

1. Balance at resignation date on 15 November 2021.

2. Balance at resignation date on 14 January 2022.

15.5. OTHER TRANSACTIONS WITH KMP AND THEIR RELATED PARTIES

a. RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES ARE AS FOLLOWS:

The following balances were outstanding at the reporting date in relation to transactions with related parties:

	30 June 2022 \$	30 June 2021 \$
Former director's fee payable to The Steele Group ¹	-	10,835

¹ Grant Ferguson is a Director of The Steele Group which has a Contract Services Agreement with the Company. Mr Grant Ferguson resigned on 14 January 2022.

b. LOANS TO / FROM KMP

There were no loans with KMP or their related parties. (2021: Nil)

c. TRANSACTIONS WITH RELATED PARTIES OF KMP

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

● The Steele Group

The Steele Group, a Company where Mr Grant Ferguson is a director, provides consulting services in accordance with a service agreement. Mr Grant Ferguson resigned as a Director on 14 January 2022.

	30 June 2022 \$	30 June 2021 \$
	41,700	78,689

There have been no other transactions in addition to those described in the tables or as detailed in Note 18 Related Party Transactions.

DIRECTORS' REPORT

15. REMUNERATION REPORT (AUDITED) (CONTINUED)

15.6. OPTIONS ISSUED AS PART OF REMUNERATION

During the year, no options were granted to KMP of the Company as remuneration (2021: Nil).

15.7. SHARES ISSUED AS PART OF REMUNERATION

During the year, loan shares were issued to Directors of the Company as remuneration, as set out below:

Following shareholders' approval, the Company issued 20,000,000 loan shares and 10,000,000 loan shares on 11 January 2022 and 4 March 2022 respectively (together **the Loan Share**) to the directors pursuant to the Company's Employee Securities Incentive Plan (**the Plan**), on the following terms:

Director	Number of Loan Shares	Date of issue	Date of Expiry	Exercise Price	Tranche
Caroline Keats	20,000,000	11 January 2022	11 January 2027	\$0.023	Tranche 1
James Eggins	6,000,000	4 March 2022	4 March 2027	\$0.024	Tranche 2
Quinton de Klerk	4,000,000	4 March 2022	4 March 2027	\$0.024	Tranche 2

The material terms of the Loan and Loan Shares are as follows:

- The issue price of each Loan Share will be equal to the 10-day VWAP of the Company's Shares as at date of issue.
- The related parties are to grant the Company a pledge of their respective Loan Shares and a charge over all dividends and other amounts paid or payable on their respective Loan Shares.
- The respective Loans must be repaid on the earlier of:
 - Five years after issuance of the Loan Shares, and;
 - Three months after the relevant related party ceases to be eligible employee for any reason under the Plan; or
 - If determined by the Board to be repayable as a result of, or in anticipation of, a change of control event occurring in respect of the Company.
- The related parties must not transfer, encumber or otherwise dispose of, or have a security interest granted over any Loan Share unless and until the respective Loan is repaid.
- The Company's sole recourse in the event that a Loan is not repaid will be limited to the respective Loan Shares and the Company may sell the Loan Shares or dispose of such number of Loan Shares for their market price as the Board determines in its absolute discretion.

15.8. SERVICE CONTRACTS OF KMP

The KMP terms are formalised in service agreements, a summary of which is set out below.

Name	Contract Duration	Termination Notice period by Company	Termination Notice period by Executive
Caroline Keats	On going	one month	three months
Grant Ferguson	On going	one month	one month
Simon Jackson	On going	six months	six months

Non-Executive Directors

All Non-Executive Directors were appointed by a letter of appointment.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

16. INDEMNIFYING OFFICERS

In accordance with the Constitution, except as may be prohibited by the *Corporations Act 2001* (Cth), every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him/her in his/her capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Company has entered into Deeds of Indemnity and Access with each of its Directors (**Deeds**). Pursuant to the Deeds, the Company will indemnify each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of 7 years after the relevant Director's retirement or resignation.

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of any liability and the amount of the premium.

17. SHARES

As at the date of this report, there are 926,486,703 fully paid ordinary shares on issue.

18. OPTIONS

At the date of this report, there are 65,000,000 unissued ordinary shares of the Company under option as follows:

Unlisted options	Date of Expiry	Exercise Price	Number
Unlisted Options	7 December 2023	\$0.045	14,000,000
Unlisted Options	19 November 2023	\$0.045	3,000,000
Unlisted Options	29 May 2024	\$0.036	10,500,000
Unlisted Options	1 February 2025	\$0.020	25,000,000
Unlisted Options	21 June 2025	\$0.035	12,500,000

During the financial year to 30 June 2022, no Options lapsed unexercised.

Option holders do not have any rights to participate in new issues of shares or other interests in the Company or any other entity.

19. INDEMNITY AND INSURANCE OF AUDITOR

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

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

20. ENVIRONMENTAL REGULATION

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors of the Group are not aware of any breach of environmental regulations for the year under review.

21. NON-AUDIT SERVICES

During the year, RSM Australia Partners, the Company's auditor, provided taxation compliance services, in addition to their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at Note 19.

In the event that non-audit services are provided by RSM Australia Partners, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

DIRECTORS' REPORT**22. PROCEEDINGS ON BEHALF OF THE COMPANY**

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

The Company was not a party to any such proceedings during the year.

23. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* (Cth) is set out on page 23.

24. AUDITOR

The auditor, RSM Australia Partners continues in accordance with s.327 of the *Corporations Act 2001* (Cth).

This report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors made pursuant to s.298(2)(a) of the *Corporations Act 2001* (Cth).

**Caroline Keats**

Managing Director

Dated this Wednesday, 28 September 2022



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of ENRG Elements Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 September 2022

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AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Other income	1	216	27,508
Share of loss of associate accounted for using the equity method	13	(16,900)	-
Administration expense		(54,796)	(38,352)
Compliance and regulatory		(315,262)	(209,094)
Consulting and legal		(319,114)	(271,070)
Depreciation and amortisation		(46)	(119)
Employee benefit expense	2.1	(561,021)	(350,423)
Exploration expense	2.2	(5,124,956)	(171,299)
Travel and accommodation		(63,261)	(3,251)
Share based payments	21	(587,466)	(99,904)
Other expenses		(287,128)	(42,779)
Unrealised gain / (loss) on foreign exchange		737	(424)
Loss before income tax		(7,328,997)	(1,159,207)
Income tax expense	4	-	-
Loss from continuing operations		(7,328,997)	(1,159,207)
<i>Discontinued Operations</i>			
Profit / (Loss) from discontinued operations (attributable to equity holders of the Company)	12	2,786,613	(83,868)
Net loss for the year		(4,542,384)	(1,243,075)
<i>Other comprehensive income for the year:</i>			
● Items that may be reclassified subsequently to profit or loss:			
○ Exchange differences on translation of foreign operations		60,012	(7,478)
Other comprehensive income for the year, net of tax		60,012	(7,478)
Total comprehensive loss for the year		(4,482,372)	(1,250,553)
<i>Total Comprehensive Loss is attributable to:</i>			
● Equity holders of the Company		(4,482,372)	(1,250,553)
		(4,482,372)	(1,250,553)
<i>Total comprehensive (loss)/income attributable to owners of the Company arises from:</i>			
● Continuing operations		(7,328,997)	(1,159,207)
● Discontinued operations		2,846,625	(91,346)
<i>Earnings per share:</i>		¢	¢
Basic loss per share	20	(0.654)	(0.193)
Basic loss per share from continuing operations	20	(1.055)	(0.180)
Basic earnings/(loss) per share from discontinued operations	20	0.410	(0.014)

