energia minerals limited

ABN 63 078 510 988

AND CONTROLLED ENTITIES

HALF YEARLY REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Results for announcement to the market

This half-year information is given to the ASX under *Listing Rule 4.2A*

The information contained in this report should be read in conjunction with the Annual Report for the year ended 30 June 2016

CORPORATE DIRECTORY

Directors

Mr Alexander Burns	Executive Chairman
Mr Kim Robinson	Managing Director
Mr Marcello Cardaci	Non-Executive Director

Company Secretary
Mr Jamie Armes

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Stock Exchange Listing
Australian Securities Exchange (ASX)
ASX Code: **EMX**

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DIRECTORS' REPORT

The Directors of Energia Minerals Limited ("Energia" or "the Company") submit herewith the financial report of Energia and its subsidiaries ("the Group") for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

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

Name:
Mr Alexander Burns
Mr Kim Robinson
Mr Marcello Cardaci

The Directors were in office for the entire period unless stated otherwise.

Review of Operations

The following is a summary of activities for the six months to 31 December 2016:

Gorno Zinc Project, Italy

The Gorno Zinc Project is located in the Lombardia region of northern Italy and encompasses an extensive Mississippi Valley style zinc-lead system.

During the period, Energia has undertaken significant work programs to advance the Gorno Zinc Project including the completion of an exploration decline and ongoing diamond drilling and studies associated with the definitive feasibility study ("DFS").

The Exploration Decline was undertaken to provide access for resource definition drilling down to the 600RL level and will also be used for initial grade control drilling in any future mining operation. The total advance of the Exploration Decline was 585m.

Drilling has focussed on providing data to upgrade the confidence of the mineral resource at Colonna Zorzone. During the period, 40 diamond drilling holes were drilled for a total of 4,969m bringing the total to the end of December to 145 holes and 13,161m. Delays in completing the Exploration Decline resulted in less drilling than originally planned for the period. From mid-December four rigs were operating to assist in expanding and accelerating the program to complete a revised Mineral Resource for use in the DFS by the end of March 2017.

Significant results to date include:

- 11.7m at 6.3% zinc, 2.0% lead, 73g/t silver, including 4.9m at 13.4% zinc, 3.8% lead, 95g/t silver (GDD091);
- 13.4m at 5.2% zinc, 1.2% lead, 29g/t silver, including 2.2m at 13.1% zinc, 2.6% lead, 26g/t silver (GDD090);
- 24.9m at 4.4% zinc, 1.2% lead, 15g/t silver, including 8.8m at 7.4% zinc, 2.0% lead and 18g/t silver in GDD102;
- 6.4m at 8.6% zinc, 2.9% lead and 32g/t silver in GDD112, and
- 3.7m at 5.6% zinc, 1.5% lead and 15g/t silver in GDD114.

Work on the DFS continued during the period with completion now targeted by the end of April 2017. This work has focussed on completing the drilling program, metallurgical test work, optimisation of the process flow sheet incorporating ore sorting, plant design, baseline environmental studies and mine planning.

A program of extensive metallurgical test work has been completed on several mineralisation types encountered within the Colonna Zorzone deposit. The zinc and lead sulphide circuits are now finalised with work on the recovery of zinc oxide continuing. Zinc oxide represents approximately 15% of the contained zinc. Historically the Gorno concentrating plant produced three high grade concentrate streams (zinc sulphide, lead sulphide and zinc oxide) but no record of payable silver, which will be a significant bi-product.

The Company received written confirmation from the Comune di Gorno that the historical treatment plant site at Riso, near Gorno and logistically Energia's preferred site is available for the construction of a treatment plant, subject to satisfactory terms and conditions being finalised.

This is a very significant and positive development for the Gorno Zinc Project which highlights the continuing support by the local communities and the strong relationships that Energia has developed generally with the local and regional authorities over several years.

Paterson Project, Western Australia

Energia has a large and strategically locate tenement package in the under-explored and highly prospective Paterson Province of Western Australia which hosts a number of world class mineral deposits is including Telfer (Au), Nifty (Cu) and Kintyre (U). The project consists of nine granted tenements totalling 1,616km^2.

