



**STRATEGIC**  
ELEMENTS

**STRATEGIC ELEMENTS LIMITED**

ABN 47 122 437 503

**INTERIM FINANCIAL REPORT**

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2024

## STRATEGIC ELEMENTS LIMITED

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**STRATEGIC ELEMENTS LIMITED**

**CORPORATE INFORMATION**

**Directors**

Charles Murphy	Managing Director
Matthew Howard	Executive Director
Elliot Nicholls	Executive Director

**Company Secretary**

Matthew Howard

**Registered office**

138 Churchill Avenue  
Subiaco WA 6008  
Australia

**Principal place of business**

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Subiaco WA 6008  
Australia

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Facsimile: +61 8 9288 4400

Website: [www.strategicelements.com.au](http://www.strategicelements.com.au)

**Auditors**

Nexia Perth Audit Services Pty Ltd  
Level 3, 88 William Street  
Perth WA 6000  
Australia

**Solicitors**

Lavan  
Level 20, 1 William Street  
Perth WA 6000  
Australia

**Share Registry**

Automic Group  
Level 5, 191 St George's Terrace  
Perth WA 6000  
Tel: 1300 288 664  
Web: [www.automicgroup.com.au](http://www.automicgroup.com.au)

ASX code: SOR

## STRATEGIC ELEMENTS LIMITED

### DIRECTORS' REPORT

The directors of Strategic Elements Limited submit herewith the condensed consolidated interim financial report of Strategic Elements Limited ("Company") and its subsidiaries ("Consolidated entity" or "Group") (ASX code: SOR) for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

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

Mr. C. Murphy	Managing Director & Acting Chairman
Mr. M. Howard	Executive Director and Company Secretary
Mr. E. Nicholls	Executive Director

Directors were in office for the entire period.

### REVIEW OF OPERATIONS

#### (a) Overview

The Company remains registered under the Pooled Development Fund program. Benefits for shareholders are described on the Company's website.

#### (b) Operating result

The Group incurred an after-tax loss for the half-year ended 31 December 2024 of \$1,375,917 (2023: \$1,470,393). The loss was attributable to the funding of project developments conducted through the Group's subsidiaries and the costs associated with operating an ASX listed company in Australia.

Net assets of the Group decreased from \$5,381,358 to \$4,906,477 during the half-year as a result of incurring a loss of \$1,375,917 (2023: \$1,470,393).

#### (c) Corporate

On 31 December 2024 the Group had a cash and cash equivalents balance of \$5,030,229 (30 June 2024: \$5,635,577).

On 10 July 2024 the Company issued 21,875,000 shares at an issue price of \$0.04 per share raising \$875,000 before issue costs. Each share issued includes a free attaching option exercisable at \$0.06 per option with an expiry date of 16 August 2027. The purpose of the funds raised is to progress current investees and new investment opportunities.

Also, on 16 August 2024 3,500,000 options over ordinary shares were issued to a consultant to the Company for advisory services rendered in connection with potential technology investments of the Company on the same terms as those above. The fair value of the options is \$68,124.

During the half-year, shareholders approved the issue of up to a total of 18,000,000 shares to potentially be issued in lieu of cash payments over a 3 year period commencing 25 October 2024. The price at which those shares will be issued will be based on the VWAP for a 5 day period leading up to the issue date. This will be a cost effective way for the company to remunerate Directors which will allow the Company to preserve its cash and spend a greater proportion of its cash reserves on its operations. At the date of this report no shares had yet been issued in lieu of fees.

**DIRECTORS' REPORT (CONTINUED)**

Also, during the half-year ended 31 December 2024 the shareholders approved the issue of 6,500,000 performance rights ("PRs") to directors of the Company under the Company Employee Securities Incentive Plan. The vesting of the PRs is dependent on the achievement of the following performance hurdle; "transfer energy ink technology to a commercial production facility and manufacture a minimum volume of 1,000 prototype energy ink cells." The PRs have a vesting period of 3 years from the date of shareholder approval (see Note 4 in the notes to the financial statements for further details). A further 3,250,000 PRs were granted to other staff/consultants on the same terms as those granted to Directors.

