



A.B.N. 63 111 306 533

## **FULL YEAR STATUTORY ACCOUNTS 2022**

## CORPORATE DETAILS

---

### Directors

Yusheng Cai (Non-Executive Chairman)  
Shuqing Xiao (Managing Director)  
Lindsay George Dudfield (Non-Executive Director)  
Jan Macpherson (Non-Executive Director)  
Zhe Xu (Non-Executive Director)  
Zhe Gao (Non-Executive Director)  
Jun Zhou (Non-Executive Director)

### Company Secretary

Xuekun Li

### Registered Office

Level 2  
5 Ord Street  
WEST PERTH WA 6005  
Telephone: +61 8 9322 6904  
Facsimile: +61 8 9321 5240  
Email: [enquiry@energymetals.net](mailto:enquiry@energymetals.net)  
Web: [www.energymetals.net](http://www.energymetals.net)

### Auditor

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
PERTH WA 6000

### Share Registry

Automic Pty Ltd  
Level 5  
126 Phillip Street  
SYDNEY NSW 2000  
Telephone: +61 1300 288 664

### Stock Exchange Listing

The Company's shares are listed by the Australian Securities Exchange Limited ("ASX") - Code **EME**.  
The home exchange is Perth.

### Bankers

National Australia Bank Limited  
100 St Georges Terrace  
PERTH WA 6000

### Solicitors

Minter Ellison  
Allendale Square  
77 St Georges Terrace  
PERTH WA 6000

<b>CONTENTS</b>	<b>PAGE</b>
<b>Directors' Report</b>	3
<b>Remuneration Report</b>	7
<b>Financial Statements</b>	13
<b>Directors' Declaration</b>	36
<b>Auditor's Independence Declaration</b>	37
<b>Auditor's Report</b>	38

### DIRECTORS' REPORT

The Directors of Energy Metals Limited herewith submit the financial report for the year ended 31 December 2022. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

#### DIRECTORS

The following persons were directors of Energy Metals Limited during the whole of the financial year (or as disclosed) and up to the date of this report:

Yusheng Cai (Non-Executive Chairman, appointed 25 January 2022)  
Shuqing Xiao (Managing Director)  
Lindsay George Dudfield (Non-Executive Director)  
Jan Macpherson (Non-Executive Director)  
Zhe Xu (Non-Executive Director)  
Zhe Gao (Non-Executive Director)  
Jun Zhou (Non-Executive Director)

Fei He (Non-Executive Chairman, resigned 25 January 2022)

#### PRINCIPAL ACTIVITIES

During the year the principal continuing activity of the Company was uranium exploration.

#### DIVIDENDS

No dividends have been paid or declared and no dividends have been recommended by the Directors.

#### REVIEW OF OPERATIONS

Ngalia Regional Project – Field-work resumed in early 2022 following suspension of exploration activities due to Covid-19-related restrictions in the previous period. Work focused on Energy Metals' new rare-earth-element project at the Crystal Creek Prospect and on the evaluation of regional radiometric anomalies.

Bigirlyi Joint Venture (BJV) – Energy Metals' exploration work in the last several years has focused on studies aimed at re-optimising various aspects of the Bigirlyi JV Project prefeasibility study. In 2022 a metallurgical program to investigate carbonate rejection and uranium-vanadium ore upgrade was completed with encouraging results received.

Malawiri Joint Venture (MJV) and Walbiri Joint Venture (WJV) – No on-ground exploration activities this year.

For other tenement holdings in Western Australia, the Company's strategy is to maintain tenure over its uranium deposits with minimum expenditure until economic and regulatory conditions improve. Four projects are covered by granted Retention Licences and one, the Manyingee East project, by a Retention Licence application. Objections to the grant of the Manyingee East application are awaiting a related court ruling before it can progress further.

Full details of the Company's operations during the year will be included within the Review of Activities section of the Annual Report.

**OPERATING RESULTS FOR THE YEAR**

The loss of the Company for the year ended 31 December 2022 was \$672,318 (2021: loss of \$820,593).

**REVIEW OF FINANCIAL CONDITIONS**

The net assets of the Company were \$50,002,500 at 31 December 2022 (31 December 2021: \$50,674,818).

Use of cash and assets by the Company for the year ended 31 December 2022 was consistent with the Company's business objectives since listing on the Australian Securities Exchange on 9 September 2005.

**CHANGES IN STATE OF AFFAIRS**

During the financial year there were no significant changes in the state of affairs of the Company during the financial year.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

There has been no matter or circumstance which has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Company continued to closely monitor its spending on the BJV project and other tenements according to market conditions this year. Exploration activities were carried out on the Ngalia Regional Project (Northern Territory). Future exploration and development expenditure on the tenements are subject to market conditions and operational requirements.

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years that are not already disclosed in this report.

**ENVIRONMENTAL REGULATION**

The Company is subject to significant environmental regulations in respect of its exploration activities. Tenements in the Northern Territory and Western Australia are granted subject to adherence to environmental conditions with strict controls on vegetation clearance, ground-disturbing works or other development without the approval of the relevant government agencies and with rehabilitation required on completion of exploration activities.

Energy Metals Limited conducts its exploration activities in an environmentally sensitive manner and the Company is not aware of any breach of statutory environmental conditions or obligations.

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. For the measurement year 1 January 2022 to 31 December 2022 the Directors have assessed that there is no current reporting required, but there may be a requirement in the future.

