energia
minerals limited
AND CONTROLLED ENTITIES

2016 ANNUAL REPORT

CONTENTS

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement can be found on the Company's website at www.energiaminerals.com/company-information/our-corporate-governance.

CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Board of Directors, it is with pleasure that I present to you the 2016 Annual Report for Energia Minerals Ltd.

The Company's flagship Gorno Zinc Project has remained the focus of attention over the past 12 months with significant milestones achieved during the period as explained in detail in the Operations Report section of this Annual Report. The work will result in completion of a Definitive Feasibility Study (DFS), due in late January 2017 that will be used as the basis on which project finance options will be assessed to progress the Project.

In comparison with establishing mining operations in other parts of the world, including Australia, our experience to-date in Italy has been very positive. Strong support exists for the Project from the communities in the vicinity of Gorno and Oltre Il Colle as well as the regulatory authorities headed up by Regione Lombardia in Milano.

It would not be possible to achieve the rate of progress in preparing Gorno for a restart without the support of these governing bodies and local stakeholders for which we remain grateful. We also appreciate the hard work of our dedicated team of professionals in Italy and Australia and, at the same time, acknowledge the professionalism and diligence of our principle local contractor, EDILMAC.

The work completed to-date has been funded in part by the sale of the Paladin shares. The last of the shares were sold at the end of August albeit the final sale price was lower than originally anticipated. To fund the expanded work program at Gorno, and carry out preliminary work on our other zinc projects in Australia and Italy, the Company recently completed a fully underwritten non-renounceable rights issue raising approximately $6.1 million that is due to close on 7 October 2016.

With the results achieved to-date and the DFS due early in the new year, bolstered by the improving market conditions for zinc, we aim to fast-track the redevelopment of Gorno to become a strategically important producer within the next two years.

In closing, I would like to thank the Board of Directors, our staff and contractors as well as the important project stakeholders in Italy for their continued support. As a fellow shareholder, I also wish to assure you of our firm commitment to you and am grateful for the confidence you have shown by investing in our Company.

Yours sincerely

Alexander Burns
Executive Chairman

17 October 2016

NORTHERN ITALIAN PROJECTS

Gorno Zinc Project, Italy

Energia has ten granted base metal Exploration Licences and six Exploration Licence applications in the base metal rich Lombardia region of northern Italy (see Figure 1).

The Lombardia Region has a long history of mining extending back over 2,500 years to the Celtic period and the Gorno licences cover a number of partly inter-connected zinc-lead mines that were exploited up until the early 1980's.

Investigation of historical records has established that the Gorno licence areas contains more than 230km of underground workings and recorded historical production of over 800,000 tonnes of zinc metal contained in very high quality zinc concentrates (55-57% Zn for sulphide concentrates and 38-40% Zn for oxide concentrates) from ore averaging 14.5% Zn+Pb over a production life of 102 years from 1883 to 1985. The concentrating plant closed in 1985, with significant unmined ore remaining and operations have been dormant since then.

Energia initially established an in-country presence in Northern Italy in early 2015, and has since made significant progress in securing permitting for work, understanding the regulatory environments and requirements, and creating a rapport with stakeholders and the community. Energia has advanced the Gorno Project by completing substantial works in the last financial year, including mine rehabilitation and refurbishment, diamond drilling, establishment of an Inferred and Indicated resource, completion of a Scoping Study, and commencement of an exploration decline.