At the Annual General Meeting held at Hampden Conference Centre, 230 Hampden Road, Crawley WA on 13 November 2024, all resolutions contained in the Notice of Meeting were passed by shareholders by way of a poll.

**EVENTS AFTER THE REPORTING DATE**

Subsequent to the reporting date no matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

**PRINCIPAL ACTIVITIES**

The Company is a registered Pooled Development Fund (PDF).

**DIVIDENDS**

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

**ENVIRONMENTAL LEGISLATION**

With respect to its environmental obligations regarding its exploration activities the consolidated entity endeavours to ensure that it complies with all regulations when carrying out any exploration and evaluation activities and is not aware of any environmental legislation breach at this time.

**ROUding OF AMOUNTS**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors report and in the condensed consolidated interim financial report have been rounded to the nearest dollar.

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the *Corporations Act 2001* requires our auditors, Nexia Perth Audit Services Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of the directors' report for the half-year ended 31 December 2024.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



---

Charles Murphy  
Managing Director  
Perth, 24 February 2025

To the Board of Directors of Strategic Elements Limited

### **Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

As lead auditor for the review of the condensed consolidated financial statements of Strategic Elements Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

NPAS

**Nexia Perth Audit Services Pty Ltd**



**Justin Mulhair  
Director**

Perth, Western Australia  
24 February 2025

### **Advisory. Tax. Audit.**

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

**STRATEGIC ELEMENTS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Note	<b>CONSOLIDATED</b>	
		<b>Half-year ended 31 Dec 2024</b>	<b>Half-year ended 31 Dec 2023</b>
		<b>\$</b>	<b>\$</b>
Other income	2	394,837	-
Project development		(458,964)	(546,436)
Employee benefits	3	(853,408)	(727,688)
Depreciation		(13,545)	(11,972)
Marketing expense		(11,458)	(48,031)
Professional fees		(97,670)	(40,987)
Regulatory and compliance		(64,599)	(82,694)
Rent and outgoings		(28,387)	(27,857)
Share-based payment (expense)/benefit	4	(63,355)	24,323
Other expenses		(272,656)	(151,233)
<b>Loss from operating activities</b>		<b>(1,469,205)</b>	<b>(1,612,575)</b>
Financial income		95,853	144,748
Financial expenses		(1,998)	(71)
Foreign exchange differences		(567)	(2,495)
Net financing income		93,288	142,182
<b>Loss before income tax expense</b>		<b>(1,375,917)</b>	<b>(1,470,393)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(1,375,917)</b>	<b>(1,470,393)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of income tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,375,917)</b>	<b>(1,470,393)</b>
Basic and diluted loss per share (cents per share)		(0.30) cents	(0.33) cents

The accompanying notes form part of these condensed consolidated financial statements.

STRATEGIC ELEMENTS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

	Note	CONSOLIDATED	
		31 Dec 2024	30 Jun 2024
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		5,030,229	5,635,577
Trade and other receivables		69,098	83,883
Term deposit investments		121,109	121,109
Other assets		148,653	115,676
<b>Total current assets</b>		<b>5,369,089</b>	<b>5,956,245</b>
<b>Non-current assets</b>			
Plant and equipment		42,200	46,845
<b>Total non-current assets</b>		<b>42,200</b>	<b>46,845</b>
<b>Total assets</b>		<b>5,411,289</b>	<b>6,003,090</b>
<b>Current liabilities</b>			
Trade and other payables		379,456	489,192
Provisions		121,387	102,644
<b>Total current liabilities</b>		<b>500,843</b>	<b>591,836</b>
<b>Non-current liabilities</b>			
Provisions		3,969	29,896
<b>Total non-current liabilities</b>		<b>3,969</b>	<b>29,896</b>
<b>Total liabilities</b>		<b>504,812</b>	<b>621,732</b>
<b>Net assets</b>		<b>4,906,477</b>	<b>5,381,358</b>
<b>Equity</b>			
Issued capital	5	30,907,948	30,070,267
Share-based payment reserve		128,041	64,686
Accumulated losses		(26,129,512)	(24,753,595)
<b>Total equity</b>		<b>4,906,477</b>	<b>5,381,358</b>

The accompanying notes form part of these condensed consolidated financial statements.

