PROTEAN ENERGY LIMITED

ABN 81 119 267 391

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2019

CORPORATE DIRECTORY

Directors

Bevan Tarratt	*Non-Executive Chairman*
Wayne Loxton	*Non-Executive Director*
David Wheeler	*Non-Executive Director*
Young Yu	*Non-Executive Director*

Company Secretary
Matthew Foy

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Stock Exchange Listing
Australian Securities Exchange
ASX Code - **POW**

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BDO Audit (WA) Pty Ltd
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CONTENTS

The Company presents its financial report for the consolidated entity consisting of Protean Energy Limited (**Protean or Company**) and the entities it controls (**Consolidated Entity** or **Group**) at the end of, or during, the year ended 30 June 2019.

REVIEW OF OPERATIONS

During the period, the Company achieved significant milestones in advancing its world-class vanadium and uranium project in South Korea via its 50% holding in Korea Vanadium Limited (formerly Stonehenge Korea Inc) (**Korea Vanadium**).

During the period the Company announced the completion of a Mineral Resource Estimation (**MRE**) targeting 8.3km of known strike length at its Daejon vanadium/uranium project in South Korea. A combined Mineral Resource Estimate (JORC 2012) of 76 Mt @ 0.3% V_2O_5 (2,000ppm cut-off) and 110ppm U_3O_8 was defined for a total of 490 Mlbs V_2O_5 and 18 Mlbs U_3O_8 (Figure 1 and Table 1).

Cutoff	Classification	V_2O_5 Resource with U_3O_8 by-product					U_3O_8 Only Resource		
		Tonnes mt	V_2O_5 ppm	mlbs V_2O_5	U_3O_8 ppm	mlbs U3O8	Tonnes Mt	U_3O_8 ppm	mlbs U3O8
V_2O_5 > 2,000ppm or U_3O_8 >200ppm	Indicated	3.6	3,000	24	140	1.1	0		
	Inferred	72	3,000	470	110	17	15	250	8.1
	Indicated + Inferred	**76**	**3,000**	**490**	**110**	**18**	**15**	**250**	**8.1**

Table 1: September 2018 Daejon Mineral Resource Estimate. Indicated and Inferred categories may not sum due to rounding

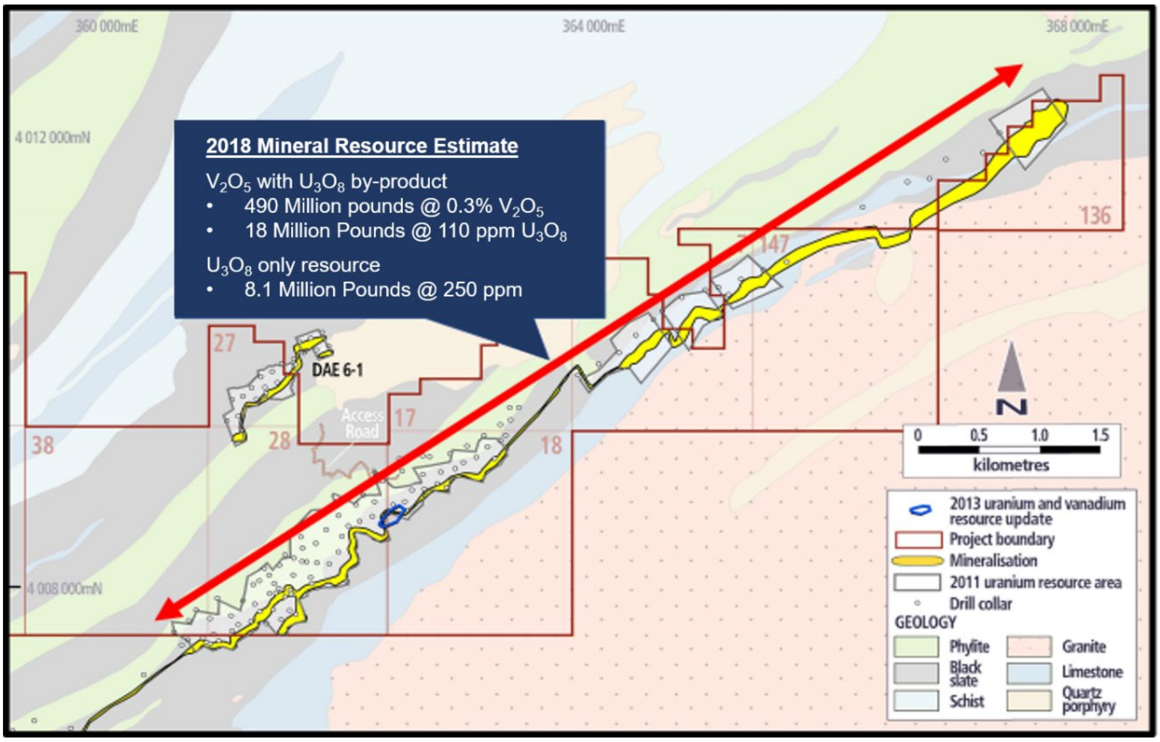

Figure 1: Strike extent of the 2018 Mineral Resource Estimate

The Daejon 2018 vanadium mineral resource estimate at a 2,000 ppm V_2O_5 cut-off comprises:

- a vanadium Indicated Mineral Resource of 3.6 Mt of 0.3% V_2O_5 and 140 ppm U_3O_8
- a vanadium Inferred Mineral Resource of 72 Mt of 0.3% ppm V_2O_5 and 110 ppm U_3O_8, with an additional uranium Inferred Mineral Resource of 15 Mt at 250 ppm U_3O_8.

The grade-tonnage data reported in the same manner as the 2018 MRE is presented in Figure 2.

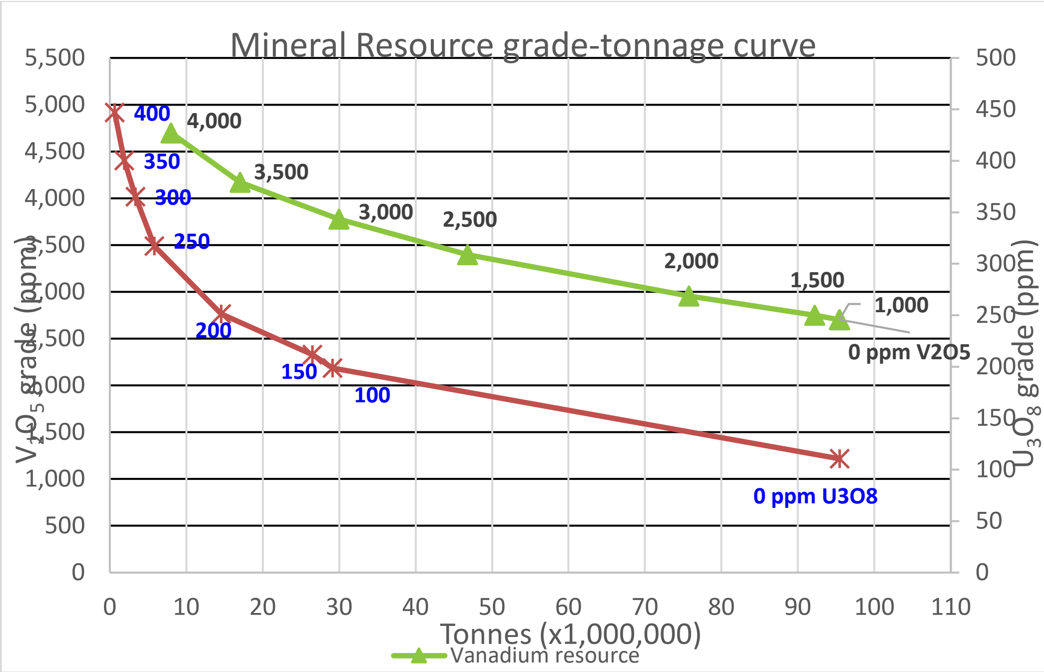

Figure 2: Daejon resource V_2O_5 and U_3O_8 grade-tonnage curves

The previous vanadium estimate was calculated over a very restricted area. Within this restricted area, the 2018 estimate predicts 13% more tonnes at 3% lower grade at a 2,000 ppm V_2O_5 cut-off, as a function of the 2018 p-XRF work demonstrating greater vanadium continuity. The previous uranium estimate was based on down hole gamma equivalent U_3O_8 grades and the ICP assays for the five Korea Vanadium holes, which provided a combined total of 1,179 samples to inform the estimate. The available p-XRF data (3,448 1.0 m composites), resulted in the 2018 estimate reporting 45% less tonnes and 23% lower grade, compared to the 2013 Mineral Resource. This is primarily a function of the previous estimate being reliant on the equivalent U_3O_8 grade that was derived from downhole gamma readings that lacked sufficient local calibration information.

Pilot Plant Access Agreement

During the period the Company advised that its 50% owned subsidiary Korea Vanadium Ltd had entered into a Technology Transfer Agreement (TTA) with the Korean Institute of Geoscience and Mineral Resources (KIGAM) to access and utilise KIGAM's patents and IP for processing of Daejon vanadium and uranium bearing black shale mineralisation.

Figure 3: Pilot Plant Facility at KIGAM, Daejon City, South Korea

KIGAM has significant minerals processing research experience, plus a suite of technologies for optimising the hydrometallurgical processing of rare metals, including vanadium.

The TTA is a watershed moment for the Company and a pivotal step in the joint Vanadium Processing Optimisation Project with KIGAM. The TTA provides access to KIGAM's patents and processing IP whilst formalising access to KIGAM's purpose built 1.2tpd pilot plant located just 20km from the Daejon Project Area (**Pilot Plant**). Access to the pilot plant provides a fast-tracked low-cost opportunity to significantly advance the Daejon exploration stage asset.

KIGAM's IP includes the results of numerous studies on processing of Daejon style Korean Ockcheon belt vanadium and uranium bearing black shale mineralisation. These studies were undertaken at both bench and Pilot Plant scale on mineralisation from tenements immediately to the south along strike from the Daejon Project area.

Pilot Plant Circuit

The pilot plant (**Figure 3**) is housed within KIGAM's Daejon City facility, only 20km from the Company's Daejon Project Area and was commissioned in 2012 to process vanadium/uranium bearing mineralisation from within the greater Daejon area black shale belt. KIGAM conducted tests from 2012 to 2015 and registered three patents for extraction and production of V_2O_5 and U_3O_8. Work ceased in 2015 due to persistent depressed U_3O_8 pricing.

KIGAM's previous pilot plant testing focused primarily on yellowcake production and aimed to optimise for U_3O_8 extraction. Testing was conducted via a leaching and solvent extraction processing route (**Figure 4B**).

The vanadium processing optimisation project aims to optimise the processing flowsheet for the extraction of vanadium from black shale ore and its purification into battery grade V_2O_5.

Figure 4A: Pilot Plant Facility at KIGAM, South Korea

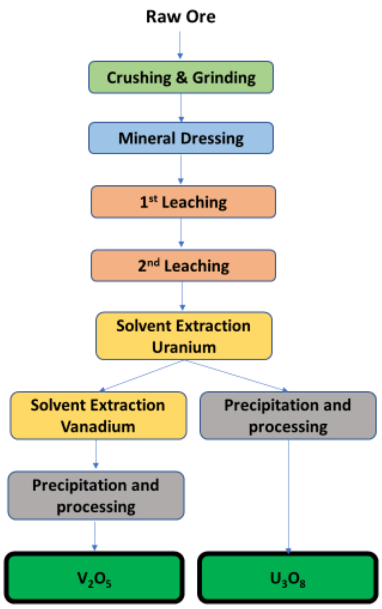

Figure 4B: Pilot Plant Process Circuit Diagram

Under the project agreement, KIGAM and the Company agree to share all historical metallurgical and processing testing data in an effort to optimise the processing approach for recovery of vanadium and the production of a high purity V_2O_5 end product.

Research undertaken in China has enabled the beneficiation of back shale hosted vanadium and this, in turn, has led to this style of deposit emerging as a substantial source of vanadium supply. KIGAM has identified the opportunity to leverage their existing pilot plant and IP through a systematic study on recovery of vanadium from Ockcheon black shale ore minerals.

KIGAM has significant and diverse minerals processing research experience plus a suite of technologies for optimising the wet smelting of rare metals, including vanadium. The new project will utilise KIGAM's existing patents, advanced lab equipment and experienced research manpower including a team of 7 senior engineers. In particular, KIGAM's previous work on vanadium, rare earths and uranium smelting and leaching will be invaluable to the project. KIGAM also holds inventory of Daejon style Ockcheon belt black shale mineral samples to supplement material sourced from the Daejon Project area.

Ultimately, the project aims to review the current KIGAM pilot plant design with a view to updating and optimising it for vanadium extraction. The project comprises the following study work streams:

- oxidising roasting conditions of black shale minerals
- vanadium pressure leaching technology for oxidising roasting black shale minerals
- salt roasting conditions for black shale minerals
- vanadium acid/alkali leaching technology for black shale minerals
- vanadium separation & purification solvent extraction technology from acid/alkali leachate
- V_2O_5 manufacturing technology for separation & purification solution
- pilot plant design plan.

