NeuRizer

FEEDING THE WORLD RESPONSIBLY

2022 Sustainability & Annual Report

NeuRizer

FEEDING THE WORLD RESPONSIBLY

Climate Active Carbon Neutral ORGANISATION

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

WE SUPPORT UN GLOBAL COMPACT

We acknowledge the Traditional Owners of the land where we work and live, and pay our respects to Elders past and present. We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islander Elders of all communities who also work and live on this land

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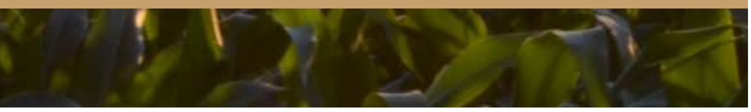
CHAIRMAN'S LETTER

NRZ's strong ESG approach has provided a pillar for our global investors and shareholders to have confidence to invest in a sustainable and ethical organisation.

The Board have been the driving force behind embedding our business principles into all current and future activities.



It is with great pleasure that I address our shareholders after what has been an exciting and transformative year.

The Board and management continue making great progress towards achieving its goal of becoming the world's first fully integrated, carbon neutral urea fertiliser producer, securing domestic supply while ensuring the best returns for our shareholders.

We had overwhelming support from shareholders for the renaming and rebranding of our business to NeuRizer. This was approved by shareholders at the General Meeting held on the 24th February, 2022. A launch event was held at the iconic Adelaide Oval and we welcomed many of our highly respected partners and guests, including DL Engineering and Construction and its trading company Daelim Co., Ltd, Samsung C&T, Koch, Stamicarbon, KBR and PT Pupuk Indonesia to the event.

We also welcomed the support of South Australian Cabinet Minister, the Honourable Clare Scriven MP, Minister for Primary Industries, Regional Development and Forest Industries who addressed the guests on the importance of sovereign manufacturing capability and supporting regional economies. The Honourable Geoff Brock MP, Minister for Local Government, Regional Roads and Veterans Affairs, and local member for the region in which the NeuRizer Urea Project is located, also attended along with several senior South Australian public servants from the departments of Primary Industries, Trade and Investment, and Energy and Mining.

The support of the South Australian Government is extremely important to NRZ. The granting of our Petroleum licence, the transfer of valuable infrastructure, and now the negotiating for the transfer of the rail line from Leigh Creek to Port Augusta are all important elements that demonstrate the working relationship we have with the government, and we look forward to working with them to deliver on this important project for South Australia.

I want to take this opportunity to thank DL E&C and in particular, CEO Mr Ma. We strongly believe that we have chosen the right partner in DL E&C to be our EPCC contractor. We did so because we understood that they would be far more than simply an EPCC contractor. Our belief in DL E&C has been rewarded in many ways. DL E&C's trading company Daelim Co., Ltd have signed a binding offtake agreement with NRZ that ensures the success of the project. Daelim Co., Ltd have also become a strategic shareholder in NRZ and we have appointed a senior executive of Daelim Co., Ltd onto our Board of Directors. Gaining their support and involvement in our project is one of the major achievements of our company over the last year.

I would like to thank the Board members, the executives, employees, contractors and suppliers of NRZ who continue to work tirelessly in pursuit of our project's success and whom, without their dedication and hard work, our company would not be in the strong position it is today. We have built a very strong team of whom we are very proud.

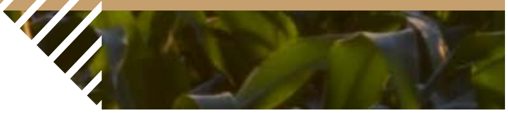
The world we currently live in is a complex and uncertain place. None of us can predict the state of play in the next 24 months. China has stopped exporting urea, India is importing more and more urea, gas prices in Europe, the USA and even Australia have gone through the roof. The cost of urea for farmers world-wide has in some places tripled. The crisis with Russia and the Ukraine has completely changed the world energy markets. All these issues have highlighted supply chain problems, the cost of gas, the cost of commodities and made many countries including Australia re-examining their reliance on imports. We at NRZ are proud to be part of the solution for Australian farmers.

Finally, I would also like to thank our valued shareholders, In these uncertain times, we have delivered on all of our stated objectives to make the dream of producing urea in Australian rather than relying on imports a reality. The next year will see us deliver on those final key milestones. The Front-End Engineering and Design (FEED) the Bank Feasibility Study (BFS) and final investment decision (FID). Then we can finally start the real process of building our urea plant. We really do look forward to announcing to the market the delivery of each of these milestones over the next year.

Mr Daniel Justyn Peters
Executive Chairman

MANAGING DIRECTORS' REPORT

We are and always will be a workforce that is diversified, dedicated and driven at every level of our business — a place where people choose to work.



2021/2022 has been a year of great achievements for NeuRizer Ltd (NRZ), with significant progress towards achieving the Company's vision of being Australia's first carbon neutral urea producer. We are excited to report that initial works on site have now commenced and we are working towards a Final Investment Decision in 2023.

The renaming of the Company and our flagship project, now the NeuRizer Urea Project (NRUP), was an important celebration to mark how far we've come, and a strong signal to our stakeholders that we are on track and are firmly committed to achieving our goal.

In the past financial year, we have awarded contracts to providers who are the best in their field. DL Engineering and Construction (DL) were awarded the Engineering, Procurement, Construction, Commissioning (EPCC) contract for the urea production plant and will also develop the front-end engineering and design (FEED) for the Carbon Capture & Storage (CCS) facility at the project. Daelim is a strategic investor in NeuRizer, with a 9% shareholding, providing direct access to global markets. Independent third party NexantECA has been appointed to conduct the Bankable Feasibility Study (BFS) on behalf of DL E&C, demonstrating the rigour and transparency of the process.

The three required licensors have also been appointed. Kellogg Brown and Root as the ammonia license, Stamicarbon as urea licensor and Merichem (SRU) for the sulphur removal. This finalises the important technology appointments and the steps that need to be undertaken to complete the final BFS.

During the year we received a letter of support from a major South Korean bank to provide debt finance for up to 70% (or approximately $1.5 billion) of the stage 2 project costs. PwC was also appointed as Strategic Debt Advisor to accelerate sourcing of the balance of the required finance (30%) for the construction phase of the project.

In fitting with our sustainability values NRZ achieved Carbon Neutral Status in February of this year, offsetting emissions from accredited international carbon farming projects. This was followed by the receipt of Climate Active Certification in March.

We continued to drive our Environmental, Social and Governance (ESG) program across all business divisions and achieved carbon neutral status eight years earlier than initially planned. In November 2021 NRZ was invited to attend COP26 in Glasgow by the Climate Market Institute and participated in a series of workshops for leading corporations with carbon neutral plans, and commitments to the UN Global Compact. The invitation reflected our commitment to ESG and our dedication to being Carbon Neutral from 2022.

In September the Carbon Capture and Storage (CCS) study was completed with viability confirmed and in November the drilling contract was awarded to Silver City Drilling to conduct drilling services for Stage 1 including the drilling of wells for gasification operations, investigation, monitoring, and water supply.

Our Siemens syngas power generators arrived in Australia in June and will be installed and tested on site ready to receive the first syngas production and provide power for the upstream (Stage 1) commercialisation.

We have applied for a patent of our Syngas Technology to protect intellectual property rights pertaining to predicting and controlling syngas operations. With the receipt of formal Activity Notification from the SA Regulator, the Department of Energy and Mining, the next stage of the project has commenced with the construction of the gasification wells and power generator areas.

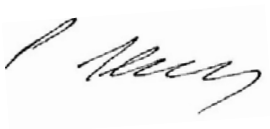
Our scoping and prefeasibility studies show that NRZ has a unique competitive advantage in urea manufacturing in that we have our own on-site gas supply. We do not have to transport gas to a production site, we can also sequester CO_2, and as a result we can manufacture urea at the lowest global cost quartile. This significantly reduces production risks minimizing exposure to price fluctuation for the supply of gas, and risks associated with transportation costs, exchange rate movements, and import logistical problems.

The Initial BFS has been received and underpins the strong return metrics of the project at this early stage.

Another important achievement has been the execution of an Infrastructure Utilisation Licence Agreement with the South Australian Government. This gives NRZ exclusive use of the existing infrastructure at the project site for a nominal cost, resulting in significant cost savings and project schedule efficiencies. This includes a fully serviced administration building, separate warehouse facilities, storage sheds and other buildings and infrastructure. NeuRizer has commenced upgrading these facilities as part of stage 1 works.

An important step towards commercialisation of the project was the successful offtake agreement with Daelim Co LTD for 50% of the urea produced. The remaining urea will be distributed to the domestic market. This provides NeuRizer with a greater opportunity to maximise revenue and the capability to develop its domestic distribution network.

The management team and the Board are proud of the progress made this financial year and recognise that this was achieved as a result of the hard work of our dedicated team, contractors and other stakeholders who have consistently supported our vision of developing Australia's first fully integrated, insitu gas powered, urea manufacturing facility.



Mr Phil Staveley
Managing Director

ABOUT NEURIZER

NeuRizer
Urea Project (NRUP)

THE FUTURE OF FERTILISER

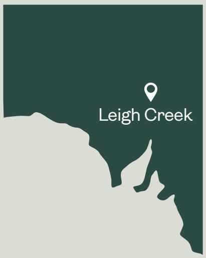
NeuRizer (NRZ) is the Company responsible for progressing the NeuRizer Urea Project (NRUP). NRUP is a nationally significant project that once operating will deliver low-cost, high-quality nitrogen-based fertiliser ensuring a secure supply for local and export agriculture markets. Located in South Australia, 550 kilometres north of Adelaide, the NRUP will initially produce 1Mtpa of urea fertiliser with potential to increase to 2Mtpa.

NRZ is a certified carbon neutral organisation having been awarded Climate Active certification in March 2022 and is a signatory to the United Nations Global Compact. The NRUP is carbon neutral by design, and the decarbonisation pathway for the NRUP is embedded in the Front-End Engineering and Design (FEED) process to ensure that the NRUP achieves zero carbon operations from first operations in 2025.

The NRUP will be Australia's only sovereign manufacturing capability for fertiliser supporting Australian agricultural food production. The NRUP will strengthen supply chain resilience that will benefit Australian farmers and, to a lesser extent, the industrial sector where urea is used as a supply input (eg. diesel additive (AdBlue), industrial resins, etc.) by reducing the nation's reliance on imports.

The NRUP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities (2,250+ construction jobs plus 1,200+ ongoing positions) for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia.

The NRUP will be the only fully integrated urea production facility in Australia, with all inputs (gas, power and CO2) for low carbon urea production on-site, meaning NRZ will control both supply and price of these major cost inputs, regardless of prevailing market conditions and supply chain dynamics.



1 MILLION TONNES

Urea annual production

Carbon Neutral

Competitive Price

Australian Jobs

Target markets for NRUP urea are domestic users, plus international fertiliser traders and distributors

The NRUP has access to gas feedstock and rail, road, airport infrastructure for urea, once produced

Rail lines accessible from Leigh Creek are central to the main Australian urea markets

It's cheaper, faster and less risky for distributors to buy NRZ urea for sale to Australian farmers than to ship it from the Middle East or Asia

The NRUP PFS indicated a nominal operating cost of A$109 per tonne ex-plant compared with today's price.

NEURIZER UREA PROJECT 2022 ACHIEVEMENTS

The Company and its Engineering, Procurement, Construction and Commissioning (EPCC) Contractor DL E&C continued to progress their activities associated with the NeuRizer Urea Project.

Notable achievements include:

The Company secured a take or pay offtake agreement with Daelim Co LTD for a minimum of 500,000 metric tonnes of granular urea per year for a minimum of 5 years.

The continued progress by DL on the work activities associated with the Front End Engineering and Design (FEED) for Stage 2 of the project.

Secured the rigs required for the NRUP by awarding the drilling contract for the NRUP Stage 1 works to Silver City Drilling, an experienced Australian provider of professional drilling services. Silver City Drilling will conduct drilling services for Stage 1, including drilling wells for gasification operations, investigation, monitoring, and water supply. Stage 1 drilling of 6 wells for evaluation and data gathering has commenced.

EMM Consulting Pty Ltd (EMM) was appointed to assist with the downstream development approval process of the NRUP. EMM will ensure the project remains on schedule and manage the necessary documentation.

The approval of the Company's Section 23 application under the Aboriginal Heritage Act 1988, complimenting the previous Petroleum Production Licence (PPL).

The appointment of an engineering team from DL and the continued employment of Australian engineers and others to ensure the project remains on track for a Final Investment Decision (FID) by Q3 2023.

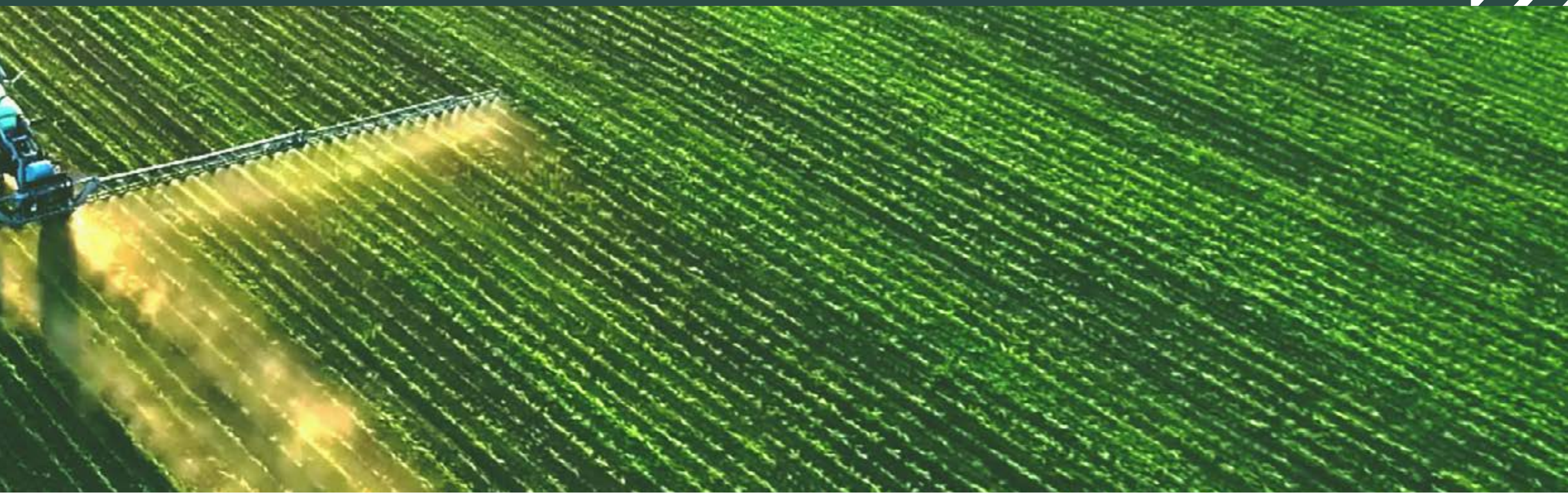
The appointment of NexantECA, an independent third party, to conduct the Bankable Feasibility Study (BFS) for the project.

Supply of the Siemens power generators to supply power for NRUP Stage 1 operations is on track for completion in late 2022.

On June 23 DL E&C signed an agreement with NRZ making a strategic investment in NeuRizer by investing US$10m. This investment gives DL E&C a substantial shareholding of approximately 9% of the issued capital of the Company. NeuRizer welcomes DL E&C as a long-term shareholder and our valued project partner.

NRZ has signed an Infrastructure Agreement with the South Australian Government giving NeuRizer exclusive use of the existing infrastructure at the site of the NRUP for a nominal fee. This agreement will fast track the project as much of the infrastructure required will now not need to be built from the ground up. NeuRizer estimates cost savings of $50-$70 million to the NRUP as a result. The Company has begun upgrading the facility.

NeuRizer has appointed top tier international company Kellogg Brown and Root (KBR) as the ammonia licensor for the NRUP. KBR is a distinguished technology and engineering company that will provide high-quality advice and support that is needed for the Basic Engineering Design (BED) and post-BED services, as well as supply the necessary equipment for the ammonia manufacturing plant.



Urea Licensor Stamicarbon has been appointed for Urea production technology. Stamicarbon is well known for Urea technology and will supply BED and post BED services, as well as proprietary technology for Urea manufacture. Stamicarbon is the global market leader in the design and development of fertiliser plant technologies, with urea, green ammonia, and nitric acid being their core business.

Sulphur Removal technology Licensor Merichem has been appointed for hydrogen sulphide removal. Merichem is the global market leader in the design and supply of Sulphur removal technologies. Merichem LO-CAT recovery technology to be used by the NRUP is well proven in industry and achieves high removal efficiencies, converting hydrogen sulphide to elemental sulphur. NRZ's pathway to development of the NRUP is entering the third and final stage, the commercial stage. The first two stages have been completed.

Characterisation Phase - Completed

Investigate cultural, environmental, geological, geotechnical, hydrogeological and social characteristics of the site.

Demonstration Phase - Completed

A Pre-Commercial Demonstration Facility (PCD) demonstrated the production of syngas through ISG at the Telford Basin of the Leigh Creek Coalfield. The series of controlled tests provided environmental and gas quality data to inform regulators and stakeholders that the process can be managed safely with minimal impact to the environment. The findings have helped to determine the Commercial Project design and feasibility study direction.