**STRATEGIC ELEMENTS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	<b>CONSOLIDATED</b>	
	<b>Half-year ended 31 Dec 2024</b>	<b>Half-year ended 31 Dec 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows used in operating activities</b>		
Receipts from customers	-	40,000
Receipts from Government Grants/Incentives	367,847	-
Interest received	94,422	146,641
Interest paid	(1,998)	(71)
Project development expenditure	(697,960)	(554,681)
Payments to suppliers and employees	(1,196,440)	(999,734)
<b>Net cash used in operating activities</b>	<b>(1,434,129)</b>	<b>(1,367,845)</b>
<b>Cash flows used in investing activities</b>		
Payments for plant and equipment	(8,900)	(6,755)
<b>Net cash used in investing activities</b>	<b>(8,900)</b>	<b>(6,755)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	875,000	-
Share issue costs	(37,319)	-
<b>Net cash from financing activities</b>	<b>837,681</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(605,348)</b>	<b>(1,374,600)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,635,577</b>	<b>7,872,957</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,030,229</b>	<b>6,498,357</b>

The accompanying notes form part of these condensed consolidated financial statements.

STRATEGIC ELEMENTS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Issued Capital	Share-based payment Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>30,070,267</b>	<b>47,409</b>	<b>(22,166,381)</b>	<b>7,951,295</b>
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	(1,470,393)	(1,470,393)
Total comprehensive loss for the period	-	-	(1,470,393)	(1,470,393)
Share-based payments/(credits)	-	(24,323)	-	(24,323)
<b>Balance at 31 December 2023</b>	<b>30,070,267</b>	<b>23,086</b>	<b>(23,636,774)</b>	<b>6,456,579</b>
<b>Balance at 1 July 2024</b>	<b>30,070,267</b>	<b>64,686</b>	<b>(24,753,595)</b>	<b>5,381,358</b>
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	(1,375,917)	(1,375,917)
Total comprehensive loss for the period	-	-	(1,375,917)	(1,375,917)
Issue of shares for cash	875,000	-	-	875,000
Share issue costs	(37,319)	-	-	(37,319)
Share-based payments/(credits)	-	63,355	-	63,355
<b>Balance at 31 December 2024</b>	<b>30,907,948</b>	<b>128,041</b>	<b>(26,129,512)</b>	<b>4,906,477</b>

The accompanying notes form part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**1. Material accounting policies**

**Statement of compliance**

The condensed consolidated interim financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, AASB 134 'Interim Financial Reporting' ("AASB 134") and other pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial report does not include full disclosure of the type normally included in an annual financial report, and accordingly this report should be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX listing rules.

These condensed consolidated interim financial statements were authorised for issue on 24 February 2025.

**Basis of preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. The Consolidated entity, comprising Strategic Elements Limited, Strategic Materials Pty Ltd, Australian Advanced Materials Pty Ltd, Maria Resources Pty Ltd, Stealth Technology Pty Ltd and Cognition Engines Pty Ltd is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2024.

For the purpose of preparing the report, the half-year has been treated as a discrete reporting period.

**Basis of consolidation**

The condensed consolidated financial statements incorporate the financial statements of the Company or Group and entities controlled by the Company (its subsidiaries) (referred to as the Group in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In preparing the condensed consolidated financial statements, all inter-company balances and transactions, income and expenses, profit and losses resulting from intra-group transactions have been eliminated in full.