Daejon Extract License Application Submitted

During the period the Company advised it had finalised and submitted a mining study and excavation plan to the Chungnam provincial office as part of its application to convert the Daejon exploration license to an excavation license. Following initial review by the Chungnam Provincial office the application will be forwarded to Chubu-myun and potentially to KIGAM and Korea Resources Corporation (**KORES**). Amongst additional requirements a company applying for an excavation license requires landholder consent before approval can be granted. DST Co. has strategically invested in the Chubu Quarry to assist in applications and development.

Conversion of the tenements to an excavation license would grant the Company tenure for 20 years from the initial registration date (being the date of first registration in 2008), however can be extended based upon application.

Successful conversion to an excavation lease will grant Protean and DST Co. immediate access to commence mining and production from the Daejon tenements. The license will also require the Company to commence production within 3 years of the conversion and maintain production until 2028.

Competent Person Statement

The information contained in this ASX release relating to exploration results and Mineral Resources has been compiled by Mr Kahan Cervoj of Optiro Pty Ltd. Mr Cervoj is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cervoj consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Cervoj confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report

V-KOR Vanadium Redox Flow Battery

During the period the Company advised that its 50% owned subsidiary KORID Energy Limited (KORID Energy) had received a project funding commitment of AU$3.0M to install and run its patented V-KOR stack technology as part of a AU$9.7M vanadium battery project in South Korea.

The Korean Institute of Energy Technology Evaluation and Planning (**KETEP**) has administered the project and the grant, where the patented V-KOR stack technology will be integrated with a 1MW/4MWh vanadium redox flow battery (**VRFB**).

The V-KOR stack technology is an energy storage system that stacks a series of repeating cell frames to form a number of cells within the overall battery stack - improving battery performance and lowering manufacturing costs, compared to conventional VRFB technology.

KORID Energy will benefit directly from the project, which will enable the execution of further product improvements to scale the manufacturing and assembly process of V-KOR, particularly its 25kW stack.

The project aims to double the energy density of vanadium electrolyte, which could significantly reduce the physical footprint of the V-KOR battery solution.

The improvements to the 25kW could lead to substantial cost reductions as well as an enhanced assembly process - a key part of the KORID Energy's commercialisation strategy for large-scale utility applications, such as commercial and industrial use.

Following the announcement of the KETEP funding commitment, the Company advised that Mr Henry Kim had been appointed as lead Australian Electrical Engineer. Mr Kim, in his role as Development Manager, will lead the development and implementation of Protean's V-KOR battery technology

Mr. Kim is Korean-speaking and holds a Masters Degree in Electrical Engineering and has extensive experience in project management and design. Mr Kim has a proven track record in the supply of design solutions for transmission substations and electrical distribution and will be integral in the development and implementation of the 1MW/4MWh KETEP battery project.

Completion of Perth V-KOR Vanadium Battery Demonstration

During the period the Company advised that the Korean government funded trial of a 25kW/100kWh V-KOR vanadium battery deployment at OzLinc Industries site in O'Connor Perth, Western Australia had successfully concluded (the Project).

The Project successfully integrated into the Western Power operated local Western Australian electricity grid and demonstrated the ability to cycle through two charge/discharge cycles per day. This included charging from solar only, grid only and solar/grid. The Project met the requirements for release of all funds as per the grant conditions from the KETEP.

Learnings from the trial installation are being incorporated into the design of a larger single 25kW stack (as opposed to the 2 x 12.5kW configuration used in the Project), as well as informing improvements to the design of a containerised solution suitable for large scale electricity grid deployments.

Protean will now advance utilisation of the patented V-KOR stack technology for KETEP's 1MW/4Wh vanadium redox flow battery project, through which Protean received a project funding commitment of AU$3.0M. KETEP reviewed multiple VRFB producers in the space and selected V-KOR's stack technology for the 1MW/4Wh project.

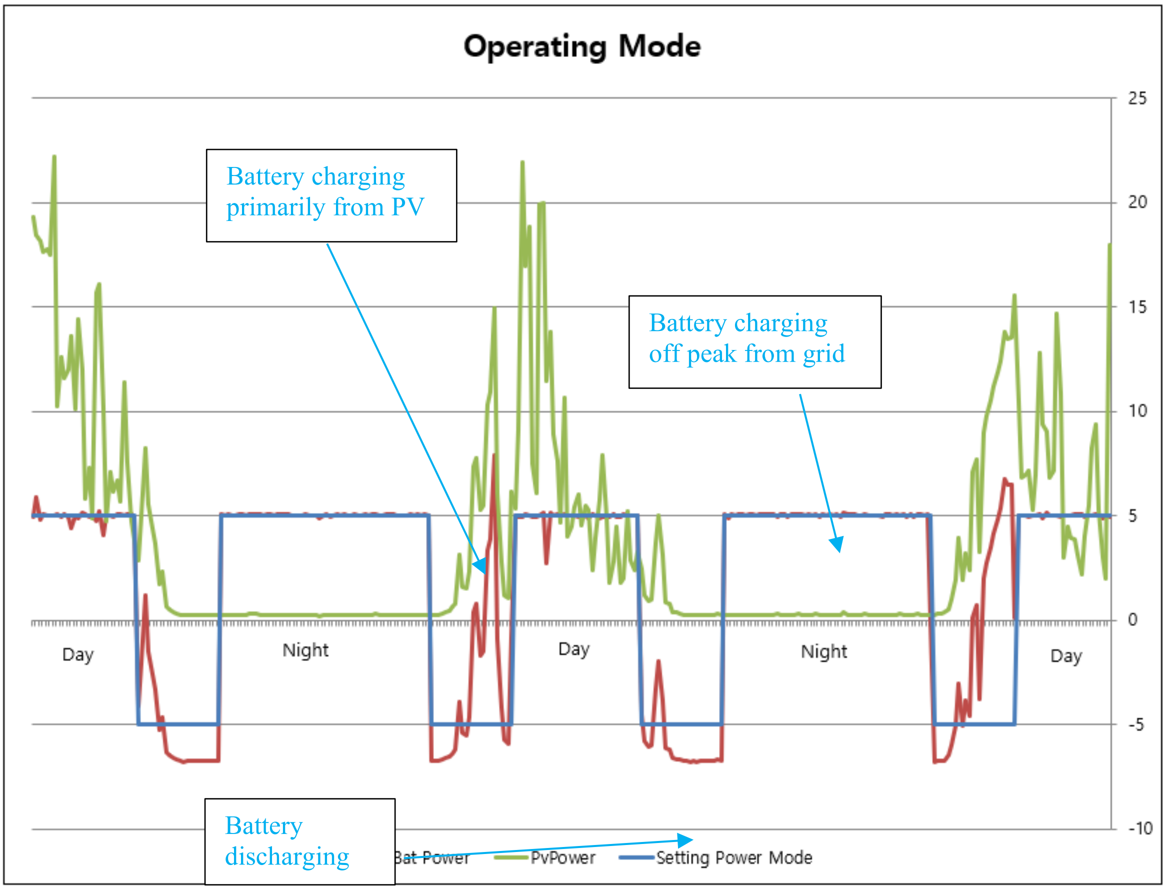

Figure 5: VKOR Battery showing two Charge/Discharge Cycles per day

Protean™ Wave Technology

During the year, the Company advised it had signed a binding term sheet with PEARL Clean Energy Pty Ltd (**PEARL**) whereby PEARL will acquire the Wave Energy Converter technology assets (**WEC Assets**). PEARL acquired 100% of the WEC Assets in consideration for spending a minimum $700,000 within the first five years from the date of the agreement and paying a 1.5% royalty on all future revenue generated from the WEC Assets, as sold, during the first ten years from signing the agreement.

Protean's decision to divest its interest in the WEC Assets is a result of the previously advised strategic review of assets undertaken by the Company. The decision is consistent with the Company's focus on developing its Daejon vanadium and uranium project in South Korea whilst concurrently working to commercialise the V-KOR vanadium redox flow battery technology.

CORPORATE

DST Share Sale

During the year the Company advised it had successfully completed the sale of its shareholding in KOSDAQ listed DST Co Ltd. The total proceeds received from the sale of the shareholding was A$1.45 million (before costs).

In addition, Protean and DST Co Ltd have mutually agreed not to proceed with the acquisition of an additional 10% of KORID Energy, therefore leaving the current 50/50 joint venture ownership proportions intact. KORID Energy is part of the $3.2 million KETEP grant scheme that provides funding to assist in progressing the development of the commercial application for battery and movement into grid scale batteries in South Korea.

Protean and DST are currently reviewing the future strategy for both Korea Vanadium Ltd & KORID Energy in an effort to ensure that shareholder value is maximised.

Option Lapse

During the period the Company advised that the following classes of options lapsed unexercised:

- 294,581 Options exercisable at $1.125 on or before 30/11/2018;
- 589,164 Options exercisable at $1.50 on or before 30/11/2018;
- 883,750 Options exercisable at $1.875 on or before 30/11/2018;
- 1,178,331 Options exercisable at $2.25 on or before 30/11/2018;
- 33,333 Options exercisable at $2.43 on or before 30/11/2018; and
- 5,223,637 Options exercisable at $1.125 on or before 30/12/2018.

DIRECTORS

The names of Directors who held office during the year and up to the date of signing this report, unless otherwise stated are:

Bevan Tarratt	Non-Executive Chairman
Wayne Loxton	Non-Executive Director
Young Yu	Non-Executive Director
David Wheeler	Non-Executive Director

PRINCIPAL ACTIVITIES

The activities of the Group and its subsidiaries during the year ended 30 June 2019 comprised advancing its world-class vanadium and uranium project in South Korea via its 50% holding in Korea Vanadium Limited (formerly Stonehenge Korea Inc) and the commercialisation of vanadium battery energy storage systems.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year (30 June 2018: Nil).

FINANCIAL SUMMARY

The Group made a net loss after tax of $4,579,297 for the financial year ended 30 June 2019 (30 June 2018: loss $3,669,483). At 30 June 2019, the Group had net assets of $1,975,322 (30 June 2018: $6,969,874) and cash assets of $1,290,583 (30 June 2018: $2,419,879).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the financial period and to the date of this report are set out in the review of operations above.

EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

There are no events of a material nature or transaction, that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

Mr Bevan Tarratt	**Non-Executive Chairman (appointed 14 June 2019)** **Executive Chairman (appointed 15 May 2018 to 14 June 2019)** **Non-Executive Chairman (appointed 12 June 2007 to 15 May 2018)**
Qualifications	BA (Bus), SDIA
Experience	Mr Tarratt has an extensive background in the accounting industry primarily focused on small cap resource companies. This experience has allowed Mr Tarratt to develop an in-depth understanding of the resource sector within Western Australia and globally, allowing Mr Tarratt to systematically evaluate project and corporate opportunities. Mr Tarratt has extensive equity capital markets experience with Paterson's Securities Ltd.
Committee Memberships	Audit & Risk Committee
Equity Interests	1,941,496 ordinary shares and 8,750,000 options over ordinary shares with an exercise price of $0.037.
Directorships held in other listed entities	Mr Tarratt is currently a director of ASX listed Fenix Resources Ltd, Jacka Resources Ltd and Pura Vida Energy NL. No other listed directorships have been held by Mr Tarratt in the previous three years.
Mr Wayne Loxton	**Non-Executive Director (appointed 14 June 2019)** **Executive Director (appointed 15 May 2018 to 14 June 2019)** **Non-Executive Director (appointed 6 November 2017 to 15 May 2018)**
Qualifications	BSc Eng, MAustIMM
Experience	Mr Loxton has experience spanning 30 years including formulating project development strategies, completing feasibility studies, conducting due diligence, executing capital raisings, mergers, acquisitions, asset divestments and introduction of best practices. In the resource sector Mr Loxton has corporate and operational experience in gold, base metals and bulk commodities incorporating both underground and open-pit mining operations. Mr Loxton has been involved in numerous project evaluations within Australia and overseas including the completion of strategic and commercial due diligence studies, bankable feasibility studies, project construction and the negotiation of offtake agreements.
Equity Interests	7,000,495 ordinary shares and 9,750,000 options over ordinary shares with an exercise price of $0.037.
Committee Memberships	None
Directorships held in other listed entities	In the last three years Mr Loxton was Executive Chairman of ASX listed Yowie Group Ltd.
Mr David Wheeler	**Non-Executive Director (appointed 16 May 2017)**
Qualifications	BA (Bus), SDIA
Experience	Mr Wheeler has more than 30 years executive management experience, through general management, CEO and Managing Director roles across a range of companies and industries. He has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). Mr Wheeler has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990.
Committee Memberships	Audit & Risk Committee
Equity Interests	9,750,000 options over ordinary shares with an exercise price of $0.037.