Commercial Phase - In Progress

Conduct engineering and feasibility studies to support Demonstration Phase data for the deployment of a commercial operation. NRZ's chosen option is the development of a large-scale urea fertiliser plant.

NRZ is committed to developing the NRUP using a best practice approach to mitigate the environmental, social, technical and financial project risks.

The information from the PCD is being used in NRZ's feasibility studies for the commercial phase of the project.

3D modelling of NRUP Plant and Facilities.

DIVERSIFIED OIL & GAS ACTIVITIES

Oil & Gas Projects

The Group has been awarded Petroleum Exploration Licence 676 ("PEL") in key South Australian Cooper Basin oil and gas acreage. LCOG has a diversified portfolio of assets, including oil and gas interests in the Cooper and Eromanga Basins. The Cooper Basin was selected as an area to invest in as it provides a low cost of entry, is relatively low risk, has potential for near-term revenue, and has a favourable and stable regulatory regime in the South Australian and Queensland governments.

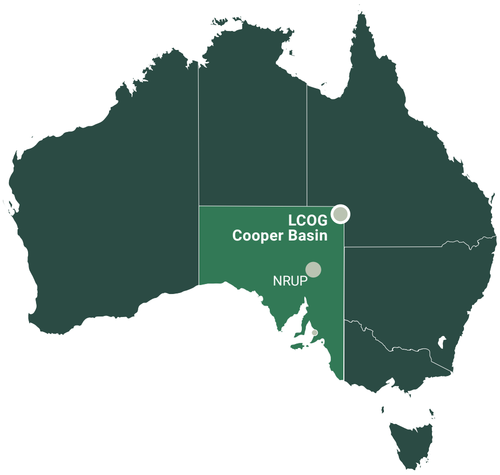
The second year of activity was completed as per the Farm-in Agreement with Bridgeport Energy (QLD) Pty Limited as operator of ATP 2023 and ATP 2024. It included Geological and Geophysical studies. The geophysical interpretation is fundamental to future 3D seismic planning, which is the primary tool in exploration well placement.

In parallel, work related to Native Title continued throughout the year on PELA 675 and PEL 676. We expect PELA 675 to be granted as a PEL during 2022 and begin the first Permit year activities, including Geological and Geophysical studies.

PELA 675 and PEL 676 are both proximal to historic hydrocarbon discoveries. Both contain 2D seismic, and the 3D seismic in the southern part of PEL 676 has been used to identify leads in the potential Northern Oil Fairway.

Once we have identified drillable prospects, we will be looking to farm down a portion of the SA permits.

LCOG Cooper Basin portfolio



TENEMENT SCHEDULE

Petroleum and Mineral Tenement Schedule

Tenement	Percentage Interest	Grant Date	Location
Petroleum Exploration Licence 650	100%	18 November 2014	Leigh Creek, SA
Petroleum Exploration Licence 582	100%	Application Approved	Finniss Springs, SA
Petroleum Exploration Licence 643	100%	Application Approved	Callabonna, SA
Petroleum Exploration Licence 644	100%	Application Approved	Roxby Downs, SA
Petroleum Exploration Licence 647	100%	Application Approved	Leigh Creek, SA
Petroleum Exploration Licence 649	100%	Application Approved	Oakdale, SA
Petroleum Exploration Licence 675	100%	Application Approved	Cooper Basin, SA
Petroleum Exploration Licence 676	100%	2 September 2021	Cooper Basin, SA
Petroleum Retention Licence 247	100%	5 June 2020	Leigh Creek, SA
Petroleum Production Licence 269	100%	24 November 2020	Leigh Creek, SA
Gas Storage Exploration Licence 662	100%	5 February 2016	Leigh Creek, SA
Authority to Prospect 2023	0%	8 April 2020	Cooper Basin, QLD
Authority to Prospect 2024	0%	8 April 2020	Cooper Basin, QLD

In May 2022, NeuRizer commenced a drilling campaign within PPL 269, which is due to be finalised in July 2022. The purpose of this drilling program is to collect geological and hydrological information within the eastern portion of the Telford Basin. A small 2D seismic survey was completed within PPL 269, in June 2022. The purpose of the 2D seismic was the determine the viability of conducting 3D seismic over the existing spoil overburden waste dumps. NeuRizer is awaiting the results of this seismic survey.

COAL AND GAS RESOURCES

PEL 650 ISG Suitable Coal Resource Analysis

Seam	Working section	Resource Category	Tonnage (mt)	Thickness (m)	Relative Density (g/cc ad)	Raw Ash (%ad)	Total Moisture (%ad)
FGH	FG	Indicated	9.1	10.74	1.62	37.68	22.99
	FH	Indicated	28.9	20.86	1.69	43.00	22.53
	G	Indicated	7.7	5.29	1.65	40.74	23.37
I	I	Indicated	22.7	5.78	1.67	40.94	23.37
	I1	Indicated	1.0	2.36	1.43	17.66	29.05
K	K	Indicated	14.8	7.01	1.69	42.50	22.56
	K12	Indicated	4.6	5.78	1.66	40.00	22.22
	K2	Indicated	4.8	3.15	1.60	36.36	24.29
Q	Q	Indicated	93.0	12.08	1.45	18.11	26.88
	Q	Inferred	73.4	9.24	1.44	17.88	26.82
V	V	Inferred	34.0	5.29	1.67	40.75	22.67
	V1	Inferred	1.0	2.41	1.48	22.23	23.55
W	W	Inferred	6.2	7.37	1.76	49.80	21.06
ISG Project Total			**301.2**	**8.41**	**1.54**	**28.73**	**24.94**

Coal and Gas Resources

The Company's total Coal Resource and equivalent Syngas Reserves/Resource as at 30 June 2022, reported in accordance with 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) guidelines and the 2018 Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS) guidelines (respectively), remain unchanged since 2019. The total Coal Resources and total Syngas Reserves/Resources are divided between PEL 650 and PPL 269. This has not changed the total Resources/Reserves and these are outlined below:

Tenement	Location	Coal Resource Category	Coal Resources (Mt) 2021	Coal Resources (Mt) 2022	Syngas Resource Classification	Syngas Energy (Pj) 2021	Syngas Energy (Pj) 2022
Petroleum Exploration Licence 650	**Leigh Creek**	Indicated	186.6	81.2	1P Reserves	–	–
		Inferred	114.6	45.6	2P Reserves	1,153.2	499.4
					3P Reserves	1,608.3	890.7
					1C Resources	-	-
					2C Resources	1,469.0	1,187.9
					3C Resources	2,126.6	1,615.7
Petroleum production Licence 269	**Leigh Creek**	Indicated	-	105.4	1P Reserves	-	
		Inferred	-	69	2P Reserves	-	653.8
					3P Reserves	-	717.6
					1C Resources	-	
					2C Resources	-	281.1
					3C Resources	-	510.9

Governance and Disclosures

Governance and Disclosures Mineral Resources estimated in accordance with the requirements of the JORC Code, by qualified competent persons who are consultants to NeuRizer. Syngas Resources are estimated in accordance with the requirements of the Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers, by a qualified petroleum reserves and resources evaluator who is a consultant to NeuRizer. The Minerals Resources in the 2022 Sustainability & Annual Report is compiled and reviewed by a qualified competent person, as detailed below. The Syngas Resource Statement in the 2022 Sustainability & Annual Report is reviewed by a qualified consultant, who is a qualified petroleum reserves and resource evaluator.

Notes on Coal Resources

For the purposes of ASX Listing Rule 5.23, NeuRizer confirms that it is not aware of any new information or data that materially affects the information included in the 18 March 2019 Resources Statement and that all material assumptions and technical parameters underpinning the estimates in the Resources Statement continue to apply and have not materially changed. The coal resources reported herein, insofar as they relate to mineralisation, are based on information compiled from the 18 March 2019 Resource Statement, by Mr John Centofanti. Mr Centofanti is a competent person and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Centofanti is a full- time employee of NeuRizer and has 18 years' relevant experience in coal, which includes 8 years' experience as a competent person for estimating and reporting coal resources. Mr Centofanti consents to the inclusion in the report, of coal resource estimates, based on his compiled information in the form and context in which it appears. The coal resource is based on, and fairly represents, information and supporting documentation prepared for the 18 March 2019 Resources Statement, which was estimated by Warwick Smyth & Lynne Banwell of GeoConsult Pty Ltd. Mr Smyth is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, who has more than 25 years' experience in the field of activity being reported. Lynne Banwell is a member of the Australasian Institute of Mining and Metallurgy and the Geological Society of Australia and has over 30 years' experience in this style of mineralisation. Both Mr Smyth and Mrs Banwell have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves".

Notes of Gas Resources

For the purposes of ASX Listing Rule 5.43, NeuRizer confirms that it is not aware of any new information or data that materially affects the information included in the 29 March 2019 PRMS ISG Gas Reserve and Resources Certification and that all material assumptions and technical parameters underpinning the estimates in the PRMS certification continue to apply and have not materially changed. The Gas Resource estimates stated herein are based on, and fairly represent, information and supporting documentation prepared by Timothy Hower of Sproule International, Denver USA. Mr Hower is a member of the Society of Petroleum Engineers and has consented to the use of the Resource estimates and supporting information contained herein in the form and context in which it appears. All estimates are based on the deterministic method for estimation of petroleum resources.

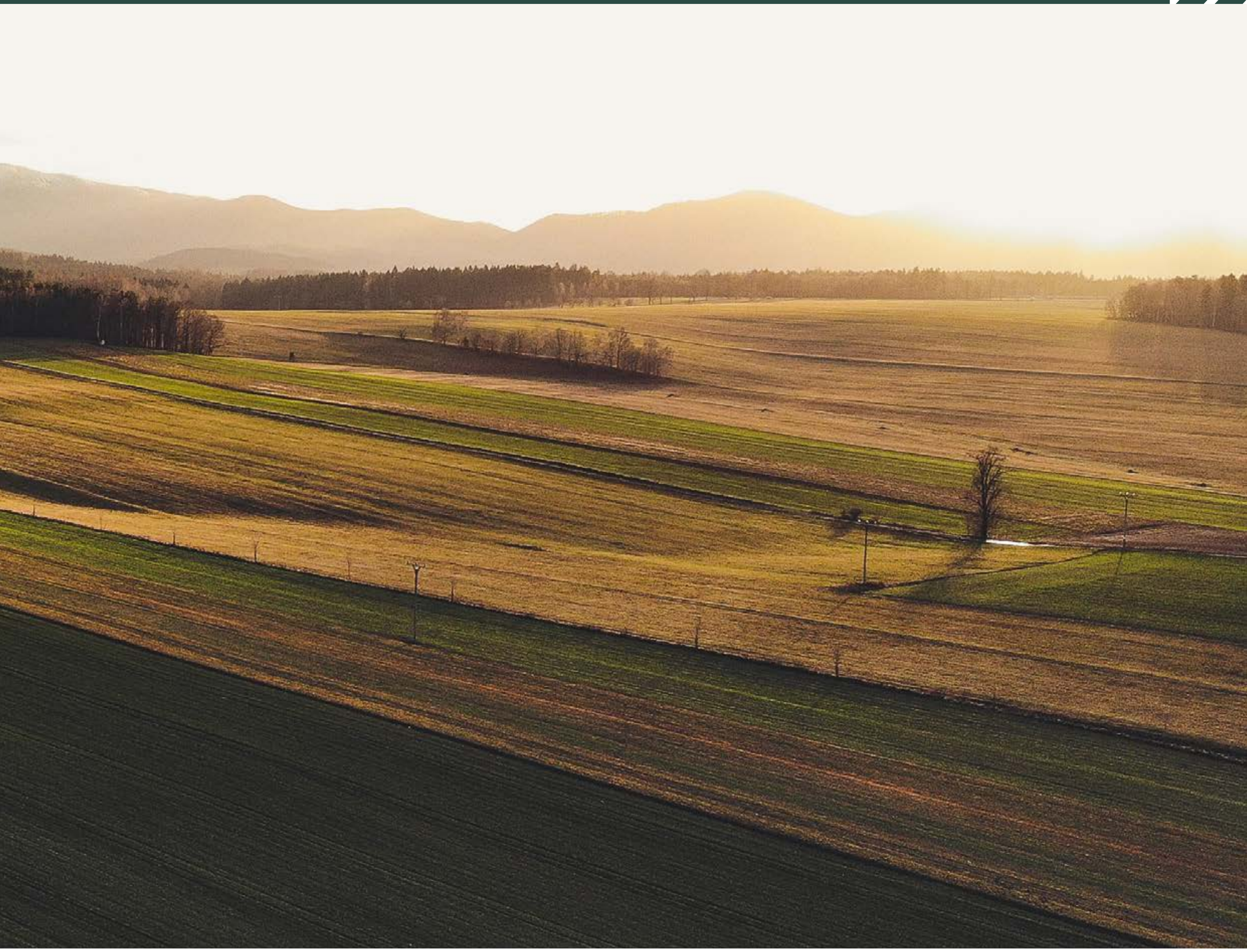
ESG - ENVIRONMENT, SOCIAL, GOVERNANCE

"Participating in COP26 was a great opportunity to validate NeuRizer's carbon neutral strategy and achievements."

COP26

NRZ Chief Sustainability Officer, Noreen Byrne participated in the United Nations Climate Change Conference (COP26) in Glasgow, Scotland in November 2021.

Hosted by the United Nations, COP26 is the international conference for representatives and governments from 197 countries to discuss steps to addressing climate change and agreeing on global and national targets.



Leading global independent industry associations for businesses that are leading the transition to net-zero emissions held side workshop streams to outline the work being done by companies leading their respective sectors in ESG and demonstrate the ways they are upholding the 10 United Nations Global Compact principles (UNGC).

NRZ was invited to COP26 as a delegate by the Climate Market Institute to participate in a series of workshops for leading corporations with carbon neutral plans and commitments to the UN Global Compact. NRZ sustainability actions continue to meet or exceed COP26 aims and goals.

ESG - ENVIRONMENT, SOCIAL, GOVERNANCE

"Climate Active certification provides transparent evidence to our external shareholders that what we have committed to is real."

Climate Active Certification

NeuRizer is committed to reducing its carbon footprint and becoming the first large scale fertiliser project in the world to be carbon neutral.

On 22 March 2022 NRZ announced that it had successfully obtained Carbon Neutral certification through Climate Active, a partnership between the Australian Government and Australian businesses to drive voluntary climate action.

The certification process vetted NRZ's carbon neutral position for Scope 1, 2 and controllable scope 3 emissions through independent experts to ensure it met the requirements of the climate active Carbon Neutral Standard for Organisations.

NRZ is committed to maintaining this status, which is assessed on an annual basis, through to commissioning and operation.

Carbon Offset projects

NRZ has chosen carbon projects that not only offset its carbon emissions but also align with its sustainable development goals and internal company values.
On pages 20-21 is a highlight of each of the projects chosen and the co-benefits that each project will provide to the communities that they impact.

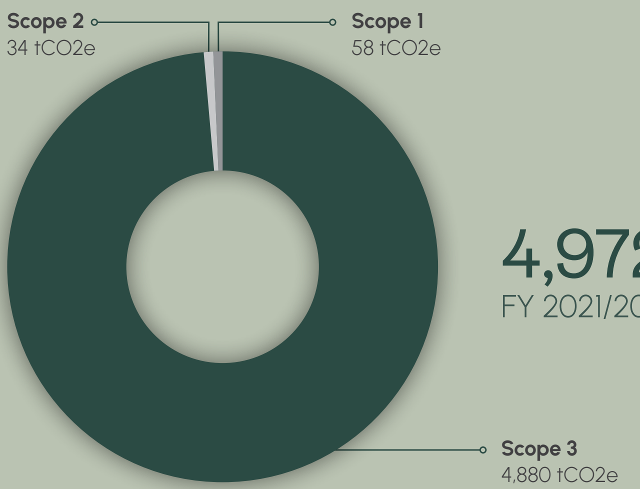
Task Force on Climate Related Disclosures (TCFD)

As part of our 2021 carbon neutral program, we became a member of TCFD (August 2021) through its support arm and Climate Active, these processes allowed us to commence voluntary programs to achieve independently verified carbon neutral status that would be annually auditable for the foreseeable future.

Commencement of the TCFD alignment to assurance status commenced in March this year with an aim to be independently verified by July 2022. Each of the TCFD four pillars (Governance, Strategy, Risk management, and Metrics and targets) were aligned against all internal processes and procedures with a gap analysis undertaken and identified items closed out. This alignment will continue to provide full disclosure to the market on the internal workings in relation to Climate related matters.

Annual Carbon Emissions

Financial Year 2021/2022



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FY 2021/2022

Professional Engineering Services **73%**	Other Professional Services **8%**	Transport, Travel & Accommodation **10%**
Office Based Emissions **2%**	Earth Science Services **5%**	Stationary Energy & Machinery **2%**

Malawi Cookstove Project

Carbon credits have been surrendered from the RIPPLE Africa cookstove project in Nkhata Bay District, Malawi. The project is run by RIPPLE Africa (a charity from the UK) and involves the installation of low cost, high efficiency wood fired cookstoves specially designed for local conditions. RIPPLE has so far replaced about 40,000 traditional three-stone cooking fires with fuel efficient cookstoves. The project has had a positive impact on approximately 200,000 people. These fuel efficiency wood stoves have significant benefits compared with the traditional three stone fires.