Figure 1: Location of Italian Project Area

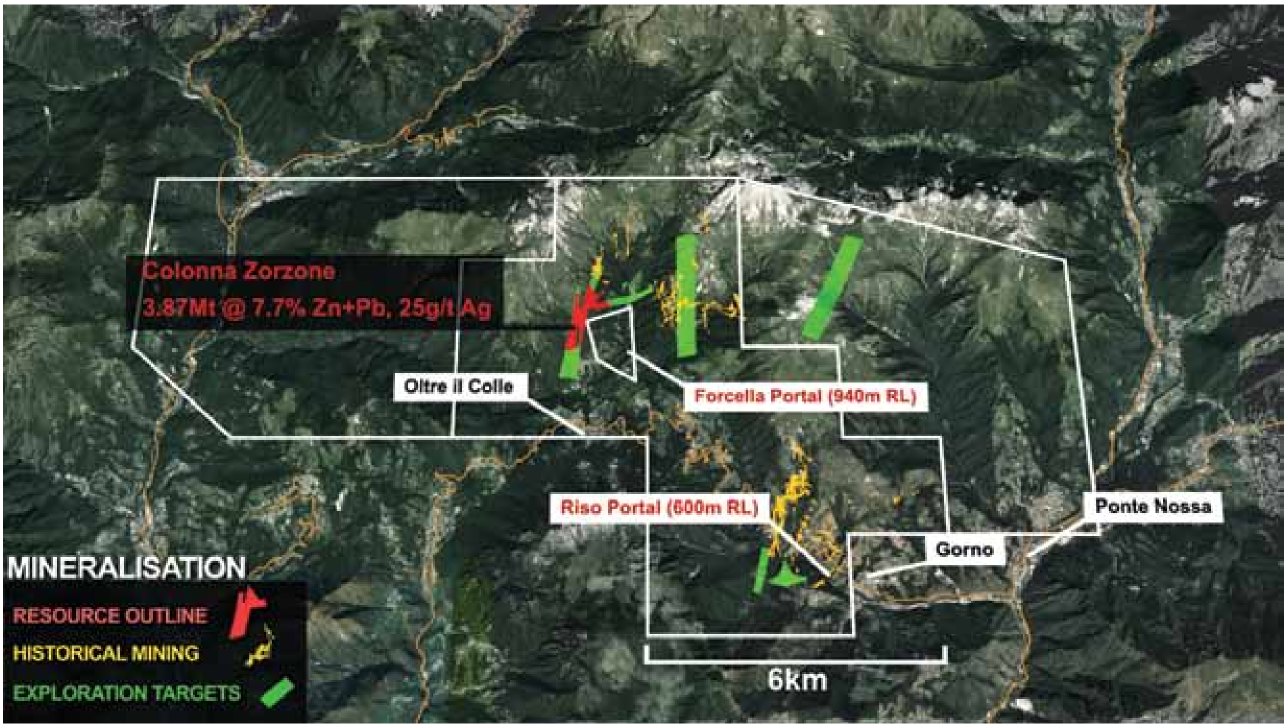

Figure 2: Location of Colonna Zorzone

Figure 3: Gorno Zinc Project, showing recent development and rehabilitation at the Ca Pasi entrance to underground workings

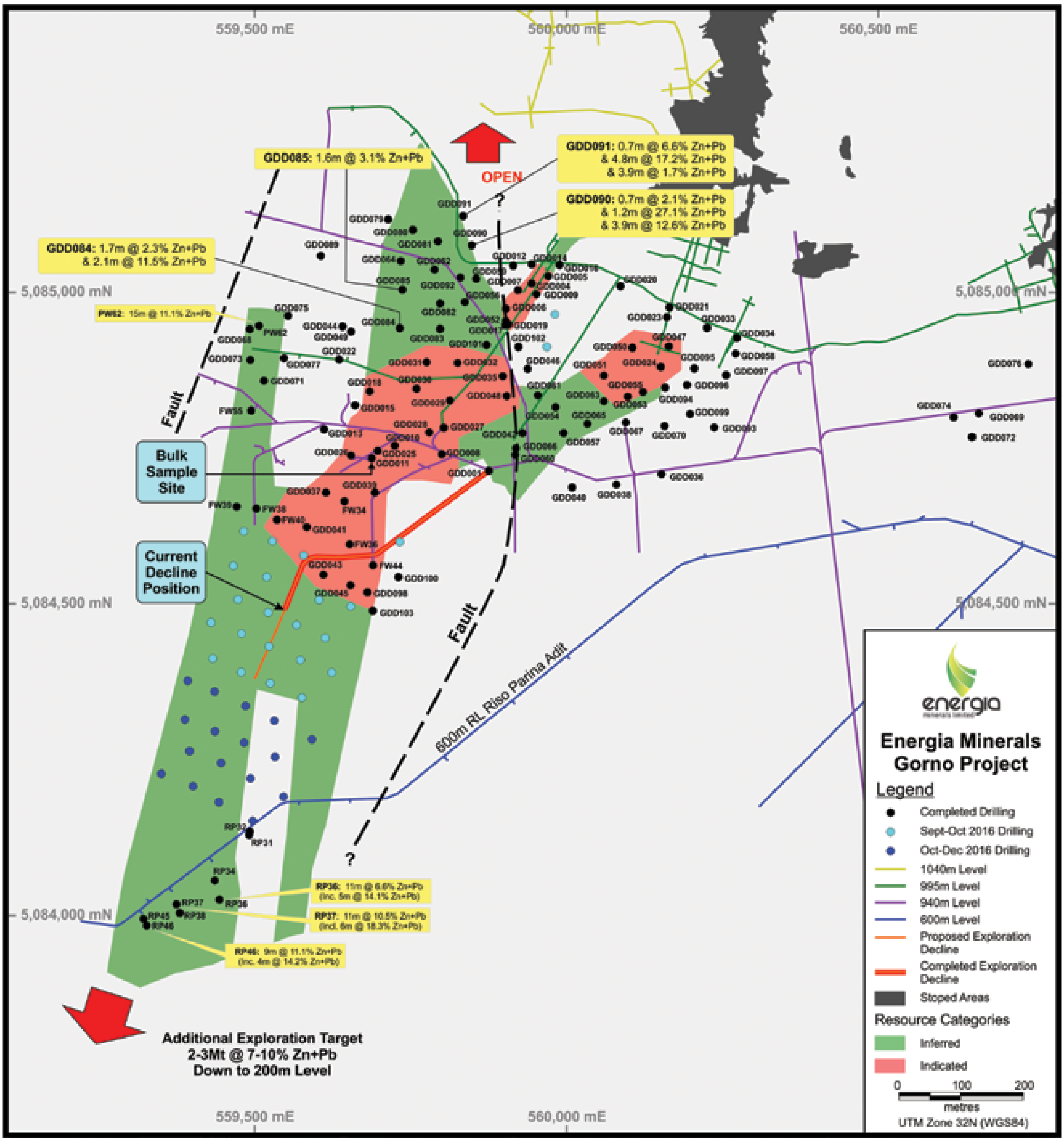

Figure 4: Gorno Zinc Project Resources Outline & Drilling Program

Exploration Drilling

Diamond drilling at the Gorno Zinc Project on the Colonna Zorzone deposit commenced 15 June 2015, the drilling program has been highly successful delivering results that have exceeded Energia's expectations.

