ABN 63 078 510 988

AND CONTROLLED ENTITIES

HALF YEARLY REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2015

Results for announcement to the market

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

The information contained in this report should be read in conjunction with the Annual Report for the year ended 30 June 2015

CORPORATE DIRECTORY

Directors

Mr Alexander Burns	Executive Chairman
Mr Kim Robinson	Managing Director
Mr Max Cozijn	Finance Director
Mr Marcello Cardaci	Non-executive Director

Company Secretary
Mr Jamie Armes

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

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DIRECTORS' REPORT

The Directors of Energia Minerals Limited ("Energia" or "the Company") submit herewith the financial report of Energia and its subsidiaries ("the Group") for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

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

Name:
Mr Alexander Burns
Mr Kim Robinson
Mr Max D J Cozijn
Mr Marcello Cardaci

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

Review of Operations

The following is a summary of activities for the six months to 31 December 2015:

Disposal of Carley Bore Project, Western Australia

Energia completed the sale of the Carley Bore uranium project to Paladin Energy Ltd ("Paladin") on 7 August 2015. The total consideration of $9.7 million comprised of $1.6 million cash and 45 million Paladin shares (of which 16 million are subject to escrow for 12 months).

Gorno Zinc Project, Italy

The Gorno Project is located in the Lombardia region of northern Italy. The project is located in an area that hosts an historical underground development of a Mississippi Valley style zinc-lead system.

During the period Energia has continued to rehabilitate and restore access to the extensive underground workings within the upper levels of the Colonna Zorzone zinc deposit area. The Forcella adit has been stripped to an approximate 3m by 3m profile to accommodate larger mining equipment for a total advance from the Forcella portal of 780m to the end of December.

Drilling commenced during the period and a total of 41 diamond drill holes were completed during the period for a total of 2,719m. With up to three rigs operating, the focus of the drilling program to date has been to establish an Indicated and Inferred Resource estimate between the 600 level and the 990 level in preparation for a Scoping Study anticipated to be completed by the end of March 2016.

Significant results to date include:

- 21.7m grading 8.1% Zn, 2.2% Pb and 51g/t Ag including 4.6m grading 25.9% Zn, 7.0% Pb and 156g/t Ag in GDD024;
- 11.9m grading 11.0% Zn, 2.4% Pb and 29g/t Ag in GDD026;
- 6.75m grading 8.5% Zn, 2.0% Pb and 25g/t Ag in GDD027;
- 5.8m grading 10.4% Zn, 3.0% Pb and 28g/t Ag in GDD028, and
- 3.2m grading 16.9% Zn, 4.3% Pb and 57g/t Ag in GDD031.

Preliminary metallurgical test work has commenced on the four different mineralisation types encountered to date within the Zorzone deposit. Three of these are predominantly massive and disseminated zinc and lead sulphide mineralisation with the fourth mineralisation type containing significant quantities of oxidised material. Historically the Gorno concentrating plant produced three high grade concentrate streams (zinc sulphide, lead sulphide and zinc oxide) but no record of payable silver, which is likely to be a significant bi-product.

A 1 in 7, 710 metre exploration decline has been approved and is planned to be developed advancing vertically almost halfway down to the 600RL (the level of the existing 12.5km Riso-Parina adit). This decline will facilitate drilling to be undertaken between the 940RL and the 600RL.

Nyang ISR Uranium Project, Western Australia (Nyang Project)

Energia has applied for an exploration licence, E08/2735, located midway between Paladin's Carley Bore and Manyingee ISR uranium deposits in the Carnarvon Basin of Western Australia. There are also two adjacent tenements (E08/2160 and E08/2161) owned by Cauldron Energy Ltd ("Cauldron") which are under plaint by Energia for substantial under-expenditure.

The Wardens Court has recommended that Cauldron's application for expenditure exemption on E08/2160 and E08/2161 be rejected and the matter is before the Minister for Mines for his consideration. All three tenements have never been drilled, have had little or no exploration carried out on them under Cauldron's ownership and have considerable potential to host ISR uranium deposits.