INFORMATION ON DIRECTORS

Name	Director's Experience	Special Responsibilities
Mr Yusheng Cai	Mr Cai is a senior engineer with over 20 years' experience in engineering industry. He holds a Master of Engineering degree in Civil Engineering from University of Tokyo, Japan. Before he joined CGN Uranium Resources Co. Ltd ("CGN-URC") he worked as project manager for Taisei Corporation and Bechtel Group. Mr Cai has been a senior executive of CGN-URC since 2006. He is currently the Deputy General Manager and Chief Information Security Officer of CGN-URC. Mr Cai was appointed to the Board on 25 January 2022. Directorship of other listed companies: None.	Non-Executive Chairman
Mr Shuqing Xiao	Mr Xiao is a geologist with over 15 years' experience in earth science and mineral exploration, predominantly in the uranium industry. He holds a Master degree of Science and has worked for a number of mineral research institute and companies. He has extensive experience in mineral analysis, exploration, mining and project management and worked for Energy Metals from March 2013 to February 2016 as a project geologist. Mr Xiao was appointed to the Board on 23 October 2018. Directorship of other listed companies: None.	Managing Director
Mr Lindsay Dudfield	Mr Dudfield is a qualified geologist with over 40 years' experience exploring for gold and base metals in Australia and overseas, including close involvement with a number of greenfields discoveries. Member of the AusIMM, SEG, AIG and GSA. He is currently an Executive Director of Jindalee Resources Limited. Mr Dudfield was appointed to the Board as Executive Director in October 2004 and as Non-Executive Director on 1 January 2011. Directorship of other listed companies: Jindalee Resources Limited – current; Alchemy Resources Limited – current; Dynamic Metals Limited – current.	Non-Executive Director
Ms Jan Macpherson	Ms Macpherson is a practising Lawyer and holds a Master's degree in Business. She has extensive experience in executive management, legal, commercial and corporate governance having worked as a senior executive for various exploration and energy companies over 30 years. Ms Macpherson is a fellow of the AICD and the Australian Governance Institute. Ms Macpherson was appointed to the Board on 1 March 2017. Directorship of other listed companies: None.	Non-Executive Director
Mr Zhe Xu	Mr Xu is an experienced engineer and a senior manager in the nuclear power industry. He holds a Master degree of Business Administration of Nankai University of China and a Bachelor degree of Mechatronic Engineering from the University of Jinan of China. He has worked as a senior manager for CGN-URC since 2011. He is currently the Director of Resources Business Department of CGN-URC. Mr Xu was appointed to the Board on 3 April 2020. Directorship of other listed companies: None.	Non-Executive Director
Mr Zhe Gao	Mr Gao is a senior corporate manager with over 20 years' experience in finance and investment. He graduated from the University of New South Wales and holds a Master degree of Commerce. Before he joined the KangDe Group (the second largest shareholder of EME) in 2015, Mr Gao had worked for a number of large corporations, such as CITIC Logistics Co Ltd and HINA Investment Group & Maple Valley Investment CITIC Co, participating in various projects of capital raising, management consulting and fund management. In his early career, he worked as an auditor in a Big-Four international accounting firm. He has extensive experience in finance, fund raising, commercial negotiation and corporate management. Mr Gao was appointed to the Board on 27 August 2019. Directorship of other listed companies: None.	Non-Executive Director

## DIRECTORS' REPORT

Mr Jun Zhou	Mr Zhou is a qualified accountant with more than 20 years' experience in finance and corporate management. He earned a Master of Economics in 1999 and has worked as a senior financial manager for CGN-URC since 2008. Mr Zhou is a Certified Public Accountant. He is currently the Chief Executive Officer of China Uranium Development Company Limited. Mr Zhou was appointed to the Board on 26 March 2021. Directorship of other listed companies: None.	Non-Executive Director
Mr Fei He	Mr He is an experienced senior executive in utility and energy industry. He holds a Master degree in Civil and Commercial Law from Renmin University of China. He has worked as a senior executive for China General Nuclear Power Corporation since 2011. He is currently the Deputy General Manager of CGN-URC. Mr He was appointed to the Board on 3 April 2020 and resigned on 25 January 2022. Directorship of other listed companies: None.	Non-Executive Chairman (resigned 25 January 2022)

## MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 31 December 2022 and the numbers of meetings attended by each Director.

	Number Held Whilst in Office	Number Attended
Yusheng Cai	1	0
Shuqing Xiao	1	1
Lindsay G Dudfield	1	1
Jan Macpherson	1	1
Zhe Xu	1	0
Zhe Gao	1	1
Jun Zhou	1	1
Fei He (resigned 25 January 2022)	0	0

As at the date of this report, the Company did not have an Audit Committee. The Board considers that due to the Company's size, an audit committee's functions and responsibilities can be adequately and efficiently discharged by the Board as a whole, operating in accordance with the Company's mechanisms designed to ensure independent judgement in decision making.

### Retirement, election and continuation in office of directors

Ms Jan Macpherson and Mr Jun Zhou are directors retiring by rotation who, being eligible, may offer himself or herself for re-election at the Annual General Meeting.

## COMPANY SECRETARY INFORMATION

Ms Xuekun Li, ACCA, ACIS, was appointed the Company Secretary on 15 June 2010. Ms Li has completed a degree of Bachelor of Management. She has over 20 years' experience in finance and corporate governance. She previously worked for a Big-Four international accounting firm where she was involved in audits and other assurance engagements. Ms Li is currently an executive of a boutique accounting and corporate business providing professional services to various companies.

### REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's key management personnel for the financial year ended 31 December 2022. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- remuneration policy
- key management personnel emoluments
- service agreements
- options granted as part of remuneration
- share-based compensation
- securities policy

#### Directors and Key Management Personnel ("KMP")

Y. Cai	Non-Executive Chairman
S. Xiao	Managing Director
L. Dudfield	Non-Executive Director
J. Macpherson	Non-Executive Director
Z. Xu	Non-Executive Director
Z. Gao	Non-Executive Director
J. Zhou	Non-Executive Director
F. He	Non-Executive Chairman (resigned 25 January 2022)



**Remuneration Policy**

The remuneration policy of the Company has been designed to align directors' objectives with shareholders and business objectives. The Board of Energy Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders. The Board's policy for determining the nature and amount of remuneration for Board members of the Company is as follows:

All executives receive either consulting fees or a salary, part of which may be taken as superannuation. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation. All remuneration paid to directors and specified executives is valued at the cost to the Company and expensed.

The Board's policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently set at \$200,000 per annum. Fees for non-executive directors are not linked to the performance of the Company. Non-executive directors' remuneration may also include an incentive portion consisting of options, subject to approval by Shareholders.

The policy, setting the terms and conditions for the executive directors and specified executives, was developed and approved by the Board and is considered appropriate for the current exploration phase of the Company's development. Emoluments of directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of directors. Fees paid to directors are not linked to the performance of the Company. This policy may change once the exploration phase is complete. At present the existing remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders).

The following table shows the share price and the market capitalisation of the Company at the end of each period in the past four financial years. No dividends have been paid during the year.

	<b>At 31 December 2018</b>	<b>At 31 December 2019</b>	<b>At 31 December 2020</b>	<b>At 31 December 2021</b>	<b>At 31 December 2022</b>
Share Price	\$0.10	\$0.087	\$0.14	\$0.27	\$0.125
Market Capitalisation	\$20.9M	\$18.2M	\$29.4M	\$56.6M	\$26.2M
Dividend	-	-	-	-	-

## DIRECTORS' REPORT

### Directors and Executives (Key Management Personnel) Emoluments

The Company's policy for determining the nature and amount of emoluments of key management personnel is that directors are to be paid by salaries or consulting fees at commercial rates for professional services performed.

Details of the nature and amount of each element of the emoluments of each director of Energy Metals Limited are set out in the following tables.

		Short-Term Benefits			Post-Employment	Share-Based Payment	Performance related	
		Directors' Fees	Cash Salary, Consulting Fees	Annual leave	Super-annuation	Options	Total	
Non-Executive Directors		\$	\$	\$	\$	\$	\$	%
L. Dudfield	2022	-	24,000	-	-	-	24,000	-
	2021	-	24,000	-	-	-	24,000	-
J. Macpherson	2022	-	25,000	-	-	-	25,000	-
	2021	-	25,000	-	-	-	25,000	-
Z. Xu	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Z. Gao	2022	25,000	-	-	-	-	25,000	-
	2021	25,000	-	-	-	-	25,000	-
J. Zhou	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Y. Cai	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
F. He*	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
<b>Executive Directors</b>								
S. Xiao	2022	-	180,000	13,846	-	-	193,846	-
	2021	-	180,000	13,846	-	-	193,846	-
<b>Total</b>	<b>2022</b>	<b>25,000</b>	<b>229,000</b>	<b>13,846</b>	<b>-</b>	<b>-</b>	<b>267,846</b>	<b>-</b>
	<b>2021</b>	<b>25,000</b>	<b>229,000</b>	<b>13,846</b>	<b>-</b>	<b>-</b>	<b>267,846</b>	<b>-</b>

\*resigned 25 January 2022

### Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation relevant to the office of director. Remuneration and other terms of employment for the Executive Director and other senior management are also formalised in service agreements as summarised below.

#### Yusheng Cai

Mr Cai was appointed a Non-Executive Chairman on 25 January 2022. According to a letter of appointment, Mr Cai is entitled to a director's fee of \$25,000 per annum. Mr Cai consented to forgo his remuneration for the year ended 31 December 2022.

#### Shuqing Xiao

Mr Xiao was appointed the Managing Director on 23 October 2018. According to the terms and conditions of his employment contract with the Company, his salary is \$180,000 per annum. The agreement may be terminated by either party on one month's written notice.

#### Lindsay Dudfield

Mr Dudfield, as a Non-executive Director, is contracted via a Consultancy Agreement between the Company and Jopan Management Pty Ltd trading as Western Geological Services. The Company pays Western Geological Services at a rate of \$750/day (2021: \$750/day) or a minimum charge of \$2,200 per month (inc GST) in return for Mr Dudfield's service. The agreement may be terminated by either party on one month's written notice.

## DIRECTORS' REPORT

---

### Jan Macpherson

Ms Jan Macpherson was appointed a Non-Executive Director on 1 March 2017. The Company entered into an agreement with Blairgowrie Pty Ltd trading as "ResourceAus" and pays \$25,000 per annum in return of Ms Macpherson's service.

### Zhe Xu

Mr Xu was appointed a Non-Executive Director on 3 April 2020. According to a letter of appointment, Mr Xu is entitled to a director's fee of \$25,000 per annum. Mr Xu consented to forgo his remuneration for the year ended 31 December 2022.

### Zhe Gao

Mr Gao was appointed a Non-Executive Director on 27 August 2019. According to a letter of appointment, Mr Gao is entitled to a director's fee of \$25,000 per annum.

### Jun Zhou

Mr Zhou was appointed a Non-Executive Director on 26 March 2021. According to a letter of appointment, Mr Zhou is entitled to a director's fee of \$25,000 per annum. Mr Zhou consented to forgo his remuneration for the year ended 31 December 2022.

### Fei He (resigned 25 January 2022)

Mr He was appointed a Non-Executive Chairman on 3 April 2020 and resigned on 25 January 2022. According to a letter of appointment, Mr He was entitled to a director's fee of \$25,000 per annum. Mr He consented to forgo his remuneration for the year ended 31 December 2022.