During the year, 85 diamond drill holes were drilled for a total of 7,456m at Colonna Zorzone. Initial drilling on the Colonna Zorzone deposit was focussed on delivering the Maiden Mineral Resource completed in March 2016. Post-March 2016, drilling was focused on providing data to upgrade the Inferred component of the resource to an Indicated classification and increase the level of geological knowledge in the Mineral Resource.

Of the 85 holes drilled, 3 were for geotechnical purposes, 4 were abandoned, and 64 holes returned significant mineralised intercepts, some of the outstanding drilling results are as follows:

- **8.5m at 13.6% Zinc, 3.4% Lead, 59 g/t Silver (GDD004)**
- **4.0m at 32.3% Zinc, 7.9% Lead, 74 g/t Silver (GDD007)**
- **21.7m at 8.1% Zinc, 2.2% Lead, 51 g/t Silver (GDD024)**
- **3.2m at 16.9% Zinc, 4.3% Lead, 57 g/t Silver (GDD031)**
- **9.9m at 9.0% Zinc, 2.0% Lead, 19 g/t Silver (GDD041)**
- **8.6m at 8.2% Zinc, 2.3% Lead, 40 g/t Silver (GDD048)**
- **11.4m at 6.5% Zinc, 2.0% Lead, 25 g/t Silver (GDD068)**
- **7.1m at 26.5% Zinc, 2.5% Lead, 95 g/t Silver (GDD083)**

Mineral Resource Statement

As announced to the Australian Securities Exchange (ASX) on 16 March 2016, a combined **Indicated and Inferred Mineral Resource of 3.87Mt grading 6.1%Zn, 1.6%Pb and 25g/t Ag** was estimated for the Colonna Zorzone Deposit above the 550 level. The Mineral Resource Estimate was prepared by Jorvik Resources Pty Ltd and completed in accordance with the requirements of the JORC Code (2012) and is summarised in Table 1.

This initial Mineral Resource Estimate for Colonna Zorzone marked a key milestone for the Gorno Zinc Project as part of the strategy to fast-track development of the project to take advantage of tightening zinc market conditions.

Work is underway to complete a revised Resource Mineral estimate incorporating results from ongoing infill diamond drilling program and is expected to be completed during December 2016.

The Mineral Resource remains open in several directions and as soon as the Riso Parina adit has been refurbished as part of the anticipated Colonna Zorzone development, Energia plans to test the previously announced additional Exploration Target of 2-3 million tonnes grading 7-10% Zn+Pb in the interpreted down dip extension to the south of the defined Mineral Resource (see 16 March 2016 release), where grades are expected to be higher than the currently defined Inferred Resource (see Figures 4).

Cautionary Note: This Exploration Target, which is part of a larger Exploration Target of 7-11 million tonnes grading 7-10% Zn+Pb and is exclusive of the Colonna Zorzone Mineral Resource, is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if future exploration will result in the estimation of a Mineral Resource. The detail of this Exploration Target was released to ASX by the Company on 16 March 2016. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement. All material assumptions and technical parameters underpinning the Exploration Target in that previous announcement continue to apply and have not materially changed.

Scoping Study and Definitive Feasibility Study

In April 2016, Energia announced that it had received positive results from an Independent Scoping Study completed by mining consultants Jorvik Resources Pty Ltd (Jorvik), paving the way for the Project to advance rapidly with the commencement of a Definitive Feasibility Study (DFS). The Scoping Study, which focussed on the currently defined Mineral Resource within the Colonna Zorzone Deposit, has confirmed Energia's belief in the competitive advantages of the Gorno Project hence the Company took the decision to proceed to carry out a DFS in the 2016-2017 financial year.

The DFS will incorporate additional resource definition, environmental studies, metallurgical test work and process plant design along with other key assessments and permitting. This DFS is anticipated to be completed during January 2017.

March 2016 OK Estimate Reported using a 1.0% Zinc cut-off grade Subdivided by JORC Code 2012 Resource Categories using ROUNDED figures							
Category	Tonnes (Mt)	Zinc (%)	Contained Zinc (Kt)	Lead (%)	Contained Lead (Kt)	Silver (ppm)	Contained Silver (Moz)
Indicated	0.97	7.0	68	1.9	19.0	29	0.9
Inferred	2.90	5.8	170	1.5	44.0	23	2.2
Total	3.87	6.1	238	1.6	63	25	3.1

Table 1: Extract from Colonna Zorzone Mineral Resource Statement

Mine Development

In addition to providing general access, water, power, and ventilation; development works on the Gorno Project have included stripping of existing access tunnels, and commencement of an Exploration Decline.

Stripping of the access tunnels from the Forcella Portal to the Exploration Decline take off point has been completed. In total 1,334m was stripped to allow bigger machinery access for the decline development and make safe the existing access.