During the period, Energia continued to compile historical data on the granted tenements. This work has assisted in identifying the historical Eva Well base metal silver prospect on which no modern exploration has been undertaken. This is now a priority target.

A large deep seated magnetic target (8km by 5km) prospective for IOCG copper/gold mineralisation remains untested in the western half of the single granted tenement, E45/2886 and it is planned to carry out a ground based gravity survey covering this target during 2017 in advance of a drilling program.

Energia has also identified a number of deep conductive targets within E45/2886, lying in close proximity to the regionally extensive Kintyre and Tabletop faults which appear to be major mineralizing conduits. These conductors could reflect mineralisation within either the Coolbro Sandstone cover sequence or the underlying basement.

Nyang ISR Uranium Project, Western Australia (Nyang Project)

The Nyang Project currently consists of one granted tenement, E08/2735, located midway between Paladin's Carley Bore and Manyingee ISR uranium deposits in the Carnarvon Basin of Western Australia. Discussions are continuing with the traditional owner groups regarding access arrangements.

Two adjacent tenements, E08/2160 and E08/2161, owned by Cauldron Energy Limited (Cauldron), are subjected to a forfeiture application by Energia for not meeting minimum expenditure obligations. As previously advised, the Minister for Mines has rejected Cauldron's application for expenditure exemption on both tenements and the matter is back before the Warden for his consideration.

McArthur River Project, Northern Territory

Energia has one granted exploration licence (Nathan River EL31045) and two applications for exploration licences (McArthur EL25272 and Bauhinia EL31046) totalling 1,245km^2 in the Northern Territory. One exploration application was withdrawn following discussions with traditional owners.

The tenements cover the western margin of the McArthur Basin and are prospective for copper, zinc and lead. They are situated approximately three kilometres to the west of Pacifico Minerals Ltd's (ASX: PMY) Coppermine Creek copper discovery and the Four Mile zinc – lead prospect within the highly prospective Barney Creek Formation which is interpreted to pass into Energia's ground at approximately 250m depth.

No work was carried out during the period pending the outcome of discussions with traditional owners and the granting of the remaining exploration licences.

Nabberu Project (Western Australia)

Energia has two applications for exploration licences, E69/3445 and E69/3446 with an area of 1,033km^2 primarily targeting base metals. The tenement package is located 190km North-East of Wiluna and lies between two large scale crustal structures, the Scorpion and the Salvation faults.

No fieldwork was undertaken during the period pending the grant of the exploration licences.

Salafossa and Predil Zinc-Lead Projects, Italy

No work was carried out on either Salafossa or Predil during the period pending the granting of exploration licence applications.

Operating Results for the Half-Year

The consolidated net loss of the Group for the half-year ended 31 December 2016 was $6,220,902 after tax (2015: $1,244,941).

Exploration expenditure for the period was $5,033,693 (2015:$2,888,232). The increase was predominantly due to the increase in activity on the Gorno Project located in northern Italy.

Cash on Hand

As at 31 December 2016, cash on hand was $4,837,474 (2015: $5,173,037). In addition, the Group held investments in listed entities with a market value of $176,356 at 31 December 2016 (2015: $7,439,327).

During the half-year period, the Company disposed of its remaining investment in Paladin Energy Ltd realising proceeds of $3,502,684 (2015: $3,259,744).

Capital Structure

As at 31 December 2016, the Company had 783,027,454 (2015: 609,020,979) fully paid ordinary shares on issue and 39,750,000 (2015: 40,500,000) unlisted options over ordinary shares.

On 14 October 2016, the Company completed a fully underwritten, Non-renounceable Rights Issue of two (2) new shares for every seven (7) existing shares. On completion, 174,006,475 fully paid ordinary shares were issued $0.035 (3.5 cents) per share to raise total proceeds of approximately $6.09 million before costs.

Additional information regarding the unlisted options on issue is provided in Note 10 of the consolidated financial statements.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and the realisation of assets and the settlement of liabilities in the normal course of business.

Further information is provided in Note 2 of the consolidated financial statements.