## Share-based compensation

No shares in the Company were provided as remuneration to directors of Energy Metals Limited and key management of the Company during the year (2021: nil). No options were vested during the year (2021: nil).

## Equity instruments held by key management personnel

The following table details the number of fully paid ordinary shares and options over ordinary shares in the Company that were held as at the date of this report by key management personnel and their associated related parties.

	Ordinary Shares	Options
Yusheng Cai	-	-
Shuqing Xiao	-	-
Lindsay G Dudfield	3,255,165	-
Jan Macpherson	-	-
Zhe Xu	-	-
Zhe Gao	-	-
Jun Zhou	-	-

### Securities Policy

The Company has implemented a policy on trading in the Company's securities designed to ensure that all directors, senior management and employees of the Company act ethically and do not use confidential inside information for personal gain. The policy states acceptable and unacceptable times for trading in Company securities and outlines the responsibility of directors, senior management and employees to ensure that trading complies with the *Corporations Act 2001*, the Australian Securities Exchange (ASX) Listing Rules and Company Policy.

Any transaction conducted by Directors with regard to shares of the Company requires notification to the ASX. Each Director has entered into an agreement to provide any such information with regard to Company dealings directly to the Company Secretary promptly to allow the Company to notify the ASX within the required reporting timeframes.

### Shares provided on exercise of options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options to directors of Energy Metals Limited and key management of the Company during the year (2021: nil). No related party transaction occurred during the year (2021: nil).

### Voting and comments made at the Company's 2022 Annual General Meeting

The Company received 99.99% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

### Loans to key management personnel

There were no loans to individuals or members of key management personnel during the financial year or the previous financial year.

### End of Remuneration Report (Audited).

### SHARES UNDER OPTION

At 31 December 2022, there were no shares under option (2021: nil).

### SHARES ISSUED ON EXERCISE OF OPTIONS

There were no shares issued on exercise of options during the financial year and up to the date of this report.

### DIRECTORS AND OFFICERS INSURANCE

The Company has paid a premium to insure the directors and officers of the Company for the period 1 January 2022 to 31 December 2022 against those liabilities for which insurance is permitted under section 199B of the *Corporations Act 2001*. Details of the nature of the liabilities insured for and the amount of the premium are subject to a confidentiality clause under the contract of insurance.

**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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 37 of this report.

**NON-AUDIT SERVICES**

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence, based on advice received from the Board of Directors, for the following reasons:

- no non-audit services have been occurred during the year; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

21 February 2023, at Perth, Western Australia



**Shuqing Xiao**  
Managing Director

**ENERGY METALS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

## **Contents**

	Paged
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash flows	17
Notes to the Financial Statements	18

These financial statements cover the financial statements of Energy Metals Limited and its joint operations. The financial statements are presented in the Australian currency.

Energy Metals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Energy Metals Limited  
Level 2, 5 Ord Street  
West Perth WA 6005

A description of the nature of the entity's operations and its principal activities included in the directors' report on pages 3 to 12 are not part of these financial statements.

The financial statements were authorised for issue by the directors on 21 February 2023. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Investor Information on our website: [www.energymetals.net](http://www.energymetals.net).

**ENERGY METALS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
Other revenue	3a	223,458	72,827
Depreciation expense	3b	(67,399)	(52,846)
Exploration expense		(82,992)	(92,386)
Employee benefits expense	3c	(394,354)	(385,293)
Corporate and regulatory expenses		(207,612)	(227,214)
Other administrative expense		(138,032)	(132,185)
Finance costs	3b	(5,387)	(3,496)
<b>Loss before income tax</b>		(672,318)	(820,593)
Income tax expense	4	-	-
<b>Loss for the year</b>		(672,318)	(820,593)
<b>Total comprehensive loss for the year</b>		(672,318)	(820,593)
<b>Loss attributable to owners of Energy Metals Limited</b>		(672,318)	(820,593)
<b>Total comprehensive loss attributable to owners of Energy Metals Limited</b>		(672,318)	(820,593)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	6	(0.32)	(0.39)
Diluted loss per share (cents per share)	6	(0.32)	(0.39)

*The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

**ENERGY METALS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Notes	31 December 2022 \$	31 December 2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	704,982	481,210
Term deposits	8	13,375,071	14,787,380
Other receivables		195,743	40,485
Other financial asset		102,989	102,795
<b>Total Current Assets</b>		<b>14,378,785</b>	<b>15,411,870</b>
<b>Non-Current Assets</b>			
Plant and equipment	9,10	245,027	246,904
Exploration and evaluation expenditure	11	35,626,420	35,303,185
<b>Total Non-Current Assets</b>		<b>35,871,447</b>	<b>35,550,089</b>
<b>Total Assets</b>		<b>50,250,232</b>	<b>50,961,959</b>
<b>Current Liabilities</b>			
Trade and other payables		58,833	97,961
Lease liabilities	10	51,541	46,495
Provisions		50,305	60,407
<b>Total Current Liabilities</b>		<b>160,679</b>	<b>204,863</b>
<b>Non-current Liabilities</b>			
Lease liabilities	10	87,053	82,278
<b>Total Non-current Liabilities</b>		<b>87,053</b>	<b>82,278</b>
<b>Total Liabilities</b>		<b>247,732</b>	<b>287,141</b>
<b>Net Assets</b>		<b>50,002,500</b>	<b>50,674,818</b>
<b>Equity</b>			
Contributed equity	12	59,051,644	59,051,644
Accumulated losses		(9,049,144)	(8,376,826)
<b>Total Equity</b>		<b>50,002,500</b>	<b>50,674,818</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*



