



Elixir Energy

**Interim Report
for the half-year ended 31 December 2022**

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Nomgon pilot program flare

Corporate Directory

Directors

Mr Richard Cottee
Mr Neil Young
Mr Stephen Kelemen
Ms Anna Sloboda

Non-Executive Chairman
Managing Director
Non-Executive Director
Non-Executive Director

Company Secretary

Ms Victoria Allinson

Registered Office

3B, Level 3
60 Hindmarsh Square
Adelaide 5000
South Australia

Auditors - Australia

BDO Audit Pty Ltd
Level 7, 420 King William Street
Adelaide 5000
South Australia

Bankers

National Australia Bank Limited
Level 9, 22 King William Street
Adelaide 5000
South Australia

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney 2000
New South Wales

Stock Exchange Listing

Australian Securities Exchange code: EXR

Email address

info@elixirenergy.com.au

Directors' Report

DIRECTORS

The names of the Directors of Elixir Energy Limited in office during the financial period and at the date of this report are:

Director	Position	Date appointed	Last elected or re-elected at AGM
Richard Cottee	Non-Executive Chairman	29 April 2019	18 November 2022
Neil Young	Managing Director	14 December 2018	-
Stephen Kelemen	Non-Executive Director	6 May 2019	28 October 2021
Anna Sloboda	Non-Executive Director	1 October 2020	28 October 2021

Other than as stated above, each Director held office from 1 July 2022 until the date of this report.

PRINCIPAL ACTIVITIES

Elixir Energy Limited and its subsidiaries ("Group") is an oil and gas Group focussed on coal bed methane ("CBM") exploration and development in Mongolia; tight gas appraisal in Queensland and green hydrogen production in Mongolia. Further details are provided in the Review of Operations.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial period ended 31 December 2022 (2021: Nil).

REVIEW OF OPERATIONS

Operating Results

For the financial period ended 31 December 2022, the Group recorded a net loss from continuing operations after tax of \$1,163,290 (December 2021: \$831,768). The loss is higher than the prior period, this is primarily due to higher share-based payments \$209,801, administration expenses \$102,006, and lower foreign exchange gains of \$129,246, offset by higher interest income received from the bank of \$134,617 due to higher interest rates.

At 31 December 2022, the Group held cash totalling \$13,767,206 (June 2022: \$22,679,219).

Operations Review

During the period, the Group's primary focus was in Mongolia, on natural gas exploration and appraisal in its 100% owned Nomgon IX CBM Production Sharing Contract (PSC) and Gobi H2 green hydrogen projects. The Group acquired the Grandis Gas project in Queensland in the period.

Projects

Mongolian project: Nomgon

The Group has a 100% interest in the Nomgon IX CBM PSC, located proximate to the Chinese border in Mongolia's South Gobi region. The PSC was entered into with the Mongolian Government in September 2018 and has a minimum ten-year exploration period and a thirty-year (extendable) production period. The work program undertaken in the PSC in the period is summarised in the exploration section below.

During the period the Group undertook exploration and appraisal work on the PSC, with a focus on the following activities:

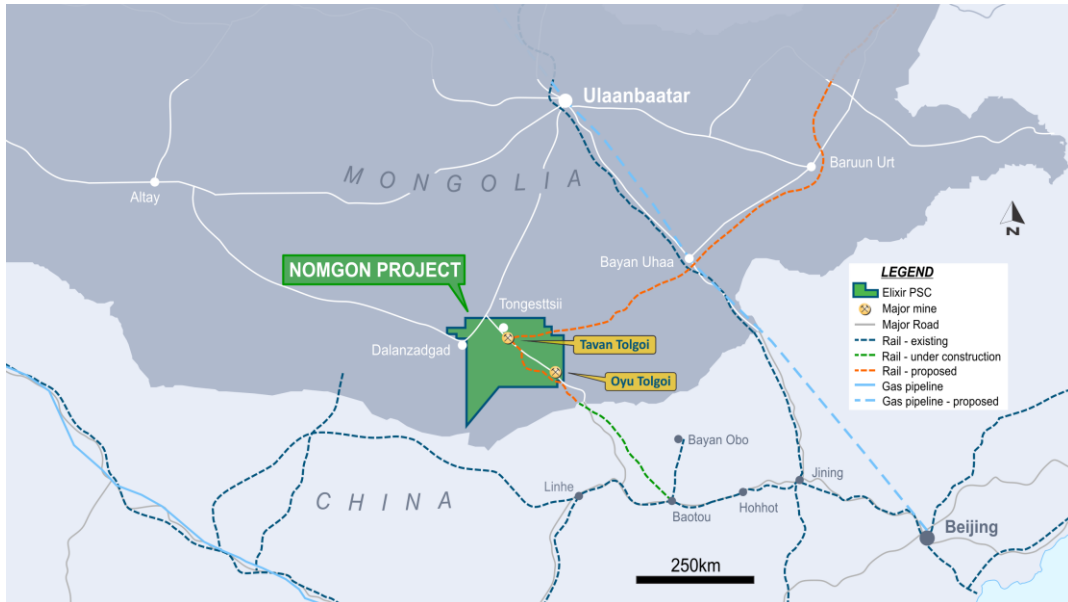
- Undertaking an extended pilot production project at Nomgon, which involved the drilling of 2 pilot wells and installing surface facilities. Production commenced prior to the end of the year and post the end of the period the Company announced the passing of a key production milestone of 100,000 standard cubic feet per day. This highly encouraging rate presents a number of commercialization options which the Company is pursuing.

- Drilling a number of exploration and appraisal wells. In 2022 a total of 17 such wells were drilled and 322 kilometres of 2D seismic acquired.

All work was undertaken safely, without environmental incident and working closely with local communities.

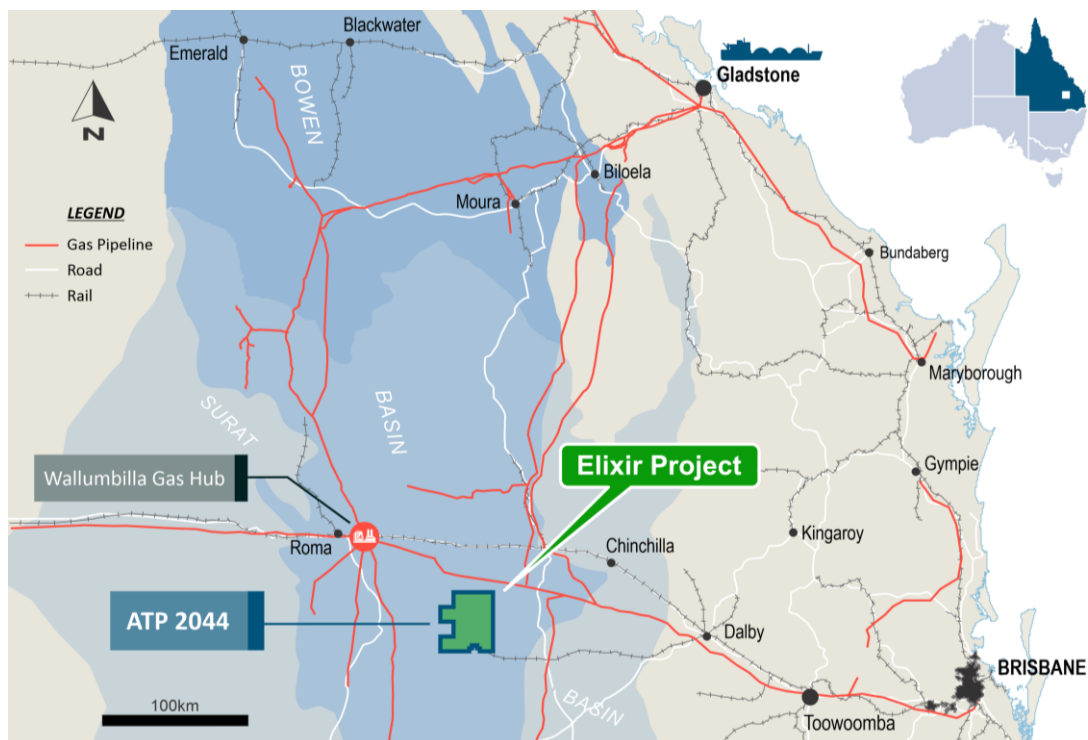
Mongolian Hydrogen Project - Gobi H2

During the period, the Group progressed various initiatives to support the development of a green hydrogen production project – called Gobi H2 – in the South of Mongolia.