MacArthur River Project, Northern Territory

During the half-year, Energia applied for two additional tenements in this highly prospective region and now has four tenement applications totalling 1,610km^2 in the Northern Territory, largely covering the western margin of the MacArthur Basin, all of which are prospective for copper, zinc and lead. Three of the tenements (EL25272, EL31045 and EL31046) lie approximately three kilometres to the west of Pacifico Minerals Ltd's (ASX: PMY) Coppermine Creek copper discovery. The westerly dipping Barney Creek Formation, which is the host unit of known zinc deposits elsewhere in the MacArthur Basin underlie these three tenements at shallow depth.

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

Salafossa and Predil Zinc-Lead Projects, Italy

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

Val Vedello and Novazza Uranium Projects, Italy

No work was carried out on either Val Vedello or Novazza during the period pending the granting of exploration licence applications.

Paterson Project, Western Australia

No field work was carried out on the Paterson project during the period. A large deep seated magnetic target (8km by 5km) prospective for IOCG copper/gold mineralization remains untested in the western half of the single granted tenement, E45/2886 and it is planned to carry out a ground based gravity survey covering this target during 2016 in advance of a drilling program.

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

Discussions have commenced with traditional owners regarding access to eight tenement applications to allow them to proceed to grant.

Operating Results for the Half-Year

The Group is pleased to announce an inaugural consolidated net profit for the half-year ended 31 December 2015 from continuing and discontinued operations of $7,022,457 after tax (2014: net loss $1,789,210).

The result for the half-year was primarily a consequence of the disposal of the Carley Bore project which resulted in a net gain of $8,292,576.

Cash on Hand

As at 31 December 2015 cash on hand was $5,173,037 (2014: $7,062,356). In addition, the Group held investments in listed entities with a market value of $7,439,327 at 31 December 2015 (2014: Nil).

Capital Structure

As at 31 December 2015, the Company had 609,020,979 (2014: 609,020,979) fully paid ordinary shares on issue and 40,500,000 (2014: 30,650,000) unlisted options over ordinary shares. No ordinary shares were issued during the half year ended 31 December 2015.

Additional information regarding the options granted during the period is provided in Note 13 of the consolidated financial statements.

Going Concern

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

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

Events After the Reporting Period

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

Auditor's Independence Declaration

The Auditor's Independence Declaration under s307C of the *Corporations Act 2001* has been received for the half-year ended 31 December 2015 and is included on page 7.

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

On behalf of the Directors

Alexander Burns
Chairman 9 March 2016

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

Crowe Horwath™

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Energia Minerals Limited and its controlled entities for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 9 March 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2015	Notes	31 Dec 2015 $	31 Dec 2014 $
Revenue	4	**45,135**	49,106
Other Income	5	**-**	455
Administrative expenses		**(974,577)**	(413,535)
Exploration expenditure		**(2,888,232)**	(396,067)
Marketing		**(62,645)**	(135,415)
Unrealised gains on financial assets at fair value through profit or loss	8(a), 8(b)	**1,763,314**	-
Net realised gains on financial assets at fair value through profit or loss	8(a)	**729,600**	-
Net gain on sale of available-for-sale financial assets	8(c)	**32,031**	-
Unrealised foreign exchange gain		**113,211**	15,883
Other gains/(losses) – net	6	**-**	1,159
Other expenses		**(2,778)**	(146)
Profit/(Loss) from continuing operations before income tax		**(1,244,941)**	(878,560)
Income tax expense	7	**-**	-
Profit/(Loss) from continuing operations after income tax		**(1,244,941)**	(878,560)
Discontinued Operations			
Profit/(loss) from discontinued operations after tax	18	**8,267,398**	(910,650)
Net profit/(loss) for the period		**7,022,457**	(1,789,210)
Other comprehensive income/(loss)			
Items that may be re-classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**21,690**	(14,894)
Other comprehensive income/(loss) for the period, net of tax		**21,690**	(14,894)
Total comprehensive income/(loss) for the period, net of income tax		**7,044,147**	(1,804,104)
Profit/(Loss) attributable to:			
Members of the parent		**7,022,457**	(1,789,210)
		7,022,457	(1,789,210)
Total comprehensive income/(loss) attributable to:			
Members of parent		**7,044,147**	(1,804,104)
		7,044,147	(1,804,104)
Earnings/(loss) per share			
From continuing and discontinued operations:			
Basic earnings/(loss) per share (cents)	3	**1.15**	(0.44)
Diluted earnings/(loss) per share (cents)	3	**1.15**	(0.44)
From discontinued operations:			
Basic earnings/(loss) per share (cents)	3	**1.36**	(0.22)
Diluted earnings/(loss) per share (cents)	3	**1.36**	(0.22)
From continuing operations:			
Basic earnings/(loss) per share (cents)	3	**(0.21)**	(0.22)
Diluted earnings/(loss) per share (cents)	3	**(0.21)**	(0.22)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	31 Dec 2015 $	30 June 2015 $
ASSETS			
Current Assets			
Cash and cash equivalents		**5,173,037**	4,109,628
Other financial assets	8	**7,386,248**	-
Receivables		**49,275**	227,039
Total Current Assets		**12,608,560**	4,336,667
Non- Current Assets			
Restricted cash		**68,834**	68,834
Other financial assets	8	**53,079**	50,000
Receivables	9	**703,914**	297,066
Plant & equipment		**191,618**	141,496
Exploration and evaluation expenditure	10	**447,680**	1,818,593
Total Non-current Assets		**1,465,125**	2,375,989
TOTAL ASSETS		**14,073,685**	6,712,656
LIABILITIES			
Current Liabilities			
Trade and other payables		**830,712**	639,874
Borrowings		**109,551**	106,612
Employee Benefit Liabilities		**164,452**	122,811
Total Current Liabilities		**1,104,715**	869,297
Non-Current Liabilities			
Borrowing		**118,680**	168,804
Employee Benefit Liabilities		**43,253**	24,987
Total Non-Current Liabilities		**161,933**	193,791
TOTAL LIABILITIES		**1,266,648**	1,063,088
NET ASSETS		**12,807,037**	5,649,568
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	11	**26,750,592**	26,750,592
Accumulated losses		**(14,766,726)**	(21,789,183)
Reserves		**823,171**	688,159
TOTAL EQUITY		**12,807,037**	5,649,568