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

ENRG ELEMENTS LIMITED*Formerly known as Kopore Metals Limited*

ABN 73 149 230 811

ANNUAL REPORT 30 JUNE 2022**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	5.1	4,148,992	553,795
Other receivables	5.2	292,322	61,229
Other current assets	5.3	14,775	14,012
Assets classified as held for sale	12.1	-	68,947
Total current assets		4,456,089	697,983
Non-current assets			
Plant and equipment	6.1	-	46
Investment in associate	13.2	662,401	-
Total non-current assets		662,401	46
Total assets		5,118,490	698,029
Current liabilities			
Trade and other payables	5.4	396,281	115,458
Total current liabilities		396,281	115,458
Total liabilities		396,281	115,458
Net assets		4,722,209	582,571
Equity			
Contributed equity	7.1.1	17,170,761	9,103,337
Reserves	7.3	760,330	145,732
Accumulated losses		(13,208,882)	(8,666,498)
Total equity		4,722,209	582,571

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Contributed equity \$	Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2020		9,055,837	925,806	(8,248,423)	1,733,220
Loss for the year		-	-	(1,243,075)	(1,243,075)
Other comprehensive loss for the year		-	(7,478)	-	(7,478)
Total comprehensive loss for the year		-	(7,478)	(1,243,075)	(1,250,553)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	7.1.1	47,500	-	-	47,500
Share-based payments - options	7.2.1	-	52,404	-	52,404
Options expired during the year	7.2.1	-	(825,000)	825,000	-
Balance at 30 June 2021		9,103,337	145,732	(8,666,498)	582,571
Balance at 1 July 2021		9,103,337	145,732	(8,666,498)	582,571
Loss for the year		-	-	(4,542,384)	(4,542,384)
Other comprehensive income for the year		-	60,012	-	60,012
Total comprehensive income/(loss) for the year		-	60,012	(4,542,384)	(4,482,372)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	7.1.1	8,067,424	-	-	8,067,424
Share-based payments - options	7.2.1	-	554,586	-	554,586
Balance at 30 June 2022		17,170,761	760,330	(13,208,882)	4,722,209

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Payments to suppliers & employees		(1,313,442)	(851,394)
Interest received		216	4,120
Payments for exploration expenditure		(1,007,463)	(267,217)
Net cash outflow from operating activities	5.1.2(a)	(2,320,689)	(1,114,491)
Cash flow from investing activities:			
Proceed from disposal of investments net of costs		2,078,255	-
Cash deemed available for sale on discontinued operation		-	(4,743)
Net cash inflow / (outflow) from investing activities		2,078,255	(4,743)
Cash flow from financing activities:			
Proceeds from issue of shares		4,047,000	-
Cost of capital raising		(209,369)	-
Net cash inflow from financing activities		3,837,631	-
Net decrease in cash held		3,595,197	(1,119,234)
Effect of foreign exchange movement on cash		-	-
Cash and cash equivalents at the beginning of the year		553,795	1,673,029
Cash and cash equivalents at the end of year	5.1	4,148,992	553,795

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

In preparing the 2022 financial statements, ENRG Elements Limited (formerly known as Kopore Metals Limited) has grouped notes into sections under five key categories:

● Section A: How the numbers are calculated	29
● Section B: Risk	42
● Section C: Group structure	46
● Section D: Unrecognised items	51
● Section E: Other Information	52

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

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

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WEST PERTH WA 6005

Telephone: +61 (0)8 9322 1587

Facsimile: +61 (0)8 9322 5230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- (b) analysis and sub-totals, including segment information; and
- (c) information about estimates and judgements made in relation to particular items.

NOTE	1	REVENUE AND OTHER INCOME	2022 \$	2021 \$
1.1		From continuing operations:		
		Interest – unrelated parties	216	4,120
		Other income – ATO cash boost	-	23,388
		Total revenue and other income	216	27,508

1.1.1 Accounting Policy

(a) Interest revenue

Interest revenue is recognised in accordance with Note 3.1 Finance income and expenses.

(b) Other income

Other income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST (Note 24.4 Goods and Services Tax (GST)).

NOTE	2	LOSS BEFORE INCOME TAX	Note	2022 \$	2021 \$
		Loss before income tax has been determined after including the following expenses:			
2.1		Employee benefit expense			
		● Directors' fees		426,626	255,000
		● Salaries and Wages		44,844	74,048
		● Superannuation		36,456	21,375
		● Bonus		50,000	-
		● Other		3,095	-
				561,021	350,423
2.2		Exploration and evaluation costs:			
		● Exploration and evaluation expenditure	6.2.5	989,117	171,299
		● Exploration assets purchased written off	11.1	4,135,839	-
				5,124,956	171,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2 LOSS BEFORE INCOME TAX (CONT.)

2.3 Accounting Policy

2.3.1 Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

2.3.2 Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

2.3.3 Long service leave

Any liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

NOTE 3 OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO ITEMS OF PROFIT AND LOSS

3.1 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE	4	INCOME TAX	2022 \$	2021 \$
4.1		The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
		Loss before income tax	(7,328,997)	(1,159,207)
		Prima facie tax payable on loss from ordinary activities before income tax at 30% (2021: 30%)	(2,198,699)	(347,762)
		Capital-raising costs deductible	(45,650)	(31,145)
		Non-deductible expenses	134,333	25,175
		Share based payments	176,240	29,971
		Tax effect of discontinued operations	835,984	(25,160)
		Deferred tax asset not brought to account	1,097,792	348,921
		Income tax expense	-	-
4.2		Deferred tax liability		
		Exploration and evaluation expenditure – Australia Mining Properties	-	-
		Temporary differences – Australia	-	-
		Off-set of deferred tax assets	-	-
		Net deferred tax liability recognised	-	-
4.3		Unrecognised deferred tax assets arising on timing		
		Tax Losses	5,410,116	3,451,769
		Temporary Differences	167,497	46,347
		Capital losses	1,931,381	1,931,381
			7,508,994	5,429,497
		Off-set of deferred tax liabilities	-	-
		Net deferred tax assets unrecognised	7,508,994	5,429,497

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 4 INCOME TAX (CONT.)

4.4 Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group has tax losses of \$18,033,720 (2021: \$11,505,896) that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group. The recoupment of available tax losses as at 30 June 2022 are contingent upon the Group satisfying the following conditions:

- deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by tax legislation continuing to be complied with and the Company meeting either its continuity of ownership test or in the absence of satisfying that test the Company can satisfy the same business test; and
- there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above or the Commissioner of Taxation challenges the Group's ability to utilise its losses, the Group may be liable for future income tax on assessable income derived by the Company.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors. These estimates consider both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that Directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

4.5 Accounting Policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Cash and cash equivalents

	2022 \$	2021 \$
Cash at bank and on hand	4,143,992	548,795
Bank term deposits	5,000	5,000
	4,148,992	553,795

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the consolidated statement of financial position as follows:

Cash and cash equivalents	4,148,992	553,795
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5.1.1 The Group's exposure to interest rate risk is discussed in Note 8.2.4.