ATP 2044 / Grandis Gas Project

During the period, the Group acquired a 100% interest in ATP 2044, a petroleum exploration licence in Queensland (now called the Grandis Gas Project). The acquisition was effected through the acquisition of a private company, with the consideration comprising cash, stock and a royalty. Post the acquisition, the Group located initial contingent resources from the asset (refer to ASX release dated 10 November 2022 for further details). The Daydream-2 appraisal well in the licence is planned for late 2023.



Other projects

The Company's only other asset is a bond and related liability associated with an old joint venture in Texas. There have been no changes to other projects held by the Group during the period.

CHANGES IN CAPITAL STRUCTURE

During the period, 20,703,934 Elixir Energy Ltd shares were issued to acquire the EnergyCapture Pty Ltd subsidiary. No other transaction took place that would impact the capital structure of the Group.

PERFORMANCE RIGHTS

During the period, 2,000,000 Performance Rights were issued to Mr Neil Young.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than those events noted above, there were no other significant changes in the state of affairs of the Group during the period that requires separate disclosure.

EVENTS SINCE THE END OF THE FINANCIAL PERIOD

On 1 March 2023, the Group announced that the Nomgon IX CBM pilot project passed another key milestone achieving 200,000 cubic feet per day of gas. The program has now been successfully operating for over 100 days.

On 20 February 2023, the Group announced that a Term Sheet had been executed with SB Energy Corp. over the co-development of the Gobi H2 green hydrogen project.

There are no other material events occurring after the end of the reporting period to disclose.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 6 of the financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.



Neil Young
Managing Director
Adelaide, South Australia
8 March 2023

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF ELIXIR ENERGY LIMITED

As lead auditor for the review of Elixir Energy Limited for the half-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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elixir Energy Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 8 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ELIXIR ENERGY LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Elixir Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle

Director

Adelaide, 8 March 2023

Directors' Declaration

The Directors declare that:

- (a) The consolidated financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2022 and the performance for the half-year ended on that date of the consolidated entity;
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that Elixir Energy Limited will be able to pay its debts as and when they become due and payable.
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 8 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 8.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Neil Young
Managing Director
Adelaide, South Australia
8 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Note	Consolidated	
		31 Dec 2022 \$	31 Dec 2021 \$
Revenue from continuing operations			
Interest Income		151,850	17,233
Expenses			
Foreign exchange gain/(loss)		12,570	141,816
Directors' fees		(402,223)	(382,216)
Share based payments expense	2	(331,656)	(121,855)
New ventures and business development	2	(15,751)	(10,672)
Administration expenses	2	(578,080)	(476,074)
Total expenses		(1,163,290)	(849,001)
Loss before income tax		(1,163,290)	(831,768)
Income tax expense		-	-
Loss attributable to owners of the Company		(1,163,290)	(831,768)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		(1,338,021)	(497,099)
Other comprehensive income/(loss) for the half-year, net of tax		(1,338,021)	(497,099)
Total comprehensive loss attributable to the owners of Elixir Energy Limited		(2,501,311)	(1,328,867)
Loss per share for the half-year			
Basic and diluted (loss) per share (cents)		(0.13)	(0.09)

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

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	Consolidated	
		31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		13,767,206	22,679,219
Other receivables and current assets	4	830,733	1,284,571
Total current assets		14,597,939	23,963,790
Non-current assets			
Exploration and evaluation expenditure	3	28,418,292	18,887,358
Other receivables and non-current assets	4	1,090,548	1,103,901
Property, plant and equipment	5	525,281	111,438
Rights of use asset		253,705	59,160
Total non-current assets		30,287,826	20,161,857
Total assets		44,885,765	44,125,647
Liabilities			
Current liabilities			
Trade and other payables		912,692	995,055
Employee benefits		130,763	127,408
Lease Liability		38,819	60,946
Total current liabilities		1,082,274	1,183,409
Non-current liabilities			
Site rehabilitation provision		850,816	843,403
Lease Liability		40,065	5,560
Total non-current liabilities		890,881	848,963
Total Liabilities		1,973,155	2,032,372
Net Assets		42,912,610	42,093,275
Equity			
Issued capital	6	122,671,316	119,682,326
Reserves		(305,375)	700,990
Accumulated Losses		(79,453,331)	(78,290,041)
Total Equity		42,912,610	42,093,275