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total $
Balance at 1 July 2014	18,248,643	(17,171,062)	(18,374)	630,746	1,689,953
Loss for the period	-	(1,789,210)	-	-	(1,789,210)
Other comprehensive loss	-	-	(14,894)	-	(14,894)
Total comprehensive loss for the period	-	(1,789,210)	(14,894)	-	(1,804,104)
Transactions with owners in their capacity as owners:					
Shares issued	9,055,987	-	-	-	9,055,987
Transaction costs on share issue	(554,038)	-	-	-	(554,038)
Share based payments	-	-	-	(23,435)	(23,435)
At 31 December 2014	26,750,592	(18,960,272)	(33,268)	607,311	8,364,363
Balance at 1 July 2015	**26,750,592**	**(21,789,183)**	**982**	**687,177**	**5,649,568**
Profit/(Loss) for the period	**-**	**7,022,457**	**-**	**-**	**7,022,457**
Other comprehensive income/(loss)	**-**	**-**	**21,690**	**-**	**21,690**
Total comprehensive income/(loss) for the period	**-**	**7,022,457**	**21,690**	**-**	**7,044,147**
Transactions with owners in their capacity as owners:					
Shares issued	**-**	**-**	**-**	**-**	**-**
Transaction costs on share issue	**-**	**-**	**-**	**-**	**-**
Share based payments	**-**	**-**	**-**	**113,322**	**113,322**
At 31 December 2015	**26,750,592**	**(14,766,726)**	**22,672**	**800,499**	**12,807,037**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2015	Notes	31 Dec 2015 $	31 Dec 2014 $
Cash flows from operating activities			
Receipts from customers		**993,649**	16,397
Payment to suppliers and employees		**(2,321,825)**	(495,380)
Payment of exploration expenditure		**(2,646,582)**	(1,101,849)
Interest received		**18,171**	38,358
Research and development incentive received		**173,579**	9,264
Net cash flows used in operating activities		**(3,783,008)**	(1,533,210)
Cash flows from investing activities			
Reduction in security bonds		**-**	5,000
Payment of security bonds		**(2,131)**	-
Proceeds from disposal of exploration assets		**1,600,000**	-
Payments to acquire financial assets		**(24,127)**	-
Net proceeds from disposal of financial assets		**3,259,744**	-
Proceeds from the sale of plant & equipment		**-**	1,818
Purchase of plant and equipment		**(63,971)**	(8,574)
Net cash flows provided by /(used in) investing activities		**4,769,515**	(1,756)
Cash flows from financing activities			
Proceeds from borrowings		**-**	250,000
Repayment of borrowings		**(56,003)**	-
Proceeds from issue of shares	11	**-**	8,732,218
Transaction costs on issue of shares	11	**-**	(568,453)
Net cash flows provided by /(used in) financing activities		**(56,003)**	8,413,765
Net increase (decrease) in cash and cash equivalents		**930,504**	6,878,799
Net foreign exchange difference		**132,905**	(3,355)
Cash and cash equivalents at beginning of period		**4,109,628**	186,912
Cash and cash equivalents at end of period	14	**5,173,037**	7,062,356