5.1.2 Cash Flow Information

(a) Reconciliation of cash flow from operations to loss after income tax

Operating loss after income tax	(4,542,384)	(1,243,075)
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Add / (less) non-cash items:

● Depreciation	46	119
● Share of associate's losses	16,900	-
● Share-based payments	587,466	99,905
● Foreign exchange differences (unrealised)	60,013	(7,478)
● Mineral exploration and evaluation assets	-	12,605
● Gain on disposal of subsidiary company	(2,786,613)	-
● Fair value of shares issued for assets acquired	4,200,000	-

Changes in assets and liabilities

● Other receivables	(66,312)	(4,647)
● Other assets	(67,541)	-
● Trade and other payables	277,736	28,080

Net Cash Flow used in Operating Activities	(2,320,689)	(1,114,491)
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(b) Non-cash financing and investing activities

2022

On 24 May 2022, the Company issued 120,000,000 ordinary shares as part consideration pursuant to Share Sales Agreement to acquire Agadez Project in Niger.

2021

Nil.

5.1.3 Accounting Policy

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

5.2 Other receivables

	2022	2021
	\$	\$
5.2.1 <i>Current</i>		
GST refundable	44,696	25,198
Other receivables	247,626	36,031
	292,322	61,229

5.2.2 The Group's financial instruments consist mainly of deposits with banks, accounts receivables and payables and loans to subsidiaries. Risk exposure arising from current receivables is set out in Note 8.

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

5.2.3 The Group did not recognise any losses in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

5.2.4 *Accounting Policy*

Other receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Allowance for expected credit losses of receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the allowance for expected credit losses is recognised in the statement of profit or loss and other comprehensive income within other expenses. When another receivable for which an allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

5.3 Other Assets

	2022	2021
	\$	\$
5.3.1 <i>Current:</i>		
Prepayments	14,775	14,012
	14,775	14,012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

5.4 Trade and other payables		2022	2021
		\$	\$
5.4.1 Current:			
Unsecured			
Trade payables		66,863	19,958
Other payables and accruals		329,418	95,500
Total unsecured liabilities		396,281	115,458

5.4.2 Accounting Policy

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade creditors and other payables are presented as current liabilities unless payment is not due within 12 months.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

5.5 Other Significant Accounting Policies related to Financial Assets and Liabilities

5.5.1 Investments and other financial assets

a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

5.5 Other Significant Accounting Policies related to Financial Assets and Liabilities (cont.)

i. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

ii. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d. Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTE 6 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Plant and equipment

6.1.1 Non-current:

Furniture, fittings and equipment at cost
Less accumulated depreciation

	2022 \$	2021 \$
	594	594
	(594)	(548)
	-	46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.1 Plant and equipment (cont.)

Non-current: (cont.)

Motor vehicles at cost

Less accumulated depreciation

Motor vehicles disposed off

2022	2021
\$	\$
27,775	27,775
(17,723)	(17,723)
(10,052)	(10,052)
-	-
-	46

6.1.2 Accounting Policy

(a) Recognition and measurement

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

(c) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

- Furniture, fittings and equipment 5 years
- Motor vehicles 5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Derecognition and disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.2 Mineral Exploration and Evaluation Assets

	2022 \$	2021 \$
6.2.1 <i>Non-current:</i>		
Balance at the beginning of the year	-	66,427
Written off during the year	-	(12,400)
Foreign exchange movements	-	125
Reclassified as assets held for sales	-	(54,152)
Balance at the end of the financial year	-	-

6.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

6.2.3 *Key Estimate – Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is no sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

6.2.4 *Key Judgments – Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is \$Nil (2021: \$Nil).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

6.2.5 *Accounting Policy*(a) **Exploration and evaluation expenditure**

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

Ongoing exploration and evaluation expenditures are expensed as incurred.

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.2.5 *Accounting Policy (cont.)*

(b) Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively sale, of the respective area of interest.

6.3 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

6.3.1 *Impairment of non-financial assets*

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTE 7 EQUITY

7.1 Issued capital	Note	2022 No.	2021 No.	2022 \$	2021 \$
Fully paid ordinary shares at no par value	7.1.1	926,486,703	645,388,900	17,170,761	9,103,337
7.1.1 <i>Ordinary shares</i>					
At the beginning of the year		645,388,900	642,888,900	9,103,337	9,055,837
Shares issued during the year:					
● Shares issued @ \$0.019 per share	21.1.1(e)	-	2,500,000	-	47,500
● Shares Placement @ \$0.03 per share		40,000,000	-	1,200,000	-
● Directors' Loan Shares	7.1.1(a)	30,000,000	-	32,880	-
● Consideration shares @ \$0.035 per share	7.1.1(b)	120,000,000	-	4,200,000	-
● Shares Placement @ \$0.033 per share		89,393,939	-	2,950,000	-
● Consultant's shares @ \$0.031 per share	7.1.1(c)	1,703,864	-	52,820	-
Transaction costs relating to share issues					
● Share-based payments (Shares)	21	-	-	(155,820)	-
● Share-based payments (Options)		-	-	-	-
● Share issue costs – Cash-based		-	-	(212,456)	-
At end of the year		926,486,703	645,388,900	17,170,761	9,103,337

Total contributions of equity net of transaction costs are \$8,067,424 for the year ended 30 June 2022 (2021: \$47,500).

(a) Directors' loan shares issued pursuant to Employee Securities Incentive Plan approved at the Annual General Meeting held on 11 January 2022. Refer to note 21.1.1(a) Directors Loan Shares for details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 7 EQUITY (CONT.)

(b) 120,000,000 ordinary shares issued as part consideration pursuant to Share Sales Agreement to acquire Agadez Project in Niger.

(c) Shares issued to consultant as consideration for service provided.

7.1.2 Terms and Conditions

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

7.1.3 Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

7.2 Options

For information relating to the share-based payment plan, including details of options issued and/or lapsed during the financial year, and the options outstanding at balance date, refer to Note 21 Share-based Payments. The total number of options on issue are as follows:

	Note	2022	2021	2022	2021
		No.	No.	\$	\$
7.2.1 Unlisted options					
At the beginning of the year		50,000,000	80,000,000	250,847	1,023,443
Options issued / expired during the year:					
● Expired unexercised – Ex. Date: 8.11.20 Ex. Price: \$0.06		-	(55,000,000)	-	(825,000)
● Issued - Exp. Date: 1.2.2025 Ex. Price: \$0.02	21	-	25,000,000	322,591	23,983
● Amortisation of options issued to directors	21	-	-	8,995	28,421
● Issued - Exp. Date: 29.05.2024 Ex. Price: \$0.036	21	2,500,000	-	32,000	-
● Issued - Exp. Date: 21.06.2025 Ex. Price: \$0.035	21	12,500,000	-	191,000	-
At end of the year		65,000,000	50,000,000	805,433	250,847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 7 EQUITY (CONT.)

7.3 Reserves	Note	2022 \$	2021 \$
Foreign currency translation reserve	7.3.1	(45,103)	(105,115)
Share-based payment reserve	7.3.2	805,433	250,847
		760,330	145,732

7.3.1 *Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	2022 \$	2021 \$
Balance at beginning of the year	(105,115)	(97,637)
Change in reserve	60,012	(7,478)
Balance at end of the year	(45,103)	(105,115)

7.3.2 *Share-based payment reserve*

The share-based payment reserve records the value of options issued to Directors, employees or consultants.

	Note	2022 \$	2021 \$
Balance at beginning of the year		250,847	1,023,443
Options issued	21	223,000	23,983
Amortisation of options issued to directors in 30 June 2019 financial year	21	331,586	28,421
Options expired	7.2.1	-	(825,000)
Balance at end of the year		805,433	250,847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

NOTE 8 FINANCIAL RISK MANAGEMENT

8.1 Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivables and payables, loans to subsidiaries. The Group does not speculate in the trading of derivative instruments.