The benefits include:

Reducing approximately 80,000 bundles of wood consumed per week. This reduced consumption subsequently reduces deforestation as well as the time necessary to collect the additional wood.

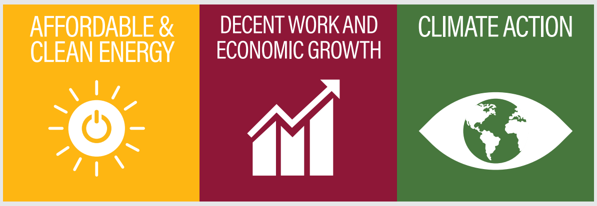
- The new stoves produces less smoke and reduce burn injuries.

These are just some of the many benefits this project provides for the Nkhata Bay District.

Guatemalan Deforestation

The forests of the Guatemalan Caribbean coastline are home to extraordinary beauty and biodiversity. The coastline is a migratory corridor for birds as they make their biannual journey between North and South America. Hundreds of species of birds depend on these forests as part of the Mesoamerican 'flyway,' and the area is home to almost 10% of the world's known bird species.

The Guatemalan Conservation Coast Project uses climate finance through the sale of carbon credits to protect this incredible landscape and reduce greenhouse gas emissions, aligning world-class conservation with viable, sustainable economic activities. Implemented by local NGO FUNDAECO, hundreds of landowners, including local communities, have joined together to protect almost 54,000 hectares of threatened forest coastline.



Indonesia Geothermal

Located on the volcanic island of Java, 150km from Jakarta, this project avoids greenhouse emissions associated with electricity generation from fossil fuels by tapping into Indonesia's vast geothermal resources to generate electricity for the JAMALI grid. Recognised as one of the most efficient geothermal plants in the world, Darajat Unit III is helping to displace coal and oil in Indonesia's electricity infrastructure and supporting the Nation's transition to renewable energy.

Sitting within an area known for its biodiversity, Darajat Unit III has helped improve infrastructure in the region, and supports the local community through job creation and investment in schools, helping to address high illiteracy rates in the area

Approved Strategy

NRZ has voluntarily set a target to be Carbon Neutral from 2022 by

2022 – 2025

achieve carbon neutral status by use of purchasing offsets and engaging in carbon farming strategic partnerships (either LGC or ACCU's)

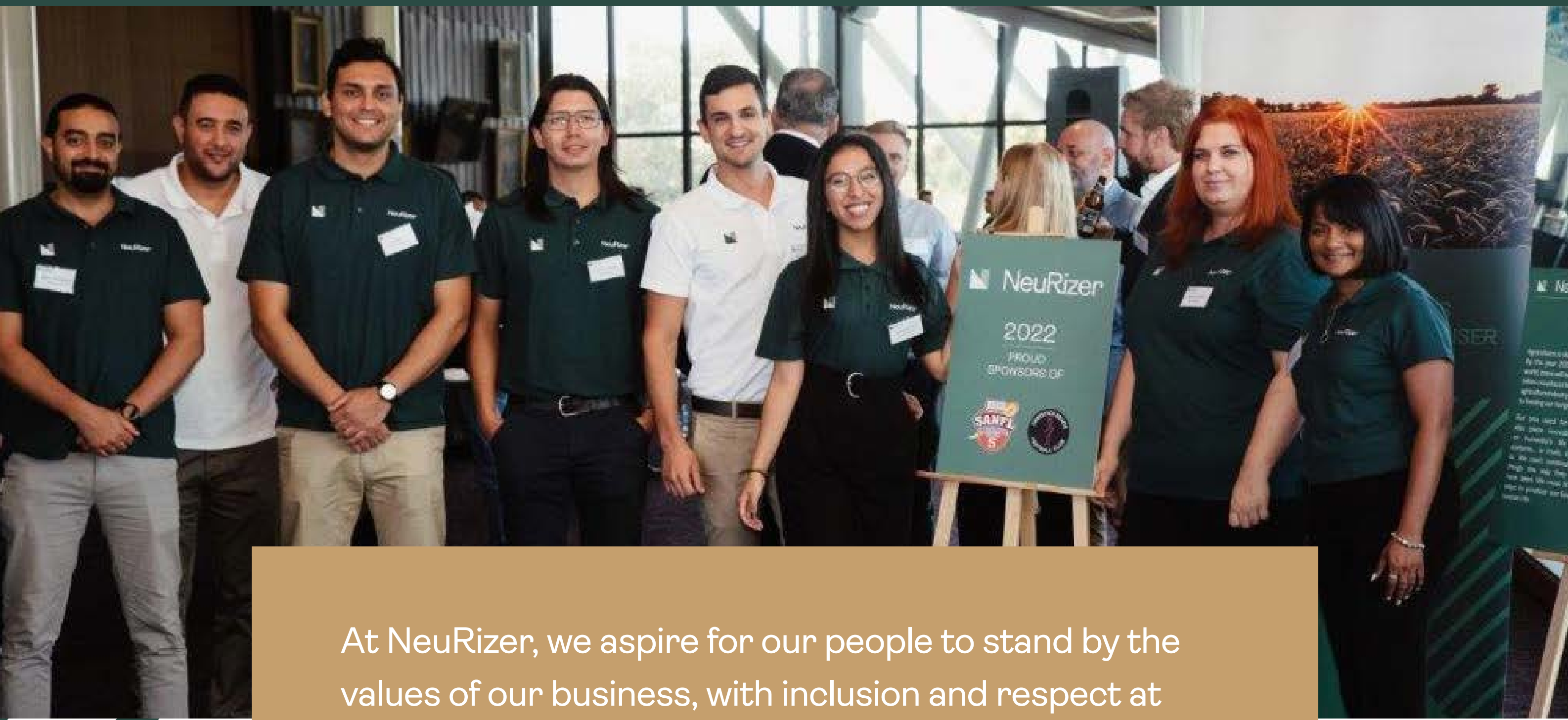
2025 – 2030

use the redundant gasifiers from the 5 MW plant for CCS, 75% of carbon utilised in production of urea, supplemented by renewables and offsets

2030+

75% of carbon utilised in production of urea, use of geosequestration supplemented by renewables and offsets.

ESG - SOCIAL



At NeuRizer, we aspire for our people to stand by the values of our business, with inclusion and respect at our core. We recruit and reward employees based on capability and performance — regardless of gender, race, ethnicity, disability, age, sexual orientation, or other differences. We value inclusion and diversity to guide how we do business – to ensure every voice is heard, every idea is encouraged, and everybody is supported to perform at their best

NeuRizer

2022 Proud Sponsors of

Community Programs

We are an ambitious team at NeuRizer and we feel very passionate about supporting and helping our community, so it was exciting to see community, corporate and social events start to build momentum again after many events unable to proceed the previous year. We knew this was the year to give back and to start to build the South Australian community again.

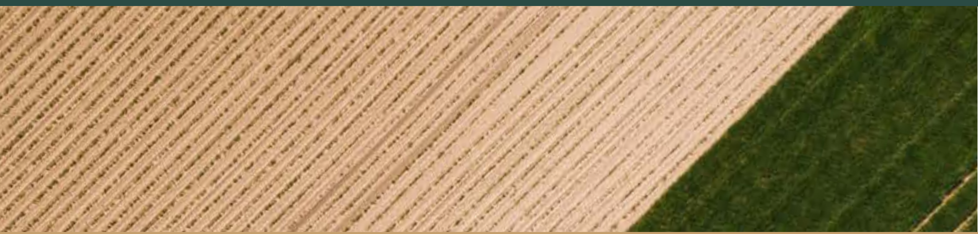
NEURIZER BECOMES MAJOR SPONSOR FOR SANFL INCLUSION LEAGUE

NRZ have supported the Christies Beach Football Club Inclusive Team for several years and with the team success, we were keen to grow and widen our support. So, this year we are excited to partner with the SANFL to become major sponsors of their Inclusive League. The Inclusive League lines up strongly with our company values, it embraces diversity and promotes acceptance while encouraging participation regardless of disability, age or gender.

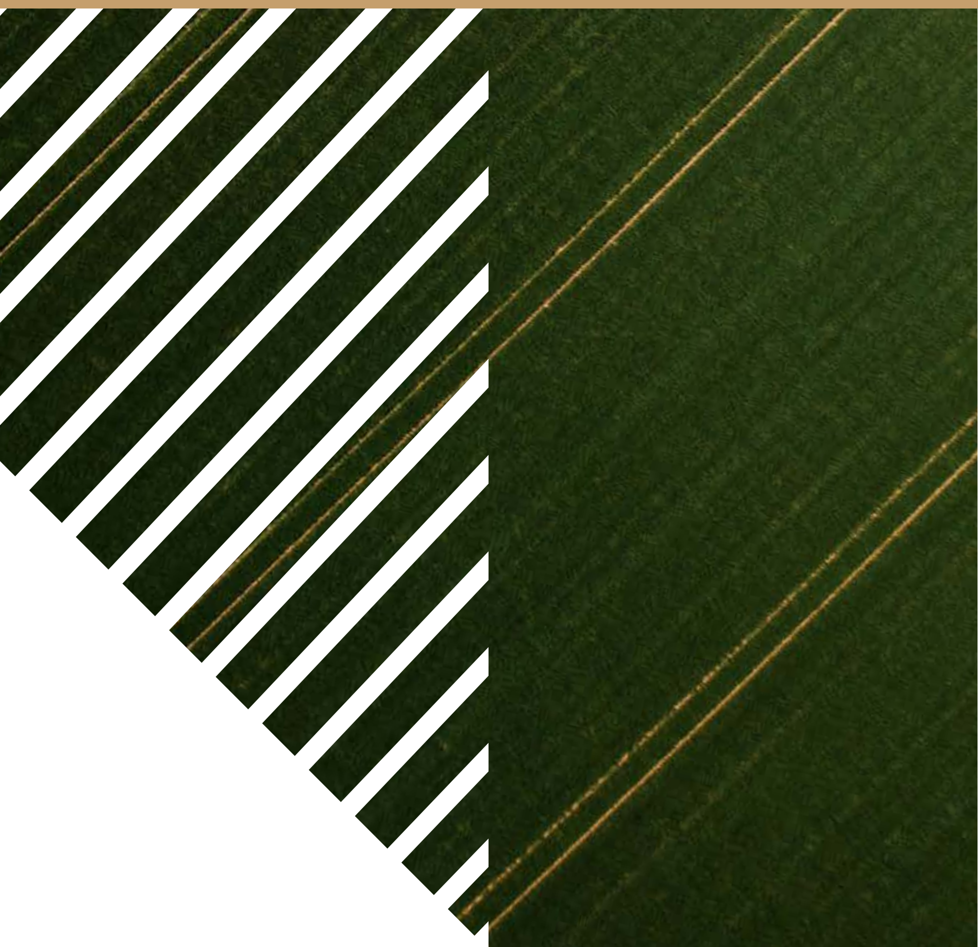
Other organisations or events we are proud to support in 2022 include:

- Royal Flying Doctors Service
- Flinders family Fun Day
- APEX Bike Ride
- North Moolooloo Golf Day
- Leigh Creek & Copley Christmas BBQ
- Flinders Cricket Team
- Leni Newham – swimming
- Copley & Districts Gymkhana
- Dr Clive Hume
- Share the Dignity

RISK MANAGEMENT



The implementation of NRZ's strategic delivery of sustainable value requires comprehensive risk management practices. This enables the NRZ Board and management to make strategic choices on risk while enhancing and preserving the opportunity for enterprise value.



The NRZ Risk Management Policy operates through its Risk Management Framework (which is aligned to the International Standard for risk management, ISO 31000). The Framework provides a whole of business approach to the management of risks; and sets out the process for the identification, evaluation, monitoring, review, and reporting of risk to facilitate the achievement of the Company's plans and objectives.

Risks are managed in context of the Board approved Risk Policy, providing high level risk tolerance guidance across a range of core business and strategic priority areas. Management reports to the Board on those risks which could have a material impact on the business and / or could result in a breach of approved risk tolerance thresholds. The Risk Committee assists the Board with oversight of the Company's risk management practices and undertakes an annual review of its Risk Management Framework considering business priorities and industry practices.

RISK MANAGEMENT

NRZ places significant emphasis on ensuring strong systems, processes, and culture is in place to protect the health and safety of its workforce.

Health and Safety Risks

NRZ's focus on health, hygiene, safety and wellbeing centres on creating a culture where all employees are role models in promoting a safe working environment. NRZ works to identify, assess and control risks, reduce the potential for occupational illness and injury, as well as promote healthy lifestyles. This approach is supported by NRZ's Health, Safety, Environment and Community Management System, comprising Group Standards that define minimum performance requirements across key areas. These include risk and hazard management; contractor management; leadership and training; emergency and crisis preparedness; and audit and assurance.

Group Standards require NRZ's workforce to be proficient in the requirements for a safe and healthy workplace for both employees and contract partners. Employees are empowered to actively make the workplace safe through task risk assessments and participation in safety visits that consider the hidden risks of tasks. Contract partners are selected, engaged and managed to ensure they meet NRZ's performance requirements through prequalification and ongoing management and support during their contract period.

2021-2022 Safety Statistics

- Zero fatalities
- LTIFR is = 2.33

COVID-19

NRZ continues to consider the implications of the COVID-19 pandemic on its business. Throughout 2022, NRZ has continued to manage the risk that COVID-19 poses to the health and safety of its workforce across all areas that it operates in. COVID-19 also poses implications for other risks including financial; operational; supply-chain; and employee management, including attracting and retaining talent, to name but a few.

Environmental Risks

NRZ is committed to leading practice in environmental management as outlined in the NRZ Environment Policy. Leading practice is based upon current community expectations, applicable legislation, and regulatory standards, all of which change over time.

NRZ has a strong environmental record of which we are proud, and we continue to seek to manage our impact on the environment and use resources efficiently.

NRZ has a comprehensive approach to the management of risk associated with the environment under its ESG policies which are a core part of NRZ's approach to health, safety, environment and community. This approach includes standards for asset reliability and integrity, technical and operational competency, and emergency response preparedness. The Board actively monitors compliance with regulations and operational obligations and at the date of this report is not aware of any material breaches in respect of these regulations and obligations. During the year the Company did not receive notification of any breach of any environmental obligation to its explorating activities.

Community/Social Risks

NRZ operates in areas with varying community, heritage, 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.

Climate Change Risk

NRZ is committed to managing its climate change risks and optimising associated business opportunities through the supply of critical products to contribute to a low carbon economy. The Company is committed to the Paris Agreement objectives and has been proactive in accepting the Intergovernmental Panel on Climate Change (IPCC) assessment of climate change science.

NRZ continues to take steps to align the Company's approach to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations to a level where it has released its independent climate related report to the market.

The NRUP is carbon neutral by design, and the decarbonisation pathway for the NRUP is being planned and embedded in the Front-End Engineering and Design (FEED) process to ensure that the NRUP achieves carbon neutral operations.

RISK MANAGEMENT

Sustaining Operations Risks

NRZ has a dedicated geotechnical resources team that draws on external management experts to continue to improve designs and monitoring activities to reflect best practice. Extensive reviews are conducted of the Company's resources and reserves, asset integrity, short- and long-term planning and geotechnical and hydrogeological modelling.

Attracting and Retaining Talent

Attracting and retaining key personnel continues to be a high priority and has been increasingly challenging in 2022 because of the volatile external environment exacerbated by COVID-19. However, despite the challenging external environment, NRZ has continued to successfully attract and retain talent.

Cyber Risks

NRZ takes a risk-based approach to manage cyber security with a focus on ensuring good practice across standard processes. NRZ leverages leading frameworks such as NIST and guidance from Australian Government's Cyber Security Centre. NRZ has a heightened focus on managing its cyber risks noting the increasing level of threats from the external environment.

Financial Risks

NRZ endeavours to ensure the best source of funding is obtained to maximise shareholder value, having regard to prudent risk management supported by economic and commercial analysis of all business undertakings. NRZ will continue to undertake significant capital expenditure to conduct its development appraisal, feasibility and exploration activities. Limitations on the access to adequate funding could have a material adverse effect on the business.

Growth Risks

NRZ regularly assesses its ability to enhance its planned production profile or extend the economic life of deposits through the development of new projects within its portfolio. NRZ seeks to generate growth options through exploration, innovation, project development and appropriate external growth opportunities. Evaluating growth opportunities requires prudent risk taking as part of a disciplined process of project selection and evaluation to maximise the opportunity, achieve the desired outcomes, and manage the associated risks to the Company. Risks to major development projects include the ability to acquire and/or obtain appropriate access to property, regulatory approvals, supply chain risks, construction, and commissioning risks.

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, changes to existing political, judicial, or administrative policies and changing community expectations. NRZ fosters a culture of vigilance in regulatory and compliance risks.

Business Risk and Mitigation

Anti-Bribery and Corruption Risk

NRZ's business activities and operations are in areas with varying degrees of political and judicial stability, including some countries with a relatively high inherent risk with regards to bribery and corruption. This may expose NRZ 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. NRZ 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 NRZ from potentially improper or criminal acts.