The above consolidated financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Share Capital		Reserves		Total
	Ordinary Share Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	
	\$	\$	\$	\$	\$
Balance at 1 Jul 2022	119,682,326	(78,290,041)	1,138,992	(438,002)	42,093,275
Comprehensive income (Loss) for the half-year	-	(1,163,290)	-	-	(1,163,290)
Exchange differences on translation of foreign operations	-	-	-	(1,338,021)	(1,338,021)
Total comprehensive income/(loss) for the period	-	(1,163,290)	-	(1,338,021)	(2,501,311)
Transactions with owners, in their capacity as owners, and other transfers					
Share based expenses	-	-	331,656	-	331,656
Exercise listed options	-	-	-	-	-
Shares issued	3,000,000	-	-	-	3,000,000
Share issue costs	(11,010)	-	-	-	(11,010)
Total transactions with owners and other transfers	2,988,990	-	331,656	-	3,320,646
Balance at 31 Dec 2022	122,671,316	(79,453,331)	1,470,648	(1,776,023)	42,912,610
Balance at 1 Jul 2021	119,496,785	(76,308,366)	672,518	250,683	44,111,620
Comprehensive income (Loss) for the half-year	-	(831,768)	-	-	(831,768)
Exchange differences on translation of foreign operations	-	-	-	(497,099)	(497,099)
Total comprehensive income/(loss) for the period	-	(831,768)	-	(497,099)	(1,328,867)
Transactions with owners, in their capacity as owners, and other transfers					
Share based expenses	-	-	121,855	-	121,855
Exercise listed options	-	-	-	-	-
Shares issued	187,200	-	-	-	187,200
Share issue costs	(1,659)	-	-	-	(1,659)
Total transactions with owners and other transfers	185,541	-	121,855	-	307,396
Balance at 31 Dec 2021	119,682,326	(77,140,134)	794,373	(246,416)	43,090,149

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

	Consolidated	
	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(1,101,161)	(1,021,945)
Net cash (used in) operating activities	<u>(1,101,161)</u>	<u>(1,021,945)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(7,381,428)	(3,579,714)
Interest received	151,850	17,157
Payments for property, plant and equipment and capital projects in progress	(421,271)	(63,502)
Net cash (used in) investing activities	<u>(7,650,849)</u>	<u>(3,626,059)</u>
Cash flows from financing activities		
Proceeds from issues of shares	-	-
Payments for share issue costs	(11,010)	-
Net cash (used in) financing activities	<u>(11,010)</u>	<u>-</u>
Net (decrease)/increase in cash held	<u>(8,763,020)</u>	<u>(4,648,004)</u>
Cash and cash equivalents at beginning of financial period	22,679,219	32,779,592
Effect of exchange rates on cash holdings in foreign currencies	(148,993)	223,767
Cash and cash equivalents at end of financial period	<u>13,767,206</u>	<u>28,355,355</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

a) Statement of compliance

These financial statements are general purpose financial statements for the half-year reporting period ended 31 December 2022, which have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Elixir Energy Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding half-year reporting.

New or amended accounting standards and interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Significant accounting estimates and judgments for share based payments values

The Group estimates the probability of the award of performance rights issued to key management personnel and other consultants and advisors by reference to the likelihood that the performance measures will be met by the holders of those performance rights as at the date at which they are granted. The probability is considered binary (100% or 0%) for each class of performance rights and only where there is a high risk of failure to achieve the performance measures will 0% be used (e.g. stretch targets).

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 1 July 2022 that have been applied by the Group. The 30 June 2022 annual report disclosed that the Group anticipated no material impacts (amounts recognized and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2022.

b) Going Concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business. For the period ended 31 December 2022 the entity recorded a loss of \$1,163,290 and had net cash outflows from operating activities of \$1,101,161, while cash and cash equivalents amounted to \$13,767,206.