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Group holds the following financial instruments:

Financial assets

- Cash and cash equivalents
- Other receivables

Financial liabilities

- Trade and other payables

Net financial instruments

	2022 \$	2021 \$
Cash and cash equivalents	4,148,992	553,795
Other receivables	292,322	61,229
	4,441,314	615,024
Trade and other payables	396,281	115,458
	396,281	115,458
Net financial instruments	4,045,033	499,566

8.2 Specific Financial Risk Exposures and Management

8.2.1 Market risk

a. Foreign exchange risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the Group being US dollar (USD), Botswana Pula and West Africa CFA franc (XOF). Currently there are no foreign exchange programs in place. The Group treasury function manages the purchase of foreign currency to meet operational requirements. The impact of reasonably possible changes in foreign exchange rates for the Group has the potential to be material. The Group monitors this risk on a regular basis.

b. Price risk

The Group is not exposed to securities price risk on investments held for trading or for medium to longer term as no such investments are currently held.

8.2.2 Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or group of receivables.

The Group applies simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables and contract assets.

Credit risk related to balances with banks and other financial institutions is managed by the Directors in accordance with approved Company policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8 FINANCIAL RISK MANAGEMENT (CONT.)

8.2 Specific Financial Risk Exposures and Management (cont.)

8.2.3 Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the Group is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

All liabilities are current and will be repaid in normal trading terms.

(a) Contractual Maturities

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	396,281	115,458	-	-	396,281	115,458
Total contractual outflows	396,281	115,458	-	-	396,281	115,458
Financial assets						
Cash and cash equivalents	4,148,992	553,795	-	-	4,148,992	553,795
Other receivables	292,322	61,229	-	-	292,322	61,229
Total anticipated inflows	4,441,314	615,024	-	-	4,441,314	615,024
Net inflow on financial instruments	4,045,033	499,566	-	-	4,045,033	499,566

It is not expected that the cash flows included in the maturity analysis could occur significantly later or at significantly different amounts.

8.2.4 Cash flow and interest rate risk

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances. As such, this is not considered a material exposure and no sensitivity analysis has been prepared.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8 FINANCIAL RISK MANAGEMENT (CONT.)

2022

Financial assets

Cash and cash equivalents

Other receivables

Weighted average interest rate

Financial Liabilities

Trade and other payables

	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
2022				
Financial assets				
Cash and cash equivalents	4,143,992	5,000	-	4,148,992
Other receivables	-	-	292,322	292,322
	4,143,992	5,000	292,322	4,441,314
Weighted average interest rate	0.76%	0.1%	N/A	
Financial Liabilities				
Trade and other payables	-	-	396,281	396,281
	-	-	396,281	396,281
2021				
Financial assets				
Cash and cash equivalents	548,795	5,000	-	553,795
Other receivables	-	-	61,229	61,229
	548,795	5,000	61,229	615,024
Weighted average interest rate	0.76%	0.1%	N/A	
Financial Liabilities				
Trade and other payables	-	-	115,458	115,458
	-	-	115,458	115,458

8.2.5 Net fair value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement: Disclosures* requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

All financial assets are classified as Level 1 and their value has been calculated in line with accounting policy note 24.8 Fair Value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is not subject to any externally imposed capital requirements.

The working capital position of the Group at 30 June 2022 and 30 June 2021 is as follows:

	Note	2022 \$	2021 \$
Cash and cash equivalents	5.1	4,148,992	553,795
Other receivables	5.2	292,322	61,229
Trade and other payables	5.4	(396,281)	(115,458)
Working capital position		4,045,033	499,566

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- (b) transactions with non-controlling interests, and
- (c) interests in joint operations.

A list of significant subsidiaries is provided in Note 10.

NOTE 10 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Country of Incorporation	Percentage Owned	
		2022 %	2021 %
● Alvis-Crest Holdings (Pty) Ltd ⁽¹⁾	Botswana	25	100
● Ashmead Holdings (Pty) Ltd	Botswana	100	100
● Icon-Trading Company (Pty) Ltd	Botswana	100	100
● Global Exploration Technologies Pty Ltd	Australia	100	100
● Kopore (WA) Pty Ltd	Australia	100	100
● EF Niger Exploration SARL	Niger	100	-

⁽¹⁾ The Company sold its 75% equity in Alvis-Crest Holdings (Pty) Ltd to 25% (refer Note 12). The remaining equity holding (25% at 30 June 2022) is recognised and measured as an associate (Refer Note 13).

Investments in subsidiaries are accounted for at cost and have been written down to nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 11 Asset Acquisition

11.1 EF Niger Exploration SARL

On 24 May 2022, the Company has completed the 100% acquisition of the Agadez Project in Niger ("Agadez" or the "Project") following the Company entering into a binding share sale agreement (ASX Release – 9 December 2021) with Endeavour Finance AG ("Endeavour"), via the acquisition of Endeavour's wholly owned subsidiary EF Niger Exploration SARL (EF Niger).

The consideration for the acquisition was satisfied through the payment of US\$100,000 and issued of 120,000,000 Shares at \$0.02 per share. The Company also has issued 80,000,000 Performance Shares to Endeavour Financial AG (or its nominees) expiring 24 May 2027 years from the date of issue and 50,000,000 Performance Options to Endeavour Financial AG (or its nominees) exercisable at \$0.03 each and expiring 24 May 2025 from the date of issue. The Performance Shares and Options will vest if the Company declares a Mineral Resource Estimate of at least 16Mlb of U₃O₈ (at a minimum grade of 200ppm U₃O₈) on any of the Permits.

As the acquisition of EF Niger Exploration SARL is not deemed a business combination, the transaction is accounted for as an asset acquisition for the net assets acquired.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned carrying amount on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Fair value of identifiable assets and liabilities acquired are as follows:

- Exploration assets
- Cash
- Other intangible assets
- Payables

Net assets at completion

Purchase consideration:

- Shares issued
- Cash
- Debts assigned

Total purchase consideration at completion

Net cash inflow on acquisition:

Cash acquired

Net cash inflow from investing activities

As at 24 May 2022 \$
4,135,839
83
204,587
(249,520)
4,090,989
4,200,000
140,509
(249,520)
4,090,989
As at 24 May 2022 \$
83
83

Exploration assets acquired amount to \$4,135,839 was written off subsequently to the profit or loss in according to the Company's policy as disclosed in Note 6.2.5 Accounting Policy Exploration and evaluation expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 12 DISCONTINUED OPERATIONS

12.1 Sale of Alvis-Crest (Proprietary) Limited (Alvis)

On 24 March 2021, the Company entered into a binding term sheet to sell 75% equity in Alvis to AIM listed ARC Minerals Limited (AIM: ARCM) (ARC).

On 11 November 2021, the Company has completed the sales of 75% of the issued capital in its wholly owned subsidiary, Alvis-Crest (Proprietary) Limited.

Comparative balances in the Statement of Profit or Loss and Other Comprehensive income have been adjusted for this disposal.

Operating results of the business are not included in operating segment disclosed in note 22 Segment Reporting.