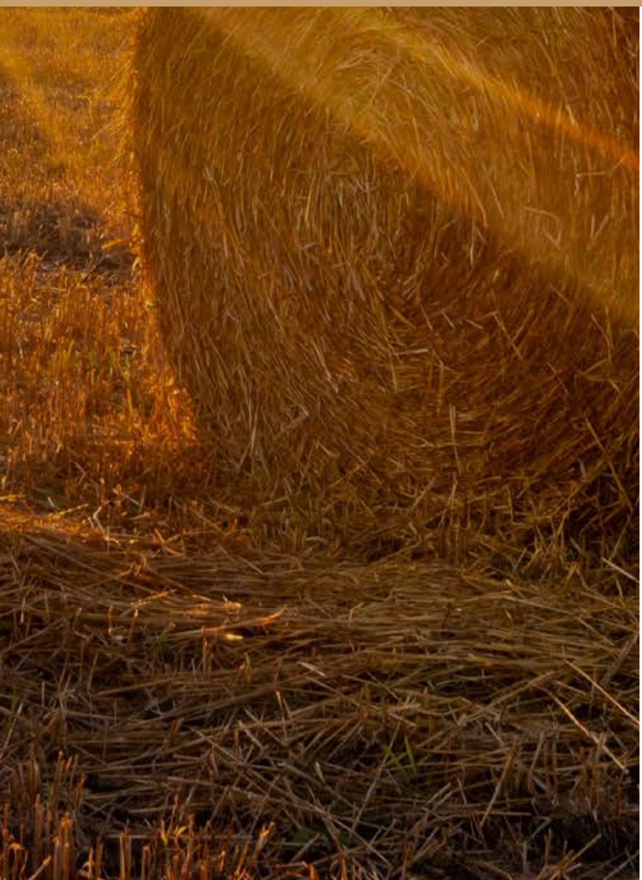
Business Interruption Risk

Circumstances may arise which preclude sites from operating including natural disaster, material disruption to NRZ's logistics chain, critical plant failure or industrial action. The Company undertakes regular reviews for mitigation of property and business continuity risks. NRZ used the Company's Crisis and Emergency Management Processes to manage the risks associated with COVID-19 to minimise the health, safety, and business impacts.

2022
DIRECTORS REPORT

NeuRizer Ltd is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX). The directors present their report together with the financial statements of the consolidated entity, being NeuRizer Ltd ("the Company" or "NeuRizer" or "NRZ") and its controlled entities ("the Group") for the year ended 30 June 2022.

The names and details of the qualifications and experience of Directors of the Company during the year ended 30 June 2022 and up to the date of this report are set out below.



Daniel Justyn Douglas Peters

BA (Hons) LLB., GDLP., GDPSM.

Executive Chairman, Audit Committee and Risk Committee Member

Appointed as Director - 28 November 2014

Experience & expertise

Mr Peters began his career as a Police Prosecutor in the South Australian Police Force and then in the Australian Federal Police before moving into environmental management and enforcement at both the state and federal level. Mr Peters extensive environmental management experience in the government and private sectors has proven invaluable in developing NeuRizer.

Mr Peters was a legal and training officer with the National Parks and Wildlife and a lecturer in environmental law at both TAFE and University level. He was then Head of Investigation and Compliance and acting Director of Central and Northern Regions with the Qld EPA. He managed the integration of the environmental regulation at the Queensland Environmental Protection Agency (EPA) and the Queensland Mining Industry into the EPA. He was the Environment Advisor for the Queensland Mining Council and then National Property and Environment Manager for the federal government at Airservices Australia.

Mr Peters commercial experience is also extensive. After being the Head of Business Nth Asia (Japan, Korea and China) for Airservices Australia, he joined Linc Energy and in his six years at Linc Energy, he held the positions of General Manager Environment and Government Relations, General Manager Business Development, Executive General Manager North Asia, Executive General Manager of Investor Relations and CEO of Linc Global.

Mr Peters has been CEO and a Director of several other ASX and private companies. During the past three years, Mr Peters has not served as a Director of any other listed companies.

Phillip Staveley

CPA, BA (Acc)(Hons), Dipl Btr, MAICD

Managing Director

Appointed as Director – 5 December 2017

Experience & expertise

Mr Staveley is a qualified accountant with 30 years of experience in the resources sector. He started his career in the oil and gas sector, working for Schlumberger in London, followed by several years with SAGASCO and SAOG (South Australian Oil and Gas Company). He spent almost ten years with Normandy Mining Ltd, fulfilling many planning, finance, M&A and commercial roles, including establishing a Group Supply Function and three years based in Rio de Janeiro as the CFO of TVX Normandy Americas.

Since 1998 he has been involved in mining and contracting companies in the position of CFO and, more latterly, CEO roles with an emphasis on strategy and corporate finance.

During the past three years, Mr Staveley has not served as a Director of any other listed companies.

Murray K Chatfield

BCom (Ag/Economics and Marketing), MBA, ACT, MAICD

Non-Executive Director, Audit Committee and Risk Committee Chair

Appointed as Director – 30 June 2016

Experience & expertise

Mr Chatfield has extensive experience within finance with nearly 30 years of experience in investment banking, hedge funds and corporate finance both in Australia and internationally. He was a Senior Economist with the New Zealand government before joining Bankers Trust in London. He then moved into Hedge Funds initially as European Treasurer and then as a Partner and COO in a Relative Value Hedge Fund. He was the COO and Partner in an Australian-based fund focused on Global Macro events. He has been and is still actively involved as a Director of several unlisted companies in the Commodity and Marketing areas. Mr Chatfield's career covers finance, treasury, accounting, operational efficiency, risk management (business, market, tax and regulatory), legal and regulatory compliance and direct financial market interaction.

During the past three years, Mr Chatfield has not served as a Director of any other listed companies.

Zhe Wang

BSc (Thermal Dynamics), MEng (Energy Engineering and Thermal Physics)

Non-Executive Director

Appointed as Director – 1 July 2017

Experience & expertise

Zhe is a Chinese-based Energy and Thermal Physics Engineer and nominee of China New Energy Group Limited (NeuRizer's largest shareholder). He has over eight years of Executive Management experience. Zhe also sits on the Board of Beijing Raise Mind Technology Ltd. Zhe's key areas of expertise include Coal Combustion, Renewable Energy Applications, and Steel Sinter. Zhe has a Bachelor of Thermo Dynamics, Renewable Energy Applications, and a Masters in Energy Engineering and Thermal Physics, Coal Combustion.

During the past three years, Mr Wang has not served as a Director of any other listed companies.

Zheng Xiaojiang

BCom

Non-Executive Director

Appointed as Director – 5 December 2017

Experience & expertise

Zheng is a senior finance executive with vast experience in the finance sector in Australia and China. His experience includes having been a senior official for The People's Bank of China in Australia and New Zealand. Zheng was responsible for facilitating the investment in NeuRizer by China New Energy, NeuRizer's largest shareholder.

During the past three years, Mr Xiaojiang has not served as a Director of any other listed companies.

Jordan Mehrtens

LLB/LP, BCom (Fin), GDip (Planning)

Company Secretary

Since 2015

Experience & expertise

Jordan Mehrtens is a qualified lawyer with qualifications in finance and urban and regional planning. Jordan is a member of the Governance Institute of Australia and performs the secretarial role in the Company. Since its commencement in 2015, she has worked with NeuRizer, providing regulatory, compliance, and other analytical advice..

DIRECTORS' REPORT

Principal Activity

The principal activities of the Group during the year were advancing the development of its NeuRizer Urea Project (NRUP), There have been no significant changes in the nature of these activities during the year. The Company continues to progress with its commercialisation plans.

Operating Activities

A detailed review of the operations of NeuRizer during the financial year is set out on pages 10-12 of the report.

Finance and Corporate

The consolidated operating loss of the financial year to 30 June 2022 was $20,398,157 (2021: $13,574,173). This includes share-based payments expenses of $4,510,828 (2021: $4,206,504). Expenditure incurred on the NRUP capitalised as Exploration expenditure was $19,287,419 (2021: $3,602,336).

In December 2021, the Company announced it had entered into an Institutional Share Placement agreement with Energy Exploration Capital Partners, LLC (EECP). The Company received the initial tranche under the agreement of $7,500,000 less fees in December 2021, the second tranche of $3,900,00 in April 2022 and the third tranche of $$3,600,00 in September 2022. The Company also received $1,909,200 under the agreement with EECP in April 2022, as EECP elected to pay for the Initial Placement Shares.

In March 2022, the Company completed a Share Purchase Plan and Private Share Placement to the value of $2.9 million. In June 2022, NRZ EPCC contractor DL E&C took a 9% strategic shareholding in the Company to the value of USD 10 million.

Risk Management

A detailed review of the material business risks applicable to NeuRizer is set out on pages 26-29 of the report

Dividends

The Directors do not recommend the payment of a dividend, and no amount has been paid or declared since the end of the previous financial year.

Significant events after the balance date

On 4 July 2022, the Company announced that it had signed a binding, long term offtake agreement with Daelim Co Ltd ("DL Trading") for 500,000 tonnes of granular urea per year. This agreement is conditional upon and will have no force or effect until the achievement of Commercial Production, among other factors.

On 6 July 2022, the Company received $14.6m under its Share Subscription Agreement with DL E&C and issued 97,551,458 ordinary shares (see note 23).

On 29 July 2022, the Company announced that Mr Jaehyung Yoo, of DL E&C, had been appointed as a Non-Executive Director, effective 6 August 2022.

On 12 September 2022, the Company received $3.6m under its agreement with EECP (see note 23).

On 29 September, the Company announced that the NRUP has been declared an Impact Assessed Development (formerly known as a "Major Project Declaration") by the South Australian Government.

Meetings of Directors

During the financial year, the number of meetings held at which a director was eligible to attend and the number attended by each director was:

	Board Meetings		Audit & Risk Committee	
Director	Meetings Held	Meetings attended	Meetings Held	Meetings Attended
D J Peters	11	11	6	6
P J Staveley	11	11	-	-
M K Chatfield	11	11	6	6
Z Wang	11	10	-	-
Z Xiaojiang	11	11	-	-

Directors' Interests in shares and options

The relevant interest of each director at the date of this report is:

Name	Shares	Options
D J Peters	13,295,229	268,728
P J Staveley	8,514,659	433,400
M Chatfield	1,861,154	2,000,000
Z Wang	-	2,185,853
Z Xiaojiang	8,476,964	2,613,312
J Yoo	-	-

Unissued shares under option

Unissued ordinary shares of NeuRizer Ltd under option at the date of this report are:

Grant Date	Date of Expiry	Exercise Price	Number under Option
18 April 2018	17 April 2023	$0.35	5,000,000
17 December 2019	12 December 2023	$0.23	6,800,000
17 March 2020	16 March 2023	$0.14	5,494,505
17 March 2020	16 March 2023	$0.18	5,494,505
19 August 2020	18 August 2024	$0.12	6,200,000
4 November 2020	15 April 2025	$0.00	799,165
15 January 2021	14 January 2024	$0.23	9,800,000
15 January 2021	14 January 2024	$0.23	800,000
19 August 2021	17 August 2026	$0.00	877,128
10 May 2022	1 May 2025	$0.20-$0.26	6,000,000
26 July 2022	25 July 2027	$0.00	4,845,000
11 August 2022	16 February 2026	$0.22	2,000,000

Indemnities given to, and insurance premiums paid for, officers

During the year, the Company paid a premium to insure officers of the Group, including all Directors. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

Indemnity of auditors

The Group has agreed to indemnify its auditors, Ernst & Young, to the extent permitted by law against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2022 can be found on page 47 and forms part of the Directors' Report.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to 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 part of those proceedings.

Remuneration Report (audited)

The Directors of the Group present the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2022. This report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for NeuRizer's key management personnel (KMP). KMPs are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

The table below outlines the KMP of the Group. There were no changes to KMP during FY22:

Name	Position	Term as KMP
D J Peters	Executive Chairman	Full financial year
P J Staveley	Managing Director	Full financial year
M K Chatfield	Non-Executive Director	Full financial year
Z Wang	Non-Executive Director	Full financial year
Z Xiaojiang	Non-Executive Director	Full financial year

In addition, Mr Jaehyung Yoo was appointed as a Non-Executive Director, effective 6 August 2022.

Principles used to determine the nature and amount of remuneration

The remuneration policy is designed to align the objectives of the Key Management Personnel with shareholder and business objectives. The Board of NeuRizer believes the policy is appropriate and effective in attracting and retaining the best Directors and Executives to manage and direct the Group and create goal congruence between Directors, Executives, and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members and other Key Management Personnel is as follows:

The Company's Constitution specifies that the total remuneration of non-executive Directors shall be fixed from time to time by a general meeting. The maximum aggregate remuneration of non-executive Directors has been set at $750,000 per annum. Directors may apportion any amount up to this maximum among the non-executive Directors as they determine. Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for the remuneration of executives. However, they may receive options or bonus payments subject to shareholder approval. They are not provided with retirement benefits besides salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on several factors, including the individual's experience and performance in meeting the Company's key objectives. The Board is responsible for assessing relevant employment market conditions and achieving the long-term aim of maximising shareholder benefits by retaining high-quality personnel.

The Board may approve the payment of cash bonuses from time to time to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan, approved by shareholders, enabling the Board to offer eligible employees options to acquire ordinary fully paid shares. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board per the terms and conditions of the Plan. The Plan's objective is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success for the Company and to maximise the Company's long-term performance. It can also be used as a reward for performance.

As the Company is developing an energy asset that is not yet in production, in the opinion of the Board, the Company's earnings and the consequences of the Company's performance on shareholder wealth are not related to the Company's remuneration policy.

Voting at the 2021 AGM

Of the total valid available votes lodged, NeuRizer received 92.10% "yes" votes on its remuneration report for the 2021 financial year. The motion was carried unanimously on a show of hands as an ordinary resolution. The Company did not receive any specific feedback at the AGM on its remuneration practices.

KMP employment agreements

Remuneration and other terms of employment for Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreement relating to remuneration are set out below:

Name	Fixed remuneration[1]	Term of agreement	Notice period	Termination payments[2]
D J Peters	$425,020	Ongoing	Six months	Nil
P J Staveley	$459,760	Ongoing	Six months	Nil

Notes

1. Service agreements are presented as at 30 June 2022 and are inclusive of Superannuation.
2. KMP terms of employment is ongoing until terminated by either NRZ or the individual upon six months notice. NRZ must pay any amount owing but unpaid to the employee whose services have been terminated at the date of termination, such as accrued leave entitlement.

Details of remuneration

Details of the nature and amount of each element of the remuneration of each KMP of the Group are shown in the table below:

		Short-term benefits				Long term benefits	Post employment	Share-based payments		Total remuneration	Performance-related
		Director Fees	Salary & wages	Other	Non-monetary[1]	Long service leave	Super annuation	Shares	Share Options[2]		
		$	$	$	$	$	$	$	$	$	%
D J Peters	2022	-	401,090	-	-	35,126	27,500	-	1,629,318	2,093,034	78
	2021	-	393,714	-	4,879	20,030	25,000	-	770,948	1,214,571	64
P J Staveley	2022	-	434,570	-	21,858	34,072	27,500	-	1,660,325	2,178,325	76
	2021	-	378,974	-	12,559	22,291	25,000	-	877,018	1,315,842	62
M Chatfield	2022	68,493	-	-	-	-	6,849	-	-	75,342	-
	2021	45,834	-	-	-	-	4,750	-	9,802	60,386	16
Z Wang	2022	60,274	-	-	-	-	-	-	-	60,274	-
	2021	50,188	-	-	-	-	-	-	9,802	59,990	16
Z Xiaojiang	2022	54,795		230,000[3]	-	-	5,479	-	-	290,274	-
	2021	45,833	-	210,833	-	-	4,750	-	32,347	293,763	11
G D English[4]	2022	-	-	-	-	-	-	-	-	-	-
	2021	45,833	-	-	-	-	4,750	-	9,802	60,385	16
Total	**2022**	**183,562**	**835,660**	**230,000**	**21,858**	**69,198**	**67,328**	**-**	**3,289,643**	**4,697,249**	
	2021	**187,688**	**772,688**	**210,833**	**17,438**	**42,321**	**64,250**	**-**	**1,709,719**	**3,004,937**	

Notes

1. Non-monetary benefits include benefits provided on which Fringe Benefits tax is paid.
2. In accordance with the Accounting Standards, remuneration includes a proportion of the fair value of the options granted during the year. The fair value of options is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that the employee may ultimately realise should the options vest. The fair value of the options as of the grant date has been determined in accordance with the accounting policy in Reserves note 13.
3. Mr Xiaojiang provided consulting services during the year.
4. Mr English resigned as a director on 22 June 2021.

