



Energy Transition Minerals Ltd

ACN 118 463 004

Interim Financial Report

For the half-year ended 30 June 2024

Corporate Directory

Directors

Simon Kidston	Non-Executive Chair
Sara Kelly	Executive Director
Daniel Mamadou Blanco	Managing Director
Mark Saxon	Non-Executive Director
Xiaolei Guo	Non-Executive Director
Aris Stamoulis	Non-Executive Director

Company Secretaries

Marie Forsyth
Ryan Sebbes

Registered and head office

Australia
Level 6, 111 Collins Street
Melbourne VIC 3000

Greenland
Nuugaarmiunut 523B
3921 Narsaq, Greenland

Singapore
Centennial Tower
21st Floor, 3 Temasek Avenue
039190 Singapore

Spain
c/ Ferraz 10-1 iz
28008 Madrid

Home Stock Exchange

Australian Securities Exchange, Perth
Code: ETM

Auditors

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

Share Registry

Computershare
Level 17, 221 St Georges Terrace,
Perth WA 6000

Company Website

www.etransmin.com

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Directors' Report



The directors of Energy Transition Minerals Ltd (“the **Company**”) herewith submit the Interim Financial Report of Energy Transition Minerals Ltd and its subsidiaries (“the **Consolidated Group** or **ETM**”), for the half-year ended 30 June 2024.

Board of Directors

The names of directors of the Company during or since the end of the half-year are:

Simon Kidston	Non-Executive Chair (appointed 26 June 2024)
Sara Kelly	Executive Director (previously Non-Executive Chair)
Daniel Mamadou Blanco	Managing Director
Mark Saxon	Non-Executive Director
Xiaolei Guo	Non-Executive Director
Aris Stamoulis	Non-Executive Director (appointed 12 March 2024)

Principal Activities

The principal activity of the Consolidated Group during the period was mineral exploration, project evaluation and progressing exploration licence permitting. This has included progressing the arbitration and legal proceedings aimed at protecting the Consolidated Group’s rights in respect of the Kvanefjeld Project in Greenland.

In addition, the Consolidated Group has been focused on assessing potential additional investments in the technology metals sector.

REVIEW OF OPERATIONS

Arbitration and Legal Proceedings

Since 2007, the Company has been working towards the development of its wholly owned Kvanefjeld Rare Earth Project (the “Project”) in Southern Greenland. Due to changes in legislation relevant to the Project, that being the enactment of the Greenland Parliament Act No 20 which ban’s uranium prospecting, exploration and exploitation etc (“Uranium Act”) the Company is now currently focused on enforcing its rights, either through a negotiated outcome or formal arbitration, in relation to its dispute with the Greenlandic and Danish Governments.

On 19 July 2023, in response to the enactment of Uranium Act, the Company’s wholly-owned subsidiary Greenland Minerals A/S (“GMAS”) filed a Statement of Claim with the Arbitral Tribunal seated in Copenhagen and, since then, has been actively engaged in legal proceedings and strategic initiatives related to the Project.

On 18 January 2024, the Arbitral Tribunal, by a majority decision, ordered GMAS, to provide security for costs in the amount of Danish kroner (DKK) 25,000,000 (approximately A\$5.5 million) to the Greenland and Denmark Governments in the ongoing arbitration process. On 12 February 2024, the Company announced that it had agreed to provide an indefinite demand guarantee of DKK25,000,000 as security for the legal costs that GMAS may be ordered to pay in the arbitration proceedings.

Directors' Report



On 27 May 2024, the Company announced that GMAS had filed Writs in the Court of Greenland and the District Court of Copenhagen against the Government of Greenland, the Greenland Parliament, and the Government of Denmark. These proceedings were initiated to secure and protect GMAS' and ETM's rights in the Project, in parallel to the ongoing arbitration.

On 26 June 2024, the Company provided an update on a scheduled hearing conducted by the Arbitral Tribunal in Copenhagen regarding the two Governments' application for bifurcation of the proceedings (a preliminary determination on jurisdiction of the Arbitral Tribunal, separately from consideration of the substantive claims). This hearing followed the filing of the parties' written submissions on the application, with GMAS opposing the bifurcation. A decision on this bifurcation application is expected in September 2024.