Financial information relating to the discontinued operation to the date of sale is set out below:

12.1.1 The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:

	2022 \$	2021 \$
Revenue and other income	-	-
Expenses	(30,154)	(83,868)
Loss before income tax	(30,154)	(83,868)
Income tax expense	-	-
Loss after income tax of discontinued operation	(30,154)	(83,868)
Gain on sale of the subsidiary after income tax	2,816,767	-
Profit/(loss) from discontinued operation	2,786,613	(83,868)

12.1.2 The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:

Net cash outflow from operating activities	(30,154)	(78,794)
Net cash flow generated by the discontinued operations	(30,154)	(78,794)

12.1.3 Profit on disposal of the operation is included in discontinued operations per the statement of profit and loss and comprehensive income

Cash and cash equivalents	-	4,743
Other current assets	62,269	64,204
Total assets	62,269	68,947
Trade and other payables	846,381	-
Total liabilities	846,381	-
Net (liabilities)/Assets	(784,112)	68,947

12.1.4 Details of the disposal

	30 June 2022 \$	30 June 2021 \$
Sales consideration – shares at fair value	2,037,904	-
Fair value of residual interest	679,301	-
Carrying amount of net liabilities disposed	738,612	-
Disposal costs	(639,050)	-
Gain on disposal before income tax	2,816,767	-
Gain on disposal after income tax	2,816,767	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note	13	Investment accounted for using the equity method	30 June 2022 \$	30 June 2021 \$
13.1	Non-Current			
		Investment accounted for using the equity method	662,401	-
			662,401	-

13.2 Information about associates

13.2.1 Set out below are the investment accounted for using the equity method of the group as at 30 June 2022 which, in the opinion of the directors, is material to the group. The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Associates	Country of Incorporation	Measurement method	Percentage Owned	
			30 June 2022 %	30 June 2021 %
Alvis-Crest Holdings (Pty) Ltd	Botswana	Equity method	25%	100%

13.3 On 11 November 2021, the Company completed a Share Purchase Agreement (SPA) to sell down its 75% equity in Alvis to 25% (refer Note 12). The remaining equity holding (of 25% at 30 June 2022) is recognised and measured as an associate.

The underlying assets held by Alvis-Crest Holdings (Pty) Ltd, which support the value of the investment, are the exploration tenements. The Group assessed impairment indicators of the exploration tenements in line with note 6.2.3. The Group has determined that impairment is not required and it is appropriate to carry forward the balance of the investment as at 30 June 2022.

13.3.1 Summarised financial position

	30 June 2022 \$	30 June 2021 \$
Current assets	9,232	-
Current liabilities	(9,423)	-
Current net liabilities	(191)	-
Non-current assets	64,442	-
Non-current liabilities	(914,108)	-
Non-current deficiency	(849,666)	-
Net deficiency	(849,857)	-

13.3.2 Summarised financial performance

	30 June 2022 \$	30 June 2021 \$
Revenue	-	-
Loss for the period	(67,600)	-
Other comprehensive income	-	-
Total comprehensive loss	(67,600)	-
Group's share of associate's loss after tax	(16,900)	-
Group's share of associate's other comprehensive income	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 13 Investment accounted for using the equity method (cont.)

	30 June 2022	30 June 2021
	\$	\$
13.3.3 <i>Reconciliation to carrying amounts:</i>		
Opening net assets at fair value	679,301	-
Share of loss for the period	(16,900)	-
Other comprehensive income	-	-
Closing net assets (carrying amount of investment)	662,401	-

13.4 *Accounting policy*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equal or exceed its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SECTION D. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also unrecognised tax amounts – see note 4 Income tax.

NOTE 14 COMMITMENTS

14.1 The Group does not have any capital expenditure commitments.

NOTE 15 CONTINGENT ASSETS AND LIABILITIES**15.1 Contingent liabilities****15.1.1 Agadez Project**

In accordance with the agreement between Kopore Metals Limited (now known as ENRG Elements Limited, **ENRG** or the Company), Endeavour Financial AG and EF Niger Exploration SARL (**Target**).

- The Company has agreed to issue Endeavour Financial AG, or its Nominees, 80,000,000 performance shares with a 5-year expiry date and 50,000,000 performance options with an exercise price of \$0.03 and a 3-year expiry date, with the vesting of those performance shares and options linked to the Target having declared a Mineral Resource of at least 16Mlb of U₃O₈ at a minimum grade of 200ppm U₃O₈ on any of the permits.

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 30 June 2022.

NOTE 16 EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Group up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 3 August 2022, the Company officially changed its name to ENRG Elements Limited and trading under the new ticket code ASX:EEL on the Australian Securities Exchange following shareholders' approval at the general meeting held on 28 July 2022.

On 19 August 2022, the Company issued 4,122,295 Performance Rights as a long-term incentive to key contractors who provide technical services to the Company and 2,192,341 Performance Rights to an employee of the Company.

There were no other significant events after the end of the reporting year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 17	KEY MANAGEMENT PERSONNEL COMPENSATION	2022	2021
		\$	\$
	Short term employee benefits	518,326	333,689
	Post-employment benefits	36,456	21,375
	Share based payments	41,875	28,421
		596,657	383,485

NOTE 18	RELATED PARTY TRANSACTIONS	2022	2021
		\$	\$
18.1	KMP and related party transactions		
	Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
	<ul style="list-style-type: none"> The Steele Group <p>The Steele Group, a Company where Mr Grant Ferguson is a director, provides consulting services in accordance with a service agreement. Mr Grant Ferguson resigned as a Director on 14 January 2022.</p>	41,700	78,689
18.2	KMP and related party balances		
	Contained within other creditors and accruals are the following accruals for fees payable to KMP:		
	<ul style="list-style-type: none"> The Steele Group, a Company where Mr Grant Ferguson is a director. Mr Grant Ferguson resigned on 14 January 2022. 	-	10,835

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

NOTE 19	AUDITOR'S REMUNERATION	2022	2021
		\$	\$
	Remuneration of the auditors, RSM Australia Partners, for:		
	<ul style="list-style-type: none"> Auditing or reviewing the accounts 	35,750	33,000
	<ul style="list-style-type: none"> Tax services 	7,700	7,500
		43,450	40,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE	20	LOSS PER SHARE	2022	2021
			\$	\$
20.1	Reconciliation of loss to profit or loss			
	Net loss for the year		(4,542,384)	(1,243,075)
	Net loss used in the calculation of basic and diluted loss per share		(4,542,384)	(1,243,075)
20.2	Reconciliation of loss to profit or loss from continuing operations			
	Loss for the year from continuing operations		(7,328,997)	(1,159,207)
	Loss used in the calculation of basic and diluted EPS continuing operations		(7,328,997)	(1,159,207)
20.3	Reconciliation of loss to profit or loss from discontinued operations			
	Profit/(loss) for the year from discontinued operations		2,846,625	(91,346)
	Profit/(loss) used in the calculation of basic and diluted EPS discontinued operations		2,846,625	(91,346)
			2022	2021
			No.	No.
20.4	Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share		694,661,644	643,932,856
20.5	The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 2022 financial year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (2021: Nil).			
20.6	Accounting Policy			
20.6.1	Basic earnings per share			
	Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.			
20.6.2	Diluted earnings per share			
	Potential shares as a result of options outstanding at the end of the year are not dilutive and therefore have not been included in the calculation of diluted earnings per share.			