**ENERGY METALS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

	<b>Attributable to owners of Energy Metals Limited</b>		
	<b>Contributed equity</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2021</b>	59,051,644	(7,556,233)	51,495,411
Total comprehensive loss for the year	-	(820,593)	(820,593)
<b>Balance at 31 December 2021</b>	59,051,644	(8,376,826)	50,674,818
Total comprehensive loss for the year	-	(672,318)	(672,318)
<b>Balance at 31 December 2022</b>	59,051,644	(9,049,144)	50,002,500

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**ENERGY METALS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(761,948)	(763,501)
Payments for exploration operation		(82,644)	(92,386)
Income received from joint operations		3,231	4,040
Other income received		3,514	-
Interest income received		48,942	83,184
<b>Net cash used in operating activities</b>	5	(788,905)	(768,663)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure		(345,693)	(250,746)
Payments for acquisition of plant and equipment		(1,447)	(3,188)
Payments for term deposits		(13,478,061)	(14,890,175)
Withdrawal of term deposits		14,890,175	15,886,213
<b>Net cash received from investing activities</b>		1,064,974	742,104
<b>Cash flows from financing activities</b>			
Lease payments for right of use assets		(52,297)	(32,893)
<b>Net cash used in financing activities</b>		(52,297)	(32,893)
Net (decrease)/increase in cash and cash equivalents		223,772	(59,452)
Cash and cash equivalents at the beginning of the year		481,210	540,662
<b>Cash and cash equivalents at the end of the year</b>	8	704,982	481,210

*The above Statement of Cash flows should be read in conjunction with the accompanying notes.*

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

**(a) Statement of Compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

These financial statements are for Energy Metals Limited as an individual entity. For the purposes of preparing the financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Company comply with International Financial Reporting Standards ("IFRS"). The financial statements were authorised for issue by the directors on 21 February 2023.

*Basis of Preparation*

These financial statements have been prepared under the historical cost convention.

*Critical Accounting Estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(s).

**(b) Joint Operations**

The Company has interests in joint arrangements that are Joint Operations. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company recognises its interest in the joint operations by recognising the assets that it controls and the liabilities that it incurs. The Company also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operations. Details of the joint operations are set out in note 19.

**(c) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board. The Board is responsible for allocating resources and assessing performance of the operating segments.

**(d) Other Income**

The Company recognises other income from the following major source:

*Management Fee*

The management fee from joint operation activities is measured at fair value of the consideration received or receivable and it is recognised over time when joint operation activities are performed to the joint operations. Amounts disclosed as other income are net of returns, allowances, rebates and amounts collected on behalf of third parties.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiary operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Right of use asset**

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. Its carrying amount is included in the Plant and Equipment. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments are split into a principal and interest portion which will be presented as financing and operating cashflows respectively.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Impairment of Assets**

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

**(h) Cash and Cash Equivalents**

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

**(i) Other Receivables**

Other receivables are recognised initially at fair value, less any allowance for expected credit losses. The settlement terms vary depending on business transactions.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Allowance for expected credit loss is established, using the expected credit loss model under AASB9 when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the receivable is impaired. The amount of the allowance is for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

**(j) Investments and Other Financial Asset**

*Classification*

There are three principle classification categories for financial assets: measured at amortised cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit and loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies its financial assets in the following category: financial assets at amortised cost.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Recognition and Derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

*Subsequent Measurement*

Loans and receivables and other financial assets measured at amortised cost are carried at amortised cost using the effective interest method.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

*Impairment*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the perspective financial instrument.

**(k) Plant and Equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced, all other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all property, plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Exploration and Evaluation Expenditure**

The Company's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

- i) Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs.
- ii) Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
  - such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
  - exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

The application of the Company's policy in regard to the recognition and measurement of capitalised exploration and evaluation expenditure requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. The Company reviews the carrying value of exploration and evaluation expenditure at each reporting date. This requires judgement as to the status of the individual projects and their future economic value. The factors impacting on economic value include the size of the total available resource, the grade of the resource, expected costs of developing the project, technical feasibility of the project, expected costs of mining production and future commodity prices.

If, after having capitalised exploration and evaluation expenditure, the area of interest is disposed or surrendered or management concludes that the capitalised expenditure is unlikely to be recovered by future sale or successful development and exploitation of the area, then the relevant capitalised amount will be written off through the Profit or Loss and Other Comprehensive Income. Expenditure that is not deemed fit for capitalisation is costed directly through the Profit or Loss and Other Comprehensive Income.

At times, the Company may place an area of interest into retention status for strategic reasons. Expenditure during the retention period are expensed when they incur.

**(m) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(n) Employee Benefits

*Short-term and Long-term Employee Benefits*

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

(o) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings Per Share

(i) *Basic Earnings Per Share*

Basic earnings per share is determined by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings Per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Goods and Services Tax (GST)

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

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

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



**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(r) New Accounting Standards and Interpretations

The Company has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

At the date of authorization of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective:

*AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, effective for annual reporting periods beginning on or after 1 January 2023;*

*AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates, effective for annual reporting periods beginning on or after 1 January 2023;*

*AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective for annual reporting periods beginning on or after 1 January 2023;*

*AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information, effective for annual reporting periods beginning on or after 1 January 2023.*

(s) Critical Accounting Judgement and Estimate

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

*Accounting for capitalised exploration and evaluation expenditure*

The Company's accounting policy is stated at Note 1 (l). There is some subjectivity involved in the carrying forward as capitalized or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carrying forward such expenditure fairly reflect the prevailing situation.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, cost of drilling and production, production rates and changes to commodity prices. As at 31 December 2022 the carrying value of capitalised exploration and evaluation expenditure was \$35,626,420 (2021: \$35,303,185).

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. SEGMENT INFORMATION**

**(a) DESCRIPTION OF SEGMENTS**

Management has determined that the Company has one reportable segment of its business, being uranium exploration in Australia. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on three reportable segments of its business.