Throughout the reporting period, and in addition to protecting its legal rights, the Company has continued to maintain its commitment to the responsible development of the Project, including emphasising its dedication to contributing to the growth of the Greenland economy through the development of the Project. The Company has continued to express its willingness to work collaboratively with Greenlandic authorities to achieve a resolution that respects environmental stewardship and legal rights.

Exploration Activity

During the reporting period, ETM continued to actively expand its exploration activities across Europe and North America. Following the earn-in agreement announced in 2022 to acquire a 51% interest in the Villasrubias lithium-tantalum exploration project in Spain, the Company secured the Solo and Good Setting lithium projects in the world-class James Bay region of Quebec, Canada in October 2023. This district hosts some of the world's biggest new lithium discoveries.

Spain

In September 2023, the Company reported that its initial drilling campaign at Villasrubias had encountered significant high-grade lithium and tantalum mineralisation, justifying the decision to proceed with a second drilling program in February 2024.

This subsequent campaign was successfully executed during the reporting period, utilising advanced equipment and supported by strategic collaborations with local academic and geological institutions. The Company also demonstrated a clear commitment to strong environmental stewardship and proactive community engagement throughout this process.

In June 2024, ETM was awarded three additional Exploration Licences in Spain's Salamanca Province. These licences, together with the existing tenure at the Villasrubias Project, position ETM as one of the largest holders of lithium exploration tenure in Spain.

James Bay

In North America, the Company commenced its initial field exploration campaign and significantly expanded its exploration footprint in the James Bay region in April 2024. This involved the grant of additional mineral claims near the existing tenements of the Solo Lithium Project, identified through satellite data analysis and AI targeting. The Company also planned a comprehensive reconnaissance program to explore these newly acquired areas. The initial results of the first reconnaissance program at

Directors' Report



the James Bay projects were announced on 26 August 2024, which revealed indications of pegmatite prospectivity.

Corporate Activity

Appointment of Greenland Strategic Advisor

On 14 March 2024, ETM announced the appointment Svend Hardenberg, a highly-regarded Greenland-based businessman and former political adviser, as the Company's new Greenland Strategic Advisor to the Board. This appointment is aimed at deepening ETM's engagement and operations in Greenland, particularly in renewable energy and sustainable development.

Board and Management Changes

During the reporting period, ETM announced significant Board and management changes. Experienced mining executive Aristeidis (Aris) Stamoulis was appointed as an Independent Non-Executive Director, bringing nearly three decades of global experience in corporate finance and mining, including significant strategic input and an extensive global network to assist the Company's next stage of growth.

The Company also appointed Simon Kidston, an experienced corporate and resource sector executive, as the Company's new Independent Non-Executive Chair. With his extensive investment banking background and experience in establishing and building ASX-listed resource companies, Mr Kidston brings invaluable experience to help steer ETM through its next growth phase.

Concurrently, Sara Kelly transitioned from Non-Executive Chair to Executive Director - Legal and Commercial, focusing on managing the Company's arbitration and litigation strategy for its Kvanefjeld Rare Earths Project in Greenland.

In April 2024, the Company also announced the appointment of Corporate Lawyer Ms Marie Forsyth and Chartered Accountant Mr Ryan Sebbes as Joint Company Secretaries, strengthening its corporate and governance structure.

Investor Engagement

The Company announced several changes to facilitate more open and proactive engagement with its shareholder base. On 2 April 2024 Computershare was appointed as its share registry provider and later ETM launched Investor Hub, a new interactive investor engagement platform.

Registered Office

In March 2024, the Company announced that it had moved its registered address and principal place of business to Level 6, 111 Collins Street, Melbourne, VIC 3000.

Completion of share placement

In mid-May 2024, Le Shan Shenghe Rare Earth Company Limited completed its subscription for additional shares in ETM pursuant to its top-up right after receiving government approval from the Chinese authorities, increasing its holding from 125,000,000 shares to 129,367,276 shares. This maintained Le Shan Shenghe's 9.21% voting power which had been diluted by the issue of shares to acquire the James Bay tenements in November 2023. A substantial shareholder notice was lodged on 17 May 2024.

Directors' Report



Financial performance and position

Cash and cash equivalents at 30 June 2024 totalled \$14,082,553 (31 December 2023: \$16,145,619)

The loss after income tax incurred by the Consolidated Group for the six months ended 30 June 2024 was \$2,390,059 (30 June 2023: \$2,488,222).