**Going Concern**

The condensed consolidated interim financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group has reported a loss for the period of \$1,375,917 (2023: \$1,470,393) and a cash outflow from operating activities of \$1,434,129 (31 December 2023: \$1,367,845). At the end of the half-year, the Group had \$5,030,229 (30 June 2024: \$5,635,577) in cash and cash equivalents and a working capital surplus of \$4,868,246 (30 June 2024: \$5,364,409).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**1. Material accounting policies**

In arriving at this position, the Directors have had regard to the fact that the Group has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure. The Group's cashflow forecast indicates that the Group will have access to sufficient cash to fund administrative and other committed expenditure and be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the condensed financial report.

**New Standards and Interpretations applicable for the half year ended 31 December 2024**

For the half-year ended 31 December 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue and therefore, no change is necessary to Group accounting policies.

**New Standards and Interpretations on issue not yet effective**

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet effective for the period ended 31 December 2024. The Directors have reviewed these amended pronouncements and have decided not to early adopt.

**Rounding of amounts**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors report and in the condensed consolidated interim financial report have been rounded to the nearest dollar.

**Significant Accounting Judgements and Key Estimates**

The preparation of this interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report the significant judgements made by management in applying the Groups' accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2024.

**2. Revenue and other income**

	<b>6 months to 31 December 2024</b>	<b>6 months to 31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Other income		
Refunds	26,990	-
Government grants	367,847	-
	<hr/> 394,837	<hr/> -
Total for the period	<hr/> 394,837	<hr/> -

STRATEGIC ELEMENTS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Employee benefits

	6 months to 31 December 2024	6 months to 31 December 2023
	\$	\$
Directors' fees	390,400	353,000
Other employee salaries	463,008	374,688
Total for the period	<u>853,408</u>	<u>727,688</u>

Directors' fees include an accrual of \$162,900 excluding GST made in respect of under payment of fees in the financial years 2023 and 2024. The underpayment arose because the terms of the Directors agreements which included a link to CPI was not observed. The accrual has yet to be paid at the date of this report. A decision on whether this accrual will be settled via cash or shares has not been made at the date of this report.

4. Share-based payments

*Options over ordinary shares*

On 2 August 2024 the Company granted 3,500,000 options over ordinary shares for services rendered. The options which are unlisted were issued on 16 August 2024 with an exercise price of \$0.06 and an expiry date of 16 August 2027. The fair value of the options is \$68,124.

No options were exercised during the period (2023: nil). No options lapsed during the period (2023: nil).

The inputs to the options valuation were:

	Consultant options
Risk free rate (%)	3.67
Expected life of rights (years)	3.00
Volatility (%)	74.08
Grant date share price (cents)	4.50

The valuation of options granted was determined using the Black-Scholes model. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The movement in Options on issue was as follows:

	6 months to 31 December 2024	12 months to 30 June 2024
	Number	Number
<i>Movements in options on issue</i>		
At beginning of period	-	-
Granted during the period	3,500,000	-
Outstanding at the end of the period	<u>3,500,000</u>	<u>-</u>

## STRATEGIC ELEMENTS LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 4. Share-based payments

The total expense recognised in the half-year for these share-based payments is \$68,124.

##### *Performance rights*

On 28 November 2023 shareholders approved the issue of 6,000,000 Performance Rights ("PRs"). Full details of these PRs have been disclosed in the 30 June 2024 annual financial report. The directors revised their estimated likelihood of the milestones being achieved from 40% to 20%.

The total credit expense recognised in the half-year for these share-based payments is \$11,315 (2023: credit \$24,323).

On 13 November 2024 shareholders approved the issue of 9,750,000 Performance Rights ("PRs") under the terms of the Company Employee Securities Incentive Plan, with a fair value of \$516,750, to Directors and staff/consultants of the Company.

The total expense recognised in the half-year for these share-based payments is \$6,546.

8,300,000 of the PRs that were issued during the half-year are as follows:

<b>Issued to</b>	<b>Number issued</b>
Charles Murphy	2,500,000
Matthew Howard	1,500,000
Elliot Nicholls	2,500,000
Consultants	1,800,000

##### *Vesting conditions for the above PR's*

The vesting of the 8,300,000 of the PRs above is dependent on the transfer of the ink technology to a commercial production facility and manufacture of a volume of 1,000 prototype Energy ink cells. The Directors are required to have continuous employment with the Company.