Directorships held in other listed entities	Mr Wheeler is currently Non-Executive Director of Avira Resources Limited and Ultracharge Ltd. In the last three years, Mr Wheeler was a Non-Executive Chairman of ASX listed, 333D Ltd and Non-Executive Director of Premiere Eastern Energy Ltd, Castillo Copper Ltd and Antilles Oil and Gas Ltd.
Mr Young Yu	**Non-Executive Director (appointed 1 July 2019)** **Executive Director (appointed 1 October 2018 to 30 June 2019)** **Non-Executive Director (appointed 1 May 2014 to 30 September 2018)**
Qualifications	B.Bus, MBA, CPA
Experience	Mr Yu was previously the Regional Director/Representative for the Western Australian Trade and Investment Office in South Korea for four years. In that position he was responsible for Industry and Agribusiness, with his main areas of responsibility in the Clean Energy, Mineral & Resources and Investment sectors.
Committee Memberships	Audit & Risk Committee
Equity Interests	4,896,722 ordinary shares and 9,750,000 options over ordinary shares with various exercise prices.
Directorships held in other listed entities	Mr Yu is currently Non-Executive Director of Peninsular Mines Limited. No other listed directorships have been held by Mr Yu in the previous three years.

Company Secretary

Mr Matthew Foy, BCom, GradDipAppFin, GradDipACG, SAFin, AGIA, ACIS

Mr Foy is a contract Company Secretary and active member of the WA State Governance Council of the Governance Institute Australia (GIA). He spent four years at the ASX facilitating the listing and compliance of companies and possesses core competencies in publicly listed company secretarial, operational and governance disciplines. His working knowledge of ASIC and ASX reporting and document drafting skills ensure a solid base to make a valued contribution to Protean.

Meetings of Directors

During the financial year, six (6) meetings of Directors and one (1) meeting of the Audit and Risk Committee were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		**Audit & Risk Committee Meetings**	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**
B Tarratt	6	6	1	1
W Loxton	6	6	-	-
D Wheeler	6	5	1	1
Y Yu	6	6	1	-

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Introduction

B. Remuneration governance

C. Key management personnel

D. Remuneration and performance

E. Remuneration structure

- Executive
- Non-executive directors

F. Executive service agreements

G. Details of remuneration

H. Share based compensation

I. Other information

This report details the nature and amount of remuneration for each Director and key management personnel of Protean Energy Limited.

A. INTRODUCTION

The remuneration policy of the Company has been designed to align Director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Group's financial results. Key performance areas include cash flow management, growth in share price, successful exploration and subsequent exploitation of the Group's tenements and successful development and subsequent exploitation of the Group's battery technology. The Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and Directors to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

During the year the Company did not engage remuneration consultants.

B. REMUNERATION GOVERNANCE

The Board retains overall responsibility for remuneration policies and practices of the Company. Due to the Company's size and current stage of development, the Board has not established a separate nomination and remuneration committee. This function (Remuneration Function) is performed by the Board.

The Board aims to ensure that the remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood, and
- acceptable to Shareholders.

At the 2018 annual general meeting, the Company's remuneration report was passed by the requisite majority of shareholders (100% by a show of hands).

REMUNERATION REPORT (AUDITED) (continued)

C. KEY MANAGEMENT PERSONNEL

The key management personnel in this report are as follows:

Executive

- Y Yu (Executive Director) – appointed 1 October 2018. Mr Yu transitioned back to a Non-Executive Director on 1 July 2019

Non-Executive Directors

- B Tarratt (Non-Executive Chairman) – transitioned to Non-Executive Chairman on 14 June 2019
- W Loxton (Non-Executive Director) – transitioned to Non-Executive Director on 14 June 2019
- D Wheeler (Non-Executive Director) – appointed 16 May 2017
- Y Yu (Non-Executive Director) – appointed 1 May 2014 and transitioned to Executive Director 1 October 2018

Executives – Former

- B Tarratt (Executive Chairman) – appointed 15 May 2018 and transitioned to Non-Executive 14 June 2019
- W Loxton (Executive Director) – appointed 15 May 2018 and transitioned to Non-Executive 14 June 2019

D. REMUNERATION AND PERFORMANCE

The following table shows the gross revenue, net losses attributable to members of the Company and share price of the Group at the end of the current and previous four financial years.

	30 June 2019 $	30 June 2018 $	30 June 2017 $	30 June 2016 $	30 June 2015 $
Revenue from continuing operations	21,762	33,732	1,584	22,406	13,248
Net loss attributable to members of the Company	(4,579,296)	(3,669,481)	(7,107,731)	(4,718,084)	(4,720,479)
Share price	0.009	0.030	0.020	0.360	1.170

E. REMUNERATION STRUCTURE

Executive remuneration structure

The Board's policy for determining the nature and amount of remuneration for senior executives of the Group is as follows. The remuneration policy, setting the terms and conditions for executive directors and other senior executives, was developed and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives. The Board reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share option and performance rights plans. If an executive is invited to participate in an employee share option or performance rights plan arrangement, the issue and vesting of any equity securities will be dependent on performance conditions relating to the executive's role in the Group and/or a tenure based milestone.

The employees of the Group receive a superannuation guarantee contribution required by the Government, which is currently 9.50%, and do not receive any other retirement benefits.

REMUNERATION REPORT (AUDITED) (continued)

Non-Executive remuneration structure

In line with corporate governance principles, Non-Executive Directors of the Company are remunerated primarily by way of fees and statutory superannuation. Non-Executive Directors fees are set at the lower end of market rates for comparable companies for time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board. As the fees are set at the lower end of market rates, Non-Executive Directors are able to participate in the employee share option or performance rights plans. Non-Executive Directors of the Company may also be paid a variable consulting fee for additional services provided to the Company of $1,000 per day inclusive of superannuation

Non-Executive Directors' fees and payments are reviewed annually by the Board. For the year ended 30 June 2019, remuneration for a Non-Executive Director/Chairman ranged between was $36,000 to $48,000 per annum inclusive of superannuation. There are no termination or retirement benefits paid to Non-Executive Directors (other than statutory superannuation). The maximum aggregate amount of fees that can be paid to Non-Executive Directors, which was subject to approval by shareholders as part of the replaced constitution at the annual general meeting which occurred on 26 November 2014, is $250,000 per annum.

In addition, in order to align their interests with those of shareholders, the Non-Executive Directors are encouraged to hold shares in the Company.

F. EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the share and performance rights plans are subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below. Termination benefits are within the limits set by the *Corporations Act 2001* such that they do not require shareholder approval.

Contractual arrangements with key management personnel

As a result of the changing nature of their work and the time commitments required,

- On the 15 May 2018, the company entered into Executive service agreements with Mr Tarratt and Mr Loxton. The service agreements would be for a time commitment of 3 days per week and a base salary of $150,000 per annum for the time commitment.
- From 1 October 2018, Mr Young Yu, commenced working as an Executive Director with compensation set at $164,384 per annum as set by the Board.
- From 1 April 2019, Mr Wayne Loxton, had a reduction in salary from a base salary of $150,000 per annum to $48,000 per annum as a result of a reduction in work commitments.
- From 1 May 2019, Mr Bevan Tarratt, had a reduction in salary from a base salary of $150,000 per annum to $48,000 per annum as a result of a reduction in work commitments.
- On 14 June 2019 it was announced that, Mr Tarratt and Mr Loxton, transitioned back to roles as Non-Executive Directors.
- Subsequent to year end, on 1 July 2019, Mr Yu, transitioned back to a role of Non-Executive Director.

REMUNERATION REPORT (AUDITED) (continued)

Contractual arrangement with key management personnel

Executives

Name	Effective date	Term of agreement	Notice period	Base salary per annum $	Termination payments
Young Yu [1], Executive Director	1-Oct-18	No fixed term	None	164,384	None

1 Mr Yu (Executive Director) – appointed Executive Director 1 October 2018.

Executives – Former

Name	Effective date	Term of agreement	Notice period	Base salary per annum [3] $	Termination payments
Bevan Tarratt [1], Executive Chairman	15-May-18	No fixed term	3 months	150,000	3 months
	01-May-19	No fixed term	3 months	48,000	3 months
Wayne Loxton [2], Executive Director	15-May-18	No fixed term	3 months	150,000	3 months
	01-Apr-19	No fixed term	3 months	48,000	3 months

1 Mr Tarratt (Executive Chairman) – appointed Executive Chairman 15 May 2018 and transitioned back to a Non-Executive role on 14 June 2019.

2 Mr Loxton (Executive Director) – appointed Executive Director 15 May 2018 and transitioned back to a Non-Executive role on 14 June 2019.

3 Base salary based on a time commitment of 3 days per week.

REMUNERATION REPORT (AUDITED) (continued)

G. DETAILS OF REMUNERATION

Details of remuneration of the key management personnel (KMP) (as defined in AASB 124 Related Party Disclosures) of the Company is set out below.

Remuneration of KMP for the 2019 financial year is set out below:

	Short-term benefits			Post-employment benefits			Share based payments	Total
	Cash salary	Consulting fees	Non-cash benefits (1)	Super-annuation	Annual leave (2)	Termination	Options	
	$	$	$	$	$	$	$	$
Executive Directors								
Y Yu (3)(4)	135,000	-	-	-	-	-	-	135,000
Non-Executive Directors								
B Tarratt (5)	2,000	-	75	190	-	-	-	2,265
W Loxton (6)	2,000	-	-	190	-	-	-	2,190
D Wheeler (7)	36,000	-	-	-	-	-	-	36,000
Executives – Former								
B Tarratt (5)	131,000	-	1,725	12,445	2,463	-	-	147,633
W Loxton (6)	122,500	-	2,530	11,638	6,063	-	-	142,731
Non-Executive Directors –Former								
Y Yu (3)(4)	9,000	18,000	-	-	-	-	-	27,000
Total	437,500	18,000	4,330	24,463	8,526	-	-	492,819

1 Other benefits include the provision of an internet and mobile phone allowance.
2 The amount disclosed represent unused annual leave paid out on cessation of the executive director roles.
3 Mr Yu, transitioned from Non-Executive Director to Executive Director on 1 October 2018.
4 Mr Yu is a director of JLC Corporation Pty Ltd, which received Mr Yu's director and consulting fees during the period.
5 Mr Tarratt transitioned from Executive Chairman to Non-Executive Chairman on 14 June 2019.
6 Mr Loxton transitioned from Executive Director to Non-Executive Director on 14 June 2019.
7 Mr Wheeler, Non-Executive Director, is a director of Pathways Corporate Pty Ltd, which was owed Mr Wheeler's director fees during the period.

The following table sets out each KMP's relevant interest in fully paid ordinary shares, options and performance rights to acquire shares in the Company, as at 30 June 2019:

Name	Fully paid ordinary shares	Options	Performance rights
B Tarratt	1,941,496	8,750,000	-
W Loxton	7,000,495	9,750,000	-
D Wheeler	-	9,750,000	-
Y Yu	4,896,722	9,750,000	-

REMUNERATION REPORT (AUDITED) (continued)

Remuneration of KMP for the 2018 financial year is set out below:

	Short-term benefits			Post-employment benefits		Share based payments		Total
	Cash salary	Consulting fees	Non-cash benefits (1)	Super-annuation	Termi-nation	Performance rights (2)	Options (3)	
	$	$	$	$	$	$		$
Non-Executive Directors								
D Wheeler (4)	36,000	-	-	-	-	-	226,975	262,975
Y Yu (5)	36,000	33,000	-	-	-	-	226,975	295,975
Executives								
B Tarratt (6)	19,000	-	225	1,805	-	-	-	21,030
W Loxton (7)	19,000	-	288	1,805	-	-	-	21,093
Non-Executive Director – Former								
B Tarratt (6)	30,137	69,662	-	9,481	-	-	203,695	312,975
W Loxton (7)(8)	19,500	12,000	-	-	-	-	226,975	258,475
Executives – Former								
S Rogers (9)	47,002	-	873	11,904	-	10,302	-	70,081
Total	206,639	114,662	1,386	24,995	-	10,302	884,620	1,242,604

1 *Other benefits include the provision of a mobile phone allowance.*
2 *Performance rights granted as part of remuneration package, AASB 2 – Share Based Payments requires the fair value at grant date of the performance rights granted to be expensed over the vesting period.*
3 *Options granted as part of remuneration have been valued in accordance with AASB 2 – Share Based Payments.*
4 *Mr Wheeler, Non-Executive Director, is a Director of Pathways Corporate Pty Ltd, which was owed Mr Wheeler's director fees during the period.*
5 *Mr Yu, Non-Executive Director, is a Director of JLC Corporation Pty Ltd, which received Mr Yu's director and consulting fees during the period.*
6 *Mr Tarratt was appointed Executive Chairman 15 May 2018.*
7 *Mr Loxton was appointed as Non-Executive Director on 6 November 2017 and Executive Director 15 May 2018.*
8 *Mr Loxton, whilst Non-Executive Director, was a Director of Atlantic Consulting Pty Ltd, which received Mr Loxton's Non-Executive Director fees during the period.*
9 *Mr Rogers resigned on 11 August 2017, effective 10 November 2017.*

REMUNERATION REPORT (AUDITED) (continued)

H. SHARE BASED COMPENSATION

During the year ended 30 June 2019 there was no share-based compensation provided to Directors.

Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense for the 2019 and 2018 financial years:

	Fixed remuneration	At risk STI	At risk LTI	Fixed remuneration	At risk STI	At risk LTI
	2019			2018		
Executives – Current						
Y Yu [5]	100%	-	-			
Non-Executive Directors – Current						
B Tarratt [1]	100%	-	-			
W Loxton [2]	100%	-	-			
D Wheeler	100%	-	-	14%	86%	-
Executives – Former						
B Tarratt [1][3]	100%	-	-	100%	-	-
W Loxton [2][4]	100%	-	-	100%	-	-
Non-Executive Director – Former						
B Tarratt [3]				35%	65%	-
W Loxton [4]				12%	88%	-
Y Yu [5]	100%	-	-	23%	77%	-

1 *During the year Mr Tarratt transitioned from Executive Chairman to Non-Executive Chairman on 14 June 2019.*
2 *During the year Mr Loxton transitioned from Executive Director to Non-Executive Director on 14 June 2019.*
3 *During the prior year Mr Tarratt transitioned from Non-Executive Director to Executive Chairman 15 May 2018.*
4 *During the prior year Mr Loxton transitioned from Non-Executive Director to Executive Director 15 May 2018.*
5 *Mr Yu, transitioned from Non-Executive Director to Executive Director on 1 October 2018. Subsequent to year end, on 1 July 2019, Mr Yu transitioned back to the role of Non-Executive Director.*

Reconciliation of equity instruments held by KMP

The following table sets out a reconciliation of each KMP's relevant interest in ordinary shares and options and performance rights to acquire shares in the Company:

	Balance at the start of the year/period	Granted/ Acquired	Exercised/ Vested	Lapsed	Other changes	Balance at year end
Non-Executive Directors						
B Tarratt [1]						
Fully paid ordinary shares	755,172	1,186,324	-	-	-	1,941,496
Options	9,211,476	-	-	(461,476)	-	8,750,000
W Loxton [2]						
Fully paid ordinary shares	7,000,495	-	-	-	-	7,000,495
Options	9,750,000	-	-	-	-	9,750,000
D Wheeler						
Options	9,750,000	-	-	-	-	9,750,000

REMUNERATION REPORT (AUDITED) (continued)

	Balance at the start of the year/period	Granted/ Acquired	Exercised/ Vested	Lapsed	Other changes	Balance at year end
Executives						
Y Yu (3)						
Fully paid ordinary shares	4,896,722	-	-	-	-	4,896,722
Options	10,000,000	-	-	(250,000)	-	9,750,000

1 *Mr Tarratt transitioned from Executive Chairman to Non-Executive Chairman on 14 June 2019.*
2 *Mr Loxton transitioned from Executive Director to Non-Executive Director on 14 June 2019.*
3 *Mr Yu, transitioned from Non-Executive Director to Executive Director on 1 October 2018. Subsequent to year end, on 1 July 2019, Mr Yu transitioned back to the role of Non-Executive Director.*

None of the fully paid ordinary shares above are held nominally by the Directors or any other KMP.

I. OTHER INFORMATION

Unissued ordinary shares

Unissued ordinary shares under option at the date of this report are 85,000,000 and broken-down as follows:

- Share options issued to Directors, employees, consultants and vendors 85,000,000

Options over ordinary shares can be exercised at a price of $0.037.

This concludes the Remuneration Report which has been audited.

ENVIRONMENTAL REGULATIONS

The Company's policy is to comply with, or exceed, its environmental obligations in each jurisdiction in which it operates. No known environmental breaches have occurred.

INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a policy insuring the Company's Directors, secretaries, executive officers and any related body corporate against a liability incurred as such a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. The policy of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has entered into Deeds of Indemnity, Insurance and Access with the Company's Directors, Secretary and Executive Officers.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of the related body corporates against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Protean, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of Protean for all or part of these proceedings.

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2019 has been received and can be found on page 20.

AUDITOR'S REMUNERATION

During the financial period the following fees were paid or payable for services provided by related entities of BDO (Audit) WA Pty Ltd.

	2019 $	2018 $
Taxation services		
BDO Tax (WA) Pty Ltd		
Tax compliance services	7,650	3,030
International tax consulting and tax advice	700	4,590
Total remuneration for taxation services	8,350	7,620
Total remuneration for non-audit services	8,350	7,620

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors have considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

Bevan Tarratt
Non-Executive Chairman

Perth, Western Australia

30 August 2019

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF PROTEAN ENERGY LIMITED

As lead auditor of Protean Energy Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue from continuing operations			
Interest income		21,762	33,732
Expenses			
Research and development expense	1	(9,403)	253,575
Exploration expense	1	(396,388)	(374,951)
Depreciation and amortisation expense	1	(13,942)	(8,446)
Administrative expense	1	(1,172,516)	(1,233,301)
Finance costs	1	-	(52,369)
Share based payment expense	1	(8,506)	(1,878,296)
Loss on deconsolidation of subsidiary	8	-	(204,381)
Fair value loss of investment in associate	8	(407,101)	(37,577)
Share of net loss of joint venture accounted using the equity method	9	(840,265)	(167,469)
Fair value loss on financial assets at fair value through profit or loss	10	(254,018)	-
Impairment expense	9	(1,498,920)	-
Loss before income tax		(4,579,297)	(3,669,483)
Income tax benefit	3	-	-
Loss after income tax attributable		(4,579,297)	(3,669,483)
Loss after income tax attributable to:			
Members of the Company		(4,579,296)	(3,669,481)
Non-controlling interest		(1)	(2)
		(4,579,297)	(3,669,483)
Loss per share for loss from continuing operations attributable to the ordinary equity holders			
Basic and diluted loss per share (cents per share)	19	(1.48)	(1.42)

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Loss after income tax attributable		(4,579,297)	(3,669,483)
Other comprehensive income			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		(54,039)	70,688
Reclassified exchange differences on deconsolidation of subsidiary		-	(1,810)
Items that will not be reclassified to the profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)	6	(404,722)	913,373
Other comprehensive income for the period, net of tax		(458,761)	982,251
Total comprehensive loss for the period		(5,038,058)	(2,687,232)
Total comprehensive loss for the period attributable to:			
Members of the Company		(5,038,057)	(2,687,230)
Non-controlling interest		(1)	(2)
		(5,038,058)	(2,687,232)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	4	1,290,583	2,419,879
Trade and other receivables	5	36,252	62,310
Total current assets		1,326,835	2,482,189
Non-current assets			
Plant and equipment		40,724	50,095
Investment in joint venture – Korea Vanadium	9	715,796	2,847,045
Available for sale financial assets	7	-	1,899,226
Total non-current assets		756,520	4,796,366
Total assets		**2,083,355**	**7,278,555**
Current liabilities			
Trade and other payables	11	106,580	307,413
Provisions	12	1,453	1,268
Total current liabilities		108,033	308,681
Total liabilities		**108,033**	**308,681**
Net assets		**1,975,322**	**6,969,874**
Equity			
Issued capital	15(a)	34,953,095	34,918,095
Reserves	15(c)	7,745,680	9,641,754
Accumulated losses	15(b)	(40,723,573)	(37,590,096)
Capital and reserves attributable to owners		1,975,202	6,969,753
Non-controlling interest		120	121
Total equity		**1,975,322**	**6,969,874**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Non-controlling interest $	Total Equity $
As at 1 July 2017		**29,807,643**	**6,781,207**	**(33,920,613)**	**247,511**	**2,915,748**
Loss for the year		-	-	(3,669,481)	(2)	(3,669,483)
Other comprehensive loss		-	982,251	-	-	982,251
Total comprehensive income/(loss) for the year		-	982,251	(3,669,481)	(2)	(2,687,232)
Transactions with owners in their capacity as owners						
Shares issued during the year	15(a)	5,359,380	-	-	-	5,359,380
Share issue expenses	15(a)	(248,928)	-	-	-	(248,928)
Deconsolidation of subsidiary	8	-	-	-	(247,388)	(247,388)
Performance rights/options expense recognised during the year	15(c)	-	1,878,296	-	-	1,878,296
As at 30 June 2018		**34,918,095**	**9,641,754**	**(37,590,096)**	**121**	**6,969,874**
Change in accounting policy	21	-	(1,445,819)	1,445,819	-	-
Restated total equity at as 1 July 2018		34,918,095	8,195,935	(36,144,277)	121	6,969,874
Loss for the year		-	-	(4,579,296)	(1)	(4,579,297)
Other comprehensive income		-	(458,761)	-	-	(458,761)
Total comprehensive loss for the year		-	(458,761)	(4,579,296)	(1)	(5,038,058)
Transactions with owners in their capacity as owners						
Shares issued during the year	15(a)	35,000	-	-	-	35,000
Share issue expenses	15(a)	-	-	-	-	-
Performance rights/options expense recognised during the year	15(c)	-	8,506	-	-	8,506
As at 30 June 2019		**34,953,095**	**7,745,680**	**(40,723,573)**	**120**	**1,975,322**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Payments in the normal course of business		(1,706,538)	(1,288,331)
Interest received		21,762	33,732
Finance costs		-	(445)
Net cash outflow from deconsolidation of subsidiary		-	(172,659)
Net cash used in operating activities	27	(1,684,776)	(1,427,703)
Cash flows from investing activities			
(Payments)/proceeds for property, plant and equipment		(4,569)	(55,000)
Proceeds from sale of investment	6	1,426,240	
Investment in joint venture – Korid Energy	8	(407,101)	-
Investment in joint venture – Korea Vanadium	9	(204,950)	(393,500)
Advances to joint venture – Korea Vanadium	10	(254,018)	-
Net cash from/(used in) investing activities		555,602	(448,500)
Cash flows from financing activities			
Proceeds from issue of shares	15	-	4,148,795
Share issue costs	15	-	(188,928)
Net cash inflow from deconsolidation of subsidiary		-	269,464
Net cash inflow from financing activities		-	4,229,331
Net increase/(decrease) in cash and cash equivalents		(1,129,174)	2,353,128
Cash and cash equivalents at the beginning of the period		2,419,879	167,216
Net cash outflow from deconsolidation of subsidiary		-	(100,465)
Effects of exchange rate changes on cash and cash equivalents	1	(122)	-
Net cash and cash equivalents at the period	4	1,290,583	2,419,879

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

1. EXPENSES

	Note	2019 $	2018 $
Loss before income tax includes the following specific items:			
Research and development expense			
Research and development costs (1)		38,082	70,654
Research and development tax rebate (2)		(28,678)	(324,229)
Total research and development expense		9,404	(253,575)
Exploration expense			
Core analysis work		165,004	258,624
Other costs		231,384	116,327
Total exploration expense		396,388	374,951
Depreciation and amortisation expense			
Depreciation expense		13,942	8,446
Total depreciation and amortisation expense		13,942	8,446
Administrative expenses			
Employee benefits expense		110,447	74,636
Director benefits expense		488,109	292,553
Regulatory expense		103,988	136,818
Travelling expenses		33,865	94,491
Accounting expense		5,342	43,885
Advertising and marketing expense		115,737	94,353
Audit expense		40,468	36,424
Rent expense		17,489	13,416
Corporate advisory fees		77,123	304,000
Legal fees		30,943	40,153
Foreign exchange loss		122	-
Other administrative expenses		148,885	102,572
		1,172,518	1,233,301
Finance costs			
Fair value adjustment – issue of share capital	13	-	48,363
Interest expense	13	-	4,006
Total finance cost		-	52,369

1 EXPENSES (continued)

	Note	2019 $	2018 $
Share based payments expense			
Options	17(a)	-	1,978,754
Performance rights	17(b)	8,506	(100,458)
Total share-based payments expense		8,506	1,878,296
Loss on deconsolidation of subsidiary (3)	8	-	204,381
Fair value loss of investment in associate (4)	8	407,101	37,577
Share of net loss of joint venture accounted using the equity method (5)	9	840,265	167,469
Fair value loss on financial assets at fair value through profit or loss	10	254,018	-
Impairment of interest in joint venture	9	1,498,920	-

1 *Expenditure incurred for research and development activities in relation to Protean ™ wave energy convertor technology*
2 *Research and development tax incentive relating to expenditure on research and development activities in relation to Protean ™ wave energy convertor technology incurred in the 2018 financial year*
3 *The Group have effectively exited its control position in KORID Energy brought about by its intention to divest its equity position through dilution as well as convertible loans entered into by the KORID Energy during the period. The subsidiary was deconsolidated from the Group as at 31 December 2017 and a loss on deconsolidation of $204,381 was recognised in the Statement of Profit or Loss*
4 *Fair value Loss from KORID Energy Co Ltd, investment in associate*
5 *Share of loss from Korea Vanadium Limited (formerly Stonehenge Korea Inc), investment in joint venture*

2. SEGMENT INFORMATION

Management has determined that the Group has four reportable segments, being exploration in South Korea, investment in Battery Technology, Other exploration activities and investment in Wave Technology. The Group's exploration in South Korea is funded through its joint venture investment in Korea Vanadium Limited (formerly Stonehenge Korea Inc) and exploration activity undertaken by the Group. The Group's development of Battery Technology is funded through its investment in associate and direct spend undertaken by the Group. This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources. The Board monitors the Group based on actual versus budgeted expenditure incurred by segment. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing activities, while also taking into consideration the results that has been performed to date.