Share-based remuneration

Unlisted options are granted to Directors and Key Management Personnel as part of their remuneration. Most of the options are subject to performance criteria, as outlined below. They are issued to the relevant directors and Key Management Personnel of the Group to increase goal congruence between executives, directors, and shareholders. All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

Short-Term Incentive (STI) options were granted on the 4th of November 2021 to the Executive Chairman (EC) and the Managing Director (MD) during the reporting period, all with a grant date value per option of 11.5 cents, zero exercise price, and expiry date of 2nd December 2025. The Fair Value of the STIs was determined using a Black Scholes model, and $168,358 was expensed for these STIs in the twelve months to 30 June 2022. These options were issued without a service period but were to vest on the achievement of the following targets:

Stretch Targets	Stretch Target Date	EC Options	EC Options Vested	% Forfeited	MD Options	MD Options Vested	% Forfeited
Operations-based	30 June 2022	358,304	268,728	25	346,720	260,040	25
Financial and approval-based	30 June 2022	238,872	-	100	520,084	173,360	67
TOTAL		**597,176**	**268,728**	**55**	**866,804**	**433,400**	**50**

A further breakdown of the STI targets is as follows:

Stretch Targets	EC Number of Options	MD Number of Options	Vested
Environmental - No Notifiable Incidents in the financial year	89,576	86,680	Yes
Safety - No Notifiable Incidents in the financial year	89,576	86,680	No
People - Turnover of ongoing staff less than 20% (resignation)	89,576	86,680	Yes
Carbon neutral Year 1 TCFD reporting completed and verified	89,576	86,680	Yes
EIR Final approval	-	43,341	No
Start-up first gasifiers and operational function for greater than ten continuous days	-	43,341	No
Production of syngas from first gasifiers to at a quality level to run the power plant	-	43,341	No
First Power at Leigh Creek is produced	-	43,341	No
Final Board approval of Selection of Licensor (ammonia and urea)	-	86,680	Yes
Managing Director to provide Final FEED report for Board approval	-	86,680	No
Final Bankable Feasibility Study accepted by the Board	238,872	86,680	No
Financial – variation of less than 10% of the approved budget	-	86,680	Yes
TOTAL	**597,176**	**866,804**	

The Company chose these STI targets to align senior executive remuneration with the progress of its flagship project, the NRUP. The board assessed the achievement of these targets following the end of the target period.

Long-Term Incentives (LTIs) were also granted to the EC and MD each during the reporting period. The Fair Value of the LTIs was determined using a Monte Carlo valuation, and $3,121,285 was expensed for these LTIs in the twelve months to 30 June 2022. The amount expensed is not indicative of the benefit (if any) that the employee may ultimately realise should the LTIs be awarded, as the actual award of options is subject to achieving the share price targets as below:

Rating period	Vesting date	Grant date	Number of Options (zero exercise price)	Share price target based on 30 trading day VWAP as at 30 June of the rating period year	Share price target based on 30 trading day VWAP as at 30 June of the rating period year	Fair Value per option at grant date
FY22/23	30 June 2023	4 November 2021	1.5 million	$0.50	3.5 million	11.5 cents
			2 million	$0.65		
FY24	30 June 2024	4 November 2021	2 million	$0.65	15 million (less any issued in previous year relating to the equivalent targets)	11.3 cents
			2.5 million	$0.80		
			3 million	$0.95		
			3.5 million	$1.10		
			4 million	$1.25		
FY25	30 June 2025	24 June 2021 (not granted pending shareholder approval)	3 million	$0.95	36 million (less any issued in the two previous years relating to equivalent targets)	14 cents
			3.5 million	$1.10		
			4 million	$1.25		
			4.5 million	$1.55		
			5 million	$1.70		
			7 million	$1.85		
			9 million	$2.15		

The Company chose these LTI targets to align senior executive remuneration with increased shareholder wealth.

Other information

The number of options to acquire ordinary shares in the Company, held during the 2022 reporting period by each of the Group's KMP, including their related parties, as set out below:

Name	Balance at the start of the year	Granted as remuneration[1]	Exercised	Other changes	Closing balance	Vested & exercisable at the end of the reporting period	Vested & un-exercisable at the end of the reporting period
D J Peters	8,308,043	597,176	(5,808,043)	-	3,097,176	2,500,000	-
P J Staveley	8,716,684	866,804	(6,216,684)	-	3,366,804	2,500,000	-
M Chatfield	2,000,000		-	(2,000,000)	-	-	-
Z Wang	2,185,853	-	-	-	2,185,853	2,185,853	-
Z Xiaojiang	2,613,312	-	-	-	2,613,312	2,613,312	-
Total	**23,823,892**	**1,463,980**	**(12,024,727)**	**(2,000,000)**	**11,263,145**	**9,799,165**	**-**

Notes:

1. Whilst the LTI options to D J Peters and P J Staveley have been approved by Shareholders, they are not included above on the basis that they have not legally been issued as yet.

The number of ordinary shares in the Company held to 30 June 2022 by each of the Group's KMP, including their related parties, as set out below:

Name	Balance at the start of the year	Granted as remuneration	Received on exercise	Other changes[1]	Held at the end of the reporting period
D J Peters[3]	7,566,926	-	5,808,043	170,260	13,545,229
P J Staveley	2,164,641	-	6,216,684	133,334	8,514,659
M Chatfield	1,847,820	-	-	13,334	1,861,154
Z Wang	-	-	-	-	-
Z Xiaojiang[2]	29,501,347	-	-	-	29,501,347
Total	**41,080,734**	**-**	**12,024,727**	**316,928**	**53,422,389**

Notes:

1. Other changes include purchases or sales during the financial year.
2. Z Xiaojiang has an interest in 29,501,347 shares held by Crown Ascent Development Limited.

Overview of company performance

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year:

	Units	FY18	FY19	FY20	FY21	FY22
Net loss after tax	$ million	(6.0)	(9.5)	(7.2)	(13.6)	(20.4)
Earnings per share	Cents per share	(1.53)	(2.20)	(1.26)	(2.06)	(2.48)
Cash outflow from operating activities	$ million	(3.1)	(3.3)	(6.0)	(4.6)	(10.2)
Net assets	$ million	25.4	29.7	34.2	51.3	56.5
Dividends declared	Cents	0	0	0	0	0
Shares on issue	Million	453	548	655	813	954

Loans to Key Management Personnel

The Group does not have any outstanding receivables relating to employee loans or Key Management Personnel at the balance date.

Related party transactions

During the reporting period:

In FY21, Investment Company Services Pty Ltd was paid $550 to provide investor relations services to the Group on arm's length commercial terms. The party is related to Mr Peters, Executive Chairman of the Company.

Zheng Xiaojiang provided investor relations services on arm's length commercial terms for $230,000 and was reimbursed for travel expenses of $35,477 during the year totalling $265,477 (2021: $256,666). There was $0 due for payment at the end of the reporting period. Mr Xiaojiang is a Non-Executive Director of the Company.

END OF AUDITED REMUNERATION REPORT

AUDITOR'S INDEPENDENCE

Ernst & Young continues in office in accordance with Section 327 of the Corporations Act 2001.

The auditor has not been engaged during the year for any non-audit services which may have impaired the auditor's independence. The auditor's independence declaration for the year ended 30 June 2022 has been received and is included in this report.

Signed in accordance with a resolution of the Board.

D J Peters
Executive Chairman
Dated this 30th day of September 2022

Corporate Governance Statement

The Board of Directors (the Board) of NeuRizer Ltd (the Company) is committed to achieving and demonstrating the highest standard of Corporate Governance.

The Board guides the Company's affairs on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board has responsibility for the overall Corporate Governance of the Company, including its strategic direction, establishment of goals for its management and monitoring of the achievement of those goals.

The Directors recognise that their primary responsibility is to the owners of the Company and its shareholders while having regard to the interests of all stakeholders and the broader community.

The statement outlines the Company's corporate governance practices during the financial year. The Company's statement is based on the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations (4th Edition).

Although the ASX Corporate Governance Council's Recommendations are not mandatory, under listing rule 4.10.3, companies must provide a statement disclosing the extent to which they have followed the recommendations in the reporting period, identifying any principles that have not been followed with reasons for not having done so.

The statement of revised principles and the Company's compliance with each principle are set out on the Company's website www.neurizer.com.au/esg/governance/.

Directors' Declaration

1. In the opinion of the Directors of NeuRizer Ltd:

    a. The consolidated financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

        i. Giving a true and fair view of the financial position as at 30 June 2022 and of the performance of the Group for the year ended on that date; and

        ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, subject to the outcomes required as set out in the Notes to the Financial Statements (see Note 2).

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ending 30 June 2022.

3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

D J Peters

Executive Chairman

Dated this 30th day of September 2022

Ernst & Young
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Auditor's independence declaration to the directors of NeuRizer Ltd

As lead auditor for the audit of the financial report of NeuRizer Ltd for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NeuRizer Ltd and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Linzi Carr
Partner
30 September 2022

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FINANCIAL REPORT

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	Notes	2022 $	2021 $
Other income	3(a)	-	50,501
Other expenses	3(b)	(4,064,622)	(4,330,959)
Depreciation of property, plant and equipment		(158,525)	(179,732)
Employee benefits expense	11	(8,227,986)	(4,397,128)
Operating loss		**(12,451,133)**	**(8,857,318)**
Finance income	4(a)	1,763	2,559
Finance costs	4(b)	(7,948,787)	(4,719,414)
Loss before income tax		**(20,398,157)**	**(13,574,173)**
Income tax	5	-	-
Loss for the year after income tax		**(20,398,157)**	**(13,574,173)**
Total other comprehensive income		-	-
Total comprehensive (loss) for the year		**(20,398,157)**	**(13,574,173)**
Earnings per share		**Cents**	**Cents**
Basic (cents per share)	21	(2.48)	(2.06)
Diluted (cents per share)	21	(2.48)	(2.06)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position as at 30 June 2022	Notes	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	443,249	22,812,361
Trade and other receivables	23	14,653,011	257,204
Prepayments		339,847	200,195
Other financial assets	7	630,367	-
Total current assets		**16,066,474**	**23,269,760**
Non-current assets			
Other financial assets	7	565,339	565,339
Property, plant and equipment	8	3,870,102	412,975
Exploration and evaluation expenditure	9	50,110,816	30,823,397
Other assets	22	20,756,365	-
Right-of-use Asset		237,154	111,350
Total non-current assets		**75,539,776**	**31,913,061**
Total assets		**91,606,250**	**55,182,821**
Liabilities			
Current liabilities			
Trade and other payables	10	14,252,848	1,233,712
Borrowings		76,704	97,324
Employee entitlements	11	1,047,387	559,255
Lease liabilities		52,454	127,517
Other financial liabilities	23	18,840,228	1,757,143
Total current liabilities		**34,269,621**	**3,774,951**
Non-current liabilities			
Employee entitlements	11	61,377	105,135
Lease Liabilities		192,610	-
Provision for restoration and make good	7	595,000	-
Total non-current liabilities		**848,987**	**105,135**
Total liabilities		**35,118,608**	**3,880,086**
Net assets		**56,487,642**	**51,302,735**
Share capital	12	128,679,704	107,607,468
Share option reserve	13	12,771,247	8,260,419
Retained losses		(84,963,309)	(64,565,152)
Total equity		**56,487,642**	**51,302,735**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the year ended 30 June 2022

	SHARE CAPITAL $	RETAINED LOSSES $	SHARE OPTION RESERVE $	TOTAL EQUITY $
BALANCE 1 July 2021	**107,607,468**	**(64,565,152)**	**8,260,419**	**51,302,735**
Total comprehensive income				
Total profit or (loss)	-	(20,398,157)	-	(20,398,157)
Other comprehensive income	-	-	-	-
Total comprehensive loss	**-**	**(20,398,157)**	**-**	**(20,398,157)**
Transactions with members in their capacity as owners:				
Issue of share capital (net of costs)	21,072,236	-	-	21,072,236
Issue of share-based payments	-	-	4,510,828	4,510,828
Total transactions with owners	**21,072,236**	**-**	**4,510,828**	**25,583,064**
BALANCE AT 30 June 2022	**128,679,704**	**(84,963,309)**	**12,771,247**	**56,487,642**

	SHARE CAPITAL $	RETAINED LOSSES $	SHARE OPTION RESERVE $	TOTAL EQUITY $
BALANCE 1 July 2020	**81,094,167**	**(50,990,979)**	**4,053,915**	**34,157,103**
Total comprehensive income				
Total profit or (loss)	-	(13,574,173)	-	(13,574,173)
Other comprehensive income	-	-	-	-
Total comprehensive loss	**-**	**(13,574,173)**	**-**	**(13,574,173)**
Transactions with members in their capacity as owners:				
Issue of share capital (net of costs)	26,513,301	-	-	26,513,301
Issue of share-based payments	-	-	4,206,504	4,206,504
Total transactions with owners	**26,513,301**	**-**	**4,206,504**	**30,719,805**
BALANCE AT 30 June 2021	**107,607,468**	**(64,565,152)**	**8,260,419**	**51,302,735**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 June 2022

	Notes	2022 $	2021 $
Operating activities			
Sundry income received	3(a)	-	501
Cash flow boost stimulus grant income	3(a)	-	50,000
Interest received	4(a)	1,763	2,559
Payments to suppliers and employees		(10,231,687)	(4,666,219)
Net cash flows used in operating activities	**17(b)**	**(10,229,924)**	**(4,613,159)**
Investing activities			
Purchase of property, plant & equipment		(170,656)	(110,526)
R&D rebates received		-	518,432
Capitalised exploration costs		(6,072,182)	(3,546,378)
Other assets	22	(20,756,366)	-
Increase in long-term bank deposits	7	(630,367)	(535)
Net cash flows used in investing activities		**(27,629,571)**	**(3,139,007)**
Financing activities			
Issue of shares		12,288,450	24,951,735
Proceeds for unissued share capital	23	3,900,000	-
Proceeds from exercise of options	12	30,000	840,000
Share issue transaction costs		(227,413)	(1,412,922)
Proceeds from borrowings		-	145,916
(Payments) of borrowing costs		(362,620)	(774,589)
Payment of principal of lease liabilities		(138,034)	-
Net cash flows from financing activities		**15,490,383**	**23,750,140**
Net change in cash and cash equivalents		(22,369,112)	15,997,974
Cash and cash equivalents, beginning of year	6	22,812,361	6,814,387
Cash and cash equivalents, end of year	**17(a)**	**443,249**	**22,812,361**

The accompanying notes form part of these financial statements.

1. Corporate Information

The consolidated financial statements of NeuRizer Ltd and its subsidiaries (the "Group") for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 30 September 2022. NeuRizer is a for profit limited company incorporated and domiciled in Australia whose shares are publicly traded. With effect from 25 March 2022, the name of the Company was changed from Leigh Creek Energy Limited to NeuRizer Ltd. The registered office is located at Level 11, 19 Grenfell Street, Adelaide SA 5000.

The Groups principal activity is developing the NeuRizer Urea Project (NRUP).

2. Significant accounting policies

Basis of preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with Australian Accounting Standards (AAS) as issued by the Australian Accounting Standards Board (AASB). The statements have been prepared on an accruals basis and are based on historical costs and certain financial liabilities for which the fair value basis of accounting has been applied. The consolidated financial statements are presented in the Group's functional currency, Australian dollars (AUD), and rounded to the nearest dollar, except where otherwise indicated.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at amounts stated in the financial report.

For the year ended 30 June 2022, the Group incurred a loss of $20.4 million (2021: $13.5 million), had net operating and investing cash outflows of $37.9 million (2021: $7.8 million) and net assets of $56.5 million (2021: $31.3 million). As at 30 June 2022, the Group's current liabilities exceeded its current assets by $18.2 million (2021: $19.5 million of net current assets).

The Director's, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared a cash flow forecast through to September 2023 which indicates the following measures are necessary for the Group to have sufficient cash to continue as a going concern:

- The ability and expectation that the Group can raise additional debt or equity, and that the Group's ability to raise equity will rely on investor confidence in the development of the NRUP.
- At 30 June 2022, DL E&C took a 9% strategic shareholding in the Company, to the value of USD 10 million, for which the cash was received following settlement in early July. As at the date of this report the Group had net current liabilities of approximately $12.0 million, with $4.3 million of current liabilities being amounts that are not required to be settled in cash, and a further $1.8 million of current liabilities relating to employee liabilities that are required to be classified as current liabilities under the relevant accounting standards, but which are not expected to be settled in cash within the next 12 months.
- The Company has access to $5 million in funding via Tranche 4 of its agreement with Energy Exploration Capital Partners (EECP), if it is agreed between EECP and the Company, and subject to the ASX Listing Rules regarding Equity Issue capacity limits.
- The initial Bankable Feasibility Study (BFS) for Stage 2 of the NRUP was received in Q1 2022. Management has assessed that it is reasonable that this initial BFS, coupled with binding offtake agreements, will assist the Group in raising capital to complete the BFS and Front-End Engineering Design (FEED) to then proceed to the FID. The formal completion of the BFS and FEED will allow the Group to complete negotiations to secure 70% finance for the project. The Company currently has a letter of support from

a Korean financial institution to fund 70% of the upstream component of the project, being approximately $1.5 billion, subject to the agreement of commercial terms and a positive FID. A strategic partner and/ or capital raising will provide the funding for the balance of the project once FID has been made.

- The cash flow forecasting assumes prudent cash management and scaling back of corporate, NRUP and other costs to its minimum commitments to manage the timing and/or level of new debt or equity funding that will be required.