Events After the Reporting Period

On 1 March 2017, the Group issued 6 million options over ordinary shares under the *2015 Employee Incentive Plan* to Mr Stephen Hills, upon commencement as Chief Financial Officer. The options are divided equally into three tranches with the following terms; exercise price $0.10, $0.15, $0.20 and vesting at date of grant, 12 months service and 24 months service respectively. For further information refer to Note 10.

Apart from the above, no matters or circumstances have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Auditor's Independence Declaration

The Auditor's Independence Declaration under s307C of the *Corporations Act 2001* has been received for the half-year ended 31 December 2016 and is included on page 7.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors

Alexander Burns
Chairman 13 March 2017

Competent Person Statement:
Information in this Interim Report that relates to Exploration Results is based on information prepared by Mr Kim Robinson who is a Competent Person and a Member of the *Australian Institute of Geoscientists*. Mr Robinson is a full-time employee of Energia Minerals Limited. Mr Robinson has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the *2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"*. Mr Robinson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Crowe Horwath

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Energia Minerals Limited and its controlled entities for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 13 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2016	Notes	31 Dec 2016 $	31 Dec 2015 $
Revenue	4	**18,603**	45,135
Administrative expenses		**(907,917)**	(974,577)
Exploration expenditure		**(5,033,693)**	(2,888,232)
Marketing		**(42,615)**	(62,645)
Unrealised gains on financial assets at fair value through profit or loss	5(b)	**92,243**	1,763,314
Net realised (losses)/gains on financial assets at fair value through profit or loss		**(303,059)**	729,600
Net gain on sale of available-for-sale financial assets		**-**	32,031
Unrealised foreign exchange (loss)/gain		**(41,431)**	113,211
Other expenses		**(3,033)**	(2,778)
Loss from continuing operations before income tax		**(6,220,902)**	(1,244,941)
Income tax expense		**-**	-
Loss from continuing operations after income tax		**(6,220,902)**	(1,244,941)
Discontinued Operations			
Profit from discontinued operations after tax	14	**-**	8,267,398
Net (loss)/profit for the period		**(6,220,902)**	7,022,457
Other comprehensive income/(loss)			
Items that may be re-classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**13,604**	21,690
Other comprehensive income for the period, net of tax		**13,604**	21,690
Total comprehensive (loss)/income for the period, net of income tax		**(6,207,298)**	7,044,147
(Loss)/Profit attributable to:			
Members of the parent		**(6,220,902)**	7,022,457
		(6,220,902)	7,022,457
Total comprehensive (loss)/income attributable to:			
Members of parent		**(6,207,298)**	7,044,147
		(6,207,298)	7,044,147
(Loss)/Earnings per share			
From continuing and discontinued operations:			
Basic (loss)/earnings per share (cents)	3	**(0.91)**	1.15
Diluted (loss)/earnings per share (cents)	3	**(0.91)**	1.15
From discontinued operations:			
Basic earnings per share (cents)	3	**-**	1.36
Diluted earnings per share (cents)	3	**-**	1.36
From continuing operations:			
Basic loss per share (cents)	3	**(0.91)**	(0.21)
Diluted loss per share (cents)	3	**(0.91)**	(0.21)

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 2016	Notes	31 Dec 2016 $	30 Jun 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents		**4,837,474**	2,494,771
Other financial assets	5	**-**	3,805,743
Receivables	6	**493,615**	412,153
Total Current Assets		**5,331,089**	6,712,667
Non-current Assets			
Restricted cash		**68,834**	68,834
Other financial assets	5	**176,356**	59,986
Receivables	6	**1,272,349**	845,349
Plant and equipment		**222,782**	234,432
Exploration and evaluation expenditure	7	**435,296**	446,543
Total Non-current Assets		**2,175,617**	1,655,144
TOTAL ASSETS		**7,506,706**	8,367,811
LIABILITIES			
Current Liabilities			
Trade and other payables		**1,025,000**	1,522,230
Borrowings		**106,521**	109,273
Employee benefit liabilities		**254,518**	210,296
Provisions		**196,452**	156,745
Total Current Liabilities		**1,582,491**	1,998,544
Non-current Liabilities			
Borrowings		**8,877**	63,743
Employee Benefit Liabilities		**64,480**	55,581
Total Non-Current Liabilities		**73,357**	119,324
TOTAL LIABILITIES		**1,655,848**	2,117,868
NET ASSETS		**5,850,858**	6,249,943
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	8	**32,532,417**	26,750,592
Accumulated losses		**(27,608,843)**	(21,387,941)
Reserves		**927,284**	887,292
TOTAL EQUITY		**5,850,858**	6,249,943