The Group's ability to finance planned exploration and ongoing capital projects is reliant on third party funding sources and/or joint venture funding. The uncertainty of obtaining said financing indicates the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business.

While no assurances can be given about the future ability to source finance for the Group's activities, the Directors believe, given the quality of the Group's assets, that the Group can, if required, fund future activities through a combination of existing cash, third party finding sources or joint venture options to pursue its business strategy and meet its obligation as and when they fall due, and has therefore prepared the financial report on a going concern basis.

Management believes there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

This interim financial report was approved by the Board of Directors on 8 March 2023.

	Consolidated Group	
	31 Dec	31 Dec
	2022	2021
	\$	\$
2. Expenses		
Loss before income tax includes the following specific items:		
Share Based Payments Expense		
Options	54,575	29,107
Performance Rights	277,081	92,107
Total Share Based Payments Expense	331,656	121,855
New ventures and business development		
New ventures	15,751	10,672
Total new ventures and business development	15,751	10,672
Administration and office costs		
Corporate compliance	229,577	214,756
Corporate management costs	30,000	31,000
Rent of office space	14,568	25,379
Travel costs	46,669	24,670
General administration	257,266	180,269
Total administration and office costs	578,080	476,074
	Consolidated Group	
	31 Dec	30 Jun
	2022	2022
	\$	\$
3. Exploration & evaluation expenditure		
Mongolian Project		
Opening balance	18,887,358	11,439,379
Amount Capitalised during the period	6,573,801	7,406,451
Foreign Exchange Movements	(892,850)	41,528
Closing balance	24,568,309	18,887,358
Australian Project		
Opening balance	-	-
Amount Capitalised during the period	3,849,983	-
Closing balance	3,849,983	-
Total		
Opening balance	18,887,358	11,439,379
Amount Capitalised during the period	10,423,784	7,406,451
Foreign Exchange Movements	(892,850)	41,528
Closing balance	28,418,292	18,887,358

Significant accounting estimates and judgments for impairment amounts

The future recoverability of exploration and evaluation assets is dependent on a number of factors, including whether the Group decides to exploit the related PSC itself or, if not, whether it can successfully recover the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

	Consolidated Group	
	31 Dec 2022	30 June 2022
	\$	\$
4. Other Receivables		
Current		
GST	76,747	70,374
Rent deposit and other	372,044	188,542
Advances	1,826	544,298
Prepaid expenses	380,116	481,357
	830,733	1,284,571
Non-Current		
Escrow Account in Mongolia	239,732	260,498
Site rehabilitation performance bond in USA	850,816	843,403
	1,090,548	1,103,901

The cash-backed site rehabilitation performance bond has been provided in favour of the former owner of the Pompano oil and gas project in Texas, United States and is held in escrow by a USA insurance company. The Group carries a site rehabilitation provision of an equivalent amount. The carrying value of the cash-backed bond reflects its fair value.

5. Property, plant and equipment

	Property, plant and equipment	Capital projects in progress: Hydrogen project	Capital projects in progress: Solar Plant	Total
	\$	\$	\$	\$
Balance at 1 July 2021	57,011	-	-	57,011
Additions	63,434	-	-	63,434
Depreciation charge for the period	(8,390)	-	-	(8,390)
Forex	(617)	-	-	(617)
Balance at 30 June 2022	111,438	-	-	111,438
Additions	189,141	238,677	14,963	442,781
Depreciation charge for the period	(10,513)	-	-	(10,513)
Forex	(23,370)	4,945	-	(18,425)
Balance At 31 December 2022	266,696	243,622	14,963	525,281

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Capital projects in progress:

Property, plant and equipment that is under construction classified as a capital project in progress and is measured on the cost basis. Once construction is completed and the asset becomes substantially ready for its intended use or sale, these costs are reclassified to the appropriate category and are depreciated over their expected useful lives.