At the date of signing of this report, the Directors are in discussions with regards to a number of funding options, including a direct equity placement, convertible notes (for which applications of $5 million have been obtained to date), loan funding and a corporate bond issue, and have reasonable grounds to believe that the Group will be able to achieve the matters noted above and that it is appropriate to prepare the financial statements on the going concern basis.

Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish it liabilities in the normal course of business. at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and can affect those returns through its power over the subsidiary. All subsidiaries have a report date of 30 June. The controlled entities are disclosed in Note 18 to the financial statements. All inter-company balances, transactions and balances between Group companies are eliminated on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Changes in accounting policies and disclosures

The financial statements have been prepared under the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2021. The accounting policies included in the Group's previous annual financial statements for the year ended 30 June 2021 are the relevant policies for comparatives. There were no new standards adopted as at 1 July 2021 that had a significant impact. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Impairment of assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that assets have been impaired. If such an indication exists, the asset's recoverable amount, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where the asset does not generate cash inflows that are largely independent of those from other assets, impairment is assessed at a cash-generating unit (CGU) level.

Segment reporting

The Board has considered the requirements of AASB 8 Operating Segments and has concluded that there are no separately identifiable operating segments as per the accompanying Statements and Notes.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of GST unless the GST incurred is not recoverable from the Australian Tax Office. In these circumstances, GST is recognised as part of the cost of acquiring the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from the Australian Tax Office is included with other receivables in the statement of financial position. Cash flows are presented in the cash flow statement on a GST-inclusive basis.

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes several judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The areas involving significant estimates and assumptions are listed below:

- Exploration and Evaluation Expenditure – Note 9
  - Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future. From that time, the costs will be amortised in proportion to the depletion of the resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes, and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.
  - Research and development tax incentive income is recognised at fair value when there is reasonable assurance that the income will be received. Income from the R&D tax incentive is recognised against the capitalised exploration expenditure and is treated as a Government Grant under AASB 120
  - Judgement is required to ensure that the carrying value of Exploration and Evaluation assets does not exceed the recoverable amount. Factors considered in this judgement are:
    a. the period for which the entity has the right to explore in the specific area has expired or will expire in the near future;
    b. substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
    c. exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities;
    d. sufficient data indicates that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.
    Management has judged that, given these factors, the balance of Exploration and Evaluation assets is not impaired.
- Share-based payments – Note 13
  Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life and volatility, and making assumptions about them. To measure the fair value of equity-settled transactions at the grant date, the Group uses a Black Scholes model or a Monte-Carlo simulation model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 13
- Coronavirus (COVID-19) Pandemic
  Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group's operation based on available information. Other than addressed in specific notes, there does not appear to be any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions that may impact the Group unfavourably as at the reporting date or subsequently because of the COVID-19 pandemic.

3. Other income and expenses

Accounting policy – income and expenses recognition

Other income is recognised on an accrual basis when the right to receive payment is established. Grant income is recognised when there is reasonable assurance that it will be received.

Other expenses represent costs incurred for the administration of the business. Costs relating to the projects outlined in Note 9 have been capitalised to Exploration and Evaluation expenditure).

	2022 $	2021 $
a) Other income		
Cash flow boost stimulus grant income	-	50,000
Sundry income received	-	501
Total other income	**-**	**50,501**
b) Other expenses		
Accounting and audit	334,979	119,682
Communications costs	23,626	35,912
Corporate advisory	426,326	453,787
Software & other	109,210	95,578
Consulting and legal expense	1,316,518	478,311
Share-based payments to consultants and financiers	89,339	2,095,874
Insurance	197,458	171,798
Investor relations	201,597	254,909
Listing & registry fees	354,661	231,968
Occupancy expense	61,670	25,679
Printing and office supplies	115,928	47,903
Travel and accommodation	387,651	78,198
Other expenses	445,659	241,360
Total other expenses	**4,064,622**	**4,330,959**

4. Finance Income and Finance Costs

Accounting policy – Finance income and finance costs

Finance income includes interest revenue recognised on an accruals basis taking into account the effective interest rates applicable. Finance costs include effective interest paid and amortised borrowing costs from financing arrangements. Income or costs incurred in relation to the arrangement are amortised using the effective interest method over the life of the arrangement.

	2022 $	2021 $
a) Finance income		
Interest earned	1,763	2,559
Total finance income	**1,763**	**2,559**
b) Finance costs		
Interest paid on lease liabilities	3,099	8,866
Energy Exploration Capital Partners fees – Note 25	342,000	22,580
Energy Exploration Capital Partners FVTPL – Note 25	7,603,688	4,687,968
Total finance costs	**7,948,787**	**4,719,414**

5. Income Tax

Accounting policy – income taxes

Tax expense recognised in profit or loss comprises deferred tax and current tax not recognised in other comprehensive income or equity. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This probability is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Tax consolidation

Under Australian taxation law, NeuRizer Ltd and its wholly-owned Australian subsidiaries are a tax consolidated group.

a) Numerical reconciliation of income tax expense to prima facie tax payable	2022 $	2021 $
Loss before income tax	(20,398,157)	(13,574,173)
Prima facie tax (benefit) on loss before income tax at 25% (2021: 26%)	(5,099,539)	(3,529,285)
Non-deductible expenses:		
Share-based payments	1,127,707	1,093,691
Fair value adjustments	1,900,922	1,218,872
Other non-deductible	11,281	9,409
Movement in unrecognised tax assets and liabilities	(2,826,079)	(1,162,608)
Tax-loss not recognisable	5,350,245	2,388,434
Under/(Over) provided in prior year	(464,357)	(18,513)
Aggregate income tax expense	-	-
b) Deferred tax	**2022 $**	**2021 $**
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Exploration assets	17,259,363	12,941,353
Plant & equipment	51,317	51,586
Right-of-use assets	59,289	28,951
	17,369,969	**13,021,890**
Deferred tax assets		
Accruals	1,709,378	32,652
Employee entitlements	277,191	172,741
Lease liability	61,266	33,154
Other	418,097	705,377
Deferred tax assets not recognised	**(10,326,616)**	**(8,597,666)**
Deferred tax (income)/expense	**-**	**-**
Aggregate income tax expense	**-**	**-**
c) Tax losses	**2022 $**	**2021 $**
Unused tax losses for which no deferred tax asset has been recognised		
Revenue losses	25,230,654	20,446,663
Capital losses	192,254	192,254

The carried forward tax losses can only be utilised in the future when taxable income is generated, if the continuity of ownership test is passed, or if the same business test is passed.

6. Cash Assets

Accounting policy – Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less but exclude any cash held in deposit. Cash held in deposit is not available for use by the Group and therefore is not considered highly liquid.

	2022 $	2021 $
Bank balances	428,197	22,797,317
Term deposits[1]	15,052	15,044
Total Current cash and cash equivalents	**443,249**	**22,812,361**

1. Term deposits comprise cash balances with an original maturity of less than three months.

7. Other Financial Assets

	2022 $	2021 $
Other Financial Assets – Current	630,367	-
Other Financial Assets – Non-current	565,339	565,339
Total Other Financial Assets	**1,195,706**	**565,339**

The Group has $495,470 in non-current financial assets held at local banks due to environmental monitoring and rehabilitation requirements under the Petroleum and Geothermal Energy Act 2000 relating to its NRUP, and has recognised a provision for restoration and make good relating to these obligations for $595,000 (FY21: $0), as an estimate of costs expected to be incurred. The Group also has $69,869 in non-current financial assets held under its lease contract as lessee to its corporate office in Adelaide and has $630,367 in other assets held as security for the purchase of plant relating to the NRUP. These reserves are not available to finance the Group's day-to-day operations and, therefore, have been excluded from cash and cash equivalents for the statement of cash flows.

8. Property, Plant and Equipment

Accounting policy – Property, plant, and equipment

Each class of property, plant and equipment is carried at cost, less accumulated depreciation and impairment losses.

i. **Plant and equipment**
Plant and equipment are shown at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets.

If assessed that there are triggers for impairment, the carrying amount of plant and equipment is reviewed to ensure it is not more than the recoverable amount from these assets.

ii. **Depreciation**
Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:
- Plant and equipment 5-33%
- Office equipment & furniture 10-50%
- Motor vehicles 15%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposal of property, plant, and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets (including impairment provision). They are recognised in profit or loss with Other Income or Other Expenses.

	Office Furniture $	Office Equipment $	Plant & Equipment $	Motor Vehicles $	TOTAL $
Cost or valuation					
Balance at 1 July 2021	22,425	485,442	274,647	203,742	986,256
Additions	-	35,042	3,505,878	26,333	3,567,253
Disposals	-	-	-	-	-
Balance at 30 June 2022	**22,425**	**520,484**	**3,780,525**	**230,075**	**4,553,509**
Depreciation & impairment					
Balance at 1 July 2021	20,543	329,273	177,137	46,328	573,281
Depreciation	1,155	70,833	21,456	16,682	110,126
Disposals	-	-	-	-	-
Balance at 30 June 2022	**21,698**	**400,106**	**198,593**	**63,010**	**683,407**
Carrying amounts					
At 1 July 2021	1,882	156,169	97,510	157,414	412,975
At 30 June 2022	**727**	**120,378**	**3,581,932**[1]	**167,065**	**3,870,102**

1. At 30 June 2022, Plant & Equipment includes $3,400,093 in Capital Works in Progress for the construction of the Siemens Engines with Drivetrain for use in Stage 1 of the NRUP.

	Office Furniture $	Office Equipment $	Plant & Equipment $	Motor Vehicles $	TOTAL $
Cost or valuation					
Balance at 1 July 2020	22,425	385,532	264,031	203,742	875,730
Additions	-	99,910	10,616	-	110,526
Disposals	-	-	-	-	-
Balance at 30 June 2021	**22,425**	**485,442**	**274,647**	**203,742**	**986,256**
Depreciation & impairment					
Balance at 1 July 2020	18,526	265,904	155,889	30,964	471,283
Depreciation	2,017	63,369	21,248	15,364	101,998
Disposals	-	-	-	-	-
Balance at 30 June 2021	**20,543**	**329,273**	**177,137**	**46,328**	**573,281**
Carrying amounts					
At 1 July 2020	3,899	119,628	108,142	172,778	404,447

At 30 June 2021	**1,882**	**156,169**	**97,510**	**157,414**	**412,975**

9. Exploration and Evaluation Expenditure

Accounting policy – Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the right of tenure is current, and those costs are expected to be recouped through the successful development of the area of interest (or by its sale). These costs are also carried forward where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and evaluation of the area and associated projects to enable the technically and commercially feasible recovery of resources are continuing. When an FID on a project or area of interest is made, the amounts will be transferred to assets under development.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the project at the rate of depletion of the economically recoverable reserves. Accumulated costs concerning an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. See Note 2 for significant judgements in applying this accounting policy.

	2022 $	2021 $
Balance at opening	30,823,397	27,221,061
Licence fees	24,408	31,088
Costs capitalised for Joint Operation (Note 15)	307,558	243,504
Costs capitalised for NRUP	18,955,459	3,506,097
Less R&D tax concession rebates	(6)	(178,353)
Total exploration and evaluation expenditure	**50,110,816**	**30,823,397**

10. Trade and Other Payables

Accounting policy – Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company before the end of the reporting period that are unpaid and arise when the Company becomes obliged to make future payments regarding the purchase of these goods and services.

Trade and other payables consist of the following:

	2022 $	2021 $
Trade payables	9,212,532	866,685
Other payables	24,330	56,670
Accruals	5,015,986	310,357
Total Trade and other payables	**14,252,848**	**1,233,712**

11. Employee Remuneration

Employee Benefits

Accounting policy – Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the reporting date. These benefits include wages, salaries, annual, and long service leave. Where these benefits are expected to be settled within 12 months of the reporting date, they are measured at the amounts expected to be paid when the liabilities are settled, and the provision has been recognised at the undiscounted amount expected to be paid.

Long service leave payable later than one year has been measured at the present value of the estimated future cash outflows for those benefits, discounted using high-quality corporate bonds. In relation to employee benefits arising for employees directly involved in the exploration project, some of these costs have been capitalised to the project.

Employee benefits expense

	2022 $	2021 $
Wages, salaries (inc. on-costs)	3,084,988	1,863,667
Superannuation	277,134	234,720
Share-based payments	4,421,490	2,110,630
Employee provisions[1]	444,374	188,111
Total employee benefit expense	**8,227,986**	**4,397,128**

[1] This is to recognise a provision for long service leave and annual leave.

	2022 $	2021 $
Liability for annual leave - current	786,525	514,247
Liability for long service leave – current	260,862	45,008
Liability for long service leave – non-current	61,377	105,135
Total employee benefit liability	**1,108,764**	**664,390**

12. Issued Capital

Accounting policy – Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up the parent entity in proportion to the number of shares held. At the shareholders' meeting, each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on a show of hands. All issued shares are fully paid. All unissued shares are ordinary shares of the Company. Issued capital below is net of any capital raising costs.

	2022 $	2021 $
Total issued capital - 954,414,716 Ordinary shares (2021: 813,482,798)	128,679,704	107,607,468

Additional shares were issued during the financial year relating to capital raising and other activities listed below.

Detailed table of capital issued during the year

Type of share issue	Date of issue	No' of ordinary shares on issue	Issue price $	Share capital $
Opening balance 1 July 2021		813,482,798		114,430,976
Options exercise	1/07/2021	14,029,850	-	-
Options exercise	17/11/2021	3,620,000	-	-
Options exercise	1/12/2021	125,000	-	-
Options exercise	2/12/2021	250,000	0.12	30,000
Energy Exploration Capital Partners	8/12/2021	15,619,048	0.18	2,733,333
Energy Exploration Capital Partners	21/12/2021	19,085,714	0.14	2,642,000
Options exercise	27/01/2022	475,000	-	-
Options exercise	7/02/2022	25,615	-	-
Energy Exploration Capital Partners	28/02/2022	11,627,907	0.15	1,686,047
Share Purchase Plan	4/03/2022	17,721,852	0.15	2,658,278
Subscription Agreement	7/03/2022	1,533,334	0.15	230,000
Brokerage Fee	10/03/2022	857,143	0.17	150,000
Energy Exploration Capital Partners	8/04/2022	27,777,778	0.20	5,555,556
Energy Exploration Capital Partners	21/04/2022	24,612,404	0.23	5,660,853
Options exercise	5/05/2022	125,000	-	-
Options exercise	11/05/2022	2,250,000	-	-
Brokerage Fee	12/05/2022	339,130	0.23	77,972
Options exercise	3/06/2022	857,143	-	-
Issued capital		**954,414,716**		**135,855,015**

Unlisted Options

At 30 June 2022, unissued shares of the Group under unlisted option are:

Expiry date	Exercise price	Number of shares on exercise
16-July-2022	$0.251	5,790,000
17-April-2023	$0.350	5,000,000
3-July-2022	$0.246	5,000,000
12-December-2023	$0.228	6,800,000
16-March-2023	$0.137	5,494,505
16-March-2023	$0.182	5,494,505
18-August-2024	$0.120	6,200,000
15-April-2025	$0.00	799,165
13-January-2024	$0.236	9,800,000
14-January-2025	$0.23	800,000
17-August-2026	$0.00	1,638,980
10-May-2022	$0.20-$0.26	6,000,000
Total		**58,817,155**

Options granted under the Employee Share Option Plan will expire on the expiry date or at the cessation of employment. Other categories of holders who may be granted options are consultants of the Company or financiers, whose options will not be subject to employment conditions but will be granted subject to the provision of services.

Listed Options

There were 108,768,278 listed options over shares of the Group at the end of the financial year, with an expiry date of 8 October 2024 and an exercise price of $0.28.

Capital Management

Management objectives when managing capital are to ensure the Group's ability to continue as a going concern. The Group manages the capital structure and adjusts it considering the forecast cash requirements of the development programme. Internal capital rationing is complemented by capital raising activities to ensure funding for development activities is in place. The Directors are aware that additional debt or equity will be required within 12 months to continue as a going concern. The Group's ability to raise equity will rely on investor confidence in the development of the NeuRizer Urea Project (see note 2).

There are no externally imposed capital requirements.

13. Reserves

Accounting policy - Reserves

The share option reserve is used to recognise the fair value of options granted to employees, consultants and financiers but not exercised. Upon exercise of the options, the proceeds are allocated to share capital.

	2022 $	2021 $
Share option reserve	12,771,247	8,260,419
Total reserves	**12,771,247**	**8,260,419**

A breakdown of the share option reserve is as follows:

	No. of Options 2022	2022 $
Directors	11,263,145	5,777,845
Employees	17,370,000	2,669,549
Former employees	3,395,000	480,303
Other consultants and financiers	26,789,010	3,843,550
Total	**58,817,155**	**12,771,247**

Share based Payments

Accounting policy – Share based payment plans

The Group operates equity-settled share-based remuneration plans for its employees and some consultants. The Group's plans are not cash-settled to minimise cash outflow. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees or consultants are rewarded using share-based payments, the fair value is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest.

Non-market conditions are included in assumptions about the number of options expected to vest. Estimates are revised if any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Grant date might occur after the employees or consultants to whom the equity instruments were granted have begun rendering services, such as grant of equity instruments to key management personnel, subject to shareholder approval. The Company estimates the grant date fair value of the equity instruments (e.g., by estimating the fair value of the equity instruments at the end of the reporting period) to recognise the services received during the period between the service commencement date and grant date. Once the grant date has been established, the Company revises the earlier estimate so that the amounts recognised for services received regarding the grant are ultimately based on the grant date fair value of the equity instruments.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital. For Plans 2 to 6, the fair value at grant date is calculated using the Black Scholes option pricing model that considers the share price at grant date, the exercise price, the term until expiry, and an implied volatility estimate.