Events Subsequent to Balance Date

Auditor Appointment

ETM appointed BDO Audit Pty Ltd as auditor of the Company, after a thorough review of external audit arrangements. This appointment follows the resignation of Deloitte Touche Tohmatsu and the subsequent consent from ASIC, in accordance with section 329(5) of the Corporations Act 2001 (Cth).

Litigation in Denmark and Greenland

On 30 August 2024, the Company provided an update on the legal proceedings in Greenland and Denmark in respect of the Kvanefjeld Rare Earths Project, advising that the Greenland and Danish defendants had submitted their Statements of Defence on 10 July 2024 and 27 August 2024, respectively. In both litigations, the defendants have reserved their Statements of Defence to procedural and formal points only, reserving their positions on the merits for a later stage.

GMAS is currently awaiting the Court of Greenland's decision on the referral of the Greenland litigation to the High Court of Greenland, and a decision is expected shortly. It is anticipated that the other preliminary aspects of the Greenlandic litigation, including the issue of the stay application, will be resolved by Q2 2025.

In respect of the Danish litigation, the Copenhagen District Court is expected to convene a case management call in the near future. The Company will then be able to provide an update on the procedure and timing of this case.

Lapse of Performance Rights

Post 30 June 2024, the Company lapsed 28,720,000 performance rights due to expiry or lapse of conditional right to the performance rights.

Other than the forementioned, there have not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Directors' Report



Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7 of this report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "D. Mamadou", is written over a faint, rectangular stamp or watermark.

Daniel Mamadou Blanco
Managing Director

Perth, Western Australia, 13 September 2024

Forward Looking Statement

Various statements in this document constitute statements relating to intentions, future act and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed in this report. The Company gives no assurances that the anticipated results, performance, or achievements expressed or implied in these forward-looking statements will be achieved.

Compliance Statements

The information in this report that relates to Exploration Results has been previously released in the Company's ASX announcements as noted in the text. These announcements are available to view on the Company's website at www.etransmin.com. ETM confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ENERGY TRANSITION MINERALS LTD

As lead auditor for the review of Energy Transition Minerals Ltd for the half-year ended 30 June 2024, 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 Energy Transition Minerals Ltd and the entities it controlled during the period.

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
13 September 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Energy Transition Minerals Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Energy Transition Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information 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 30 June 2024 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.

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 gives a true and fair view and 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 30 June 2024 and its financial 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.

BDO Audit Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 13 September 2024

Directors' Declaration

The directors' declare that:

- a) 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; and
- b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Group.

Signed in accordance with a resolution of the directors made in pursuant to s303(5) of the Corporations Act 2001.

On the behalf of the Directors



Daniel Mamadou Blanco
Managing Director

13 September 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2024

	Note	30-Jun-24 \$' 000	30-Jun-23 \$' 000
Income			
Interest income		245	126
Other income		19	23
Total income		264	149
Expenditure			
Directors' and employee benefits		(537)	(881)
Professional fees		(601)	(237)
Depreciation		(214)	(218)
Finance costs – lease liabilities		(9)	(21)
Listing costs		(63)	(42)
Share based payments		(301)	(19)
Exploration and evaluation expenditure		(425)	(907)
Other expenses		(504)	(312)
Total expenditure		(2,654)	(2,637)
Loss before tax		(2,390)	(2,488)
Income tax expense		-	-
Loss for period		(2,390)	(2,488)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange difference arising on translation of foreign operations		(41)	10
Total other comprehensive income		(41)	10
Total comprehensive loss for the period		(2,431)	(2,478)
Basic loss per share – cents per share		(0.17)	(0.18)
Diluted loss per share – cents per share		(0.17)	(0.18)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 15 to 20.