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total $
Balance at 1 July 2015	26,750,592	(21,789,183)	982	687,177	5,649,568
Profit for the period	-	7,022,457	-	-	7,022,457
Other comprehensive income	-	-	21,690	-	21,690
Total comprehensive income for the period	-	7,022,457	21,690	-	7,044,147
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	113,322	113,322
At 31 December 2015	26,750,592	(14,766,726)	22,672	800,499	12,807,037
Balance at 1 July 2016	**26,750,592**	**(21,387,941)**	**40,086**	**847,206**	**6,249,943**
Loss for the period	**-**	**(6,220,902)**	**-**	**-**	**(6,220,902)**
Other comprehensive income	**-**	**-**	**13,604**	**-**	**13,604**
Total comprehensive income/(loss) for the period	**-**	**(6,220,902)**	**13,604**	**-**	**(6,207,298)**
Transactions with owners in their capacity as owners:					
Shares issued	**6,090,229**	**-**	**-**	**-**	**6,090,229**
Transaction costs on shares issued	**(308,404)**	**-**	**-**	**-**	**(308,404)**
Share based payments	**-**	**-**	**-**	**26,388**	**26,388**
At 31 December 2016	**32,532,417**	**(27,608,843)**	**53,690**	**873,594**	**5,850,858**

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 2016	Notes	31 Dec 2016 $	31 Dec 2015 $
Cash flows from operating activities			
Receipts from customers (incl. GST)		**5,876**	993,649
Payments to suppliers and employees (incl. GST)		**(2,236,704)**	(2,321,825)
Payments of exploration expenditure (incl. GST)		**(4,603,227)**	(2,646,582)
Interest received		**12,335**	18,171
Research and development incentive received		**-**	173,579
Net cash flows used in operating activities		**(6,821,720)**	(3,783,008)
Cash flows from investing activities			
Payment of security bonds		**-**	(2,131)
Proceeds from the disposal of exploration assets		**-**	1,600,000
Payments to acquire financial assets		**(24,127)**	(24,127)
Net proceeds from disposal of financial assets		**3,502,684**	3,259,744
Purchase of plant and equipment		**(18,545)**	(63,971)
Net cash flows provided by investing activities		**3,460,012**	4,769,515
Cash flows from financing activities			
Repayment of borrowings		**(53,049)**	(56,003)
Proceeds from issuance of shares	8	**6,090,229**	-
Transaction costs on issuance of shares	8	**(308,404)**	-
Net cash flows provided by /(used in) financing activities		**5,728,776**	(56,003)
Net increase in cash and cash equivalents		**2,367,068**	930,504
Net foreign exchange difference		**(24,365)**	132,905
Cash and cash equivalents at beginning of period		**2,494,771**	4,109,628
Cash and cash equivalents at end of period	11	**4,837,474**	5,173,037

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The interim financial statements of the Group for the six months ended 31 December 2016 were authorised for issue in accordance with a resolution of the Directors on 13 March 2017.

Energia Minerals Limited ("Energia" or "the Company") is a limited company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ticker code: EMX). The principal activity of the Company and its subsidiaries ("the Group") is exploration in Italy and Australia to identify mineral deposits of a size and nature that are commercially viable for extraction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These general purpose interim financial statements have been prepared in accordance with the *Corporations Act 20*01 and AASB 134 "*Interim Financial Reporting"*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *"Interim Financial Reporting"*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the Group's most recent annual financial report and any public announcements made during the half year. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except where revaluation is required in accordance with accounting standards. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise indicated.