NOTE	21	SHARE-BASED PAYMENTS	Note	2022	2021	
				\$	\$	
The following share-based payment arrangements were entered into during the year:						
	Amortisation of Loan Shares issued to Directors	21.1.1(a)		32,880	-	
	Amortisation of options issued to Directors in 30 June 2019 financial year	21.1.1(b),(c)		8,995	28,421	
	Options issued to consultants in lieu of services	21.1.1(d)		545,591	23,983	
	Shares issued to consultants in lieu of services	21.1.1(e)		-	47,500	
Total shares-based payments included in statement of profit or loss and other comprehensive income.				587,466	99,904	
Shares issued to consultants in lieu of services				21.1.2(a)	155,820	-
Total share-based payments included in statement of financial position as capital raising costs.				743,286	99,904	

Total share-based payments recognised in reserves is \$368,276 (2021: \$99,904)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Share-based payments (cont.)

21.1 Share-based payment arrangements

21.1.1 Share-based payments recognised in profit and loss

(a) Directors Loan Shares

Following shareholders' approval, the Company issued 20,000,000 Loan shares and 10,000,000 Loan shares on 11 January 2022 and 4 March 2022 respectively to the directors pursuant to the Company's Employee Securities Incentive Plan ("the Plan"), on the following terms:

Director	Number of Loan Shares	Date of issue	Date of Expiry	Exercise Price	Tranche
Caroline Keats	20,000,000	11 January 2022	11 January 2027	\$0.023	Tranche 1
James Eggins	6,000,000	4 March 2022	4 March 2027	\$0.024	Tranche 2
Quinton de Klerk	4,000,000	4 March 2022	4 March 2027	\$0.024	Tranche 2

The material terms of the Loan and Loan Shares are as follows:

- The issue price of each Loan Share will be equal to the 10-day VWAP of the Company's Shares as at date of issue.
- The related parties are to grant the Company a pledge of their respective Loan Shares and a charge over all dividends and other amounts paid or payable on their respective Loan Shares.
- The respective Loans must be repaid on the earlier of:
 - Five years after issuance of the Loan Shares, and;
 - Three months after the relevant related party ceases to be eligible employee for any reason under the Plan; or
 - If determined by the Board to be repayable as a result of, or in anticipation of, a change of control event occurring in respect of the Company.
- The related parties must not transfer, encumber or otherwise dispose of, or have a security interest granted over any Loan Share unless and until the respective Loan is repaid.
- The Company's sole recourse in the event that a Loan is not repaid will be limited to the respective Loan Shares and the Company may sell the Loan Shares or dispose of such number of Loan Shares for their market price as the Board determines in its absolute discretion.

The loan shares issued to Directors were valued at \$32,880 (2021: nil)

(b) Director Options

Following shareholders' approval, the Company issued 14,000,000 Options to Directors on 7 December 2018, on the following terms:

Number of Options	Date of Expiry	Exercise Price
6,000,000 ⁽¹⁾	7 December 2023	\$0.045
8,000,000 ⁽²⁾	7 December 2023	\$0.045

(1) *Unquoted options issued to the Directors were valued at nil (2021: nil) and had no vesting conditions.*

(2) *Unquoted option issued to the Director were valued at \$4,283 (2021: \$16,193) and had the following vesting conditions:*

- 1/3 of options issued vest 12 months after the date of issue*
- 1/3 of options issued vest 24 months after the date of issue*
- 1/3 of options issued vest 36 months after the date of issue*

(c) Director Options

Following shareholders' approval, the Company issued 8,000,000 Options to a Director on 29 May 2019, on the following terms:

Number of Options	Date of Expiry	Exercise Price
8,000,000 ⁽¹⁾	29 May 2024	\$0.036

(1) *Unquoted option issued to the Managing Director were valued at \$4,712 (2021: \$12,228) and had the following vesting conditions:*

- 1/3 of options issued vest on 29 May 2020*
- 1/3 of options issued vest on 29 May 2021*
- 1/3 of options issued vest on 29 May 2022*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Share-based payments (cont.)

(d) Corporate advisory fees – Unlisted options

The Company issued 25,000,000 Options to corporate advisors on 4 June 2021, on the following terms:

Number of Options	Date of Expiry	Exercise Price
25,000,000 ⁽¹⁾	1 February 2025	\$0.020

(1) Unquoted option issued to the corporate advisors were valued at \$322,591 (2021: \$23,983) and had the following vesting conditions:

- 12,500,000 options issued vesting subject to Kopore's Board electing to proceed with the JV Stage 1 (51%) or share price achieving a 10-day VWAP of \$0.03 and commencement of an exploration program on the Horseshoe West Project.
- 12,500,000 options issued vesting subject to Kopore's Board electing to proceed with the JV Stage 2 (70%) or share price achieving a 10-day VWAP of \$0.04 and commencement of an exploration drilling program on the Horseshoe West Project.

The Company issued 2,500,000 Options to a corporate advisor on 4 April 2022, on the following terms:

Number of Options	Date of Expiry	Exercise Price
2,500,000	29/05/2024	\$0.036

Unquoted option issued to the corporate advisor were valued at \$32,000 (2021: \$nil)

The Company issued 12,500,000 Options to a corporate advisor on 21 June 2022, on the following terms:

Number of Options	Date of Expiry	Exercise Price
12,500,000	21/06/2025	\$0.035

Unquoted option issued to the corporate advisor were valued at \$191,000 (2021: \$nil)

(e) Corporate advisory fees - Shares

30 June 2021

In consideration for services provided by corporate advisors the Company issued 2,500,000 ordinary shares at a deemed issue price of \$0.019 per share on 29 January 2021.

21.1.2 Share-based payments recognised in equity

(a) Capital raising costs - Shares

30 June 2022

In consideration for services provided by corporate advisors the Company issued:

- 3,121,212 ordinary shares at a deemed issue price of \$0.033 per share on 10 June 2022.
- 1,703,864 ordinary shares at a deemed issue price of \$0.031 per share on 26 June 2022.

21.2 Fair value of loan shares issued during the year

The fair value of the loan shares issued during the year ended 30 June 2022 were calculated using the Hoadley ES02 valuation model, applying the following inputs to loan shares issued:

Note:	21.1.1(a)	21.1.1(a)
Tranches:	Tranche 1	Tranche 2
Valuation date:	11/01/2022	4/03/2022
Issue date share price:	\$0.0230	\$0.0250
Exercise price:	\$0.0232	\$0.0240
Number of loan shares issued:	20,000,000	10,000,000
Expiry date:	11/01/2027	4/03/2027
Expected future volatility:	100%	100%
Risk-free interest rate:	1.49%	1.85%
Early Exercise Multiple:	2.5x	2.5x
Value per loan share:	\$0.0128	\$0.0140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Share-based payments (cont.)

21.3 Fair value of options grants during the year

The fair value of the options granted during the year ended 30 June 2022 were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued:

Note:	21.1.1(d)	21.1.1(d)	21.1.1(d)
Grant date:	4/06/2021	4/04/2022	21/06/2022
Grant date share price:	\$0.029	\$0.030	\$0.030
Option exercise price:	\$0.020	\$0.036	\$0.035
Number of options issued:	25,000,000	2,500,000	12,500,000
Term (years):	3.7	2.2	3
Expected share price volatility:	100%	83.83%	81.75%
Risk-free interest rate:	0.74%	1.79%	3.52%
Value per option:	\$0.0211	\$0.0128	\$0.0153

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcomes.

21.3.1 Accounting Policy

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Kopore (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

21.3.2 Key Estimate - Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of options granted is measured using either the Binomial or Black-Scholes option pricing model. The model uses assumptions and estimates as inputs. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 21.2 and 21.3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Share-based payments (cont.)