**(b) SEGMENT REVENUE AND RESULTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of segment revenue to Company revenue		
Segment revenue - Uranium exploration	5,620	5,119
Unallocated revenue	217,838	67,708
Total revenue	223,458	72,827

  

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of segment result to Company loss		
Segment result - Uranium exploration	(91,170)	(102,271)
Unallocated result	(581,148)	(718,322)
Loss before tax	(672,318)	(820,593)

Segment revenue of uranium exploration represents revenue generated from service provided to joint operations. There were no inter-segment sales in the current year (2021: nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1. Segment result represents the profit/(loss) before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**(c) SEGMENT ASSETS AND LIABILITIES**

	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of segment assets to Company assets		
Segment assets - Uranium exploration	35,735,264	35,412,817
Unallocated assets - Corporate	14,514,968	15,549,142
TOTAL ASSETS	50,250,232	50,961,959

  

	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of segment liabilities to Company assets		
Segment liabilities - Uranium exploration	18,792	40,903
Unallocated liabilities - Corporate	228,940	246,238
TOTAL LIABILITIES	247,732	287,141

**(d) INFORMATION ABOUT MAJOR CUSTOMERS**

The Company does not have any external revenue at this stage. The Company is not reliant on any of its major customers.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. REVENUES AND EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Other Revenue includes the following revenue items:</b>		
Interest income	214,324	67,332
Management fee from Joint Operations	5,620	5,119
Fuel rebate	2,773	376
Other income	741	-
	<u>223,458</u>	<u>72,827</u>
<b>(b) Loss includes the following specific expenses:</b>		
Depreciation	67,399	52,846
Finance cost	5,387	3,496
	<u>72,786</u>	<u>56,342</u>
<b>(c) Employee benefit expenses:</b>		
Wages & superannuation	360,897	360,293
- Including: Executive Director's salary	180,000	180,000
Non-Executive Directors' fees*	25,000	25,000
Others	8,457	-
	<u>394,354</u>	<u>385,293</u>

\*The directors' fees paid to Mr. Lindsay Dudfield and Ms Jan Macpherson were not included in the employee benefit expenses. The payments were in exchange for services of Mr. Lindsay Dudfield and Ms Jan Macpherson and were reflected in the Corporate and Regulatory Expense in the profit or loss account.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Loss before income tax	(672,318)	(820,593)
Income tax benefit @ 30%	(201,695)	(246,178)
Tax effect of amounts which are not deductible in calculating taxable income:		
Non-deductible expenses	-	-
Deferred tax relating to temporary timing differences not recognised	(99,266)	(119,155)
Deferred tax assets relating to tax losses not recognised	295,291	351,647
Prior year true up	30	13,686
Income tax expenses/(benefit) reported in the income statement	-	-

The franking account balance at period end was nil (2021: nil).

Deferred tax assets and liabilities not recognised relate to the following:

**Deferred tax assets**

Tax losses carried forward	12,855,030	12,560,779
Non-refundable R&D tax offsets carried forward	1,386,721	1,386,721
Other temporary differences	64,612	63,572

**Deferred tax liabilities**

Exploration assets	(10,728,585)	(10,629,319)
<b>Net deferred tax assets not recognised</b>	<b>3,577,778</b>	<b>3,381,753</b>

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

The use of losses is dependent on the Company satisfying the required criteria within the Income Tax Assessment Act 1936 & 1997 at the time the losses are incurred and used. The provisions of the Acts may change or the business may alter (past the change of ownership) and as a result the Company's loss may be lost in the future.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(672,318)	(820,593)
Depreciation	67,399	52,846
Write-off of capitalised exploration expenditure	348	-
Annual leave provision	(10,103)	(16,962)
Other income	(2,389)	(1,079)
Unrealised gain on lease modification	(4,290)	(4,706)
Other expense	18,801	-
Change in operating assets and liabilities during the financial period:		
Decrease/(increase) in other receivables	(169,337)	31,732
(Decrease)/increase in trade and other payables	(17,016)	(9,901)
Net cash outflow from operating activities	(788,905)	(768,663)

There were no significant non-cash transactions during the year.

**6. LOSS PER SHARE**

The loss or earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows.

Reconciliation of loss used in calculation of loss per share:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss attributable to owners of the Company	(672,318)	(820,593)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings/(loss) per share.	<b>2021</b> <b>Number</b>	<b>2021</b> <b>Number</b>
	209,683,312	209,683,312

**7. DIVIDENDS**

There were no dividends paid or declared by the Company during the year.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. CASH AND CASH EQUIVALENTS**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	600,807	405,501
Share of Joint Operations' cash	104,175	75,709
	<u>704,982</u>	<u>481,210</u>
Term deposits classified separate to cash on face of Statement of Financial Position	<u>13,375,071</u>	<u>14,787,380</u>

As at 31 December 2022, the Company had approximately \$13.4 million term deposits (2021: \$14.8 million) with maturities from 9 months to 12 months in various financial institutions earning interest income at an average rate of 2.87% (2021: 0.19%).

The Company's exposure to interest rate risk is disclosed in Note 13.