Condensed Consolidated Statement of Financial Position



As at 30 June 2024

	Note	30-Jun-24 \$' 000	31-Dec-23 \$' 000
Current Assets			
Cash and cash equivalents	2	14,083	16,146
Trade and other receivables		74	653
Other assets	3	2,076	1,315
Total Current Assets		16,341	18,114
Non-Current Assets			
Property, plant and equipment		627	755
Right of use lease assets		120	252
Capitalised exploration and evaluation expenditure	4	3,918	3,190
Total Non-Current Assets		4,665	4,197
Total Assets		21,006	22,311
Current Liabilities			
Trade and other payables	5	1,951	1,131
Lease liability		108	236
Provisions		92	90
Total Current Liabilities		2,151	1,457
Non-Current Liabilities			
Lease liability		17	34
Total Non-Current liabilities		17	34
Total Liabilities		2,168	1,491
Net Assets		18,838	20,820
Equity			
Issued capital	6	407,963	407,815
Reserves		7,143	6,883
Accumulated losses		(396,268)	(393,878)
Total Equity		18,838	20,820

The above statement of financial position should be read in conjunction with the accompanying notes on pages 15 to 20.

Condensed Consolidated Statement of Changes in Equity



For the half-year ended 30 June 2024

	Share capital \$' 000	Option reserve \$' 000	Foreign currency translation reserve \$' 000	Non- controlling Interest Acquisition reserve \$' 000	Accumulated losses \$' 000	Total \$' 000
Balance at 1 Jan 2023	406,260	1,227	5,614	(39,672)	(348,100)	25,329
Net loss for the period	-	-	-	-	(2,488)	(2,488)
Other Comprehensive Income	-	-	10	-	-	10
Total Comprehensive income for the period	-	-	10	-	(2,488)	(2,478)
Recognition of share-based payments	-	19	-	-	-	19
Balance at 30 June 2023	406,260	1,246	5,624	(39,672)	(350,588)	22,870

	Share capital \$' 000	Option reserve \$' 000	Foreign currency translation reserve \$' 000	Non- controlling Interest Acquisition reserve \$' 000	Accumulated losses \$' 000	Total \$' 000
Balance at 1 Jan 2024	407,815	1,260	5,623	-	(393,878)	20,820
Net loss for period	-	-	-	-	(2,390)	(2,390)
Other Comprehensive income	-	-	(41)	-	-	(41)
Total Comprehensive loss for the period	-	-	(41)	-	(2,390)	(2,431)
Issue of shares during the period	148	-	-	-	-	148
Recognition of share-based payments	-	301	-	-	-	301
Balance at 30 June 2024	407,963	1,561	5,582	-	(396,268)	18,838

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 15 to 20.

Condensed Consolidated Statement of Cash Flows



For the half-year ended 30 June 2024

	30-Jun-24 \$' 000	30-Jun-23 \$' 000
Operating activities		
Receipts from customers	19	18
Payments to suppliers and employees	(1,359)	(2,550)
Payments for exploration and development	(321)	-
Interest - lease liabilities	-	(21)
Net cash used in operating activities	(1,661)	(2,553)
Investing activities		
Interest received	220	126
Payments for exploration and development	(728)	(633)
Payments for plant & equipment	-	(170)
Net cash used in investing activities	(508)	(677)
Financing activities		
Proceeds from issue of shares	148	-
Payments on lease liabilities	(42)	(161)
Net cash from/(used in) financing activities	106	(161)
Net (decrease)/increase in cash and equivalents	(2,063)	(3,391)
Cash and equivalents at the beginning of the financial period	16,146	24,951
Cash and equivalents at the end of the financial period	14,083	21,560

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 15 to 20.

For the half-year ended 30 June 2024

Note 1: Statement of significant accounting policies

Statement of compliance

The half-year report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and ASX announcements.

Basis of preparation

The Consolidated Group is of a kind referred to in ASIC Instrument 2016/191, dated 24 March 2016 and in accordance with that Class Order, all financial information presented has been rounded to the nearest thousand dollars, unless otherwise stated. All amounts are presented in Australian dollars unless otherwise stated.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 31 December 2023, (except for the impact of the Standards and Interpretations described below). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised accounting standards

The Consolidated Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Consolidated Group's operations and effective for half year. The adoption of these Standards and Interpretations did not have any effect on the financial position of the Consolidated Group.

There currently no standards on issue, not yet effective that are expected to have a material impact on the Group.