By 30 June 2016, the Exploration Decline had advanced to 249m of the planned 560m length. The Exploration Decline will provide drilling platforms to allow for the drilling out of the resource below the 850 level on a 50m x 50m pattern. The second drill cuddy position was reached during August, and drilling commenced from the Exploration Decline in September.

Metallurgy

Testwork using a Dual Energy XRT Ore Sorter was completed by Tomra Outotec on a 4.1 tonne bulk sample of sulphide material extracted from a crosscut within the Indicated Resource on the 940 level (see Figure 5). The results from this work are summarised in Table 2.

The bulk sample was extracted from a cross-cut along the same trajectory as diamond hole GDD011 (see Figure 4 for location) and included 15% footwall waste dilution to simulate what would be expected from run-of-mine (ROM) material. This bulk sample contained a high proportion of disseminated mineralisation and was conservatively selected on the basis that it was considered to be potentially the least amenable for ore sorting.

The bulk sample was crushed and screened into three fractions, with two of these fractions (12.5-30mm – 1.78t and 30-70mm – 1.38t) processed in a series of eight tests run at different sensitivities, under Outotec's supervision at the Tomra sorting test facility in Germany. Best results from the 12.5-30mm and 30-70mm fractions were achieved in tests 3 and 8 respectively, which produced combined metal recoveries of **94.1% for zinc, 93.5% for lead and 92.8% for silver with a rejection of approximately 60%**. In these two samples, the grade increased from a feed grade of **7.6% Zn+Pb and 23g/t silver to a calculated combined grade of 18.5% Zn+Pb and 54g/t silver with the combined grade of the reject fraction achieving a very low 0.8% Zn+Pb and 3g/t of silver.**

The third fraction (<12.5mm – 1.75t) was not processed and in a production scenario this fraction would be recombined with the upgraded material, railed to the flotation plant and fed into the grinding circuit. Taking this into account, the testwork has demonstrated that an overall rejection from the Ore Sorters of approximately 40% should be readily achieved from run-of-mine ore.

These results, which could be further optimised by reducing the coarsest size fraction to 30-60mm, will translate into a significant reduction in underground transport and treatment costs which will be quantified during the DFS. Additionally, the reject fraction from ore sorting would be produced underground at the Colonna Zorzone mine-site and be utilised as backfill in a future mining operation, resulting in further cost savings. The higher grades being fed into the processing plant would also result in less tailings being produced.

Test	Fraction mm	Mass Rejected %	Recovery Zinc %	Upgrade Zinc %	Recovery Lead %	Upgrade Lead %	Recovery Silver %	Upgrade Silver %
1	12.5-30	42.1	96.6	167	96.1	165	96.1	166
2	12.5-30	48.5	95.9	186	95.7	186	95.9	186
3	**12.5-30**	**57.6**	**93.6**	**220**	**93.4**	**223**	**91.6**	**216**
4	12.5-30	67.5	90.2	277	90.1	275	87.7	269
5	30-70	50.0	96.0	193	95.2	189	95.0	190
6	30-70	61.6	94.9	246	94.0	246	91.8	238
7	30-70	46.4	95.6	178	94.9	176	94.1	175
8	**30-70**	**62.8**	**94.4**	**254**	**93.6**	**253**	**93.7**	**251**

Table 2: Bulk Sample Dual Energy XRT Sorting Results

Another ROM sample from the same crosscut (see Figure 5) and a second sample of material upgraded through Outokumpu Tomra's Ore Sorter were collected to conduct locked cycle test work through Grinding Solutions Pty Ltd's (GSL) facilities in Cornwall, United Kingdom.

These both returned excellent recoveries of zinc (>90%), achieving zinc concentrate grades in excess of 60% zinc, with the upgraded sample achieving 95.7% recovery to a 63.08% concentrate grade with very low impurity levels (1.4%Pb, 0.011%Cu, 0.55%Fe, 0.007%As, <0.0001%Bi, 0.04%Sb, 0.02%Hg, <0.01%F and 1.55%SiO2). If a 6% loss of zinc is assumed for processing through the Ore Sorter, then the overall zinc recovery can be expected to be 90%.

Work is continuing on the lead and silver recoveries and the focus of ongoing locked cycle work is to improve the silver recovery by floating as much of the minerals Bournonite and Tetrahedrite into the lead concentrate as possible, which will also have a positive impact on lead recovery but potentially result in a small antimony penalty in the lead concentrate.

A conceptual process flowsheet is detailed in Figure 6. At this point of metallurgical investigation a decision on an oxide flotation configuration has not been finalised, however, testwork is ongoing and a zinc oxide circuit will be included in the final design.

Safety and Environment

No Occupational Health and Safety (OHS) incidents were recorded during the period although a number of unsafe acts and near misses occurred which have all been addressed.

Environmental activities required for both a VIA (an Environmental Impact Assessment) and an AIA (an Integrated Environmental Authorisation) are ongoing as part of the approvals and DFS process.

Baseline water data collection continues within the Riso Parina adit and both hydrological modelling in consultation with relevant authorities and noise monitoring has commenced. Air monitoring continues underground and general air monitoring will commence in September.