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The interim financial statements of the Group for the six months ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 9 March 2016.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2015 except for the impact of the Standards and Interpretations detailed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

Going concern

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

The Group has achieved a net profit after tax for the half year ended 31 December 2015 from continuing and discontinued operations of $7,022,457 (2014: net loss $1,789,210) due to a significant non-recurring transaction being the sale of the Carley Bore Project. Net cash outflows from operating activities were $3,783,008 (2014:$1,533,210). At 31 December 2015 the Group had Cash on Hand of $5,173,037 (30 June 2015:$4,109,628) plus investments in listed securities of $7,439,327 (30 June 2015:$nil). To assist in meeting contracted expenditure commitments on the Gorno project and Group operating costs, the Company may be required to raise additional funds through the sale of existing financial assets and through the issue of new equity. Should the Company be unable to raise funds through both of these avenues to meet its contracted and forecast expenditure there is inherent uncertainty that the Company will continue as a going concern and therefore whether the Company will be able to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in this financial report. This financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

3. EARNINGS PER SHARE

	For the six months ended	
	31 Dec 2015	31 Dec 2014
	$	$
Net profit/(loss) used in the calculation of basic and dilutive earnings per share from continuing and discontinued operations	**7,022,457**	(1,789,210)
Loss used in the calculation of basic and dilutive earnings per share from continuing operations	**(1,244,941)**	(878,560)
Profit/(loss) used in the calculation of basic and dilutive earnings per share from discontinued operations	**8,267,398**	(910,650)

	Number Shares	Number Shares
Weighted average number of ordinary shares on issue during the half-year used in calculating basic earnings per share	**609,020,979**	404,338,035
Effect of dilution:		
Share options	**-**	-
Weighted average number of ordinary shares on issue during the half-year used in calculating dilutive earnings per share	**609,020,979**	404,338,035

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

Basic earnings per share

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

Diluted earnings per share

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

4. REVENUE

	For the six months ended	
	31 Dec 2015	31 Dec 2014
	$	$
Interest received	**25,135**	46,788
Other revenue	**20,000**	2,318
	45,135	49,106

5. OTHER INCOME

	For the six months ended	
	31 Dec 2015	31 Dec 2014
	$	$
Insurance proceeds	-	455
	-	455

6. OTHER GAINS/(LOSSES) - NET

	For the six months ended	
	31 Dec 2015	31 Dec 2014
	$	$
Gain on disposal of plant and equipment	-	1,159
	-	1,159

7. INCOME TAX EXPENSE

The Group has carry forward tax losses of approximately $15 million in Australia for which no deferred tax asset has been recognised. These losses will be available for offset against taxable profits and gains in Australia where the Group continues to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affect the Group in realising the benefit from a deduction for the losses.

For the six months to 31 December 2015 the Group has generated taxable income through the disposal of the Carley Bore Project and other financial assets. An assessment of the availability of the Australian tax losses has been undertaken and concluded that as at 31 December 2015 the Australian tax losses of the Group are available to offset against this taxable income. As a result of this assessment no income tax expense has been recognised at 31 December 2015.