21.4 Movement in share-based payment arrangements during the year

A summary of the movements of all Company options issued as share-based payments is as follows:

	2022		2021	
	Number of Options	Weighted Average Exercise Price (cents)	Number of Options	Weighted Average Exercise Price (cents)
Outstanding at the beginning of the year	50,000,000	5.4	80,000,000	5.4
Granted – in lieu of corporate advisors' fees	15,000,000	3.5	25,000,000	2.0
Expired	-	-	(55,000,000)	6.0
Outstanding at year-end	65,000,000	3.1	50,000,000	3.1
Exercisable at year-end	65,000,000	3.2	19,666,667	4.2

- No share-based payment options were exercised during the year.
- The weighted average remaining contractual life of share-based payment options outstanding at year end was 2.25 years (2021: 1.37 years).

NOTE 22 SEGMENT REPORTING

22.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics. The Group considers that it has only operated in one segment, being the exploration business.

22.2 Basis of accounting for purposes of reporting by operating segments

22.2.1 Accounting policies adopted

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

22.2.2 Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

22.2.3 Segment assets

During the year ended 30 June 2022 and 30 June 2021, all assets were in the same business segment, which is the Group's exploration business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 22 SEGMENT REPORTING (CONT.)**22.2.4 Segment liabilities**

During the year ended 30 June 2022 and 30 June 2021, all liabilities were in the same business segment, which is the Group's exploration business.

22.3 Revenue by geographical region

There is no revenue attributable to external customers for the year ended 30 June 2022 and 30 June 2021.

22.4 Assets by geographical region

During the year ended 30 June 2022 and 30 June 2021, all reportable segment assets are located in Africa, with the Group's financial assets located in Africa and Australia.

NOTE	23	PARENT ENTITY DISCLOSURES	2022	2021
			\$	\$

23.1 Financial Position of ENRG Elements Limited (formerly known as Kopore Metals Limited)

Current assets	4,174,482	590,420
Non-current assets	247,626	36,077

Total assets	4,422,108	626,497
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Current liabilities	156,600	115,458
Non-current liabilities	-	-

Total liabilities	156,600	115,458
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Net assets	4,265,508	511,039
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Equity		
Issued capital	38,631,713	30,564,289
Reserves	5,715,885	5,161,299
Accumulated losses	(40,082,090)	(35,214,549)

TOTAL EQUITY	4,265,508	511,039
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23.2 Financial Performance of ENRG Elements Limited (formerly known as Kopore Metals Limited)

Loss for the year	(4,867,541)	(996,996)
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Total comprehensive loss	(4,867,541)	(996,996)
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23.3 Guarantees entered into by ENRG Elements Limited (formerly known as Kopore Metals Limited)

There are no guarantees entered into by ENRG Elements Limited (formerly known as Kopore Metals Limited) for the debts of its subsidiaries as at 30 June 2022 (2021: none).

23.4 Contingent liabilities of ENRG Elements Limited (formerly known as Kopore Metals Limited)

The contingent liabilities of ENRG Elements Limited (formerly known as Kopore Metals Limited) are the same as those for the Group disclosed in Note 15.

23.5 Commitments of ENRG Elements Limited (formerly known as Kopore Metals Limited)

The commitments of ENRG Elements Limited (formerly known as Kopore Metals Limited) are the same as those for the Group disclosed in Note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 24 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

24.1 Basis of preparation

24.1.1 Reporting Entity

ENRG Elements Limited (formerly known as Kopore Metals Limited) is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Suite 5, 62 Ord Street, West Perth, Western Australia. These are the consolidated financial statements and notes of ENRG Elements Limited (formerly known as Kopore Metals Limited) (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of ENRG Elements Limited (formerly known as Kopore Metals Limited), as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

24.1.2 Basis of accounting

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the Corporations Act 2001 (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 28 September 2022 by the Directors of the Company.

24.1.3 Going Concern

The financial statements have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a loss for the year of \$4,542,384 (2021: \$1,243,075 loss) and a net cash out-flow from operating activities of \$2,320,689 (2021: \$1,114,491 out-flow).

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, after consideration of the following factors:

- the Group is in a net current asset position of \$4,059,808 at year end, which is considered sufficient to meet its liabilities as and when they become due and payable;
- the Group has the ability to curtail its exploration activities in order to conserve cash; and
- the Group has the ability to raise further funds through capital raisings as and when required as it has successfully achieved in the past.

24.1.4 Comparative Figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 24 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**24.2 Principles of Consolidation**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

24.2.1 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the parent, ENRG Elements Limited (formerly known as Kopore Metals Limited), and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

24.3 Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

24.4 Goods and Services Tax (GST)

Goods and Services Tax (GST) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (Goods and Services Tax or GST) and in Botswana and Namibia (Value-added tax or VAT), hereafter collectively referred to as GST.

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

24.5 Foreign currency translation

The financial statements are presented in Australian dollars, which is ENRG Elements Limited (formerly known as Kopore Metals Limited)'s functional and presentation currency.

24.5.1 Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 24 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

24.5.2 Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

24.6 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

24.7 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 24.7.1.

24.7.1 Critical Accounting Estimates and Judgements

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below.

- Key estimate – Taxation (refer note 4.4)
- Key estimate – Impairment (refer note 6.2.3)
- Key judgments – Exploration and evaluation expenditure (refer note 6.2.4)
- Key estimate - Share-based payments (refer note 21.3.2)

24.7.2 Coronavirus (COVID-19) pandemic

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 24 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

24.8 Fair Value

24.8.1 Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

24.8.2 Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 24 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

24.8 Fair Value (cont.)

24.8.3 Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

24.9 New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 24 to 63, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company and Group.
 - (d) the Directors have been given the declarations required by s.295(5)(a) of the *Corporations Act 2001* (Cth);
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Caroline Keats

Managing Director

Dated this Wednesday, 28 September 2022



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENRG ELEMENTS LIMITED**

Opinion

We have audited the financial report of ENRG Elements Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter	How our audit addressed this matter
Acquisition of EF Niger Exploration SARL Refer to Note 11 in the financial statements	
<p>On 24 May 2022, the Company has completed the acquisition of the Agadez Project in Niger following the Company entering into a binding share sale agreement with Endeavour Finance AG, via the acquisition of Endeavour's wholly owned subsidiary of EF Niger Exploration SARL.</p> <p>Accounting for this acquisition is a key audit matter as it involves management judgements in determining the acquisition date, the acquisition accounting treatment, the fair value of net assets acquired and the fair value of the purchase consideration.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Reading the acquisition agreement to understand the transaction, acquisition date and the related accounting considerations; • Assessing management's determination that the acquisition did not meet the definition of a business within <i>AASB 3 Business Combinations</i> and therefore was an asset acquisition as opposed to a business combination; • Assessing management's determination of the acquisition date, fair value of consideration paid, and the fair value of the net assets acquired; and • Assessing the appropriateness of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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



Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of ENRG Elements Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM
RSM AUSTRALIA PARTNERS

Al Whyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 September 2022

Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies and is current as at 31 August 2022.

Issued Capital

The Company has 928,001,854 ordinary fully paid shares on issued, held by 1,647 shareholders. Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Category (size of holding)	Total Holders	Units	% Held of Issued Ordinary Capital
1 – 1,000	693	160,808	0.02
1,001 – 5,000	120	253,149	0.03
5,001 – 10,000	14	102,958	0.01
10,001 – 100,000	306	14,348,165	1.55
100,001 – and over	514	913,136,774	98.40
	1,647	928,001,854	100.00

The Company has 80,000,000 Performance Shares on issue, as set out below. Performance Shares do not entitle the holders to vote in respect of that performance share, nor participate in dividends, when declared, until such time as the performance share vests and is subsequently registered as ordinary shares.