Figure 5: High-grade Zinc mineralisation in the Cross-cut on the 940 Level

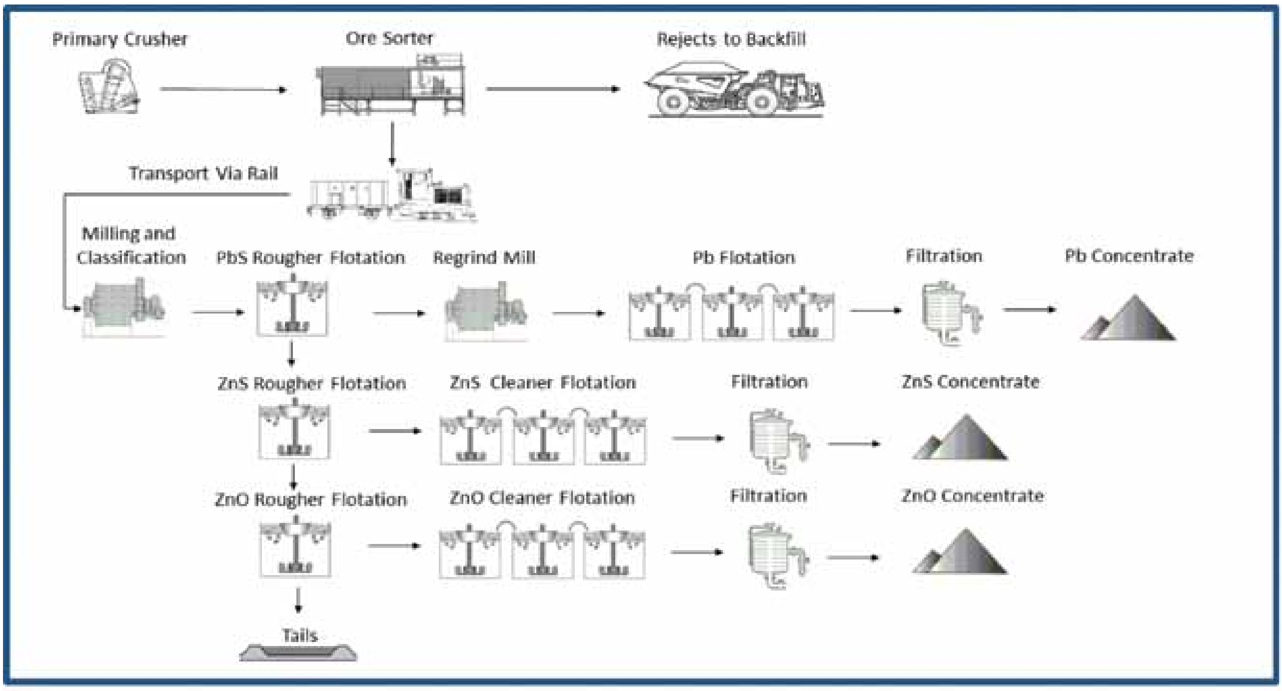

Figure 6: Conceptual Processing Plant Flow sheet

Salafossa and Predil Zinc Projects, Italy

Energia has Exploration Licence applications for covering two historically large Mississippi Valley Style producers (both have similar Zn:Pb ratios to Gorno). These Exploration Licences, if granted, will offer significant additional growth opportunities alongside the Company's flagship Gorno Zinc Project. The two applications cover the historical zinc mines of Predil and Salafossa in the far north-east of Italy, close to the borders of Slovenia and Austria respectively and approximately 400km by road from Gorno (see Figure 1).

The Predil mine (previously known as Raibl), has a long production history dating back to the eleventh century and was prematurely closed in 1991 by ENI as part of the Italian government's strategy for ENI to limit its activities to oil and gas. Predil (see Figure 1) is estimated to have produced **30Mt of ore grading 5.0% zinc and 1.2% lead (1.9Mt of contained Zn+Pb)** and, at the time of its closure, was producing approximately 50,000 tonnes of zinc and lead concentrates annually which were transported to Gorno to be treated through the Ponte Nossa Refinery which still operates today. The Predil deposit remains open at depth.

Energia has also applied for an Exploration Licence covering the **Salafossa Mine,** which is located to the north of the town of San Pietro Di Cadore and within 7km of the Austrian border. Salafossa was discovered in 1959 and was mined by Societa Mineraria e Metallurgica di Pertusola SpA from 1964 until its closure in 1986. Salafossa produced **10.95Mt of sulphide ore grading 5.0% zinc and 1.0% lead** at an average production rate of approximately 500,000 tonnes per annum over 22 years. Salafossa production was from a single flat-lying deposit with dimensions of 750m by 200m and up to 30m wide which facilitated mining by low cost, large scale open stoping.

Energia is planning to commence digitising data for Predil and Salafossa stored in regional and state archives.

No work was carried out on either Salafossa or Predil during the year pending the granting of the exploration licences.

Novazza and Val Vedello Uranium Projects, Italy

Energia's two existing uranium Exploration Licence applications, at Val Vedello and Novazza (see Figure 1) in the Lombardia region of Italy, both cover previously identified significant uranium mineralisation with substantial underground development but no recorded ore mining other than underground bulk sampling for pilot plant testwork.

No work was carried out on either Novazza or Val Vedello during the year pending the granting of exploration licences.