	Consolidated Group	
	31 Dec	30 Jun
	2022	2022
	\$	\$
6. Issued Capital		
912,437,310 fully paid ordinary shares (June 2022: 891,733,376 fully paid ordinary shares)	122,671,316	119,682,326

	Number of shares		Consolidated Group	
	31 Dec	30 Jun	31 Dec	30 June
	2022	2022	2022	2022
			\$	\$
Balance at 1 July	891,733,376	891,013,376	119,682,326	119,496,785
Issue of shares to acquire new subsidiary, EnergyCapture Pty Ltd at 15 cents per share	20,703,934	-	3,000,000	-
Issue of shares to acquire new subsidiary, Solar Ilch LLC at 26 cents per share	-	720,000	-	187,200
Share issue costs	-	-	(11,010)	(1,659)
Closing Balance	912,437,310	891,733,376	122,671,316	119,682,326

	Consolidated Group	
	31 Dec	30 Jun
	2022	2022
	No.	No.

7. Options and Performance Rights

As at period end the following Options and Rights over unissued ordinary shares are on issue.

Unlisted Options:

Opening Unlisted Options	6,330,000	5,330,000
Incentive Options granted ⁽¹⁾	-	1,000,000
Options cancelled	-	-
Options exercised	-	-
Closing Unlisted Options	6,330,000	6,330,000
Total Options	6,330,000	6,330,000
Weighted average exercise Price	\$0.16	\$0.16

	Consolidated Group	
	31 Dec 2022 No.	30 Jun 2022 No.
Performance Rights:		
Opening Rights	26,200,000	16,000,000
Rights granted ⁽¹⁾⁽²⁾	2,000,000	10,200,000
Rights vested and converted	-	-
Closing Rights	28,200,000	26,200,000

(1) Approved by Shareholders on 28 October 2021

(2) Approved by Shareholders on 18 November 2022

Share options

At 31 December 2022 there are 6,330,000 (30 June 2022: 6,330,000) Unlisted Options over unissued ordinary shares are on issue. During the half-year no Unlisted Options were exercised.

Issue date	Number	Exercise price	Expiry	Exercised
30 September 2019	4,750,000	\$0.10	29 September 2023	Vested
5 June 2020	580,000	\$0.10	4 June 2024	Vested
28 October 2021	1,000,000	\$0.50	27 October 2025	Vested
Total	6,330,000			

All unlisted options vest after a one-year service period has been completed and have no voting or dividend rights attached.

1,000,000 Incentive options were issued to Anna Sloboda on 28 October 2021. The grant date was determined to be 28 October 2021 and the total fair value was assessed as \$166,000 (\$0.17 per option) utilizing the Black-Scholes model with the following key inputs:

- Share Price at grant date: \$0.26
- Exercise price: \$0.50
- Expiry: 27 October 2025
- Risk Free rate: 1.11%

During the period, \$54,575 was recognised as a share-based payment expense in relation to the Unlisted Options.

Performance Rights

At 31 December 2022 the following (June 2022: 26,200,000) Performance Rights are on issue:

Issue date	Number	Exercise price	Expiry	Vesting
Class C				
14 December 2018	7,500,000	\$nil	13 December 2023	(a)
30 September 2019	7,500,000	\$nil	29 September 2024	(a)
5 June 2020	1,000,000	\$nil	4 June 2025	(a)
	16,000,000			
Class E				
28 October 2021	3,400,000	\$nil	1 July 2023	(b)
28 October 2021	3,400,000	\$nil	1 July 2024	(b)
28 October 2021	3,400,000	\$nil	1 July 2025	(b)
	10,200,000			
Long-Term Incentive (LTI) Revenue				
18 November 2022	1,000,000	\$nil	30 June 2026	(c)
Long-Term Incentive (LTI) TSR				
18 November 2022	1,000,000	\$nil	30 June 2026	(d)
Total	28,200,000			

Performance Rights Milestones and terms:

- a. Class C Performance Rights – Performance Rights will vest upon a final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue.
- b. Class E Performance Rights milestones:
 - 3,400,000 performance rights to vest upon the commencement of a 1st stage pilot production program by 30 June 2023.
 - 3,400,000 performance rights to vest upon the commencement of a 2nd stage pilot production program by 30 June 2024.
 - 3,400,000 performance rights to vest upon the commencement of a 3rd stage pilot production program by 30 June 2025.
- c. Long-Term Incentive (LTI) Revenue – Performance Rights will vest if, by 30 June 2026, a new business opportunity has been consummated and, in Board’s opinion, will generate revenues by 30 June 2028.
- d. Long-Term Incentive (LTI) TSR – Performance Rights will vest upon an increase in Relative Total Shareholder Returns (Relative TSR).
- e. No voting or dividend rights.