Plan 1 options were Short-Term Incentive (STI) options that were granted on the 4th of November 2021 to the Executive Chairman (EC) and the Managing Director (MD) during the reporting period, all with a grant date value per option of 11.5 cents, zero exercise price, and expiry date of 2nd December 2025. The Fair Value of the STIs was determined using a Black Scholes model, and $168,358 was expensed for these STIs in the twelve months to 30 June 2022. These options were issued without a service period but were to vest on the achievement of the following targets:

Stretch Targets[1]	Stretch Target Date[2]	EC Options	EC Options Vested	% Forfeited	MD Options	MD Options Vested	% Forfeited
Operations-based	30 June 2022	358,304	268,728	25	346,720	260,040	25
Financial and approval-based	30 June 2022	238,872	-	100	520,084	173,360	67
TOTAL		**597,176**	**268,728**	**55**	**866,804**	**433,400**	**50**

1. Within Operations-based and Financial and approval-based targets, there are a number of individual performance hurdle targets where those options will vest based on meeting those individual targets.
2. These awards were only to vest if met by the stretch target of 30 June 2022. On 28 July 2022, the Board resolved that 268,728 options to the Executive Chairman and 433,400 options to the Managing Director would vest on the basis that targets relating to these options had been met, and the remainder were subsequently forfeited.

Long-Term Incentives (LTIs) were also granted to both the EC and MD each during the reporting period. The Fair Value of the LTIs was determined using a Monte Carlo valuation, and $3,121,285 was expensed for these LTIs in the twelve months to 30 June 2022. The amount expensed is not indicative of the benefit (if any) that the employee may ultimately realise should the LTIs be awarded, as the actual award of options is subject to achieving the share price targets as below:

Rating period	Vesting date	Grant date	Number of Options (zero exercise price)	Share price target based on 30 trading day VWAP as at 30 June of the rating period year	Maximum number to be awarded if the share price hits the targets for the period	Fair Value per option at grant date
FY22/23	30 June 2023	4 November 2021	1.5 million	$0.50	3.5 million	11.5 cents
			2 million	$0.65		
FY24	30 June 2024	4 November 2021	2 million	$0.65	15 million (less any issued in previous year relating to the equivalent targets)	11.3 cents
			2.5 million	$0.80		
			3 million	$0.95		
			3.5 million	$1.10		
			4 million	$1.25		
FY25	30 June 2025	24 June 2021 (not granted pending shareholder approval)	3 million	$0.95	36 million (less any issued in the two previous years relating to equivalent targets)	14 cents
			3.5 million	$1.10		
			4 million	$1.25		
			4.5 million	$1.55		
			5 million	$1.70		
			7 million	$1.85		
			9 million	$2.15		

i. Number of options granted during the year

	2022	Weighted-average exercise price 2022
Outstanding at beginning of the year	75,283,640	$0.20
Forfeited	(1,800,000)	$0.22
Expired	(10,000,000)	$0.30
Granted[1]	125,859,401[2]	$0.25
Exercised	(21,757,608)	$0.00
Outstanding	167,585,433	$0.26

1. Whilst the LTI options to D J Peters and P J Staveley have been approved by Shareholders, they are not included above on the basis that they have not legally been issued as yet. Shareholder approval has been obtained for a maximum of 16,500,000 options each under the LTI plan, with a further 25,500,000 options to each pending shareholder approval.
2. This includes 108,768,278 listed options over shares which were issued in October 2021 attaching to the Company's placement share issue to Evolution Capital Advisors in June 2021.

	2021	Weighted-average exercise price 2021
Outstanding at beginning of the year	65,039,794	$0.26
Forfeited	-	$0.00
Expired	(12,423,500)	$0.38
Granted	34,005,013	$0.10
Exercised	(11,337,667)	$0.08
Outstanding	75,283,640	$0.20

iv. Valuation assumptions

	Plan 1	Plan 2	Plan 3
Grant date	4 November 2021	15 June 2021	18-Aug-21
Number issued	1,463,980	2,000,000	4,520,000
Share price at grant date	$0.115	$0.19	$0.16
Fair value at issue date	$0.11	$0.15	$0.15
Exercise price	$0.00	$0.00	$0.00
Exercisable from	Subject to performance conditions	Subject to performance condition[1]	17-Nov-21
Exercisable to	2 December 2025	28 June 2026	17-Aug-26

1. Plan 2 refers to options granted to a consultant which would vest subject to the reaching a Final Investment Decision on the NRUP. On 28 April 2022, this condition was modified, and the options vested immediately. At this date, the Fair Value of these options was $389,998 based on a Black Scholes valuation, which was taken to account in full during the twelve months to 30 June 2022.

	Plan 4	Plan 5	Plan 6
Grant date	15 November 2021	10 May 2022	10 May 2022
Number issued	250,000	6,000,000	857,143
Share price at grant date	$0.165	$0.165	$0.165
Fair value at issue date	$0.135	$0.17	$0.175
Exercise price	$0.00	$0.20-$0.26	$0.00
Exercisable from	15 February 2022	16 May 2022	19 May 2022
Exercisable to	17 August 2026	1 May 2025	10 May 2026

14. Interest in Joint Operations

Accounting policy – Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues, and expenses of joint operations. These have been incorporated into the financial statements under the appropriate classifications.

In FY20, the Group entered an unincorporated Joint Operation with Bridgeport Energy (QLD) Pty Limited ("Bridgeport"), whose principal activities are Oil and Gas exploration. The Group completed the earn-in of a 20% equity interest in Cooper Basin Authority to Prospect (ATP) 2023 and ATP 2024 in April 2022, with a remaining post-completion obligation for ATP 2024 as follows:

- In the eight months commencing April 2022, 30% of the costs of 3D seismic over a 300km2 area, up to an expenditure cap of $1,261,646 (30% share)
- The expenditure cap is inclusive of all direct and indirect costs but excludes an overhead allocation of 4% of total expenditure
- Upon reaching the expenditure cap or completing the eight months concluding November 2022, the Group's expenditure commitment will revert to its 20% equity interest.

The ATP 2024 30% expenditure commitment and the ongoing 20% equity share of work program commitments on both permits are incorporated in Commitments Note 15.

15. Commitments for Expenditure

Accounting policy – Capital commitments

Capital commitments relate to expenditure commitments for the NeuRizer Urea Project (NRUP) and other Oil & Gas assets:

	2022 $	2021 $
NeuRizer Urea Project - not longer than one year	1,856,006	172,712
Interest in Joint Operation – Bridgeport – not longer than one year	1,800,000	3,760,000
Interest in Joint Operation – Bridgeport – longer than one year but less than five years	2,130,000	2,000,000
PEL 676 - not longer than one year	3,425,000	-
PEL 676 – longer than one year but less than five years	5,466,667	-

Under the terms of tenement registration and renewal, tenements have commitments to work requirements. The commitment to work requirements at Leigh Creek is included above. Additionally, refer to Note 24 for information on the Group's obligations and commitments under its EPCC contract with DL E&C. There are no other commitments at balance date for expenditure by the Group.

16. Financial Instruments

Accounting Policy – Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price per AASB 15, financial assets are initially measured at fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method, except for derivative and financial assets designated at FVTPL. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and other receivables fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade, and other payables. Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value reported in profit or loss are included within finance costs or finance income.

As the Company's shares are traded on an active market, the ASX, the fair value of equity settled financial liabilities is calculated at the closing share price at the valuation date, with movements designated at FVTPL.

Categories of financial assets and liabilities

The carrying amount of financial assets and liabilities at amortised cost are as follows:

Financial assets	Notes	Financial assets at amortised cost 2022	Financial assets at amortised cost 2021
Other financial assets	7	1,195,706	565,339
Trade and other receivables		210	1,956
Cash and cash equivalents	6	443,249	22,812,361
		1,639,165	**23,379,656**

Financial liabilities	Notes	Other liabilities (amortised cost) 2022	Other liabilities (amortised cost) 2021
Current borrowings		76,704	97,324
Trade and other payables	10	14,252,848	1,233,712
Provision for restoration and make good	7	595,000	-
Lease Liabilities – Non-current		192,610	-
Lease Liabilities – Current		52,454	127,517
		15,169,616	**1,458,553**

The carrying amount of financial liabilities at fair value through profit or loss are as follows:

Financial liabilities	Notes	Other liabilities (FVTPL) 2022	Other liabilities (FVTPL) 2021
Other Financial Liability – Current	23	18,840,228	1,757,143
		18,840,228	**1,757,143**

Risk Management

Treasury Risk Management

The risk management of treasury functions is managed by the Audit and Risk Committee.

Finance Risks

The Group's financial instruments are exposed to various financial risks, such as Market risk (Interest rate and Equity Price risk), Credit risk and Liquidity risk.

Equity price risk

The Group's exposure to price risk is the risk that equity settled financial liabilities (see note 25) value will fluctuate because of changes in the Company's share price.

Sensitivity: At June 30, 2022, if the Company's share price had changed by -/+ 10% from the year-end price with all other variables held constant, post-tax loss, and total equity would have been $433,333 (2021: $175,714) more/less because of lower/higher movements through FVTPL.

Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate because of changes in market interest rates on classes of financial assets and liabilities.

Sensitivity: At June 30, 2022, if interest rates on cash and term deposits had changed by -/+ 10 basis points from the year-end rates with all other variables held constant post-tax loss, and total equity would have been $60 (2021: $172) more/less because of lower/higher interest income.

At June 30, 2022, the Group did not have interest-sensitive borrowings, as in the prior year.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligation that could lead to a financial loss to the Group. The Group manages its credit risk by depositing with reputable licenced banks and transacting with reputable business partners, such as our EPPC contractor, DL E&C (who hold a AA- corporate bond credit rating with Korea Investors Service). The Group's maximum exposure to credit risk is its cash and cash equivalents, receivables, deposits and guarantees, and payments for services not yet performed. Our financial assets are held with counterparties with an investment-grade credit rating.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funding sources are available.

Maturity: $19,248,886 of the Group's financial liabilities are expected to fall due within one year, and $245,064 are expected to fall due beyond one year. For comparison, in 2021, all of the Group's financial liabilities ($1,458,553) were expected to fall due within one year.

17. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the statement of financial position as follows:

	2022 $	2021 $
Bank balances and short-term deposits	443,249	22,812,361

The weighted average effective interest rate on bank deposits is 0.00% (2021: 0.00%). All deposits are for less than 12 months.

(b) Reconciliation of Cash Flow from Operations with Loss after Tax

	2022 $	2021 $
Loss after income tax	(20,398,157)	(13,574,173)
Cash flows excluded from loss attributable to operating activities:		
Non-cash flows in operating loss		
Depreciation expense	158,525	179,732
Share-based payments	4,510,828	3,410,167
Borrowing Cost	7,606,787	4,719,413
Other expenses	394,121	-
Change in assets and liabilities		
Decrease/(Increase) in receivables/prepayments	(3,419,658)	(293,121)
Increase/(Decrease) in payables	473,257	756,711
Increase/(Decrease) in provisions	444,373	188,112
Net cash (used in) / provided by operating activities	**(10,229,924)**	**(4,613,159)**

(c) Reconciliation of liabilities arising from financing activities to financing cash flows

	Cash/non-cash	Total loans and borrowings $	Total finance lease obligations $
Opening balance 1 July 2021		**97,324**	**127,517**
Cash outflows	Cash	(20,620)	(138,034)
RoU Asset	Non-cash	-	255,581
Closing balance 30 June 2022		**76,704**	**245,064**

	Cash/non-cash	Total loans and borrowings $	Total finance lease obligations $
Opening balance 1 July 2020		**553,198**	**268,870**
Cash outflows	Cash	(601,791)	(141,353)
Cash Inflows	Cash	145,917	-
Closing balance 30 June 2021		**97,324**	**127,517**

18. Parent Entity Disclosures

Investment in controlled entities

Entity	Country of incorporation	Class of share	Interest Held 2022	Interest Held 2021
Leigh Creek Consulting Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Fertiliser Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Oil and Gas Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Operations Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Power Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Financial Pte Ltd	Singapore	Ordinary	100%	100%

Parent entity information

	2022 $	2021 $
Parent Entity		
Asset		
Current assets	16,017,573	23,039,068
Non-current assets	61,197,726	30,888,279
Total assets	**77,215,299**	**53,927,347**
Liabilities		
Current liabilities	21,162,814	3,261,073
Non-current liabilities	306,441	105,135
Total liabilities	**21,469,255**	**3,366,208**
Equity		
Issued capital	127,070,463	105,998,227
Share option reserve	12,771,247	8,260,419
Accumulated losses	(84,095,665)	(63,697,507)
Shareholder equity	**55,746,045**	**50,561,139**
Financial performance		
Profit (loss) for the year	(20,398,157)	(13,574,173)
Other comprehensive income	-	-
Total comprehensive income	**(20,398,157)**	**(13,574,173)**

The parent entity has not entered a deed of cross guarantee, nor are there any contingent liabilities at the year-end.

Accounting policy – Capital commitments for parent

Capital commitments relate to expenditure commitments for the NeuRizer Urea Project (NRUP) outstanding at balance date.

	2022 $	2021 $
Leigh Creek Operations Pty Ltd	1,025,786	172,712

19. Related Party Transactions

Transactions with key management personnel compensation

The key management personnel of the Group are the members of the Group's Board of Directors. Key management personnel remuneration includes the following expenses:

	2022 $	2021 $
Total short-term employee benefits	1,271,080	1,188,647
Total post-employment benefits	136,526	106,571
Share-based payments	3,289,643	1,709,719
Total Remuneration	**4,697,249**	**3,004,937**

The amounts disclosed in the table are recognised as expenses during the reporting year. Detailed disclosure is included within the remuneration report.

Other transactions with key management personnel

Transactions between related parties are on standard commercial terms and conditions no more favourable than those to other parties, unless otherwise stated:

i. In FY21, Investment Company Services Pty Ltd was paid $550 to provide investor relations services to the Group on arm's length commercial terms. The party is related to Mr Peters, Executive Chairman of the Company.
ii. Zheng Xiaojiang provided investor relations services on arms-length commercial terms for $230,000 and was reimbursed for travel expenses of $35,477 during the year totalling $265,477 (2021: $256,666). There was $0 due for payment at the end of the reporting period. Mr Xiaojiang is a Non-Executive Director of the Company.

20. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided by the Auditor of the Group:

	2022 $	2021 $
Fees to Auditors		
Auditing or reviewing the financial statements of the Group – Ernst & Young	83,200	-
Auditing or reviewing the financial statements of the Group – Grant Thornton	-	50,777
Fees to other overseas member firms of Auditors		
Auditing or reviewing the financial statements of controlled entities – Ernst & Young	15,000	-
Total auditors' remuneration	**98,200**	**50,777**

During the year, Ernst & Young, the Company's auditors, did not undertake any additional services to their statutory audit duties.

21. Earnings per Share

Accounting policy – Earnings per Share

i. Basic earnings per share
   Basic earnings per share are calculated by dividing the profit (loss) attributable to equity holders, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding.

ii. Diluted earnings per share
   The Diluted earnings-per-share calculation adjusts the figures used to determine basic earnings per share to consider the weighted average number of shares assuming conversion of all dilutive potential ordinary shares.

The basic earnings per share calculation at 30 June 2022 was based on the loss attributable to ordinary equity holders of $20,398,157 (2021: $13,574,173) and a weighted average number of ordinary shares outstanding during the 12 months of 823,816,695 (2021: 658,342,014).

The diluted loss per share calculation at 30 June 2022 is the same as the basic diluted loss per share. Per AASB 133 Earnings per share, as potential ordinary shares may result in a situation where their conversion decreases the loss per share, no dilutive effect has been considered. There were no dilutive potential ordinary shares in existence during the year (2021: none) as the Company's share options were anti-dilutive.

	2022 $	2021 $
Loss used to calculate basic EPS	**(20,398,157)**	**(13,574,173)**
	Cents	**Cents**
Basic earnings per share – cents per share	(2.48)	(2.06)
Diluted earnings per share – cents per share	(2.48)	(2.06)
Weighted average number of shares used as denominator		
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	823,816,695	658,342,014

22. EPCC Contract and Offtake HOA between the Company and DL E&C (DL)

In June 2021, the Company entered into an Engineering, Procurement, Construction and Commissioning (EPCC) contract for a 1Mtpa urea production plant with South Korean engineering and construction company, DL E&C (DL). Under this contract, DL are managing the NRUP Bankable Feasibility Study (BFS) with NexantECA, and Front-End Engineering & Design (FEED) stages, ahead of a Final Investment Decision (FID). Once FID is achieved and all relevant key engineering data and project execution documents are finalised, DL will perform the engineering, procurement, construction, and commissioning of the urea production facilities.

In addition, DL has secured the support of a major Korean financial institution to fund 70% of the upstream component of the project, being approximately $1.5b. This is via a letter of support by that institution that is subject to the agreement of commercial terms and a positive FID. The balance of that funding is to be secured by a combination of debt and equity to other parties once FID is reached.