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 Group's annual financial report for the year ended 30 June 2016 except for the impact of the Standards and Interpretations detailed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The Group has not elected to early adopt any other Standards or amendments that are issued but not yet effective. The adoption of all new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods.

Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has achieved a net loss after tax for the half year ended 31 December 2016 from continuing operations of $6,220,902 (2015: $1,244,941). Net cash outflows from operating activities were $6,821,720 (2015: $3,783,008). At 31 December 2016, the Group had Cash on Hand of $4,837,474 (30 June 2016: $2,494,771) plus investments in listed securities of $176,356 (30 June 2016: $3,865,729).

In assessing the appropriateness of the going concern assumption for the purpose of preparing these consolidated financial statements the Directors have assumed that the Group will be able to attract new equity to fund ongoing exploration programmes in a timely manner.

The Directors believe that it is reasonable to assume that the Group will be able obtain sufficient equity funding to enable it to continue to meet its planned expenditure, based on recent capital raisings by the Group during the last six months.

The Directors acknowledge that there may be a risk that equity markets may not be favourably disposed when equity raisings are required to be undertaken and that this may cast doubt over the Company's ability to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Should the Group be unable to raise additional funds through equity raisings, there is material uncertainty that the Group will continue as a going concern. No adjustments have been made relating to the recoverability or classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

3. EARNINGS PER SHARE

	For the six months ended	
	31 Dec 2016	31 Dec 2015
	$	$
Net (loss)/profit used in the calculation of basic and dilutive earnings per share from continuing and discontinued operations	**(6,220,902)**	7,022,457
Loss used in the calculation of basic and dilutive earnings per share from continuing operations	**(6,220,902)**	(1,244,941)
Profit used in the calculation of basic and dilutive earnings per share from discontinued operations	**-**	8,267,398
	Number Shares	Number Shares
Weighted average number of ordinary shares on issue during the half-year used in calculating basic earnings per share	**680,335,108**	609,020,979
Effect of dilution:		
Share options	**-**	-
Weighted average number of ordinary shares on issue during the half-year used in calculating dilutive earnings per share	**680,335,108**	609,020,979

All of the options have exercise prices greater than the average market price of ordinary shares during the reporting period and are therefore considered anti-dilutive.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Energia Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

4. REVENUE

	For the six months ended	
	31 Dec 2016	31 Dec 2015
	$	$
Interest received	**18,603**	25,135
Other revenue	**-**	20,000
	18,603	45,135

5. OTHER FINANCIAL ASSETS

	Note	31 Dec 2016 $	30 Jun 2016 $
Current			
Financial assets at fair value through profit or loss			
Shares in listed entities	5(a)	-	3,805,743
		-	3,805,743
Non-current			
Financial assets at fair value through profit or loss			
Shares in listed entities	5(b)	**176,356**	57,586
Options in listed entities	5(b)	-	2,400
		176,356	59,986
Total other financial assets		**176,356**	3,865,729

Please refer to Note 9 for further information on fair value measurement.

(a) Movement in the carrying amount of the current shares in listed entities

	Six months to 31 Dec 2016 $	30 Jun 2016 $
Brought forward	**3,805,743**	-
Shares in listed entity received as consideration for sale of Carley Bore	-	8,100,000
Gain on fair value of financial assets through profit & loss	-	685,011
Disposal of shares in listed entity	**(3,805,743)**	(4,979,268)
	-	3,805,743

On 7 August 2015, the Group received 45 million ordinary fully paid shares in Paladin Energy Ltd as part consideration from the sale of the Carley Bore Project and associated plant and equipment. During the half-year ended 31 December 2016, the Group disposed of its remaining investment in Paladin Energy Ltd.

(b) Movement in the carrying amount of non-current financial assets at fair value through profit or loss

	Six months to 31 Dec 2016 $	30 Jun 2016 $
Brought forward	**59,986**	-
Shares in listed entity received as consideration	-	82,030
Purchase of equity instruments	**24,127**	24,127
Gain/(Loss) on fair value of financial assets through profit or loss	**92,243**	(46,171)
	176,356	59,986

Non-current financial assets at fair value through profit or loss consist of 8,444,330 listed ordinary shares in Marindi Metals Limited.