2. SEGMENT INFORMATION (continued)

	Revenue from external sources $	Reportable segment loss $	Reportable segment assets [1] $	Reportable segment liabilities $
For year ended 30 June 2019				
Wave technology	-	(9,403)	-	-
Exploration – South Korea				
Investment in Joint Venture	-	(2,593,202)	715,796	-
Exploration activity	-	(169,204)	38,276	(33,385)
Battery technology				
Investment in Associate	-	-	-	-
Battery Technology	-	(45,676)	-	-
Exploration Other	-	(272,860)	-	-
Corporate activities	21,762	(1,488,951)	1,329,283	(74,648)
Total	21,762	(4,579,296)	2,083,355	(108,033)
For year ended 30 June 2018				
Wave technology	-	253,575	-	(13,493)
Exploration – South Korea				
Investment in Joint Venture	-	(167,469)	2,847,045	-
Exploration activity	-	(258,624)	50,081	(52,030)
Battery technology				
Investment in Associate	-	(241,958)	-	-
Battery Technology	-	-	-	(7,522)
Exploration Other	-	(116,327)	-	(55,199)
Corporate activities	33,732	(3,138,680)	4,381,429	(180,437)
Total	33,732	(3,669,483)	7,278,555	(308,681)

1 *Other corporate activities include cash held of $1,290,583 for the year ended 30 June 2019 and $2,419,879 for the year ended 30 June 2018.*

3. TAXATION

	2019 $	2018 $
Income tax benefit		
Current tax	-	-
Deferred tax	-	-
Income tax benefit	-	-

3. TAXATION (continued)

	2019 $	2018 $
Reconciliation of income tax to prima facie tax payable		
Loss before income tax	(4,579,297)	(3,669,483)
Income tax benefit at 27.5% (30 June 2018: 27.5%)	(1,259,307)	(1,009,108)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	2,339	516,531
Impairment of assets	482,058	-
Other permanent differences	620,109	282,528
Deferred tax assets relating to gain not recognised	154,800	199,649
Foreign tax rate differential	-	10,400
Total income tax benefit	-	-
Unrecognised deferred tax assets		
Deferred tax assets and liabilities not recognised relate to the following:		
Tax losses	7,608,099	7,585,359
Other	93,166	50,418
Net deferred tax assets unrecognised	7,701,265	7,635,776

Significant accounting judgment

Deferred tax assets

The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets, as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions. The utilisation of the tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are utilised. Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary difference can be utilised.

4. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank	1,290,583	2,419,879

(a) Risk exposure

Refer to Note 18 for details of the risk exposure and management of the Group's cash and cash equivalents.

(b) Deposits at call

Deposits at call are presented as cash equivalents if they have a maturity of three months or less. Refer Note 30(j) for the Group's other accounting policies on cash and cash equivalents.

5. CURRENT TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Other receivables	26,024	53,112
Prepayments	10,228	9,198
	36,252	62,310

The Group has no impairments to other receivables or have receivables that are past due but not impaired.

Due to the short-term nature of the current trade and other receivables, their carrying amount is assumed to be the same as their fair value.

Other receivables are generally due for settlement within 30 days and are therefore classified as current.

Refer to Note 18 for details of the risk exposure and management of the Group's trade and other receivables.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise of listed equity securities in KOSDAQ listed DST Co. Ltd (**DST**).

	2019 $
Opening balance	1,899,226
Proceeds from sale of investment (excluding costs)	(1,437,479)
Revaluation loss recognised in other comprehensive income	(404,722)
Foreign exchange gain recognised in other comprehensive income	(57,025)
Closing balance	-

As a result of the adoption of AASB 9, assets with a fair value of $1,899,226 were reclassified from available-for-sale financial assets, to financial assets at FVOCI in the statement of financial position, see Note 7 below.

On disposal of these equity investments, any related balance within the FVOCI reserve remain within other comprehensive income.

Significant accounting estimates, assumptions and judgements

Classification of financial assets at fair value through other comprehensive income

Investments are designated at fair value through other comprehensive income where management have made the election in accordance with *AASB 9: Financial Instruments*.

Fair value for financial assets at fair value through other comprehensive income

Information about the methods and assumptions used in determining fair value is provided in Note 14.

The financial assets at fair value through other comprehensive income is denominated in Korean Won.

7. NON-CURRENT AVAILABLE FOR SALE FINANCIAL ASSET

Available for sale financial assets comprise of listed equity securities in Korea Securities Dealers Automated Quotations (**KOSDAQ**) listed DST Co. Ltd (formerly Korea Resources Investment & Development Inc.) (**DST**). Proceeds from the sale of any of the DST shares were to be re-invested by the Company into the Korea Vanadium Limited (formerly Stonehenge Korea Inc.) projects or any other collaboration project agreed to by the parties.

	2018 $
Opening balance	928,828
Revaluation gain recognised in other comprehensive income	913,373
Foreign exchange gain recognised	57,025
Closing balance	1,899,226

Significant accounting estimates, assumptions and judgements

Classification of financial assets as available for sale

Investments are designated as available for sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long- term. Financial assets that are not classified into any of the other categories (at FVPL loans and receivables or held-to-maturity investments) are also included in the available for sale category. Available for sale financial assets are classified as non-current.

Impairment indicators for available for sale financial assets

A security is considered to be impaired if there has been a significant or prolonged decline in the fair value below its cost. For the year ended 30 June 2018 the share price was trading above the carrying value of the available for sale financial asset. As a result no impairment has been recognised.

Fair value for available for sale financial assets

Information about the methods and assumptions used in determining fair value is provided in Note 14.

The available for sale financial asset is denominated in Korean Won.

8. INVESTMENT IN ASSOCIATE

The Group exited its control position in KORID Energy brought about by its intention to divest its equity position through dilution as well as convertible loans entered into by the KORID Energy during the prior year. As a result, the subsidiary was deconsolidated from the Group as at 31 December 2017 and a loss on deconsolidation of $204,381 was recognised in the Consolidated Statement of Profit or Loss.

Loss on deconsolidation of subsidiary	
Loss for the period until 31 December 2017	416,002
Non-controlling interest	(247,388)
Loss on investment	35,767
Total loss on deconsolidation of subsidiary	204,381

The resulting investment is subsequently accounted for as an Investment in Associate as follows:

	2019 $	2018 $
Opening balance	-	-
Investment in Associate	407,101	37,577
Fair value loss of investment in associate	(407,101)	(37,577)
Closing balance	-	-

Refer Note 30(l) for the Group's other accounting policies on asset acquisitions.

8. INVESTMENT IN ASSOCIATE (continued)

Significant accounting judgments

Control assessment – as at 30 June 2018 and 30 June 2019

The directors have determined that they have lost control of KORID Energy on 31 December 2017 however, significant influence has been retained. As a result, the Investment in Associates in the consolidated financial statements is accounted for using the equity method of accounting.

9. INTEREST IN JOINT VENTURE

Protean has formal joint venture with DST Co. Ltd (formerly Korea Resources Investment & Development Inc.) (**DST**). The JV was created via the sale to KORID of 50% of Korea Vanadium Limited (formerly Stonehenge Korea Inc). The JV progressed and completed Stage 1, being the core testing program at KIGAM during the year.

	2019 $	2018 $
Opening balance	2,847,045	2,607,351
Additional investment at cost (1)	204,950	393,500
Share of net loss of joint venture accounted using the equity method	(840,265)	(167,469)
Impairment (2)	(1,498,920)	-
Foreign exchange gain recognised in other comprehensive income	2,986	13,663
Closing balance	715,796	2,847,045

1 *The Group is committed to its contractual obligations in respect of the JV and will continue developing the Korean projects. The JV Agreement with KORID requires the Company to fully fund Stage 1 of the JV. The JV Agreement with KORID requires the Company to spend up to $800,000 during Stage 1 of the JV. Funding under Stage 1 is provided by way of additional investment to Korea Vanadium Limited. Funding under Stage 2 is treated as a loan to the JV and is assessed for recoverability under AASB 9 (refer to Note 10).*

2 *During the year the JV relinquished the Gwesan, Miwon and some of the Daejeon tenements. As a result of the relinquishment, the asset was considered to be impaired and an impairment loss was recognised.*

Interests in joint venture

Set out below is the JV of the Group as at 30 June 2019 which, in the opinion of the Directors, is material to the Group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	Measurement method	% of ownership interest		Quoted fair value		Carrying amount	
			2019 %	2018 %	2019 $	2018 $	2019 $	2018 $
Korea Vanadium Limited (1)	South Korea	Equity method	50	50	N/A (2)	N/A (2)	715,796	2,847,045

1 *Korea Vanadium Limited (formerly Stonehenge Korea Inc) is focused on accelerating development of the Daejon vanadium and uranium project by conducting work to contribute to the preparation of a pre-feasibility study.*

2 *As the entity is a private entity no quoted prices are available.*

9. INTEREST IN JOINT VENTURE (continued)

Summarised financial information

The tables below provide summarised financial information of the JV. The information disclosed below reflects the amounts presented in the financial statements of the relevant JV and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position	**2019 $**	**2018 $**
Total current assets	7,553	17,969
Total non-current assets	450,977	1,372,450
Total current liabilities	(82,824)	(50,835)
Total non-current liabilities	(1,784,683)	(1,074,004)
Net assets	(1,408,977)	265,580
Reconciliation to carrying amounts		
Closing net assets 30 June	265,580	573,192
Loss for the period	(1,680,529)	(334,938)
Other comprehensive loss	5,972	27,326
Closing net assets	(1,408,977)	265,580
Groups share in equity	50%	50%
Groups share	(704,489)	132,790
Fair value uplift on acquisition	1,899,755	1,899,755
Impairment	(1,498,920)	-
Additional investment at cost	1,019,450	814,500
Carrying amount	715,796	2,847,045

Summarised statement of profit or loss and other comprehensive income	**2019 $**	**2018 $**
Revenue		
Interest income	36	9
Depreciation and amortisation	-	(147)
Interest expense	-	-
Income tax expense	-	-
Loss from continuing operations	(1,680,529)	(334,938)
Loss from discontinuing operations	-	-
Loss for the period	(1,680,529)	(334,938)
Other comprehensive (loss)/gain	5,972	27,326
Total comprehensive loss	(1,674,557)	(307,612)
Dividends received	-	-

Significant accounting estimates, assumptions and judgements

Carrying value of interest in joint venture

Given the underlying nature of the assets held by the JV, being exploration and evaluation assets, management have, in accordance with *AASB 6: Exploration for Evaluation of Mineral Assets*, performed a review of impairment indicators on the Investment in JV which included a review of rights to tenure, future expenditure and progress regarding the KIGAM core access. The future recoverability of the exploration and evaluation projects is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

9. INTEREST IN JOINT VENTURE (continued)

During the year the JV relinquished:

- Gwesan Group including Gwesan -125, -115, -124, -117, -118, -114, -126, -128 in total 8 tenements;
- Miwon Group includes Miwon -36, -46, -58, -37, -47, -57 in total 6 tenements; and
- Daejeon -27, -47, -57.

As a result of the relinquishment, the Group has processed an impairment of $1,498,920. The impairment has been based upon the total hectares relinquished over the total hectare held prior to relinquishment.

The directors had determined that there was no impairment required as at 30 June 2018.

Control Assessment

The Directors determined that they jointly control the JV. The Group has a 50% interest of the issued capital of this entity, with the other 50% being owned by DST Co. Ltd and BHI Co. Ltd. Each of the shareholder groups has 2 Board members representing their interests, with decisions around the JV being made jointly.

10. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2019 $	2018 $
Opening balance		-	-
Advance to Korea Vanadium [1]		254,018	-
Fair value loss	1	(254,018)	-
Closing balance		-	-

1 *The JV Agreement with DST requires that the Company and DST share the cost of Stage 2. Funding is provided by way of additional loan to Korea Vanadium Limited to accelerate the development of the Daejon vanadium and uranium project by conducting work to contribute to the preparation of a pre-feasibility study. The outstanding funding required for Stage 2 is the sole responsibility of the joint venture party under the funding agreement, as the Group has already met its commitment under the agreement.*

The Group determines the fair value of the advances in consideration of the investments in associates (refer to Note 8). Considering the advances were held at nil valuation as at 30 June 2019, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to associates.

Significant accounting estimates, assumptions and judgements

Classification of loans receivable from associates at amortised cost to financial assets at fair value through profit or loss ("FVPL")

The Company funds its share of costs associated with Korea Vanadium Limited and Stage 2 to accelerate the development of the Daejon vanadium and uranium project, which are interest free and repayable on demand. Upon commencement of Stage 2, in late 2018 the joint venture is still in pre- development stage, the repayment of the loans is not solely interest and principle and is linked to the relevant projects achieving commercial production. The loans do not meet the IFRS 9 criteria for classification at amortised cost as it fails the contractual cashflow characteristics of sole payments of principle and interest. As a result, the loans will be carried at fair value through profit or loss.

The Group determines the fair value of the advances in consideration of the investments in associates (refer to Note 8). Considering the value of investment, impairment loss recognised and the status of the projects, there was no recognised fair value of the advances to joint venture.

11. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	106,580	307,413
	106,580	307,413

Trade and other payables are normally settled within 30 days from receipt of invoice. All amounts recognised as trade and other payables, but not yet invoiced, are expected to settle within 12 months.