8. OTHER FINANCIAL ASSETS

	Note	**31 Dec 2015** **$**	30 June 2015 $
Current			
Financial assets at fair value through profit & loss			
Shares in listed entities	8(a)	**7,386,248**	-
		7,386,248	-
Non-Current			
Financial assets at fair value through profit & loss			
Shares in listed entities	8(b)	**50,666**	-
Options in listed entities	8(b)	**2,413**	-
		53,079	
Financial assets available-for-sale			
Shares in unlisted entities	8(c)	-	50,000
		-	50,000
Total non-current other financial assets		**53,079**	50,000
Total other financial assets		**7,439,327**	50,000

8. OTHER FINANCIAL ASSETS (Cont'd)

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

	Six months to 31 Dec 2015 $	30 June 2015 $
Brought forward	-	-
Shares in listed entity received as consideration for sale of Carley Bore	8,100,000	-
Gain on fair value of financial assets through profit & loss	1,816,392	-
Disposal of shares in listed entity	(2,530,144)	-
	7,386,248	-

Current financial assets at fair value through profit and loss consists of 30,943,646 listed ordinary shares in Paladin Energy Limited.

On 7 August 2015, the Group received 45 million ordinary fully paid shares in Paladin Energy Limited (of which 16 million are subject to escrow until 7 August 2016) as part consideration from the sale of Carley Bore Project and associated plant and equipment.

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

	Six months to 31 Dec 2015 $	30 June 2015 $
Brought forward	-	-
Shares in listed entity received as consideration	82,030	-
Purchase of equity instruments	24,127	-
Loss on fair value of financial assets through profit & loss	(53,078)	-
	53,079	-

(c) Movement in the carrying amount of non-current financial assets available-for-sale

	Six months to 31 Dec 2015 $	30 June 2015 $
Brought forward	50,000	50,000
Revaluation increment	32,031	-
Disposal of shares in unlisted entity	(82,031)	-
	-	50,000

9. RECEIVABLES

	Note	31 Dec 2015 $	30 June 2015 $
Non-Current			
Other receivable	9(a)	698,697	291,989
Security deposits		5,217	5,077
		703,914	297,066

a) Other receivable relates to an Italian VAT credit that is available to be recovered against VAT collected or offset against various regulatory payments.

10. DEFERRED EXPLORATION EXPENDITURE

	Note	**Half-year to 31 Dec 2015 $**	Year to 30 June 2015 $
Brought forward at the start of the reporting period		**1,818,593**	1,555,303
Acquisitions		**-**	263,290
Foreign exchange adjustment on translation		**12,837**	-
Carrying value of tenements sold	10(a)	**(1,383,750)**	-
Total exploration and evaluation expenditure		**447,680**	1,818,593

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

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

11. CONTRIBUTED EQUITY

		As at	
	Note	**31 Dec 2015 $**	**30 June 2015 $**
Issued capital			
Ordinary shares fully paid	11(a)	**26,750,592**	26,750,592
		26,750,592	26,750,592

	31 December 2015		**31 December 2014**	
	Number of Shares	**$**	**Number of Shares**	**$**
(a) Movements in ordinary shares on issue				
At 1 July	**609,020,979**	**26,750,592**	239,991,798	18,248,643
Issued during the period	**-**	**-**	369,029,181	9,055,988
Transaction costs on issue of shares	**-**	**-**	-	(554,039)
At 31 December	**609,020,979**	**26,750,592**	609,020,979	26,750,592

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

The carrying value of financial assets and financial liabilities are considered to approximate their fair values. In particular, the fair value of cash, trade and other receivables and payables is considered to approximate their carrying amount due to their short-term maturity.

The Group has financial assets that are measured at fair value on a recurring basis at the end of each reporting period. The following table presents the Group financial assets recognised at fair value at 31 December 2015 and 30 June 2015 classified by the fair value hierarchy levels as prescribed under the accounting standards.

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

At 31 December 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit & loss				
Listed equity securities	**7,439,327**	**-**	**-**	**7,439,327**
Total assets	**7,439,327**	**-**	**-**	**7,439,327**

At 30 June 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit & loss				
Unlisted equity securities	-	50,000	-	50,000
Total assets	-	50,000	-	50,000

Fair value measurement hierarchy

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2015.

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

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

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

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

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

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

13. SHARE BASED PAYMENTS

(a) Recognised share based payment expense

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

	For the six months ended	
	31 Dec 2015 **$**	30 Dec 2014 $
Expense arising from equity-settled share based payment transactions	**113,322**	50,335
	113,322	50,335

13. SHARE BASED PAYMENTS (CONT'D)

(b) General terms of share based payments

On 1 December 2015, 12 million options were granted under the 2015 Employee Incentive Plan. This included 9 million options granted to Mr Kim Robinson, Managing Director and 2,250,000 options granted to Mr Max Cozijn. The grant of these options was approved by shareholders at the Annual General Meeting held 18 November 2015.