During the period, \$277,081 was recognised as a share-based payment expense in relation to the following Performance Rights:

- \$266,649 in relation to the 10,200,000 New Performance Rights. The probability of achieving the milestone set in 2023 is considered likely at 31 December 2022, and milestones set for 2024 and 2025 are considered unlikely at 31 December 2022 and therefore, only the portion of the grant date fair value related to achieving the 2023 milestone is recognised.
- \$10,432 in relation to the LTI Performance Rights.

8. Controlled Entities

Subsidiaries of Elixir Energy Limited:	Country of Incorporation	Percentage Owned	
		31 Dec 2022	30 Jun 2022
Golden Horde Pty Ltd ⁽¹⁾	Australia	100%	100%
GOH LLC ⁽¹⁾	Mongolia	100%	100%
GOH Clean Energy LLC ^{(1) (2)}	Mongolia	100%	100%
Solar Ilch LLC ⁽²⁾	Mongolia	100%	100%
Gobi Terra LLC ⁽²⁾	Mongolia	100%	100%
Elixir Petroleum (Australia) Pty Ltd	Australia	100%	100%
Cottesloe Oil & Gas LLC ⁽³⁾	USA	100%	100%
Cottesloe Oil & Gas Inc ⁽³⁾	USA	100%	100%
EnergyCapture Pty Ltd ⁽⁴⁾	Australia	100%	-

(1) Golden Horde Pty Ltd is the intermediate parent of both GOH LLC and GOH Clean Energy LLC.

(2) GOH Clean Energy LLC is the intermediate parent of Solar Ilch LLC and Gobi Terra LLC. Gobi Terra LLC is currently dormant.

(3) Cottesloe Oil & Gas LLC is the intermediate parent of Cottesloe Oil & Gas Inc.

(4) EnergyCapture Pty Ltd (“ECP”) is a wholly owned subsidiary that was acquired in August 2022 for \$3,500,000 paid by \$500,000 cash, share issue of 20,703,934 Elixir Energy Ltd fully paid ordinary shares worth \$3,000,000 and over-riding 3% royalty. On the day of the acquisition, ECP had no material assets, no full-time employees, and no funding capability. Accordingly, the Group has determined that ECP did not constitute a business at the date of the acquisition and hence the transaction has been accounted for as an asset acquisition.

Elixir Energy Limited and Elixir Petroleum (Australia) Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debtors of the other, and comprise an Extended Closed Group as defined by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. By entering into the deed, Elixir Petroleum (Australia) Pty Ltd has been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

9. Operating Segments

General Information

Identification of reportable segments

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

Management has determined, based on the reports reviewed by the Board of Directors that are used to make strategic decisions, that the Group had five reportable segments during 2022 (2021: three) being oil and gas exploration in Australia, Mongolia, the United States of America (USA), clean energy in Mongolia and solar project in Mongolia. The Group's management and administration office is located in Australia.

Segment Performance

	Oil & Gas Exploration			Clean Energy	Solar Project	Other Corporate	Total
	Mongolia	USA	Australia	Mongolia	Mongolia	Activities	
	\$	\$	\$	\$	\$	\$	\$
Half-year ended							
31 Dec 2022							
Revenue from external sources	-	-	-	-	-	151,850	151,850
Reportable segment (loss)	-	(4,856)	-	4,929	-	(1,163,363)	(1,163,290)
As at 31 Dec 2022							
Additions to non-current assets	5,630,341	7,413	3,849,983	398,880	239,353	-	10,125,970
Reportable segment assets	27,024,825	850,816	3,851,268	771,627	239,353	12,147,876	44,885,765
Reportable segment liabilities	(690,530)	(850,816)	(25,800)	(19)	(44,419)	(361,571)	(1,973,155)
Half-year ended							
31 Dec 2021							
Revenue from external sources	-	-	-	-	-	17,233	17,233
Reportable segment (loss)	-	(5,146)	-	(31,921)	-	(795,331)	(831,768)
As at 30 Jun 2022							
Additions to non-current assets	7,767,208	71,272	-	54,426	-	-	7,892,906
Reportable segment assets	20,554,308	843,403	-	524,960	-	22,202,976	44,125,647
Reportable segment liabilities	(725,523)	(843,403)	-	(5,796)	-	(457,650)	(2,032,372)

No reconciliation is required of segment information as the information as presented is used by the Board to make strategic decisions.