OPERATIONS REPORT

AUSTRALIAN PROJECTS

Nyang Project (Western Australia)

On 7 August 2015, the Company completed the disposal of the Carley Bore Project to Paladin Energy Limited (Paladin). The Carley Bore Project consisted of three Exploration Licences E08/1644, E08/1645 and E08/1646. The consideration received of $9.7 million comprised of $1.6 million cash plus 45 million Paladin shares (of which 16 million shares were subject to escrow for 12 months).

Following the sale of the Carley Bore Project at Nyang, the residual Nyang Project is now comprised of one granted tenement and two tenements under plaint that are currently owned by Cauldron Energy Ltd (Cauldron) and which are located between and along strike of Paladin's Manyingee and Carley Bore deposits along the highly prospective eastern margin of the Carnarvon Basin of Western Australia (see Figure 9).

The Wardens Court has recently handed down a recommendation to the Minister that Cauldron's application for expenditure exemption for the disputed tenements be refused. Energia's application for forfeiture is now proceeding in the Wardens Court following endorsement by the Minister of the Wardens decision to refuse Cauldron's exemption application. These three tenements cover an area of 1,536km^2 and are prospective for hosting similar roll front uranium occurrences as delineated at the Carley Bore Project.

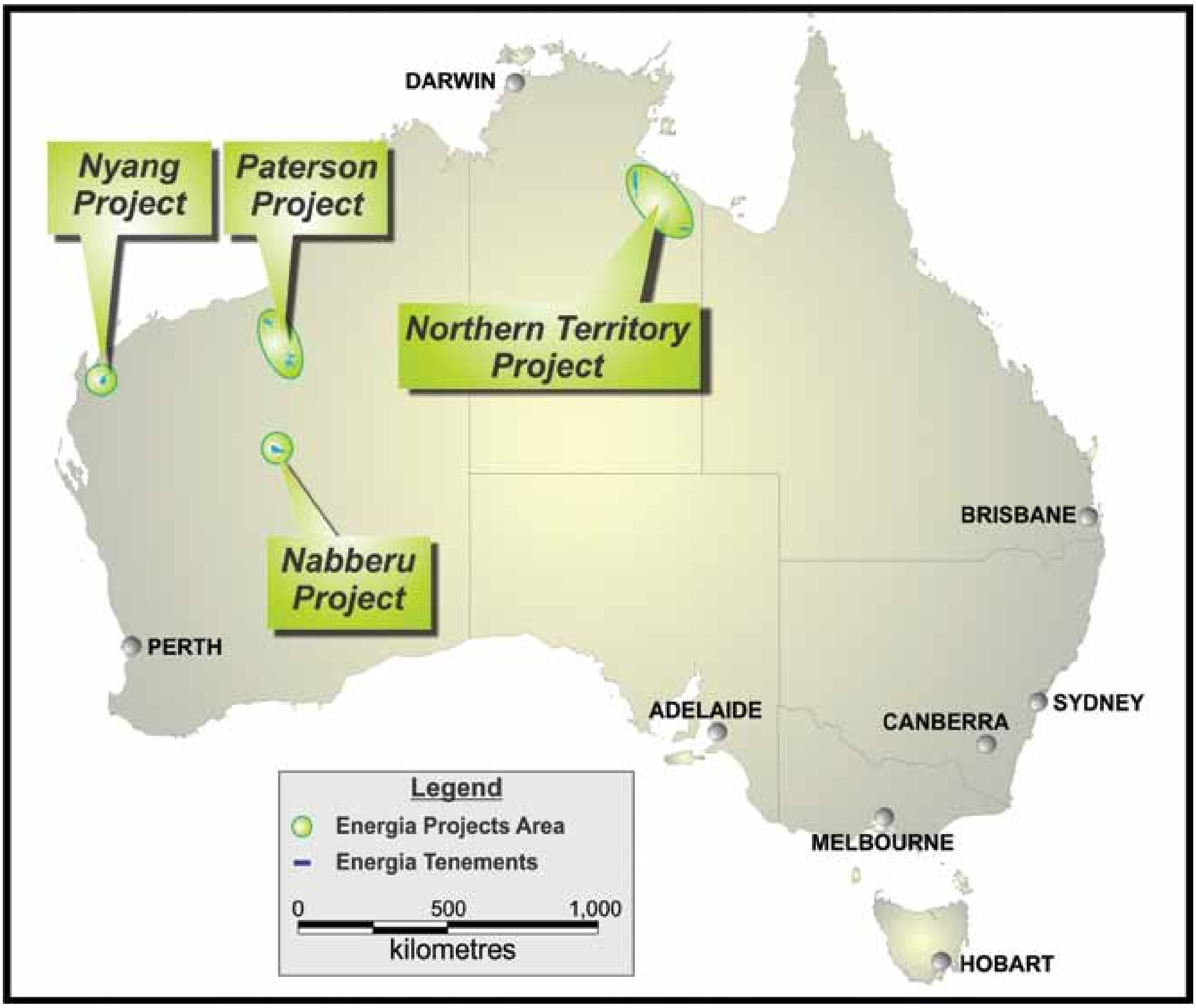

Figure 7: Location of Australian Project Areas

Paterson Project (Western Australia)

Energia has a large and strategically located tenement package totalling 1,616km^2 in the underexplored Paterson Province of Western Australia. This region hosts a number of world class mineral deposits including Telfer, Nifty and Kintyre and is considered to be highly prospective for zinc deposits. All tenements have been granted and one of the tenements E45/2886 granted covers an area of approximately 194km^2 approximately 15km northwest of the world-class Kintyre uranium deposit (see Figure 10).