Notes to the Condensed Consolidated Financial Statements



For the half-year ended 30 June 2024

Note 2: Cash and cash equivalents

	30-Jun-24 \$' 000	31-Dec-23 \$' 000
Cash at bank	4,033	327
Cash on deposit at call	10,000	15,786
Cash on deposit	50	33
	14,083	16,146

Note 3: Other assets

	30-Jun-24 \$' 000	31-Dec-23 \$' 000
Deposit bonds	70	65
Villasrubias cash advance (i)	377	481
Litigation expense funding (ii)	1,557	639
Prepayments	72	130
	2,076	1,315

- (i) The balance of funds advanced to Technology Metals Europe SI for the sole purpose of funding further exploration activity on the Villasrubias project but not expensed at 30 June 2024.
- (ii) The Consolidated Group is entitled to reimbursement of legal costs incurred under the litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. Refer to note 8 for further details.

Note 4: Capitalised exploration and evaluation expenditure

(a) Kvanefjeld

	30-Jun-24 \$' 000	31-Dec-23 \$' 000
Balance at beginning of period	93,258	90,986
Add:		
Effects of currency translation	(3,586)	2,272
Balance at end of period	89,672	93,258
Less:		
Balance at beginning of period	(93,258)	(90,986)
Effects of currency translation	3,586	(2,272)
Balance at end of period	(89,672)	(93,258)
Balance of capitalised exploration and evaluation expenditure at the end of period	-	-

For the half-year ended 30 June 2024

Note 4: Capitalised exploration and evaluation expenditure (cont'd)

- (i) Expenses for the half year ended 30 June 2024 are recognised in the statement of profit and loss as the expenses do not meet the criteria for capitalisation under the Group's accounting policy.
- (ii) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals A/S, the 100% owned Greenlandic subsidiary. All capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.
- (iii) As a result of the political developments in Greenland during 2021, including the passing of the Act No. 20 to prohibit mineral activity where the uranium content in an ore body exceeds 100ppm, there is uncertainty surrounding the recovery of the capitalised exploration and evaluation expenditure. As required by Australian Accounting Standards, an allowance against the recoverability of the expenditure was recognised in a previous period, that resulted in a nil carrying value from 30 June 2023 onwards.
- (iv) EL 2010/02 licence renewal was received on 16 March 2023 and has been renewed for a 3-year period up to 31 December 2025.
- (v) The Consolidated Group has referred the dispute to arbitration to establish what if any effect Act No.20 has on the Kvanefjeld project and on GMAS' entitlement to an exploitation licence under Section 14 of the exploration licence.

(b) Villasrubias

	30-Jun-24 \$'000	31-Dec-23 \$'000
Balance at beginning of year	1,570	144
Earn-in exploration expenditure	576	1,426
Balance at end of year	2,146	1,570

- (i) On 14th July 2022 the Company announced that it has entered into a binding head of agreement with Technology Metals Europe SL (TME SL) and its sole shareholder Welsbach Holdings Pte Ltd (Welsbach), for the right to earn-in a 51% interest in TME SL (the Transaction). TME SL is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project.

The Company can earn its interest in TME SL by spending AU\$3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction. Shareholder approval of the Transaction was obtained on 28th October 2022.

Notes to the Condensed Consolidated Financial Statements



For the half-year ended 30 June 2024

Note 4: Capitalised exploration and evaluation expenditure (cont'd)

(c) James Bay

	30-Jun-24 \$'000	31-Dec-23 \$'000
Balance at beginning of year	1,620	-
Earn-in exploration expenditure	152	1,620
Balance at end of year	1,772	1,620

On 31 October 2023, the Company announced that it had entered into a binding heads of agreement with Mr Oliver Friesen (the Vendor) to acquire a 100% legal and beneficial interest in mineral claims comprising the Solo and Good Setting lithium projects (the James Bay Projects) located in the James Bay Region of Quebec.

The Company satisfied its Consideration obligations to the Vendor on 9 November 2023.

ETM held the asset at acquisition, and then on 22 January 2024, ETM became the shareholder of subsidiary entity (ETM Resources Ltd), and on that date, ownership of the James Bay project was transferred from the head entity to the subsidiary.

Note 5: Trade and other payables

	Consolidated	
	30-Jun-24 \$' 000	31-Dec-23 \$' 000
Accrued expenses	22	101
Accrued litigation expenses (i)	1,557	639
Trade creditors	342	115
Sundry creditors	30	276
	1,951	1,131

- (i) Litigation expenditure accrued at 31 December 2023 was paid directly to the relevant law firms by Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital under the litigation funding agreement.