10. Related Party Transactions

Key Management Personnel Compensation:

The totals of remuneration paid to KMP of the company and the Group during the half-year are as follows:

	Consolidated Group	
	31 Dec 2022	31 Dec 2021
	\$	\$
Short-term employee benefits	383,009	367,979
Post-employment benefits	19,214	14,237
	402,223	382,216
Share-based payments	331,656	89,120
Total KMP compensation	733,879	471,336

Key Management Personnel of the Group during the half-year were as follows:

- Richard Cottee (Non-executive Chairman)
- Neil Young (Managing Director)
- Stephen Kelemen (Non-executive Director)
- Anna Sloboda (Non-executive Director)
- Victoria Allinson (Company Secretary)

Other Related Parties and Transactions

(i) Subsidiaries – refer to Note 8 for details of Elixir Energy Limited's controlled entities.

Elixir Energy Limited provides working capital to its controlled entities through intercompany loans, denominated in both Australian and foreign currency. Transactions between Elixir Energy Limited and other controlled entities in the Group during the half-year ended 31 December 2022 consisted of:

- Working capital advanced by Elixir Energy Limited
- Provision of services by Elixir Energy Limited.
- Expenses paid by Elixir Energy Limited on behalf of its controlled entities

The above transactions were made interest free with no fixed terms for the repayment of amounts advanced by Elixir Energy Limited.

(ii) Other related parties

Ms Victoria Allinson provides Company Secretary and Chief Financial Officer services to the Group via her company, Allinson Accounting Solutions Pty Ltd. Total fees during the period for Victoria Allinson's services amounted to \$24,912 (2021: \$24,048). The Allinson Accounting Solutions Pty Ltd team also provides administration and accounting services, which totalled \$79,102 (2021: \$59,044) during the period. Total fees billed to the Group during the period were therefore \$104,014 (2021: \$83,092), of which \$11,670 (2021: \$13,618) (excluding GST) was payable at the end of the reporting period.

There were no other transactions with related parties during the half-year, and no other balances due from or to any related party at period end.

Recognition of Share Based Payments: Options and Performance Rights

The fair value of options and performance rights is determined at the grant date and then recognised in profit or loss over the vesting period (with the exception of listed options issued to settle certain advisor fees related to capital raising, which is accounted for as a reduction in share capital). The vesting period for listed options is immediate, for unlisted options is typically four years, and for performance rights it is the period to expiry.

The fair value of unlisted options is determined using an option pricing model such as the Black-Scholes model, with the key inputs being the current share price of the Company, option exercise price, term to expiry, and assumed future share price volatility. If any of the vesting conditions are 'market-based' (such as the achievement of a particular share price), these conditions are factored into the grant date fair value assessment. The fair value of performance rights is determined based on the Company's share price at the grant date.

With respect to Performance Rights, the probability of achieving the relevant performance condition is re-assessed at each reporting date and this probability factor is applied to the grant date fair value in determining the amount to be recognised for the current reporting period. If and when the relevant performance condition is met and the rights convert to a corresponding number of shares, any remaining portion of the grant date fair value that has not previously been recognised is recognised.

Significant accounting estimates and judgments for share based payments

The determination of the fair value of at grant date of equity-settled Options and Performance Rights requires the use of estimates and judgement. In particular, the values and amounts recognised as share based payments expense are particularly sensitive to the share price volatility assumption in valuing Options and the probability assessment of achieving performance conditions with respect to Performance Rights.

11. Contingencies

The group has no contingent assets or liabilities as at reporting date.

12. Events Occurring After Reporting date

On 1 March 2023, the Group announced that the Nomgon IX CBM pilot project passed another key milestone achieving 200,000 cubic feed per day of gas.. The program has now been successfully operating for over 100 days.

On 20 February 2023, the Group announced that a Term Sheet had been executed with SB Energy Corp. over the co-development of the Gobi H2 green hydrogen project.

There are no other material events occurring after the end of the reporting period to disclose.