On 6 July 2015, 1,500,000 options were granted to an employee under the 2014 Employee Incentive Scheme and 2,250,000 options were granted to a contractor under terms consistent with the 2014 Employee Incentive Scheme.

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

The fair value of the options granted during the six months to 31 December 2015 is estimated at the date of grant as $146,509 using the Black & Scholes model and the following assumptions:

Series No.	**20**	**21**	**22**	**23**	**24**	**25**
No. of options	1,250,000	1,250,000	1,250,000	4,000,000	4,000,000	4,000,000
Grant date	6/7/15	6/7/15	6/7/15	1/12/15	1/12/15	1/12/15
Vesting date	6/7/15	1/7/16	1/7/17	1/12/15	18/11/16	18/11/17
Expiry Date	30/6/20	30/6/20	30/6/20	18/11/20	18/11/20	18/11/20
Exercise price	$0.12	$0.18	$0.24	$0.12	$0.18	$0.24
Share price	$0.054	$0.054	$0.054	$0.033	$0.033	$0.033
Expected volatility	72%	72%	72%	64%	64%	64%
Option life (years)	4.98	4.98	4.98	4.97	4.97	4.97
Dividend yield	-	-	-	-	-	-
Risk free interest rate	2.21%	2.21%	2.21%	2.30%	2.30%	2.30%

The following table illustrates the number and weighted average exercise prices of, and movements in share options during the half-year to 31 December 2015:

	Half-year ended			
	31 Dec 2015		31 Dec 2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at the beginning of the half-year	30,250,000	$0.16	38,150,000	$0.21
Granted during of the half-year	15,750,000	$0.18	-	-
Forfeited/lapsed during of the half-year	(5,500,000)	$0.225	(7,500,000)	$0.27
Exercised during of the half-year	-	-	-	-
Outstanding at the end of the half-year	40,500,000	$0.16	30,650,000	$0.20
Exercisable at the end of the half-year	23,500,000	$0.15	26,650,000	$0.21

14. CASH FLOW INFORMATION

	Note	For the six months ended 31 Dec 2015 $	31 Dec 2014 $
Non-Cash Financing & Investing Activities			
Other financial assets acquired as part of consideration from the sale of Carley Bore	8(a)	**8,100,000**	-
Other financial assets acquired on the disposal of the investment in Marindi Metals Pty Ltd	8(c)	**82,030**	-
Issue of ordinary fully paid shares as repayment of borrowings	14(a)	**-**	250,000

(a) On 9 October 2014, the Company issued 5,000,000 ordinary fully paid shares at $0.025 as repayment of the unsecured non-refundable loan of $125,000 from Alexander Burns. In addition, on 31 October 2014, the Company issued 5,000,000 ordinary fully paid shares at $0.025 as repayment of the unsecured non-refundable loan of $125,000 from Euroz Securities Limited.

15. COMMITMENTS AND CONTINGENCIES

There have been no material changes to contingent assets, contingent liabilities or commitments since 30 June 2015.

16. EVENTS AFTER THE REPORTING PERIOD

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

17. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. There has been no change in the basis of segmentation or in the basis of measurement of segment profit and loss since the last annual financial statements dated 30 June 2015.

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

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

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

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

17. SEGMENT INFORMATION (Cont'd)

For the half-year ended 31 Dec 2015	Western Australia $	Italy $	Other $	Total $
Revenue				
Total segment revenue	-	-	-	-
Reconciliation of segment revenue to group revenue				
Interest received				**25,133**
Other revenue				**20,000**
Total group revenue				**45,133**
Segment net profit/(loss) before tax	**8,215,882**	**(2,958,313)**	**(91,035)**	**5,166,534**
Reconciliation of segment net profit/(loss) before tax				
Amounts not included in segment profit/(loss) but reviewed by board				
- Administration				**(764,721)**
- Marketing				**(62,645)**
- Other income/(expenses)				**2,683,789**
Net profit/(loss) before tax				**7,022,457**
Segment assets	**35,023**	**1,321,804**	**-**	**1,356,827**
Segment asset increases/(decreases) for the period				
- Foreign exchange translation	**-**	**12,838**	**-**	**12,838**
- Cash and cash equivalents	**-**	**40,839**	**-**	**40,839**
- Trade & other receivables	**(173,579)**	**409,187**	**-**	**235,608**
- Exploration & evaluation expenditures	**(1,383,751)**	**-**	**-**	**(1,383,751)**
- Plant & equipment	**(43,547)**	**54,233**	**-**	**10,686**
	(1,600,877)	**517,097**	**-**	**(1,083,780)**
Reconciliation of segment assets to group assets				
Unallocated assets:				
- cash and cash equivalents				**5,097,900**
- financial assets				**7,439,327**
- trade and other receivables				**34,628**
- restricted cash				**68,834**
- plant and equipment				**76,169**
Total group assets				**14,073,685**
Segment liabilities	**341**	**885,585**	**3,831**	**889,757**
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities:				
- trade and other payables				**187,136**
- employee benefit liabilities				**189,758**
Total group liabilities				**376,894**