Interest in this region has increased significantly after Encounter Resources Ltd (ASX: ENR) reported further high-grade copper intercepts and broad zones of zinc mineralisation on its tenements adjacent to Energia tenements.

In addition to this, Antipa Minerals and Rio Tinto have entered into a $60 million dollar farm-in agreement in the Citadel Project further highlighting the potential of the region.

Currently planned work is confined to the tenement E45/2886, where previous work has identified various geochemical and geophysical anomalies that have never been drill tested. Energia and its consultants have completed a review of the project and have identified that a gravity survey and surface mapping and sampling program should provide sufficient data to allow drill targeting on the tenement. These works were planned for June 2016, however land access approvals have delayed the program until the second quarter of 2017.

Compilation of open file data and its interpretation is ongoing and it is expected that geophysical surveys and mapping and sampling will be undertaken on these tenements in 2017.

Nabberu Project (Western Australia)

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

Dolomites in the region have been shown to host bitumens and kerogens which have potential to act as reductants for mineralised solutions. Historical data shows these occur within the application area in conjunction with sphalerite. Open file data is being compiled and assessed for these tenements and they are expected to proceed to grant shortly.

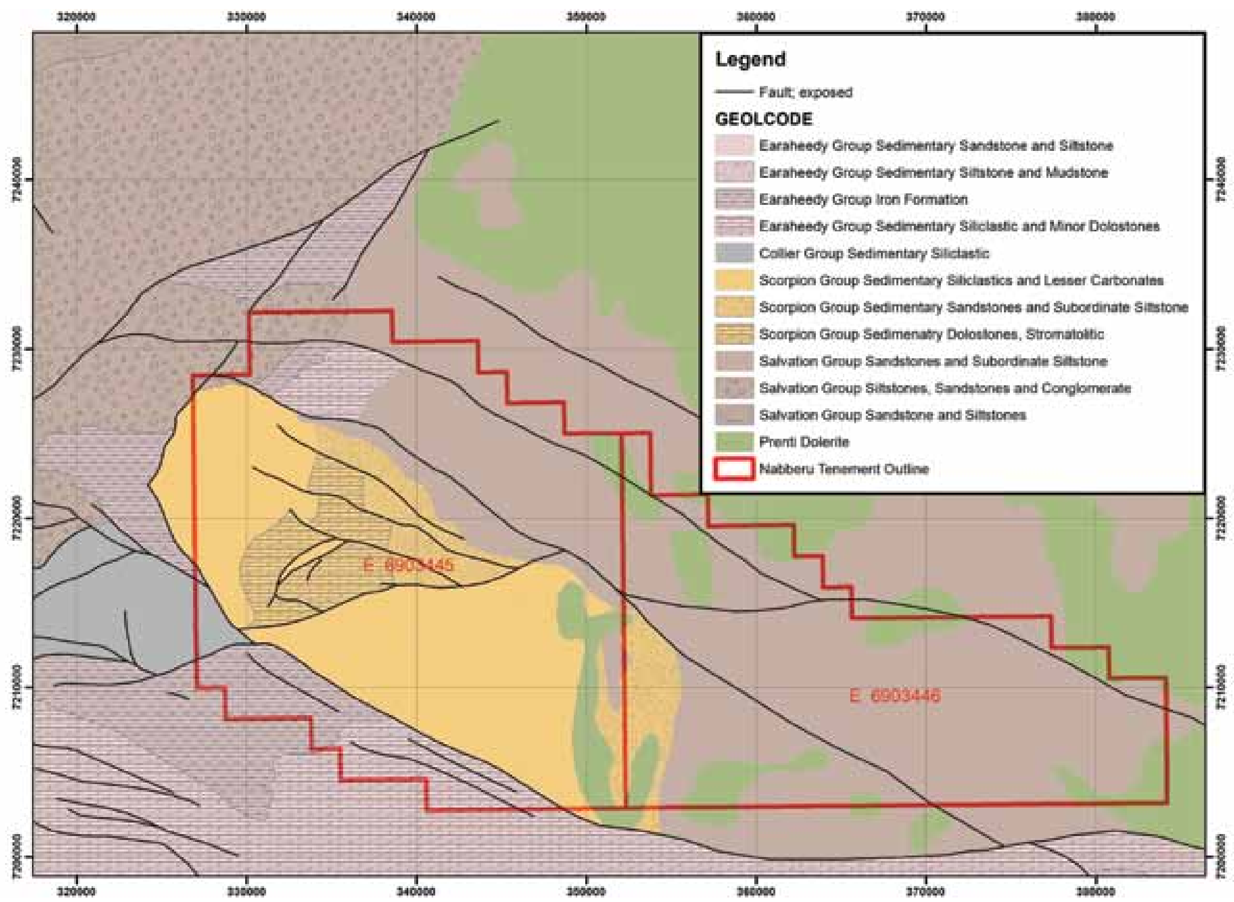

Figure 8: Nabberu Geology and the Exploration Licence Application Outline

McArthur River Project (Northern Territory)

Energia has one granted Exploration Licence (Nathan River EL31045) and three applications for Exploration Licences (McArthur EL25272, Westmoreland West EL25269 and Bauhinia EL31046) totalling 1,610km^2 in the Northern Territory. Open file data has been obtained and reviewed for these leases and assessment and interpretation is underway, with an aim to establish the potential of noted mineral occurrences on these leases, and generate further targets for investigation.