The inputs to 8,300,000 of these PRs valuation were:

Performance period starts	13/11/2024
Performance period ends	12/11/2027
Probability used for valuation calculations (%)	20
Expected life of rights (years)	3
Grant date share price (cents)	5.30

STRATEGIC ELEMENTS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Share-based payments (continued)

1,300,000 of the PRs that were issued during the half-year are as follows:

<b>Issued to</b>	<b>Number issued</b>
Consultants	1,300,000

*Vesting conditions for the above PR's*

The vesting of the 1,300,000 of the PRs granted is dependent on the signing of an operational revenue generating trial where the underground miner relies solely on the technology for positioning.

The inputs to 1,300,000 of these PRs valuation were:

Performance period starts	13/11/2024
Performance period ends	12/11/2027
Probability used for valuation calculations (%)	50
Expected life of rights (years)	3
Grant date share price (cents)	5.30

150,000 of the PRs that were issued during the half-year are as follows:

<b>Issued to</b>	<b>Number issued</b>
Employees	150,000

*Vesting conditions for the above PR's*

The vesting of the 150,000 PRs granted is dependent upon continuous employment with the Company during the performance period.

The inputs to 1,300,000 of these PRs valuation were:

Performance period starts	13/11/2024
Performance period ends	12/11/2025
Expected life of rights (years)	1
Grant date share price (cents)	5.30

**STRATEGIC ELEMENTS LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**4. Share-based payments (continued)**

The movement in PRs on issue was as follows:

	<b>6 months to 31 December 2024 Number</b>	<b>12 months to 30 June 2024 Number</b>
<i>Movements in performance rights on issue</i>		
At beginning of period	6,000,000	2,000,000
Granted during the period	9,750,000	6,000,000
Expired during the period	-	(2,000,000)
Vested at the end of the period	-	-
Outstanding at the end of the period	<u>15,750,000</u>	<u>6,000,000</u>

The share-based payment expense (benefit) in PRs and options on issue was as follows:

	<b>6 months to 31 December 2024 \$</b>	<b>6 months to 31 December 2023 \$</b>
<i>Share-based payment expense (benefit)</i>		
6,000,000 performance rights	(11,315)	(24,323)
9,750,000 performance rights	6,546	-
3,500,000 options	68,124	-
Total share-based payment expense (benefit)	<u>63,355</u>	<u>(24,323)</u>

**5. Issued capital**

	<b>31 December 2024 \$</b>	<b>30 June 2024 \$</b>
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	<u>30,907,948</u>	<u>30,070,267</u>

	<b>6 months to 31 December 2024 \$</b>	<b>12 months to 30 June 2024 \$</b>
<i>Movements in fully paid shares on issue</i>		
At beginning of period	30,070,267	30,070,267
Shares issued for cash	875,000	-
Issue costs	(37,319)	-
Balance at end of period	<u>30,907,948</u>	<u>30,070,267</u>

Issued capital as per ASIC returns at 31 December 2024 is \$30,791,416. The difference in the amount reported occurs due to exclusion of total issue costs as per ASIC returns.

STRATEGIC ELEMENTS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. Issued capital (continued)

	6 months to 31 December 2024 Number	12 months to 30 June 2024 Number
<i>Movements in number of fully paid shares on issue</i>		
At beginning of period	446,933,437	446,933,437
Shares issued for cash	21,875,000	-
Balance at end of period	<u>468,808,437</u>	<u>446,933,437</u>

6. Commitments and Contingencies

	31 December 2024 \$	30 June 2024 \$
<b>Commitments</b>		
<b>Office lease expenditure commitments</b>		
Not later than 1 year	4,602	4,515
Later than 1 year but not later than 5 years	-	-
	<u>4,602</u>	<u>4,515</u>
<b>Exploration expenditure commitments</b>		
Minimum exploration expenditure:		
Not later than 1 year	43,000	215,000
Later than 1 year but not later than 5 years	172,000	860,000
	<u>215,000</u>	<u>1,075,000</u>

Capital commitment includes minimum expenditures and rent payable under granted tenements. The Company also has the discretion to surrender one or more of these tenements and thereby avoid payment of these commitments.