The carrying value of trade and other payables are assumed to be the same as their fair value, due to their short-term nature.

Refer to Note 18 for details of the risk exposure and management of the Group's trade and other receivables.

12. PROVISIONS

The current provision for employee benefits relate to annual leave which is provided for all employees of the Group in line with their employment contracts and the balance for the year ended 30 June 2019 is expected to be settled within 12 months. The measurement and recognition criteria relating to employee benefits have been included in Note 30(q) to this report.

	2019 $	2018 $
Employee benefits	1,453	1,268

13. BORROWINGS

	2019 $	2018 $
Convertible notes	-	-
Other borrowings	-	-
	-	-

Convertible notes – issued March 2017

On 3 March 2017, the Group issued short term convertible loan facilities for $650,000, with a small number of sophisticated investors to provide working capital during the company's right issue.

The convertible loans were a fixed in Australian-dollar and are carried at fair value through profit or loss.

The parent entity issued 650,000 convertible notes, at an interest rate of 8.00% with a fair value of $1 per convertible note. The notes convert into ordinary shares of the Company, at the option of the Company on completion of a rights issue. The notes convert at the conversion price, being $0.014, a 30% discount to the right issue price of $0.02. Costs associated with the convertible notes were recognised as transaction costs to the loan account and amortised over the life of the convertible notes.

On 25 July 2017, the Company issued 47,893,921 shares at $0.014 to the holders of convertible loans in satisfaction of the outstanding convertible loan amounts which have now been extinguished.

13. BORROWINGS (continued)

A reconciliation of the convertible notes are as follows:

	Note	2019 $	2018 $
Face value of the notes issued		-	650,000
Fair value adjustment – issue of share capital (1)		-	278,571
Interest payable		-	20,515
Repayment of loans and interest – issue of share capital	15	-	(949,086)
		-	-

1 *The fair value adjustment represents the discount to the right issue price recognised over the life of the loans.*

Certain convertible notes issued by the Group, which include embedded derivatives (option to convert to a variable number of shares in the Group), are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised in the profit or loss as finance costs.

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents financial assets and financial liabilities measured and recognised at fair value on a recurring basis as at 30 June 2019 and 30 June 2018:

	Level 1 $	Level 2 $	Level 3 $	Total $
As at 30 June 2019				
Advance to Korea Vanadium	-	-	-	-
As at 30 June 2018				
Available for sale financial assets – Equity securities	1,899,226	-	-	1,899,226

There was no transfer between levels for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The fair value of financial assets and liabilities held by the Group must be estimated for recognition, measurement and/or disclosure purposes. The Group measures fair values by level, per the following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The groups policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

14. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques used to determine fair values

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of cash and short-term trade and other receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these payments.

Loans receivable from associates

The fair value of loans receivables is based upon the value of investment, impairment loss recognised and the status of the projects, of the joint venture.

Available for sale financial assets – equity securities – for the year ended 30 June 2018

The fair value of the equity holdings held in DST Co. Ltd is based on the quoted market prices from the KOSDAQ on 26 June 2018, being the last traded price prior to year end.

15. ISSUED CAPITAL

(a) Issued capital

	2019 Shares	2018 Shares	2019 $	2018 $
Fully paid	311,437,245	304,312,341	34,953,095	34,918,095

Movements in ordinary share capital during the current and prior financial period are as follows:

Details	Date	Number of shares	Issue price/share $	$
Balance at 1 July 2017		44,982,884		29,807,643
Issue of shares	25-Jul-17	157,439,703	0.02	3,148,794
Issue of shares on conversion of convertible notes	25-Jul-17	47,893,921	-	949,086
Issue of shares on conversion of performance rights	25-Jul-17	333,333	-	-
Share based payment	21-Aug-17	6,000,000	-	120,000
Issue of shares	2-Feb-18	40,000,000	0.025	1,000,000
Share based payment	2-Feb-18	2,400,000	-	60,000
Issue of shares on conversion of performance rights	2-Feb-18	150,000	-	-
Share based payment	6-Jun-18	2,300,000	-	69,000
Issue of shares on conversion of performance rights	6-Jun-18	2,500,000	-	-
Share based payment	19-Jun-18	312,500	-	12,500
Less: Share issue costs				(248,928)
Balance at 30 June 2018		**304,312,341**		**34,918,095**
Issue of shares on conversion of performance rights	2-Nov-18	2,816,666	-	-
Share based payment (Note 17(c) [(1)]	26-Feb-19	4,308,238	-	35,000
Less: Share issue costs		-		-
Balance at 30 June 2019		**311,437,245**		**34,953,095**

1 *Share based payments have been made at fair value of services received for corporate advisory and geological services.*

15. ISSUED CAPITAL (continued)

(b) Accumulated losses

	2019 $	2018 $
Balance at 1 July	(37,590,096)	(33,920,613)
Adjustment to opening balance, see Note 21	1,445,819	-
Restated opening balance	(36,144,277)	(33,920,613)
Net loss attributable to owners of the Company	(4,579,296)	(3,669,481)
Balance at 30 June	(40,723,573)	(37,590,096)

(c) Reserves

The following table shows a breakdown of the reserves and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided.

	Note	2019 $	2018 $
Share based payments reserve			
Balance at 1 July		8,672,604	6,794,307
Performance rights expense – directors and employees	17(b)	8,506	(100,458)
Options expense – Director share options	17(a)	-	884,620
Options expense – Advisor share options	17(a)	-	1,094,134
Balance at 30 June		8,681,110	8,672,604
Available for sale reserve			
Balance at 1 July		-	-
Movement during the period	7	-	913,373
Balance at 30 June		-	913,373
Foreign currency translation reserve			
Balance at 1 July		55,778	(13,100)
Currency translation differences arising during the year		(54,040)	68,878
Balance at 30 June		1,738	55,778
Fair value through other comprehensive income reserve			
Balance at 1 July	7	913,373	-
Adjustment to opening balance	21	(1,445,819)	-
Movement during the period	6	(404,722)	-
Balance at 30 June		(937,168)	-
Total reserves		**7,745,680**	**9,641,754**

15. ISSUED CAPITAL (continued)

Share based payments reserve

The share based payments reserve is used to recognise: (a) the grant date fair value of options issued but not exercised; (b) the grant date fair value of market based performance rights granted to directors, employees, consultants and vendors but not yet vested; and (c) the fair value non-market based performance rights granted to directors, employees, consultants and vendors but not yet vested.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income as described in Note 30(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

16. DIVIDENDS

No dividends have been declared or paid for the year ended 30 June 2019 (30 June 2018: nil).

17. SHARE BASED PAYMENTS

Share-based payment transactions are recognised at fair value in accordance with AASB 2.

The total movement arising from share based payment transactions recognised during the year were as follows:

	Note	2019 $	2018 $
As part of share-based payment expense:			
Options issued	17(a)	-	1,978,754
Performance rights issued	17(b)	8,506	(100,458)
As part of administrative expense			
Shares issued	17(c)	35,000	201,500
Recognised in equity as a capital raising cost			
Shares issued		-	60,000
		43,506	2,139,797

During the year the Group had the following share-based payments:

(a) Share options

The Protean Energy Limited share options are used to reward Directors, employees, consultants and vendors for their performance and to align their remuneration with the creation of shareholder wealth through the performance requirements attached to the options. Options are granted at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The options are not listed and carry no dividend or voting right. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

17. SHARE-BASED PAYMENTS (continued)

Set out below are summaries of options granted:

	30 June 2019		30 June 2018	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
Opening balance	$0.10	88,379,159	$1.79	3,379,159
Granted during the period	-	-	$0.037	85,000,000
Exercised during the period	-	-	-	-
Lapsed during the period	$1.79	3,379,159		
Closing balance	$0.037	85,000,000	$0.10	88,379,159
Vested and exercisable	$0.037	85,000,000	$0.10	88,379,159

	Grant date	Expiry date	Exercise price	30 June 2019 Number of options	30 June 2018 Number of options
(i)	30-Nov-15	30-Nov-18	$1.125	-	283,332
(ii)	30-Nov-15	30-Nov-18	$1.500	-	566,665
(iii)	30-Nov-15	30-Nov-18	$1.875	-	850,000
(iv)	30-Nov-15	30-Nov-18	$2.250	-	1,133,332
(v)	30-Nov-15	30-Nov-18	$2.430	-	33,333
(vi)	22-Feb-16	31-Dec-18	$1.130	-	400,000
(vii)	22-Feb-16	30-Nov-18	$1.125	-	11,249
(viii)	22-Feb-16	30-Nov-18	$1.500	-	22,499
(ix)	22-Feb-16	30-Nov-18	$1.875	-	33,750
(x)	22-Feb-16	30-Nov-18	$2.250	-	44,999
(xi)	08-May-18 (1)	30-Jun-21	$0.037	38,000,000	38,000,000
(xii)	08-May-18 (1)	30-Jun-21	$0.037	47,000,000	47,000,000
				85,000,000	88,379,159
Weighted average remaining contractual life of options outstanding at the end of the year:				2.00 years	2.90 years

1 *The securities were approved on the 8 May 2018 at the Company's General Meeting.*

The fair value of option issued is measured by reference to the value of the goods or services received. The fair value of services received in return for share options granted to Directors and employees and consultants is measured by reference to the fair value of options granted. The fair value of services received by advisors couldn't be reliably measured and are therefore measured by reference to the fair value of the equity instruments granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options including early exercise options are built into the option model. The fair value of the options are expensed over the expected vesting period.

The model inputs for options granted during the year and prior period included:

Series	Exercise price	Expiry (years)	Share price at grant date	Expected volatility(1)	Dividend yield	Risk free interest rate(2)	Option value
(xi)	$0.037	3.15	$0.034	117%	0%	2.15%	$0.023
(xii)	$0.037	3.15	$0.034	117%	0%	2.15%	$0.023

1 *The expected price volatility is based on historical volatility (based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.*
2 *Risk free rate of securities with comparable terms to maturity.*

17. SHARE-BASED PAYMENTS (continued)

The total expense arising from options issued during the reporting period as part of share-based payments expense was as follows:

	2019 $	2018 $
Directors share options	-	884,620
Advisory options	-	1,094,134
	-	1,978,754

(b) Performance rights

The Company's Performance Rights Plan was approved and adopted by shareholders on 11 November 2014. Each performance right will vest as an entitlement to one fully paid ordinary share upon achievement of certain performance milestones. If the performance milestones are not met, the performance rights will lapse and the eligible participant will have no entitlement to any shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise each performance right is convertible into one fully paid ordinary share to rank pari passu in all respects with existing fully paid ordinary shares.

Movement in the performance rights for the current year is shown below:

Grant date	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Converted during the period	Forfeited during the period	Balance at period end	Vested at period end
01-Apr-14	01-Apr-19	-	166,666	-	(166,666)	-	-	-
22-Feb-16	22-Feb-21	-	150,000	-	(150,000)	-	-	-
22-Feb-16[1]	22-Feb-19	-	4,000,000	-	-	(4,000,000)	-	-
05-Dec-17	05-Dec-20	-	1,250,000	-	(1,250,000)	-	-	-
06-Dec-17	06-Dec-20	-	1,250,000	-	(1,250,000)	-	-	-
Total			6,816,666	-	(2,816,666)	(4,000,000)	-	-

1 *Management note on the 27 August 2018, the Company finalised the sale of the WEC Technology. As a result, performance rights granted to SMVG that have not met their performance hurdles. The Company has adjusted the share-based payment expense recognised during the 2018 year to account for the reversal of these performance rights.*

There we no performance rights outstanding as at 30 June 2019, for the year ended 30 June 2018 the weighted average remaining contractual life of performance rights outstanding was 1.35 years.

The total director, employee and consultant share performance rights expensed expense arising from performance rights recognised during the reporting period as part of share-based payment expense were as follows:

	2019 $	2018 $
Performance rights granted during prior periods	8,506	41,805
Reversal of performance rights expense	-	(249,758)
Performance rights granted during the year	-	107,495
	8,506	(100,458)

17. SHARE-BASED PAYMENTS (continued)

(c) Share capital to vendors

During the financial year:

- On 26 February 2019, 3,995,738 shares issued to CPS Capital Investments Pty Ltd in consideration for corporate advisory fees. The fair value of the shares recognised was by direct reference to the fair value of service received. This was determined by the corresponding invoice received which amounted to $22,500 (excluding GST). This amount has been recognised in the Statement of Profit or Loss under administrative expense;
- On 26 February 2019, 312,500 shares were issued to The Tah Nean Chan Superannuation Fund in consideration for exploration services. The fair value of the shares recognised was by direct reference to the fair value of service received. This was determined by the corresponding invoice received which amounted to $12,500. This amount has been recognised in the Statement of Profit or Loss under exploration expense.

Significant accounting estimates, assumptions and judgements

Estimation of fair value of share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes or Monte-Carlo model taking into account the assumptions detailed within this note.

Probability of vesting conditions being achieved

Inputs to pricing models may require an estimation of reasonable expectations about achievement of future vesting conditions. Vesting conditions must be satisfied for the counterparty to become entitled to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement.