6. RECEIVABLES

	Note	31 Dec 2016 $	30 Jun 2016 $
Current			
Trade receivables		**15,204**	9,713
Prepayments		**35,790**	40,303
Security deposits		**13,038**	8,917
Italian value added tax receivable	6(a)	**429,583**	353,220
		493,615	412,153
Non-current			
Italian value added tax receivable	6(a)	**1,271,621**	840,145
Security deposits		**728**	5,204
		1,272,349	845,349

a) The Italian value added tax receivable (VAT) represents the VAT that is yet to be recovered from Italian authorities. The Group is currently recovering this receivable through offsetting various Italian employee taxes and social security contributions. The current receivable amount is estimated to be recovered through this offsetting mechanism within the next 12 months. The non-current receivable amount is estimated to be recovered through the offsetting mechanism beyond the next 12 months.

7. DEFERRED EXPLORATION EXPENDITURE

	Note	Half-year to 31 Dec 2016 $	Year to 30 Jun 2016 $
Brought forward at the start of the reporting period		**446,543**	1,818,593
Foreign exchange adjustment on translation		**(11,247)**	11,700
Carrying value of tenements sold	7(a)	**-**	(1,383,750)
Total exploration and evaluation expenditure		**435,296**	446,543

The recoverability of the carrying amount of exploration assets is dependent on the continuance of the rights to tenure of the areas of interest, the successful exploration and development or sale of the respective areas of interest.

(a) On 7 August 2015, the Group disposed of the Carley Bore Project. The carrying value of the tenements sold represents the value previously recognised in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources*.

(b) On 11 November 2016, the Group entered into an Option Agreement under which it has an option to acquire 100% of the issued capital of Karrera Pty Ltd ("Karrera") ("Option"). Karrera is an unlisted private Australian company which holds an exploration licence application ("Licence") over an area located in the Piemonte region of Northern Italy that is prospective for gold.

The cost of the Option was $25,000. This cost has been expensed to exploration expenditure in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the period. The Option is exercisable at the Group's election within 30 days of Karrera being granted the Licence.

The purchase consideration payable upon exercise of the Option is:

- $100,000 payable in cash upon exercise;
- $250,000 payable in cash within 24 months of the date of exercise; and
- Payment of a $1 per tonne royalty for each tonne of ore mined and treated.

8. CONTRIBUTED EQUITY

	Note	As at 31 Dec 2016 $	As at 30 Jun 2016 $
Issued capital			
Ordinary shares fully paid	8(a)	**32,532,417**	26,750,592
		32,532,417	26,750,592

	31 December 2016 Number of Shares	31 December 2016 $	30 June 2016 Number of Shares	30 June 2016 $
(a) Movements in ordinary shares on issue				
At start of the period	**609,020,979**	**26,750,592**	609,020,979	26,750,592
Issued during the period	**174,006,475**	**6,090,229**	-	-
Transaction costs on issue of shares	**-**	**(308,404)**	-	-
At end of the period	**783,027,454**	**32,532,417**	609,020,979	26,750,592

9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of financial instruments.

The fair value of cash, trade and other receivables and payables is considered to approximate their carrying amount due to their short-term maturity.

The Group has financial assets that are measured at fair value on a recurring basis at the end of each reporting period. The following table presents the Group financial assets recognised at fair value at 31 December 2016 and 30 June 2016 classified by the fair value hierarchy levels as prescribed under the accounting standards.

At 31 December 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	**176,356**	**-**	**-**	**176,356**
Total assets	**176,356**	**-**	**-**	**176,356**

At 30 June 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	3,865,729	-	-	3,865,729
Total assets	3,865,729	-	-	3,865,729

Fair value measurement hierarchy

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2016.