Note 6: Equity – issued capital

	30 Jun 2024 Shares	30 Jun 2024 \$'000	31 Dec 2023 Shares	31 Dec 2023 \$'000
Ordinary shares – fully paid	1,404,427,078	407,963	1,400,059,802	407,815
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	Issue price	\$'000
Balance	1 Jan 2024	1,400,059,802		407,815
Issue of shares during period	15 May 2024	4,367,276	\$0.034	148
Balance	30 June 2024	1,404,427,078		407,963

For the half-year ended 30 June 2024

Note 7: Dividends

No Dividends have been paid or proposed during the half-year ended 30 June 2024.

Note 8: Contingent liability

On 30 June 2022, the Consolidated Group entered into a litigation funding agreement, by which GMAS' arbitration costs are being borne by the funder. Previous disclosures in that regard were made in Energy Transition Minerals' Consolidated Financial Report for the half year ended 30 June 2023 and its Annual Report for the year ended 31 December 2023.

On 12 February 2024, Energy Transition Minerals agreed to provide an indefinite demand guarantee of DKK25,000,000 (Danish kroner 25,000,000) (AUD equivalent \$5,500,000) to the Government of Greenland and Ministry of Climate, Energy and Utilities (the Danish Government) as security for legal costs that the Company's subsidiary Greenland Minerals A/S may be ordered to pay in the arbitration proceedings brought by Greenland Minerals A/S against the Governments in respect of the Kvanefjeld Rare Earths Project. The final version of this guarantee document is still being negotiated between the parties.

Energy Transition Minerals notes that the Tribunal may order Greenland Minerals A/S to cover all or part of the Governments' costs, for example if Energy Transition Minerals is unsuccessful in the arbitration (which would result in a corresponding liability to Energy Transition Minerals under the above indefinite demand guarantee, once agreed). It is not possible for Energy Transition Minerals to provide an accurate estimate of its likely adverse costs exposure in the arbitration in circumstances where (i) the Governments have not yet prepared their substantive defences to Greenland Minerals A/S' claims in the arbitration, and (ii) accordingly, the Governments have not yet incurred these substantive legal costs, or disclosed the quantum of these costs to Energy Transition Minerals.

In the proceedings commenced before Greenlandic and Danish courts, the courts have a wide discretion to award and fix adverse costs. Greenland Minerals A/S is the plaintiff in these proceedings. In circumstances where (i) these proceedings remain at an early stage and (ii) no disclosures have been required to be made by the Defendants as to the costs they have incurred to date, or will likely incur, it is not yet possible for Energy Transition Minerals to provide an accurate estimate of Greenland Minerals A/S' likely adverse costs exposure in these proceedings, should it ultimately be unsuccessful. As to the likely timing of any such adverse costs order, Energy Transition Minerals understands that the courts ordinarily award costs by way of a global cost award, delivered in the judgment at the conclusion of each case.

Note 9: Subsequent events to balance date

Auditor Appointment

ETM appointed BDO Audit Pty Ltd as auditor of the Company, after a thorough review of external audit arrangements. This appointment follows the resignation of Deloitte Touche Tohmatsu and the subsequent consent from ASIC, in accordance with section 329(5) of the Corporations Act 2001 (Cth).

For the half-year ended 30 June 2024

Note 9: Subsequent events to balance date (cont'd)

Litigation in Denmark and Greenland

On 30 August 2024, the Company provided an update on the legal proceedings in Greenland and Denmark in respect of the Kvanefjeld Rare Earths Project, advising that the Greenland and Danish defendants had submitted their Statements of Defence on 10 July 2024 and 27 August 2024, respectively. In both litigations, the defendants have reserved their Statements of Defence to procedural and formal points only, reserving their positions on the merits for a later stage.

GMAS is currently awaiting the Court of Greenland's decision on the referral of the Greenland litigation to the High Court of Greenland, and a decision is expected shortly. It is anticipated that the other preliminary aspects of the Greenlandic litigation, including the issue of the stay application, will be resolved by Q2 2025.

In respect of the Danish litigation, the Copenhagen District Court is expected to convene a case management call in the near future. The Company will then be able to provide an update on the procedure and timing of this case.

Lapse of Performance Rights

Post 30 June 2024, the Company lapsed 28,720,000 performance rights due to expiry or lapse of conditional right to the performance rights.

Other than the forementioned, there have not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.