Vesting conditions include service conditions, which require the other party to complete a specified period of service, and performance conditions, which require specified performance targets to be met (such as a specified Increase in the entity's profit over a specified period of time) or completion of performance hurdles.

The Company recognises an amount for the goods or services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information Indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

The achievement of future vesting conditions are reassessed each reporting period.

18. FINANCIAL AND CAPITAL RISK MANAGEMENT

Overview

The financial risks that arise during the normal course of the Group's operations comprise market risk, credit risk and liquidity risk. In managing financial risk, it is policy to seek a balance between the potential adverse effects of financial risks on financial performance and position, and the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various risk management methods available to manage them.

General objectives, policies and processes

The Board is responsible for approving policies on risk oversight and management and ensuring management has developed and implemented effective risk management and internal control. The Board receives reports as required from the Managing Director in which they review the effectiveness of the processes implemented and the appropriateness of the objectives and policies it sets. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced.

These disclosures are not, nor are they intended to be an exhaustive list of risks to which the Group is exposed.

18. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Financial Instruments

The Group has the following financial instruments:

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	1,290,583	2,419,879
Trade and other receivables	36,252	62,310
Available for sale asset	-	1,899,226
	1,326,835	4,381,415

	2019 $	2018 $
Financial liabilities		
Trade and other payables	106,580	307,413
Borrowings	-	-
	106,580	307,413

(a) Market Risk

Market risk can arise from the Group's use of interest-bearing financial instruments, foreign currency financial instruments and equity security instruments and exposure to commodity prices. It is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rate (currency risk), equity securities price risk (price risk) and fluctuations in commodity prices (commodity price risk).

(i) Interest rate risk

The Board manages the Group's exposure to interest rate risk by regularly assessing exposure, taking into account funding requirements and selecting appropriate instruments to manage its exposure. As at the 30 June 2019, the Group has interest-bearing assets, being cash at bank (30 June 2018 cash at bank and interest-bearing liabilities).

As such, the Group's income and operating cash flows is not highly dependent on material changes in market interest rates.

Sensitivity analysis

The Group does not consider this to be a material risk/exposure to the Group and have therefore not undertaken any further analysis.

The weighted average effective interest rate of funds on deposit is 1.40% (30 June 2018: 1.70%).

(ii) Currency risk

The Group operates in South Korea and maintains a corporate listing in Australia. As a result of various operating locations, the Group is exposed to foreign exchange risk arising from fluctuations, primarily in the Korean Won (KRW).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Group manages risk by matching receipts and payments in the same currency and monitoring movements in exchange rates. The exposure to risks is measured using sensitivity analysis and cash flow forecasting.

18. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

The Group's exposure to foreign currency risk at year end, expressed in Australian dollars, was as follows:

	2019 KRW $	2018 KRW $
Financial assets		
Cash	-	-
Trade and other receivables	-	-
Available for sale asset	-	1,899,226
Financial liabilities		
Trade and other payables	-	-

Sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in KRW/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from KWR denominated financial instruments.

	Impact on pre-tax loss		Impact on other components of equity	
	2019 $	2018 $	2019 $	2018 $
KRW/AUD exchange rate – increase 5% (1)	-	94,961	-	94,961
KRW/AUD exchange rate – decrease 5% (1)	-	(94,961)	-	(94,961)

1 *Assumes all other variables are held constant.*

The Group's exposure to other foreign exchange movements is not considered significant.

(iii) Price risk

The Group's only equity investments are publicly traded on the KOSDAQ.

To manage its price risk arising from investments in equity securities, management monitors the price movements of the investment and ensures that the investment risk falls within the Group's framework for risk management.

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the statement of financial position see Note 6 and Note 7.

Sensitivity analysis

The table below summarises the impact of increases/decreases of the share price on the Group's equity and pre-tax loss for the period. The analysis is based on the assumption that the share price noted in the share purchase agreement had increased by 10% or decreased by 10% with all other variables held constant.

	Impact on pre-tax loss		Impact on other components of equity	
	2019 $	2018 $	2019 $	2018 $
KOSDAQ increase 10%	-	-	-	189,923
KOSDAQ decrease 10%	-	-	-	(189,923)

Other components of equity would increase/decrease as a result of gains/losses on equity securities held.

The amounts recognised in other comprehensive income in relation to the investment held by the Group are disclosed in see Note 6 and Note 7.

18. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(iv) Commodity price risk

As the Group has not yet entered into mineral or energy production, the risk exposure to changes in commodity price is not considered significant.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with financial institutions, as well as trade receivables. Credit risk is managed on a Group basis. For cash balances held with bank or financial institutions, only independently rated parties with a minimum rating of '-AA' are accepted.

The Board are of the opinion that the credit risk arising as a result of the concentration of the Group's assets is more than offset by the potential benefits gained.

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets as summarised, none of which are impaired or past due.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2019 $	**2018 $**
Cash and cash equivalents	1,290,583	2,419,879
Other receivables	36,252	62,310
	1,326,835	2,482,189

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2019 $	**2018 $**
Cash at bank and short-term deposits		
Held with Australian banks and financial institutions		
AA- S&P rating	1,290,485	2,419,787
A+ S&P rating	-	-
Unrated	98	92
Total	1,290,583	2,419,879

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Through continuous monitoring of forecast and actual cash flows the Group manages liquidity risk by maintaining adequate reserves to meet future cash needs. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

18. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months $	6 - 12 months $	1 - 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount of liabilities $
At 30 June 2019						
Trade and other payables	106,580	-	-	-	106,580	106,580
At 30 June 2018						
Trade and other payables	307,413	-	-	-	307,413	307,413

(d) Capital risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern. This is to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios, as the Group has not derived any income from operations.

19. LOSS PER SHARE

	2019	2018
Basic and diluted loss per share		
Net loss after tax attributable to the members of the Company	$ (4,579,296)	$ (3,669,481)
Weighted average number of ordinary shares	309,449,874	259,286,454
Basic and diluted loss per share (cents)	(1.48)	(1.42)

20. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity and items which are more likely to be materially adjusted. Detailed information about each of these estimates and judgements is included in the Notes together with information about the basis of calculation for each affected line item in the financial statements.

Significant accounting estimates and judgements

The areas involving significant estimates or judgements are:

- Recognition of deferred tax asset for carried forward tax losses — Note 3;
- Classification of financial assets at fair value through other comprehensive income – Note 6;
- Fair value of financial assets at fair value through other comprehensive income – Note 6;
- Classification of available for sale financial asset – Note 7;
- Impairment of assets – Note 7, Note 8;

20. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

- Fair value of available for sale financial asset – Note 7;
- Control assessment – Note 8 and Note 9;
- Carrying value of interest in Joint Venture – Note 9;
- Classification of financial assets at fair value through profit or loss – Note 10;
- Probability of vesting conditions being achieved– Note 17; and
- Estimation of fair value of share-based payments – Note 17.

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

There have been no actual adjustments this year as a result of an error and of changes to previous estimates.

21. CHANGES IN ACCOUNTING POLICIES

This note explains the changes in the Group's accounting policies as a result of the adoption of AASB 9 Financial instruments and AASB 15 Revenue from Contracts with Customers, however the prior year financial statements did not have to be restated as a result.

(a) AASB 9 Financial Instruments ("AASB 9")

AASB 9 replaces the provisions of AASB 139 Financial Instruments: Measurement and Recognition ("AASB 139") that relate to the recognition, classification and measurement of financial assets and liabilities, recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 resulted in minimal changes in accounting policies. The new accounting policies are set out below. Transitional adjustments were however required, as set out below, which were recognised on 1 July 2018, in accordance with the transitional provisions of AASB 9.

(b) AASB 15 Revenue from Contracts with Customers ("AASB 15")

The adoption of AASB 15 resulted in no impact, or changes in accounting policies.

AASB 9 - Impact of adoption

Classification and measurement of financial assets

On the date of initial application, 1 July 2018, the financial instruments of the Group were as follows, with any reclassifications noted.

	Measurement category		Carrying amount		
			Original	New	Difference
	Original (AASB 139)	New (AASB 9)	$	$	$
Financial Assets					
Trade and other receivables	Amortised cost	Amortised cost	62,310	62,310	-
Equity instruments	Available-for-sale	FVOCI	1,899,226	1,899,226	-

21. CHANGES IN ACCOUNTING POLICIES (continued)

As a result of the adoption of AASB 9, assets with a fair value of $1,899,226 were reclassified from available-for-sale financial assets, to financial assets at FVOCI in the statement of financial position. In addition, $1,445,819 was reclassified from Accumulated Losses to the FVOCI Reserve (included within 'Reserves'), reflecting impairment charges from prior financial periods recognised in Accumulated Losses in accordance with AASB 139.

The adoption of AASB 9 on the Group's trade and other receivables did not have a material impact.

The following tables show the above noted adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Impact on statement of financial position (Financial Assets)

Consolidated statement of financial position (condensed extract)	30 June 2018 As originally presented $	AASB 9 $	1 July 2018 $
Financial Assets			
Financial assets at fair value through other comprehensive income	-	1,899,226	1,899,226
Available-for-sale financial assets	1,899,226	(1,899,226)	-
	1,899,226	-	1,899,226

Impact on statement of financial position (Equity)

The total impact on the Group's Accumulated Losses and Reserves as at 1 July 2018 is as follows:

Consolidated statement of financial position (condensed extract)	30 June 2018 As originally presented $	AASB 9 $	1 July 2018 $
Equity			
Accumulated Losses	(37,590,096)	1,445,819	(36,144,277)
Reserves	9,641,754	(1,445,819)	8,195,935
	(27,948,342)	-	(27,948,342)

AASB 9 - Accounting policies applied from 1 July 2018

Investments and other financial assets

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

21. CHANGES IN ACCOUNTING POLICIES (continued)

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 July 2018, the group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

22. COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as a liability is as follows:

	2019 $	2018 $
Within one year (1)	-	150,195
Later than one year but no later than five years	-	-
Later than five years	-	-
	-	150,195

1 *Commitment under the JV agreement and working capital funding for KORID Energy Co, Ltd.*

Korea Vanadium Limited

The Company also has an interest in vanadium and uranium exploration projects in Korea via a 50% ownership position in Korea Vanadium Limited. The Company executed formal joint venture documentation with DST for the sale of 50% of Korea Vanadium Limited. to DST (JV) on 28 July 2015. During the period the Company announced the completion of Stage 1 and commencement of Stage 2 of the JV, which will be funded based on the ownership percentage.

KORID Energy Co. Ltd

Funding of the working capital for commercialisation and development activities will be funded on a ownership percentage. As at 30 June 2019 working capital had been funded on an equal basis.

23. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

	2019 $	2018 $
Short-term employee benefits	459,830	322,687
Post-employment benefits	32,989	24,995
Termination	-	-
Long-term benefits	-	-
Share based payments	-	894,922
	492,819	1,242,604

Detailed remuneration disclosures are provided within the remuneration report.

Parent entity

The ultimate parent entity and ultimate controlling party is Protean Energy Limited (incorporated in Australia).

Subsidiaries

Interests in subsidiaries are set out in Note 24.

24. INTEREST IN OTHER ENTITIES

(a) Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 30(a):

Name of entity	Country of incorporation	2019 Equity holding	2018 Equity holding
SK Energy Metals Pty Ltd (1)	Australia	100%	100%
Ginja Minerals Pty Ltd (2)	Australia	100%	100%
Protean Power Pty Ltd (3)	Australia	99.79%	99.79%
Protean Energy Australia Pty Ltd (4)	Australia	100%	100%
KORID Energy Ltd (5)	Korea	-	-

1 *Holding company of Korea Vanadium Limited (formerly Stonehenge Korea Inc).*
2 *Dormant subsidiary.*
3 *Subsidiary acquired on 20 August 2015.*
4 *Subsidiary acquired on 25 February 2016 and was the holder of the rights and trademarks to the Protean WEC Technology.*
5 *Subsidiary acquired 7 March 2017 and deconsolidated 31 December 2017.*

(b) Non-controlling interests

The Group did not have any material non-controlling interests during current financial year.

25. CONTINGENCIES

The Group has no contingent assets or liabilities as at 30 June 2019 (30 June 2018: nil).

26. EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

There are no events of a material nature or transaction, that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

27. RECONCILATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Note	2019 $	2018 $
Loss for the period		(4,579,296)	(3,669,483)
Add/(less) non-cash items:			
Depreciation and amortisation	1	13,942	8,446
Share based payments – Directors, employees and consultants	17(b)	8,506	784,162
Share based payments – Advisory options	17(a)	-	1,094,134
Share based payments in lieu of services	17(c)	35,000	201,500
Share of net loss of joint venture	9	840,265	167,469
Fair value loss on advance to Korea Vanadium	10	254,018	-
Impairment of interest in joint venture	9	1,498,920	-
Loss on deconsolidation of subsidiary	8	-	204,381
Share of net loss of associate accounted using the equity method	8	407,101	37,577
Unrealised foreign exchange loss		11,358	-
Finance costs		-	51,924
Net cash outflow from deconsolidation of subsidiary		-	(172,659)
Changes in assets and liabilities during the financial year:			
Decrease/(increase) in receivables		26,059	(39,459)
Increase/(decrease) in payables		(200,834)	(86,121)
Increase/(decrease) in employee provision		185	(9,574)
Net cash outflow from operating activities		(1,684,776)	(1,427,703)

28. REMUNERATION OF AUDITORS

The table shows the fees that were paid or payable for services provided by the auditor of the parent entity, its related parties and non-related audit firms, during the year.