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONT'D)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

There have been no transfers between the fair value hierarchy levels during the period. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

10. SHARE BASED PAYMENTS

(a) Recognised share based payment expense

The expense recognised for share based payments included in administration expenses during the period is shown in the table below:

	For the six months ended	
	31 Dec 2016	30 Dec 2015
	$	$
Expense arising from equity-settled share based payment transactions	**26,388**	113,322
	26,388	113,322

(b) General terms of share based payments

On 30 November 2016, the Group announced the appointment of Stephen Hills as Chief Financial Officer, commencing 1 March 2017. Upon commencement, Mr Hills will be granted 6 million options under the *2015 Employee Incentive Plan*. The value of these options will commence to be expensed from the commencement date.

The above options will be granted for no consideration and hold no voting or dividend rights and are not transferrable without Board approval. Some of the options are subject to vesting conditions, whereby if the recipient resigns prior to the vesting date the options are forfeited.

No other options were awarded during the period.

The following table illustrates the number and weighted average exercise prices of, and movements in share options during the half-year to 31 December 2016:

	For the six months ended			
	31 Dec 2016		31 Dec 2015	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at the beginning of the half-year	39,750,000	$0.16	30,250,000	$0.16
Granted during of the half-year	-	-	15,750,000	$0.18
Forfeited/lapsed during of the half-year	-	-	(5,500,000)	$0.225
Exercised during of the half-year	-	-	-	-
Outstanding at the end of the half-year	39,750,000	$0.16	40,500,000	$0.16
Exercisable at the end of the half-year	33,000,000	$0.15	23,500,000	$0.15

11. CASH FLOW INFORMATION

	Note	For the six months ended 31 Dec 2016 $	31 Dec 2015 $
Non-cash Financing & Investing Activities			
Other financial assets acquired as part of consideration from the sale of Carley Bore	5(a)	**-**	8,100,000
Other financial assets acquired on the disposal of the investment in Marindi Metals Pty Ltd	5(b)	**-**	82,030

There were no non-cash financing and investing activities during the half-year ended 31 December 2016.

12. COMMITMENTS AND CONTINGENCIES

Exploration Expenditure Commitments

Ongoing exploration expenditure is required to maintain title to the Group's mineral exploration tenements. No provision has been made in the financial statements for these amounts as the amounts are expected to be fulfilled in the normal course of the operations of the Group.

Australia

The Group has certain statutory obligations to perform minimum exploration work on its tenements. The statutory expenditure requirement may be renegotiated with the relevant regulator, and expenditure commitments may be varied between tenements, or reduced subject to reduction of the exploration area and/or relinquishment of non-prospective tenements.

	As at 31 Dec 2016 $	30 Jun 2016 $
Minimum exploration expenditure commitments		
Not later than 12 months	**489,519**	620,700
After one year but not more than five years	**2,869,442**	2,185,135
	3,358,961	2,805,835

Other than as detailed above, there have been no material changes to contingent assets, contingent liabilities or commitments since 30 June 2016.

13. EVENTS AFTER THE REPORTING PERIOD

On 1 March 2017, the Group issued 6 million options over ordinary shares under the *2015 Employee Incentive Plan* to Mr Stephen Hills, upon commencement as Chief Financial Officer. The options are divided equally into three tranches with the following terms; exercise price $0.10, $0.15, $0.20 and vesting at date of grant, 12 months service and 24 months service respectively. For further information refer to Note 10.

Apart from the above, no matters or circumstances have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

14. DISCONTINUED OPERATION

On 7 August 2015, the Group disposed of the Carley Bore Project located in Western Australia and has reported this operation as a discontinued operation in the Group's most recent annual financial report. There were no discontinued operations during the six months ended 31 December 2016.

15. SEGMENT 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 determining the allocation of resources. There has been no change in the basis of segmentation or in the basis of measurement of segment profit and loss since the last annual financial statements dated 30 June 2016.

The Group currently operates in one business segment being mineral exploration and substantially all of the Group's resources are utilised for this purpose. The Group undertakes mineral exploration in Australia and Italy. The geographical segments are identified as:

(i) Western Australia
(ii) Italy
(iii) Other Australian States

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest received, and
- administration and other expenses not directly related to a specific segment.