**9. NON-CURRENT ASSETS - PLANT AND EQUIPMENT**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	936,513	935,066
Less accumulated depreciation	(839,306)	(822,947)
	<u>97,207</u>	<u>112,119</u>
Motor vehicle – at cost	66,839	66,839
Less accumulated depreciation	(61,228)	(59,933)
	<u>5,611</u>	<u>6,906</u>
Right-of-use asset – at cost	159,985	143,864
Less accumulated depreciation	(17,776)	(15,985)
	<u>142,209</u>	<u>127,879</u>
Total	<u>245,027</u>	<u>246,904</u>

Reconciliation of the carrying amount of fixed assets:

	<b>Plant and equipment</b>	<b>Motor vehicle</b>	<b>Right-of-use Asset</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount at 1 January 2021	127,768	8,499	124,582	260,849
Additions	3,188	-	143,864	147,052
Depreciation expense	(18,837)	(1,593)	(32,416)	(52,846)
Disposals/write off	-	-	(108,151)	(108,151)
Carrying amount at 31 December 2021	<u>112,119</u>	<u>6,906</u>	<u>127,879</u>	<u>246,904</u>
Carrying amount at 1 January 2022	112,119	6,906	127,879	246,904
Additions	1,447	-	159,985	161,432
Depreciation expense	(16,359)	(1,295)	(49,745)	(67,399)
Disposals/write off	-	-	(95,910)	(95,910)
Carrying amount at 31 December 2022	<u>97,207</u>	<u>5,611</u>	<u>142,209</u>	<u>245,027</u>

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. LEASE**

The right of use assets are disclosed as plant and equipment in Note 9.

**(a) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to the lease of its corporate office:

<b>Right-of use assets</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
Office	159,985	143,864

  

<b>Lease Liabilities</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
Current	51,541	46,495
Non-current	87,053	82,278
	138,594	128,773

**(b) Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amount relating to the lease of its corporate office:

	<b>2022</b>	<b>2021</b>
	\$	\$
Depreciation expense of right-of-use assets	49,745	32,146
Interest expense on lease liabilities	5,387	3,496
Total amount recognised in profit or loss	55,132	35,642

The total cash outflow for lease in 2022 was \$52,297 (2021: \$32,893).

**(c) The Company's leasing activity and how these are accounted for**

The company leases office space for its corporate office. The lease agreement has a fixed term of 3 years. The lease agreement does not impose any covenants.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Lease payments to be made under the extension option are also included in the measurement of liability.

The lease payments are discounted using the interest rate of a readily observable amortising loan rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the payment of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are depreciated over the lease term on a straight-line basis.

The Company does not have any short-term leases or low-value assets.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	35,303,185	35,033,878
Additions of capitalised exploration expenditure	323,583	269,307
Write-off of exploration expenditure	(348)	-
Balance at the end of the year	<u>35,626,420</u>	<u>35,303,185</u>

The balance carried forward represents projects in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Employee benefits expense capitalised during the year		
Wages and superannuation	<u>29,313</u>	<u>130,626</u>

**12. CONTRIBUTED EQUITY**

The Company had 209,683,312 ordinary shares, fully paid at 31 December 2022 (31 December 2021: 209,683,312). There was no movement in contributed equity during the year.

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
Contributed equity	<u>59,051,644</u>	<u>59,051,644</u>

  

	<b>Number of shares</b>	<b>Number of shares</b>
Balance at 31 December 2022 and 31 December 2021	<u>209,683,312</u>	<u>209,683,312</u>

**Ordinary Shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

**Capital Risk Management**

The Company's objectives when managing capital is to safeguard the ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to achieve this objective, the Company seeks to maintain a capital structure that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues, or the reduction of debt, the Company considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no other significant changes to the Company's capital management objectives, policies and processes in the year nor has there been any change in what the Company considers to be its capital.



**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

### 13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not use any derivative financial instruments to hedge risk exposures. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and aging analysis for credit risk.

Risk management is carried out by the Board as a whole.

The Company holds the following financial instruments:

	31 December 2022	31 December 2021
	\$	\$
<b>Financial Assets</b>		
Current		
Cash and cash equivalents	704,982	481,210
Term deposits	13,375,071	14,787,380
Trade and other receivables	195,743	40,385
Other financial assets	102,989	102,795
Total Current Financial Assets	14,378,785	15,411,870
<b>Financial Liabilities</b>		
Current		
Trade and other payables	58,833	97,961
Lease liabilities	51,541	46,495
Total Current Financial Liabilities	110,374	144,456
Non-Current		
Lease liabilities	87,053	82,278
Total Non-Current Financial Liabilities	87,053	82,278

#### (a) Market Risk

##### (i) Foreign Exchange Risk

The Company does not have significant foreign currency holding. No financial instruments have been entered into to manage this risk.

##### (ii) Price Risk

The Company is in the stage of a junior explorer and the commodity prices do not constitute a significant risk to the business. The Company may adjust its strategy on the progress of its projects to adapt to the change of the market environment.

##### (iii) Cash flow and fair value interest rate risk

The Company's exposure to interest rate risk arises from assets bearing variable interest rates. The weighted average interest rate on cash holdings and term deposits was 2.87% at 31 December 2022 (31 December 2021: 0.19%). All other financial assets and liabilities are non-interest bearing.

##### (iv) Company Sensitivity

At 31 December 2022, if interest rates had increased by 100 or decreased by 100 basis points of the current weighted average interest rates with all other variables held constant, post-tax profit for the period would have been \$133,751 higher/\$133,751 lower (31 December 2021: \$28,866 higher/\$28,866 lower), mainly as a result of higher/lower interest income from cash, term deposits and other financial assets.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**13. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit Risk**

Credit risk arises from cash and deposits with banks and financial institutions, as well as outstanding receivables. The Company invests its surplus funds mainly with large banking financial institutions, namely National Australia Bank and Westpac Banking Corporation. All these banks have an A rating or above with Standard & Poors. The maximum credit risk of the Company is the exposure of its term deposits and trade and other receivables.

**(c) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through the equity market to meet obligations when due. At the end of the reporting period the Company held deposits of \$13.4 million (2021: \$14.8 million) with maturities from 9 month to 12 months that are expected to readily generate cash inflows for managing liquidity risk and also fulfill the commitments disclosed in Note 15.