17. SEGMENT INFORMATION (Cont'd)

For the half-year ended 31 Dec 2014	Western Australia $	Italy $	Other $	Total $
Revenue				
Total segment revenue	-	-	-	-
Reconciliation of segment revenue to group revenue				
Interest received				46,788
Other revenue				2,318
Total group revenue				49,106
Segment net loss before tax	(1,023,950)	(247,063)	(31,927)	(1,302,940)
Reconciliation of segment net loss before tax				
Amounts not included in segment loss but reviewed by board				
- Administration				(351,164)
- Marketing				(135,415)
- Other income/(expenses)				309
Net loss before tax				(1,789,210)
Segment assets	1,517,597	203,081	-	1,720,678
Segment asset increases/(decreases) for the period				
- Foreign exchange translation	-	5,122	-	5,122
- Cash and cash equivalents	-	4,618	-	4,618
- Trade & other receivables	64,680	10,010	-	74,690
- Plant & equipment	(7,357)	-	-	(7,357)
	57,323	19,750	-	77,073
Reconciliation of segment assets to group assets				
Unallocated assets:				
- cash and cash equivalents				7,056,810
- financial assets				50,000
- trade and other receivables				24,214
- restricted cash				68,834
- plant and equipment				55,869
Total group assets				8,976,405
Segment liabilities	271,468	42,098	324	313,890
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities:				
- trade and other payables				212,104
- provisions				86,048
Total group liabilities				612,042

18. DISCONTINUED OPERATION

(a) Description

On 7 August 2015, the Group disposed of the Carley Bore Project located in Western Australia and has reported this operation as a discontinued operation in these financial statements for the half-year ending 31 December 2015. Revenues and expenses, gains and losses relating to the discontinued operation have been eliminated from the profit or loss from the Group's continuing operations and are shown as a single line item on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The project was sold for a total consideration of $9.7 million comprising of $1.6 million cash and 45 million Paladin shares (of which 16 million are subject to escrow for 12 months) resulting in a gain on disposal of $8,292,576. No income tax expense has been recognised as a result of the disposal, refer to Note 7 for further information.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

	For the six months ended	
	31 Dec 2015	30 Dec 2014
	$	$
Other income	**-**	58,800
Exploration expenditure	**(25,178)**	(969,450)
Gain on disposal of exploration assets	**8,292,576**	-
Profit from discontinued operations before tax	**8,267,398**	(910,650)
Income tax expense	**-**	-
Profit from discontinued operations after tax	**8,267,398**	(910,650)
Net cash inflow/(outflow) from ordinary activities	**137,389**	(726,689)
Net cash inflow from investing activities	**1,600,000**	-
Net increase/(decrease) in cash generated from discontinued operations	**1,737,389**	(726,689)

Cash flows from investing activities relate solely to the proceeds from the sale of the Carley Bore Project.

DIRECTORS' DECLARATION

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

(a) The financial statements and notes of the consolidated entity, as set out on pages 8 to 22, are in accordance with the *Corporations Act 2001*, including:

  (i) Giving a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date of the consolidated entity

  (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

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

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

On behalf of the board

Alexander Burns
Chairman

9 March 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ENERGIA MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energia Minerals Limited and its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the half year financial report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations and the *Corporations Act 2001)* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Energia Minerals Limited and its controlled entities financial position as at 31 December 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Energia Minerals Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

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(ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 of the financial report which indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 9 March 2016

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