From time to time the Consolidated Entity may decide to employ an external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important. These assignments are principally tax advice and due diligence on acquisitions, which are awarded on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects. The Board is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

	2019 $	2018 $
(a) BDO Australia		
Audit and assurance services		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	40,438	40,605
Taxation services		
BDO Corporate Tax (WA) Pty Ltd		
Tax compliance services	7,650	3,030
International tax consulting and tax advice	700	4,590
Total remuneration for taxation services	8,350	7,620
Total remuneration for BDO Australia	48,788	48,225

29. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Protean Energy Limited as at 30 June 2019. The information presented here has been prepared using consistent accounting policies as presented in Note 30.

(a) Summary of financial information

The individual aggregate financial information for the parent entity is shown in the table.

(b) Guarantees entered into by the parent entity

The parent entity did not have any guarantees as at 30 June 2019 or 30 June 2018.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

(d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2019 or 30 June 2018.

	Company	
	2019 $	2018 $
Financial position		
Current assets	1,326,835	2,482,189
Total assets	**2,083,033**	**4,246,506**
Current liabilities	107,711	308,359
Total liabilities	**107,711**	**308,359**
Equity		
Contributed equity	34,953,095	34,918,095
Reserves	8,681,110	8,672,604
Accumulated losses	(41,658,883)	(39,652,552)
Total equity	**1,975,322**	**3,938,147**
Financial performance		
Loss for the year	(2,006,331)	(3,254,232)
Total comprehensive loss	**(2,006,331)**	**(3,254,232)**

30. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Protean Energy Limited (**Company** or **Protean**) is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Protean Energy Limited is the ultimate parent entity of the Group.

The consolidated financial statements of Protean Energy Limited for the year ended 30 June 2019 comprise the Company and its controlled subsidiaries (together referred to as the **Group** and individually as **Group entities**).

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Group Interpretations and the *Corporations Act 2001*. Protean Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Critical accounting estimates and significant judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within Note 20.

New and amended standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the first time for the annual reporting period commencing 1 July 2018 that are relevant to the Group include:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The group also elected to adopt the following amendments early:

- AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015- 2017 cycle.

The group had to change its accounting policies and make certain retrospective adjustments following the adoption of AASB 9. This is disclosed in Note 21. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The adoption of all the 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 years. However, the above standards have affected the disclosures in the notes to the financial statements.

New standards and interpretations not yet adopted

AASB 16 Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its Statement of Financial Position in a similar way to how existing finance leases are treated under AASB 117. An entity be required to recognise a lease liability and a fight of use asset in its Statement of Financial Position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

Lessor accounting remains largely unchanged from AASB 117.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting period and in the foreseeable future.

Accounting policies

In order to assist in the understanding of the financial statements, the following summary explains the principle accounting policies that have been adopted in the preparation of the financial report. These policies have been applied consistently to all of the periods presented, unless otherwise stated.

(a) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of the Company at the end of the reporting period. Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Where a subsidiary has entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of subsidiaries is contained in Note 24 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 30(i).

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Protean Energy Limited.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Going concern

During the year the consolidated entity incurred a net loss of $4,579,297 (2018: $3,669,483) and incurred net cash outflows from operating activities of $1,684,776 (2018: $1,427,703). The consolidated entity held cash assets at 30 June 2019 of $1,290,583 (2018: $2,419,879). Subsequent to year end, cash assets have decreased to $1,189,173.

The ability of the consolidated entity to continue as a going concern is dependent on securing additional funding through equity and/or debt in order for the consolidated entity to continue to fund its operations.

These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the consolidated entity's working capital requirements as at the date of this report. The Board has taken significant measures to reduce costs.

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- Board initiated cost reductions;
- The outstanding funding required for Stage 2 of the Korea Vanadium Ltd joint venture is the sole responsibility of the joint venture party under the funding agreement, as the Group has already met its commitment under the agreement; and
- The Board continues to review its funding requirements through capital raisings that may include equity or debt.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

(c) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker, which has been identified by the company as the Board.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency). The consolidated financial statements are presented in Australian dollars, which is Protean Energy Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

No dividends were paid or proposed during the year.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(e) Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured it is probable that future economic benefits will flow to the entity.

Revenue for other business activities is recognised on the following basis:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Income Tax and Other Taxes

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

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

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

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

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

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

Protean Energy Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Exploration and evaluation expenditure

The Group expenses exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

Exploration and Evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except when existence of a commercially viable oil and/or gas reserve has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

(i) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

(k) Trade and Other Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less loss allowances. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

(l) Investments and other financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivable are included in trade and other receivables in the statement of financial position.

Available for sale financial assets

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to old them for the medium to long term.

(i) Recognition and de-recognition

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(ii) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value.

(iii) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets classified as available for sale

If there is objective evidence of impairment for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available for sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(m) Property, Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

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

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

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

(n) Acquisition of assets

Where an entity or operation is acquired, the identifiable assets acquired (and, where applicable, identifiable liabilities assumed) are to be measured at the acquisition date at their relative fair values of the purchase consideration.

Where the acquisition is a group of assets or net assets, the cost of acquisition will be apportioned to the individual assets acquired (and, where applicable, liabilities assumed). Where a group of assets acquired does not form an entity or operation, the cost of acquisition is apportioned to each asset in proportion to the fair values of the assets as at the acquisition date.

(o) Share Based Payment Transactions

Benefits to Employees and consultants (including Directors)

The Group provides benefits to employees and consultants (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares or options ("equity-settled transactions").

The costs of these equity settled transactions are measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of performance rights granted is determined using the single barrier share option pricing model. The fair value of options granted is determined by using the Black-Scholes option pricing technique. Further details of options and performance rights granted are disclosed in Note 17.

The cost of these equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of: (i) the fair value at grant date of the award; (ii) the current best estimate of the number of equity instruments that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an equity instrument has vested, any amounts recorded are contingent and will be adjusted if more or fewer equity instruments vest than were originally anticipated to do so. Any equity instrument subject to a market condition is valued as if it will vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient of the award, as measured at the date of modification.

If an equity-settled transaction is cancelled (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new equity instrument is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original award, as described in the preceding paragraph.

Benefits to Vendors

The Group provides benefits to vendors of the Group in the form of share-based payment transactions, whereby the vendor has render services in exchange for shares or rights over shares or options ("equity-settled transactions").

The fair value is measured by reference to the value of the goods or services received. If these cannot be reliably measured, then by reference to the fair value of the equity instruments granted.

The cost of these equity-settled transactions is recognised over the period in which the service was received.

(p) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximately their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(q) Employee Entitlements

The Group's liability for employee entitlements arising from services rendered by employees to reporting date is recognised in other payables. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

(r) Loss per share

Basic loss per share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holder of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

(s) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(t) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(u) Dividends

No dividends were paid or proposed during the year.

(v) Parent entity financial information

The financial information for the parent entity, Protean Energy Limited, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements except as set out below:

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost and subject to an annual impairment review.

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The financial statements, comprising the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the consolidated entity.

2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. The Group has included in the notes to the financial statements and explicit an unreserved statement of compliance with International Financial Reporting Standards.

4. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A.

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

Bevan Tarratt
Non-Executive Chairman

Perth, Western Australia

30 August 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Protean Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Protean Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 30(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of investment in joint venture

Key audit matter	How the matter was addressed in our audit
As disclosed in note 9 of the financial report, the carrying value of the investment in joint venture represents a significant asset of the Group. The Group's policy for accounting for the investment in joint venture and significant judgements applied in the determination of the assets carrying value are disclosed in notes 9 and 30(h) of the financial report. Given the underlying assets held by the investment in joint venture relate to exploration and evaluation assets, management have undertaken a review of impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6) to determine whether there are any indicators to suggest that the investment in joint venture could be impaired. Due to the quantum of this asset and the subjectivity involved in determining whether its carrying value will be recovered through successful development or sale of its exploration and evaluation assets, we have determined this to be a key audit matter.	Our procedures included, but were not limited to: • Confirming whether the remaining rights to tenure of the areas of interest remained current at balance date; • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group's cash flow budget for the level of budgeted spend on exploration projects; • Considering whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances that existed to indicate impairment testing was required; • Confirming appropriateness and calculation of the impairment booked; and • Assessing the adequacy of the related disclosures in notes 9 and 30(h) of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Protean Energy Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 30 August 2019

ADDITIONAL INFORMATION

Information as at 12 August 2019

(a) Distribution of Shareholders

The number of shareholdings held in less than marketable parcels is 1,952.

Category (size of holding)	Number Ordinary
1 – 1,000	694
1,001 – 5,000	461
5,001 – 10,000	143
10,001 – 100,000	793
100,001 – and over	430
Total	**2,521**

(b) Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary Share

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

There are no voting rights attached to any class of options that are on issue.

(c) 20 Largest Shareholders — Ordinary Shares as at 12 August 2019

Rank	Name	Ordinary Shares Held	% of Issued Capital
1	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	9,338,297	3.00
2	SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY S/FUND A/C>	9,191,251	2.95
3	COSSACK HOLDINGS (AUST) PTY LTD <LOXTON SUPER FUND>	7,000,495	2.25
4	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	6,500,000	2.09
5	DST COMPANY LIMITED	6,300,000	2.02
6	MR PETER TAKIS GRIGORIADIS	4,800,000	1.54
7	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	4,786,666	1.54
8	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	4,106,014	1.32
9	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	4,000,000	1.28
9	CONCANNON CAPITAL PTY LTD	4,000,000	1.28
10	MISS XIAODAN FU	3,707,133	1.19
11	NICK MARTIN SUPERANNUATION PTY LTD < NICK MARTIN SUPER>	3,650,000	1.17
12	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	3,550,000	1.14
13	SISU INTERNATIONAL PTY LTD	3,400,000	1.09
14	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	3,258,133	1.05
15	JLC CORPORATION PTY LTD	3,146,722	1.01
16	REDHILL HOLDINGS LTD	3,000,000	0.96
17	CELTIC CAPITAL PTY LTD <CELTIC CAPITAL NO 2 A/C>	2,826,073	0.91
18	LITTLEJOHN EMBREY ENGINEERING PTY LTD	2,650,000	0.85
19	BROCOP GROUP PTY LTD	2,500,000	0.80
19	BIG FISH MANDURAH QUAY PTY LTD	2,500,000	0.80
19	RICHSHAM NOMINEES PTY LTD	2,500,000	0.80
19	WILBERFORCE PTY LTD	2,500,000	0.80
19	MR BRYAN CHRISTOPHER NEALE	2,500,000	0.80
20	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,398,202	0.77
	Total	**104,108,986**	**33.43**
	Balance of register	**207,328,259**	**66.57**
	Grand total	**311,437,245**	**100.00**

(d) Substantial Shareholders

As at 12 August 2019 there were no shareholders who hold 5% or more of the issued capital of the Company as per substantial shareholder notices lodged with ASX.

ADDITIONAL INFORMATION

(e) Unquoted Securities – as at 12 August 2019

Set out below are the classes of unquoted securities currently on issue:

Number	Class
85,000,000	Options exercisable at 3.7¢ on or before 30/06/2021

(f) Securities Subject to Escrow

No securities are currently subject to any escrow provisions.

(g) Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 12 August 2019 there were no class of unquoted securities that had holders with greater than 20% of that class on issue.

(h) On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

(i) Restricted Securities

There are no restricted securities currently on issue.

Korean Tenement Schedule (held directly by SK Energy Metals Pty Ltd – 50% owned by Korea Vanadium Ltd)

Tenement Name	ID	Registration No.	Registration Date	Area (ha)	Mineral
Gwesan	137	79161	12/01/2011	275	Uranium, Vanadium
Daejeon Group	various	various	various	2,282	Uranium

Daejeon Group – detailed information

Daejeon Group includes Okcheon -136, -147, Daejeon -18, -28, -38, -48, -17, -7 in total 8 tenements. This group is considered as one tenement for exploration and mining to MRO under the Korean mining law.

Tenement Name	Area	ID	Registration No.	Registration Date	Area (ha)	Mineral
Daejeon Group	Daejeon	18	77011	11/06/2008	277	Uranium, Vanadium, Molybdenum
	Daejeon	28	77012	11/06/2008	259	Uranium, Vanadium
	Daejeon	38	77013	11/06/2008	277	Uranium, Vanadium
	Daejeon	48	77014	11/06/2008	277	Uranium, Vanadium
	Okcheon	136	77010	11/06/2008	138	Uranium, Vanadium
	Okcheon	147	77038	20/06/2008	277	Uranium, Vanadium
	Daejeon	17	77039	20/06/2008	103	Uranium, Vanadium
	Daejeon	7	77114	04/07/2008	190	Uranium, Vanadium, Molybdenum
					1,798	

Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: http://www.proteanenergy.com/investorcentre