15. SEGMENT INFORMATION (Cont'd)

For the half-year ended 31 Dec 2016	**Western Australia $**	**Italy $**	**Other $**	**Total $**
Revenue				
Total segment revenue	-	-	-	-
Reconciliation of segment revenue to group revenue				
Interest received				18,603
Total group revenue				**18,603**
Segment net loss before tax	**(333,796)**	**(4,891,849)**	**(19,820)**	**(5,245,465)**
Reconciliation of segment net loss before tax				
Amounts not included in segment loss but reviewed by board				
- Administration				**(699,178)**
- Marketing				**(42,615)**
- Other income/(expenses)				**(233,644)**
Net loss before tax				**(6,220,902)**
Segment assets	**28,956**	**2,369,724**	**-**	**2,398,680**
Segment asset increases/(decreases) for the period				
- Foreign exchange translation	**-**	**(14,773)**	**-**	**(14,773)**
- Cash and cash equivalents	**-**	**65,345**	**-**	**65,345**
- Trade & other receivables	**-**	**504,862**	**-**	**504,862**
- Plant & equipment	**(2,702)**	**5,068**	**-**	**2,366**
	(2,702)	**560,502**	**-**	**557,800**
Reconciliation of segment assets to group assets				
Unallocated assets:				
- cash and cash equivalents				**4,765,825**
- financial assets				**176,356**
- trade and other receivables				**44,727**
- restricted cash				**68,834**
- plant and equipment				**52,284**
Total group assets				**7,506,706**
Segment liabilities	**835**	**1,255,287**	**3,368**	**1,259,490**
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities:				
- trade and other payables				**130,061**
- employee benefit liabilities				**266,297**
Total group liabilities				**1,655,848**

15. SEGMENT INFORMATION (Cont'd)

For the half-year ended 31 Dec 2015	**Western Australia $**	**Italy $**	**Other $**	**Total $**
Revenue				
Total segment revenue	-	-	-	-
Reconciliation of segment revenue to group revenue				
Interest received				25,133
Other revenue				20,000
Total group revenue				45,133
Segment net profit/(loss) before tax	**8,215,882**	**(2,958,313)**	**(91,035)**	**5,166,534**
Reconciliation of segment net profit/(loss) before tax				
Amounts not included in segment profit/(loss) but reviewed by board				
- Administration				(764,721)
- Marketing				(62,645)
- Other income				2,683,289
Net profit before tax				**7,022,457**
Segment assets	**35,023**	**1,321,804**	**-**	**1,356,827**
Segment asset increases/(decreases) for the period				
- Foreign exchange translation	-	12,838	-	12,838
- Cash and cash equivalents	-	40,839	-	40,839
- Trade & other receivables	(173,579)	409,187	-	235,608
- Exploration & evaluation expenditure	(1,383,751)	-	-	(1,383,751)
- Plant & equipment	(43,547)	54,233	-	10,686
	(1,600,877)	**517,097**	**-**	**(1,083,780)**
Reconciliation of segment assets to group assets				
Unallocated assets:				
- cash and cash equivalents				5,097,900
- financial assets				7,439,327
- trade and other receivables				34,628
- restricted cash				68,834
- plant and equipment				76,169
Total group assets				**14,073,685**
Segment liabilities	**341**	**885,585**	**3,831**	**889,757**
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities:				
- trade and other payables				187,136
- Employee benefit liabilities				189,758
Total group liabilities				**1,266,651**

DIRECTORS' DECLARATION

The directors of Energia Minerals Limited declare that in the opinion of the directors:

(a) The financial statements and notes of the consolidated entity, as set out on pages 8 to 21, are in accordance with the *Corporations Act 2001*, including:

  (i) Giving a true and fair view of the financial position as at 31 December 2016 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*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the board

Alexander Burns
Chairman

13 March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ENERGIA MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energia Minerals Limited and its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the half year financial report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations and the *Corporations Act 2001)* and for such 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Energia Minerals Limited and its controlled entities financial position as at 31 December 2016 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. As the auditor of Energia Minerals Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energia Minerals Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
(ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 of the financial report which indicates 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.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 13 March 2017