Initial services provided under the contract require total payments of USD 29,265,000 to DL, payable in four milestones, as follows:

1. 30% of the Services Fee, payable after the Company issued a Notice to Proceed on 2 August 2021, paid as at 30 June 2022.
2. 30% of the Services Fee to be invoiced on or after the first date on which the process design packages for both the ammonia (including sulphur recovery) plant and the urea plant comprised in the Works have been delivered to DL by the relevant Licensor.
3. 15% of the Services Fee to be invoiced on or after the date Services Completion occurs; and
4. 25% of the Services Fee to be invoiced on or after the date that the Company's board of directors makes a FID on the NRUP Fertiliser Project.

Milestones two to four have not yet been met, and there was no payable owing at 30 June 2022 for initial services. In addition, the Company is required to pay for Extension of Time and associated costs during the year, the amount for which has not been agreed at the date of this report

On 30 November 2021, the Company announced that it had entered into a Heads of Agreement with DL for an offtake of a minimum of 500,000 metric tonnes of granular urea per year for a minimum of five years. On 4 July 2022, the Company announced that it had signed a binding, long term take or pay offtake agreement with Daelim Co Ltd ("DL Trading") for 500,000 tonnes of granular urea per year. This agreement is conditional upon and will have no force or effect until the achievement of Commercial Production, among other factors.

In April 2022, the Company approved the appointment of ammonia and urea licensors (KBR, Merichem and Stamicarbon) for the NRUP. KBR, as integrator, will deliver the Basic Engineering Design Package (BEDP) and Final Piping and Instrumentation Design for the NRUP, a critical requirement for DL to complete its commitment to provide a FEED package. Under the EPCC contract with DL, following the appointment of the licensors, an additional USD 15,001,280 is payable, as follows:

1. 30% after the execution of the licensor contract, paid as at 30 June 2022.
2. 30% on delivery of the Process Flow Diagrams.
3. 20% on delivery of the Piping and Instrument Diagram
4. 10% on delivery of the Draft BEDP
5. 10% on delivery of the Final BEDP

Expenditure to DL was capitalised to other assets representing amounts paid in advance of works being undertaken ($20,651,570 in other assets, in addition to $104,796 in other prepayments, total $20,756,365) and Exploration and Evaluation Expenditure ($4,082,542, see Note 9).

23. Energy Exploration Capital Partners (EECP) and other funding agreements

January 2021 EECP Agreement

In January 2021, the Company entered into an Institutional Share Placement agreement with EECP. The financing agreement consists of payments of up to $18m in $6m tranches. The initial tranche of $6m less fees was received in January 2021 on the execution of the funding agreement. On execution, the Company recognised a Financial Liability of $6.540m for the fair value of shares to be issued. The initial Placement Price of these shares was determined as 90% of the average of five daily VWAPs per share (selected by EECP) during the 20 trading days before payment, the 4th of January 2021, and the Company would be required to issue 48,805,970 Placement Shares in settlement of this Financial Liability. Until these shares were issued in full, the Company carried a Financial Liability, with the movements in the Fair Value of the shares moving through Fair Value Through Profit or Loss (FVTPL). The balance of the tranche one placement shares were issued on 8 December 2021, being 15,619,048 shares at a FVTPL loss of $976,190 based on the closing share price at the issue date. In December 2021, the Company entered into a new agreement with EECP, terminating the existing agreement. As a result, tranches 2 and 3 under this agreement did not proceed.

Description – EECP Funding Agreement – January 2021	Funds received $	Expense/FVTPL $	Other FL movement $	Other FL balance $
Financial Liability – July 2021	-		-	(1,757,143)
Issue of shares - 8 December 2021	-	976,190	1,757,143	-
Year ended 30 June 2022	-	976,190	1,757,143	-

December 2021 EECP Agreement

The December 2021 financing agreement consists of phased payments of up to $20m in four tranches, the first three tranches totalling $15m to be drawn upon at the Company's discretion, with the fourth tranche of $5m requiring subsequent agreement with EECP.

The initial tranche of $7.5m less fees was received in December 2021. On execution, the Company recognised a financial liability of $7.491m less the fair value of the 14.8m initial placement shares issued to EECP, totalling $2m based on an estimate of 90% of the average of five daily VWAPs per share (selected by EECP) during the 20 trading days before settlement.

On 19 April 2022, the second tranche of $3.9m was received.

On 20 April 2022, EECP elected to pay for the initial placement shares in cash, and the Company received $1.909m, with the difference being carried through FVTPL.

A summary of the shares issued in settlement of outstanding subscription amounts (SAs) is as follows:

SA	Date of issue	Number of shares issued	Placement Price[1]	Other Financial Liability	Fair Value[2]
	28 February 2022	11,627,907	1,500,000	1,500,000	1,686,047
1	8 April 2022	27,777,778	3,500,000	3,500,000	5,555,556
	21 April 2022	24,612,404	3,175,000	2,500,000	5,660,853
	Year ended 30 June 2022	**64,018,089**	**8,175,000**	**7,500,000**	**12,902,456**

1. The Placement Price of these shares was determined as 90% of the average of five daily VWAPs per share (selected by EECP) during the 20 trading days before receipt of a Settlement Notice.
2. The difference between the balance of Other Financial Liability and Fair Value of $5,402,456 is recognised within finance costs in the statement of profit or loss and other comprehensive income.

Description – EECP Funding Agreement – December 2021	Funds received $	Expense/FVTPL $	Other Financial Liability movement $	Other Financial Liability balance $
FL recognition T1 – Dec 2021	7,491,000	-	(5,491,000)	(5,491,000)
Issue of shares - 28 February 2022	-	186,047	1,500,000	(4,141,000)
Issue of shares – 8 April 2022	-	2,055,555	3,500,000	(491,000)
FL recognition T2 – 19 April 2022	3,900,000	-	(3,900,000)	(4,391,000)
Purchase of Initial Placement Shares – 20 April 2022	1,909,200	90,800	(2,000,000)	(6,391,000)
Issue of shares – 21 April 2022	-	3,160,853	2,500,000	(3,891,000)
Adjustment to FV at 30 June 2022		433,333	(433,333)	(4,324,333)
Year ended 30 June 2022	**13,300,200**	**5,926,588**		**(4,324,333)**

June 2022 DL E&C Agreement

In June 2022, the Company entered into a Share Subscription Agreement with DL E&C, whereby the Company would receive USD 10,000,000 in July 2022, in exchange for a variable number of shares at AUD 15 cents per share, to be determined by the Reserve Bank of Australia (RBA) USD to AUD conversion rate on the settlement date. At 30 June 2022, the Company recorded an Other Receivable (Total $14,653,011) and an Other Financial Liability (Total $18,840,228) for AUD 14,515,894.90 under this agreement, as determined by the RBA conversion rate at the balance date.

Other Fees

On 21 December 2021, a commencement fee of $600,000 was required to be satisfied via the issuance of 4,285,714 shares to EECP. These shares were issued on 21 December 2021 at $0.15 per share totalling $642,000. Given that the commencement fee shares were issued as transaction costs relating to the issuance of a financial liability at FVTPL and the issuance of initial placement shares, the amount is required to be pro-rated, with $471,000 being expensed to the profit and loss in relation to this fee during the period with the remaining $171,000 capitalised as capital raising cost of the equity issue.

On receipt of tranche one funds, a share placement fee of $225,000 and 857,143 of the Company's own shares (valued at $150,000) was payable to Odeon Capital, issued 10 March 2022. On the receipt of the tranche two funds, a share placement fee of $117,000 was payable, as well as 339,130 of the Company's shares (valued at $78,000) to Odeon Capital, issued 12 May 2022.

Finance costs

The total breakdown of financing costs for the year is as follows:

Description	Expense/FVTPL $
Fair value adjustment of Financial Liability at issue date 8 December 2021	976,190
Commencement fee expense	471,000
Share Placement Fee – 3% cash	225,000
Share Placement Fee – 857,143 shares	150,000
Fair value adjustment on issue of shares – 28 February 2022	186,047
Fair value adjustment on issue of shares – 8 April 2022	2,055,555
Purchase of Initial Placement Shares – 20 April 2022	90,800
Fair value adjustment on issue of shares – 21 April 2022	3,160,853
Share Placement Fee – 3% cash	117,000
Share Placement Fee – 339,130 shares	78,000
Adjustment to FV at 30 June 2022 for outstanding T2 shares	433,333
Other borrowing costs	5,009
Total for the year ended 30 June 2022	**7,948,787**

24. Matters Subsequent to the End of the Year

On 4 July 2022, the Company announced that it had signed a binding, long term offtake agreement with Daelim Co Ltd ("DL Trading") for 500,000 tonnes of granular urea per year. This agreement is conditional upon and will have no force or effect until the achievement of Commercial Production, among other factors.

On 6 July 2022, the Company received $14.6m under its Share Subscription Agreement with DL E&C and issued 97,551,458 ordinary shares (see note 23).

On 29 July 2022, the Company announced that Mr Jaehyung Yoo, of DL E&C, had been appointed as a Non-Executive Director, effective 6 August 2022.

On 12 September 2022, the Company received $3.6m under its agreement with EECP (see note 23).

On 29 September, the Company announced that the NRUP has been declared an Impact Assessed Development (formerly known as a "Major Project Declaration") by the South Australian Government

25. Company Details

The registered office and principal place of business is:

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Independent auditor's report to the members of NeuRizer Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of NeuRizer Ltd (the Company) and its subsidiaries (collectively 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
At 30 June 2022 the Group had exploration and evaluation assets of $50.1 million as disclosed in Note 2 and Note 9. The carrying value of exploration and evaluation assets is subjective based on the Group's ability and intention to continue to explore, evaluate and commercialise its assets, including those associated with the NeuRizer Urea Project (NRUP). The carrying value of assets may also be impacted by the results of ongoing exploration and evaluation activity indicating that the coal and gas resources may not be technically or commercially viable for extraction and commercialisation in the manner intended. The Group is required to assess whether any indicators of impairment are present in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the application of which is judgmental. The Group has to assess the value of work performed and capitalizable as exploration and evaluation assets under the significant contracts in place for the ongoing evaluation of the technical and commercial viability of the NRUP. There is judgment involved in accounting for these contracts. At 30 June 2022, the Group did not identify impairment indicators in respect of its exploration and evaluation assets and consequently no impairment charge was recorded during the year. As a result, we considered the value of exploration and evaluation assets and related disclosures in the financial report to be a key audit matter	In completing our audit procedures, we: ▸ Assessed whether any impairment indicators, as set out in AASB 6, were present, and assessed the conclusions reached by management. ▸ Evaluated the Group's right to explore in the relevant exploration area with reference to inspecting supporting documentation such as license agreements and correspondence with relevant government agencies. ▸ Assessed the Groups intention to carry out significant exploration and evaluation activities in relevant exploration areas or plans to transfer the assets to development assets. This included the assessment of the Group's forecasts with comparison to approved budgets and enquiries with senior exploration management and directors as to the intentions and strategy of the Group. ▸ Assessed the accounting treatment related to costs incurred to date on the NRUP, agreeing costs incurred, payments made, and associated calculations to third party supporting documentation. ▸ Assessed the nature of the costs incurred to ensure they are valid costs for capitalisation as E&E costs. ▸ Assessed the adequacy of the disclosures in the Notes to the financial statements

Energy Exploration Capital Partners funding agreement

Why significant	How our audit addressed the key audit matter
On 21 December 2021, the Company entered into a Subscription Agreement for a private placement of shares with Energy Exploration Capital Partners (EECP). Under the agreement, EECP has agreed to invest an aggregated subscription amount of up to $20 million for placement shares. Consequently the Company has agreed to issue shares to EECP from time to time for an aggregate subscription price of up to $21.35 million, where the per share price is determined by the application of formula detailed in the Subscription Agreement. The $20 million is separated into four tranches, the first of which was drawn on execution of the Subscription Agreement, and the second tranche was drawn prior to 30 June 2022. Given the complexity and judgement in the application of Australian Accounting Standards, there can be significant variation in the recognition, classification, and measurement of recorded balances. As a result, we considered the accounting for the EECP funding agreement and related disclosures in the financial report to be a key audit matter. Disclosure regarding this matter can be found in Note 23 of the Financial Report.	In completing our audit procedures, we: ▸ Obtained a copy of the Subscription Agreement relating to the private placement of shares to understand the key terms and conditions. ▸ Assessed the technical accounting advice prepared by management's expert relating to the application of the agreement and the requirements of Australian Accounting Standards. ▸ Engaged our internal specialists to assess the technical accounting advice prepared by managements expert and the application of this accounting advice by management. ▸ Assessed the accounting entries recorded by management for each transaction related to the Subscription Agreement. ▸ Recalculated the mathematical accuracy of the computations prepared with reference to contractual arrangements and ASX share prices for the Company on the relevant dates.

Why significant	How our audit addressed the key audit matter
	‣ Examined evidence of cash receipt for the settlement of placement shares. ‣ Assessed the adequacy of the disclosure in the Notes to the financial statements

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our 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, with the exception of the Remuneration Report and our related assurance opinion.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

► Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 37 to 43 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of NeuRizer Ltd 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.

Ernst & Young

Ernst & Young

Linzi Carr
Partner
Adelaide
30 September 2022

CORPORATE DIRECTORY

Directors

Daniel J Peters	Executive Chairman
Phillip Staveley	Managing Director
Murray K Chatfield	Non-Executive Director
Zhe Wang	Non-Executive Director
Zheng Xiaojiang	Non-Executive Director

Company Secretary

Jordan Mehrtens

Registered Office & Principal Place of Business

Level 11, 19 Grenfell Street, Adelaide, South Australia 5000

Bankers

Commonwealth Bank of Australia,
96 King William Street
Adelaide, South Australia 5000

Auditors

Ernst & Young
12 King William Street
Adelaide, South Australia 5000

Solicitors

Piper Alderman
Level 16, 70 Franklin Street
Adelaide, South Australia 5000

Share Registrar

Computershare Registry Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia 5000

Investor enquiries

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international

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ASX Code

NRZ

NeuRizer Ltd

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Rundle Mall, South Australia 5000

Phone +61 8 8132 9100
ABN 31 107 531 822
Email contactus@neurizer.com.au
Website www.neurizer.com.au

Shareholder information

Substantial shareholders at 29 September 2022

Name	Fully paid shares	Ordinary shares %	Options	Options %
China New Energy Group Limited	136,333,334	12.96	-	-
Citicorp Nominees Pty Ltd	124,802,661	11.86	-	-

Distribution of shareholdings at 29 September 2022

Number of security holders by size of holding:

Range	Total holders shares	Number of shares
1 - 1,000	464	196,053
1,001 - 5,000	1,694	5,685,797
5,001 - 10,000	1,648	12,862,317
10,001 - 100,000	3,929	148,623,270
100,001 Over	1,224	884,598,737
Total	8,959	1,051,966,174

The issued capital of the Company is fully paid ordinary shares (entitling the holders to participate in dividends and proceeds on winding up of the Company in proportion to the number of shares held) and listed options. On a show of hands every holder of the shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share counts as one vote.

Shareholder information

Twenty largest shareholders at 29 September 2022

Name	Fully paid ordinary shares	% of issued capital
China New Energy Group Limited	136,333,334	12.96
Citicorp Nominees Pty Ltd	124,802,661	11.86
Mr Lei Zhang	21,024,383	2.00
Hephzibah Pty Ltd <Butt Family Super A/C>	20,225,825	1.92
BNP Paribas Noms Pty Ltd <DRP>	19,333,374	1.84
Mr George Andrew Raftopulos + Mrs Elizabeth Athena Raftopulos <The Omega Super A/C>	11,100,000	1.06
Rubi Holdings Pty Ltd <John Rubino S/F A/C>	10,999,998	1.05
Crown Ascent Development Limited	8,476,964	0.81
One Design & Skiff Sails Pty Ltd <I W Brown Super Fund>	7,458,332	0.71
Mr Peter Palan + Mrs Clare Palan <Napla Provident Fund A/C>	6,833,334	0.65
Bart Properties Pty Ltd <The Scott Flynn Family A/C>	6,234,946	0.59
Mr Phillip John Staveley + Mrs Leonie Ann Staveley <Baldric A/C>	6,216,684	0.59
Hephzibah Pty Ltd <The Butt Family A/C>	6,123,461	0.58
Mr Daniel Justyn Douglas Peters	5,808,043	0.55
CNSC1001 Pty Ltd <NSC1001 Family A/C>	5,179,395	0.49
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	4,246,093	0.40
Bart Properties Pty Ltd <Scott Flynn Family A/C>	4,012,830	0.38
Allua Holdings Pty Ltd <The DRG A/C>	4,000,000	0.38
River Property Investments Pty Ltd	4,000,000	0.38
Jackpot Super Pty Ltd <Watson Super fund No 2 A/C>	3,744,737	0.36
Total Top 20 holders	**416,154,394**	**39.56**
Total Remaining Holders Balance	**635,811,780**	**60.44**

Unissued equity securities	Number
Unlisted options	**54,110,303**
Listed options	**108,768,278**

Securities exchange

The Company is listed on the Australian Securities Exchange.

NeuRizer

neurizer.com.au