**STRATEGIC ELEMENTS LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**6. Commitments and Contingencies (continued)**

In the opinion of the directors there were no contingent liabilities at the date of this report apart from the below agreement.

**Land Access and Mineral Exploration Agreement**

Under the terms of the Land Access and Mineral Exploration Agreement entered into by the Company in October 2018, the Company has an obligation to make certain payments in relation to the annual expenditure and rent in respect of that licence. The majority of the payments are subject to the commencement of exploration activities, which cannot be reliably measured at this time.

**7. Segment Information**

The following table presents the segment information provided to the Board of Directors:

	Resources	Technology	Unallocated Corporate	Total
	\$	\$	\$	\$
<b>31 December 2024</b>				
Segment revenue	26,990	367,847	-	394,837
Segment result	(53,884)	(235,518)	(1,086,515)	(1,375,917)
Included within segment results:				
Depreciation	-	(7,420)	(6,125)	(13,545)
Financial income	44	3,702	92,107	95,853
Financial expense	-	(549)	(1,449)	(1,998)
Segment assets	59,617	356,895	4,994,777	5,411,289
Segment liabilities	6,423	156,340	342,049	504,812
<b>31 December 2023</b>				
Segment revenue	-	-	-	-
Segment result	(42,556)	(649,910)	(777,927)	(1,470,393)
Included within segment results:				
Depreciation	-	(5,308)	(6,664)	(11,972)
Financial income	43	919	143,786	144,748
Financial expense	-	(17)	(54)	(71)
<b>30 June 2024</b>				
Segment assets	129,890	184,546	5,688,654	6,003,090
Segment liabilities	15,430	313,413	292,889	621,732

**8. Events after the reporting date**

Subsequent to the reporting date no matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**9. Related Parties**

Key management personnel continue to receive compensation in the form of short term employee benefits and post-employment benefits.

**10. Subsidiaries**

The Company has a 100% interest in Strategic Materials Pty Ltd (incorporated 18 November 2009), Maria Resources Pty Ltd (incorporated 8 April 2011), Australian Advanced Materials Pty Ltd (incorporated 27 July 2010), Stealth Technologies Pty Ltd (incorporated 4 November 2015) and Cognition Engines Pty Ltd (incorporated 4 June 2021). All subsidiaries were incorporated in Australia for \$1 each.

**STRATEGIC ELEMENTS LIMITED**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of the Company:

1. The attached condensed consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001* and other mandatory professional reporting; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Charles Murphy  
Managing Director  
Perth, 24 February 2025

## Independent Auditor's Review Report

To the members of Strategic Elements Limited

### Report on the Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2024

#### Conclusion

We have reviewed the accompanying Condensed Consolidated Interim Financial Report of Strategic Elements Limited ("the Company") and its controlled entities ("the Group"), which comprises the Condensed Consolidated Statement of Financial Position as at 31 December 2024, the Condensed Consolidated Statement of Comprehensive Income and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising 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 Condensed Consolidated Interim Financial Report of the Group does not comply with the *Corporations Act 2001* ("the Act") including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its 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* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Condensed Consolidated Interim Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our review of the Condensed Consolidated Interim 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 Act which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibilities of the Directors for the Condensed Consolidated Interim Financial Report

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

#### Advisory. Tax. Audit.

ACN 145 447 105

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**Auditor's Responsibilities for the Review of the Condensed Consolidated Interim Financial Report**

Our responsibility is to express a conclusion on the Condensed Consolidated Interim 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 Condensed Consolidated Interim Financial Report is not in accordance with the Act including giving a true and fair view of the Group's financial position as at 31 December 2024 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 an interim 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.

NPAS

**Nexia Perth Audit Services Pty Ltd****Justin Mulhair  
Director**

Perth, Western Australia  
24 February 2025