Performance Shares

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	7 ¹	80,000,000	100.00
	7	80,000,000	100.00

1. Endeavour Financial Ag holds 53,333,333 shares comprising 66.67% of this class.

The Company has 115,000,000 unlisted options on issue, as set out below. Options do not entitle the holders to vote in respect of that option, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

Unlisted options exercisable at \$0.045 on or before 19 November 2023

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	1 ¹	3,000,000	100.00
	1	3,000,000	100.00

1. Discovery Services Pty Ltd holds 3,000,000 Options comprising 100% of this class.

Unlisted options exercisable at \$0.045 on or before 7 December 2023

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	3 ^{1,2}	14,000,000	100.00
	3	14,000,000	100.00

1. Fehu Capital Pty Ltd holds 8,000,000 options comprising 57.14% of this class.

2. Bond Street Custodians Limited holds 4,000,000 options comprising 28.57% of this class.

Additional information for listed public companies
Unlisted options exercisable at \$0.036 on or before 29 May 2024

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	2 ^{1,2}	10,500,000	100.00
	2	10,500,000	100.00

1. Biglac Investments Pty Ltd holds 8,000,000 options comprising 76.19% of this class.

2. Jane Morgan Management Pty Ltd holds 2,500,000 options comprising 23.81% of this class.

Unlisted options exercisable at \$0.02 on or before 1 February 2025

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	3 ^{1,2}	25,000,000	100.00
	3	25,000,000	100.00

1. Ironside Capital Pty Ltd holds 12,500,000 options comprising 50% of this class.

2. Laneway Investments Pty Ltd holds 10,000,000 options comprising 40% of this class.

Unlisted Performance Options exercisable at \$0.03 on or before 24 May 2025

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	7 ¹	50,000,000	100.00
	7	50,000,000	100.00

1. Endeavour Financial AG holds 33,333,333 options comprising 66.67% of this class.

Unlisted options exercisable at \$0.035 on or before 21 June 2025

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	2 ¹	12,500,000	100.00
	2	12,500,000	100.00

1. Axion Capital Partners Pty Ltd holds 10,500,000 options comprising 84% of this class.

Additional information for listed public companies

The Company has 6,314,636 Performance Rights on issue, as set out below. Performance Rights do not entitle the holders to vote in respect of that Performance Rights, nor participate in dividends, when declared, until such time as the Performance rights vest, exercised and are subsequently registered as ordinary shares.

Performance Rights

Category (size of holding)	Total Holders	Units	% Held
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 – and over	3 ^{1,2,3}	6,314,636	100.00
	3	6,314,636	100.00

1. Mr Jean Christophe Corbin holds 2,576,434 rights comprising 40.80% of this class.

2. Mr Christopher Richard Rasmussen holds 2,192,341 rights comprising 34.72% of this class.

3. Mr David John Catterall holds 1,545,861 holds 24.48% of this class.

Substantial Shareholders as at 31 August 2022

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
ENRG Elements Limited ¹	90,000,000	9.70
Endeavour Financial Ag ²	80,000,000	8.63
The Gas Super Pty Ltd <The Gas Super Fund A/C> ³	59,059,849	6.36

1. As released on ASX on 24 August 2022.

2. As released on ASX on 27 June 2022.

3. As released on ASX on 9 April 2020.

Unmarketable Parcels as at 31 August 2022

Number of Shares	Holders
652,635	838

As at 31 August 2022 there were 838 shareholders holding less than a marketable parcel of shares (being 14,705 shares based on a share price of \$0.034 at 31 August 2022).

On-Market Buy-Back

There is no current on-market buy-back.

Restricted Securities

The Company had the following restricted securities on issue.

Class	Number of Securities	Escrow Period
Fully Paid Ordinary Shares	30,000,000	Until 24 November 2022
Fully Paid Ordinary Shares	60,000,000	Until 24 May 2023

Additional information for listed public companies
20 Largest Shareholders — Ordinary Shares as at 31 August 2022

Rank / Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. ENDEAVOUR FINANCIAL AG	80,000,000	8.62
2. THE GAS SUPER FUND PTY LTD <THE GAS SUPER FUND A/C>	59,059,849	6.36
3. BNP PARIBAS NOMINEES PTY LTD	34,785,253	3.75
4. WILGUS INVESTMENTS PTY LTD	27,649,318	2.98
5. BAMBROUGH INC	21,698,984	2.34
6. CAROLINE DENISE KEATS	20,000,000	2.16
7. CALDWELL MOORE PTY LIMITED <PBKL DISCRETIONARY A/C>	18,398,816	1.98
8. ROAST PTY LTD <IN DAN WE TRUST A/C>	17,000,000	1.83
9. LEE MILLER INVESTMENTS PTY LTD <D M & L INVESTMENTS A/C>	16,000,000	1.72
10. DISCOVERY SERVICES PTY LTD <DISCOVERY CAPT INV UNIT A/C>	15,827,925	1.71
11. MR MARK TRENT <NO 2 A/C>	15,000,000	1.62
12. MR KIMBERLEY ROSS GARTRELL & MRS JENNIFER MARGARET GARTRELL <K&J GARTRELL SUPER FUND A/C>	15,000,000	1.62
13. FEHU CAPITAL PTY LTD <FEHU CAPITAL A/C>	14,300,741	1.54
14. CITICORP NOMINEES PTY LIMITED	13,088,375	1.41
15. UBS NOMINEES PTY LTD	11,860,000	1.28
16. PHEAKES PTY LTD <SENATE A/C>	11,711,250	1.26
17. LANEWAY INVESTMENTS PTY LTD <JOLA FAMILY A/C>	11,337,500	1.22
18. OPTIMAL DECISIONS PTY LTD <WHITE TIGER A/C>	10,900,000	1.17
19. ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	10,000,000	1.08
20. MOLLYGOLD SUPERANNUATION PTY LTD < MOLLYGOLD SUPER FUND A/C>	10,000,000	1.08
TOTAL	433,618,011	46.73

Corporate Governance Statement

The Company's Corporate Governance Statement for the 2022 financial year is available from the Company's website at <https://enrg-elements.com.au/about/#corporate-governance>

Tenements Schedule

Prospecting Licence	Holder	Expiry Date	Project Area (km2)	Ownership (%)
PL203/2016	Icon-Trading Company (Proprietary)	30/09/2023	843.11	100
PL204/2016	Icon-Trading Company (Proprietary)	30/09/2023	585.5	100
PL205/2016	Icon-Trading Company (Proprietary)	30/09/2023	542.68	100
PL127/2017	Ashmead Holdings (Pty) Ltd	30/06/2024	359	100
PL128/2017	Ashmead Holdings (Pty) Ltd	30/06/2024	233.4	100
PL129/2017	Ashmead Holdings (Pty) Ltd	30/06/2024	67	100
PL135/2017	ARC Minerals Limited	30/09/2024	141.9	25
PL162/2017	ARC Minerals Limited	30/09/2024	70	25
Terzemazour 1	EF Niger Exploration SarL	07/11/2024	242.8	100
Tagait 4	EF Niger Exploration SarL	07/11/2024	237.292	100
Toulouk 1	EF Niger Exploration SarL	07/11/2024	246	100