**(d) Fair Value Measurements**

The net fair value of the Company's financial assets and liabilities approximates their carrying value.

**14. CONTINGENCIES**

**Contingent Liabilities**

**Claims of Native Title**

To date the Company has been notified by the Native Title Tribunal of native title claims which cover some of the Company's licence holdings. Until further information arises in relation to the claims and their likelihood of success, the Company is unable to assess the likely effect, if any, of the claims.

**15. COMMITMENTS**

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2022. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations. Estimated expenditure on mining, exploration and prospecting leases for 2023 is \$417,338.

**Capital Commitments**

There are no capital expenditure commitments for the Company as at 31 December 2022.

**16. KEY MANAGEMENT PERSONNEL**

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company. The aggregate compensation made to directors and other key management personnel of the Company and the Company is set out below:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Short-term benefits	267,846	267,846
Post-employment benefits	-	-
	<u>267,846</u>	<u>267,846</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 7 to 11.

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. RELATED PARTY TRANSACTIONS**

(a) Parent entities

The ultimate parent entity is China General Nuclear Power Corporation (formerly known as China Guangdong Nuclear Power Holding Co. Ltd.) (incorporated in the P.R. China) ("CGN") which at 31 December 2022 owned 66.45% (31 December 2021: 66.45%) of the issued ordinary shares of Energy Metals Limited.

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in the Remuneration Report.

(c) Transactions with related parties

The Company earned \$5,620 (2021: \$5,119) in management and facility administration fees from the joint operations during the year.

(d) Guarantees

There were no guarantees provided to the related parties during the year.

**18. REMUNERATION OF AUDITORS**

Auditors of the company– BDO Audit (WA) Pty Ltd

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Audit and review of the financial reports		
Company	39,000	41,500
Joint operations	-	-
Total audit and review of the financial reports	<u>39,000</u>	<u>41,500</u>
Other statutory assurance services	-	-
Other assurance services	-	-
Non-audit services	-	-
Total service provided by BDO Audit (WA) Pty Ltd	<u>39,000</u>	<u>41,500</u>

**ENERGY METALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. INTEREST IN JOINT OPERATIONS**

The Company has the following interest in unincorporated joint operations:

<b>Joint Operation</b>	<b>Principal Activity</b>	<b>% Interest</b>	
		<b>31 December 2022</b>	<b>31 December 2021</b>
Bigirlyi Joint Operation	Uranium Exploration	72.39	72.39
Malawiri Joint Operation	Uranium Exploration	76.03	76.03
Walbiri Joint Operation	Uranium Exploration	77.12	77.12

The joint operation is a contractual arrangement between participants for the sharing of costs and outputs and did not generate revenue and profit. The Company's share of exploration and evaluation expenditure is accounted for in accordance with the policy set out in Note 1.

The Company's share of assets employed in the joint operation is:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	104,174	75,709
Other financial asset	88,356	88,162
<b>Total Current Assets</b>	<b>192,530</b>	<b>163,871</b>
<b>Non-Current Assets</b>		
Exploration and evaluation expenditure	15,128,159	15,007,428
<b>Total Non-Current Assets</b>	<b>15,128,159</b>	<b>15,007,428</b>
<b>Total Assets</b>	<b>15,320,689</b>	<b>15,171,299</b>

a) **Commitments**

There are no capital expenditure commitments for the Joint Operation as at 31 December 2022.

The Company's share of estimated Year 2023 minimum expenditure commitments for the Joint Operation tenements are \$101,793 which are included in the commitment disclosed in Note 15.

b) **Contingent liabilities**

*Claims of Native Title*

There are no claims of Native Title that affect the Joint Operation licence holdings.

**20. EVENTS OCCURRING AFTER REPORTING DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Company in future financial years.

## **DIRECTORS' DECLARATION**

---

### **ENERGY METALS LIMITED AND ITS CONTROLLED ENTITIES ACN 111 306 533**

#### **DECLARATION BY DIRECTORS**

The directors of the Company declare that:

1. The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash flows, Statement of Changes in Equity and accompanying notes are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the financial position as at 31 December 2022 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations by the Chief Executive Officer and Financial manager as required by section 295A of the *Corporations Act 2001*.
4. The entity has included in the notes to the financial statements an unreserved and explicit statement of compliance with International Financial Reporting Standards.

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



**Shuqing Xiao**  
Managing Director

Perth, Western Australia  
21 February 2023

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF ENERGY METALS LIMITED

As lead auditor of Energy Metals Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

21 February 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of Energy Metals Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Energy Metals Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Energy Metals Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## Key audit matters

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

### Recoverability of Exploration and Evaluation Expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 31 December 2022, Energy Metals Limited held a significant carrying value of capitalised exploration and evaluation expenditure as disclosed in Note 11.</p> <p>As the carrying value of these exploration and evaluation assets represent a significant asset, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. In particular:</p> <ul style="list-style-type: none"> <li>• Whether the conditions for capitalisation are satisfied;</li> <li>• Which elements of exploration and evaluation expenditures qualify for recognition; and</li> <li>• Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Considering the status of the ongoing exploration programmes in respective areas of interest by holding discussions with management, and reviewing the exploration budget, ASX announcements and director's minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves exist;</li> <li>• Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li> <li>• Assessing the adequacy of the related disclosures in Note 11.</li> </ul>



## Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2022 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 we do not express any form of assurance conclusion thereon.

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

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

## Responsibilities of the directors for the Financial Report

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

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

## Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Energy Metals Limited, for the year ended 31 December 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.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, stylized 'BDO' logo.

Glyn O'Brien

Director

Perth

21 February 2023