The McArthur, Nathan River, and Bauhinia tenements cover the western margin of the McArthur Basin and are prospective for copper, zinc and lead. They are situated approximately three kilometres to the west of Pacifico Minerals Ltd's (ASX: PMY) Coppermine Creek copper discovery (see Figure 11) and Four Mile zinc – lead prospect within the highly prospective Barney Creek Formation which is interpreted to pass into Energia's ground at approximately 250m depth.

The Westmoreland West tenement is situated some 250 kilometres to the south west of the other tenements and is prospective for copper, lead, zinc, silver and uranium.

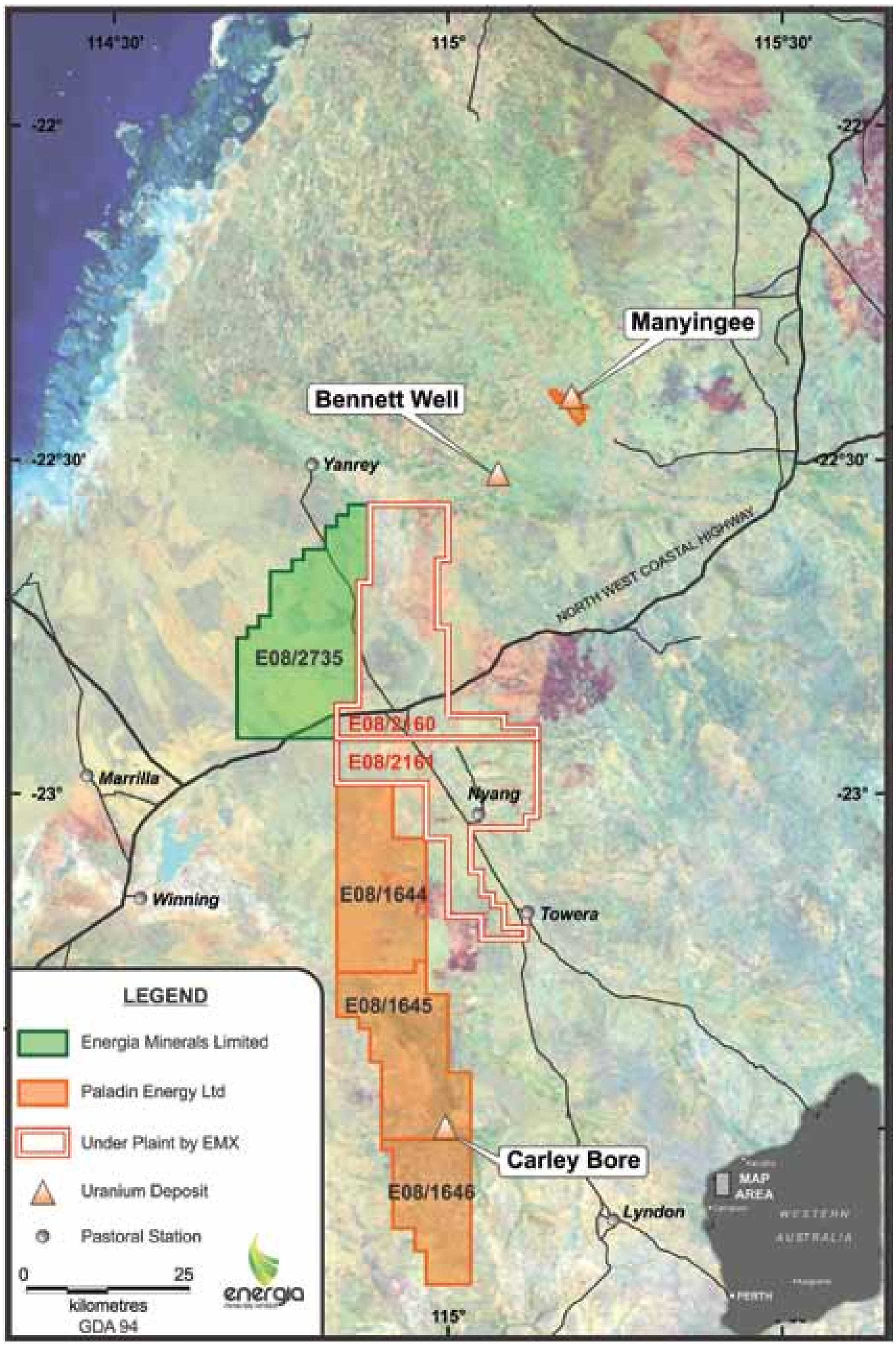

Figure 9: Location of the Nyang Project in the Carnarvon Basin, Western Australia

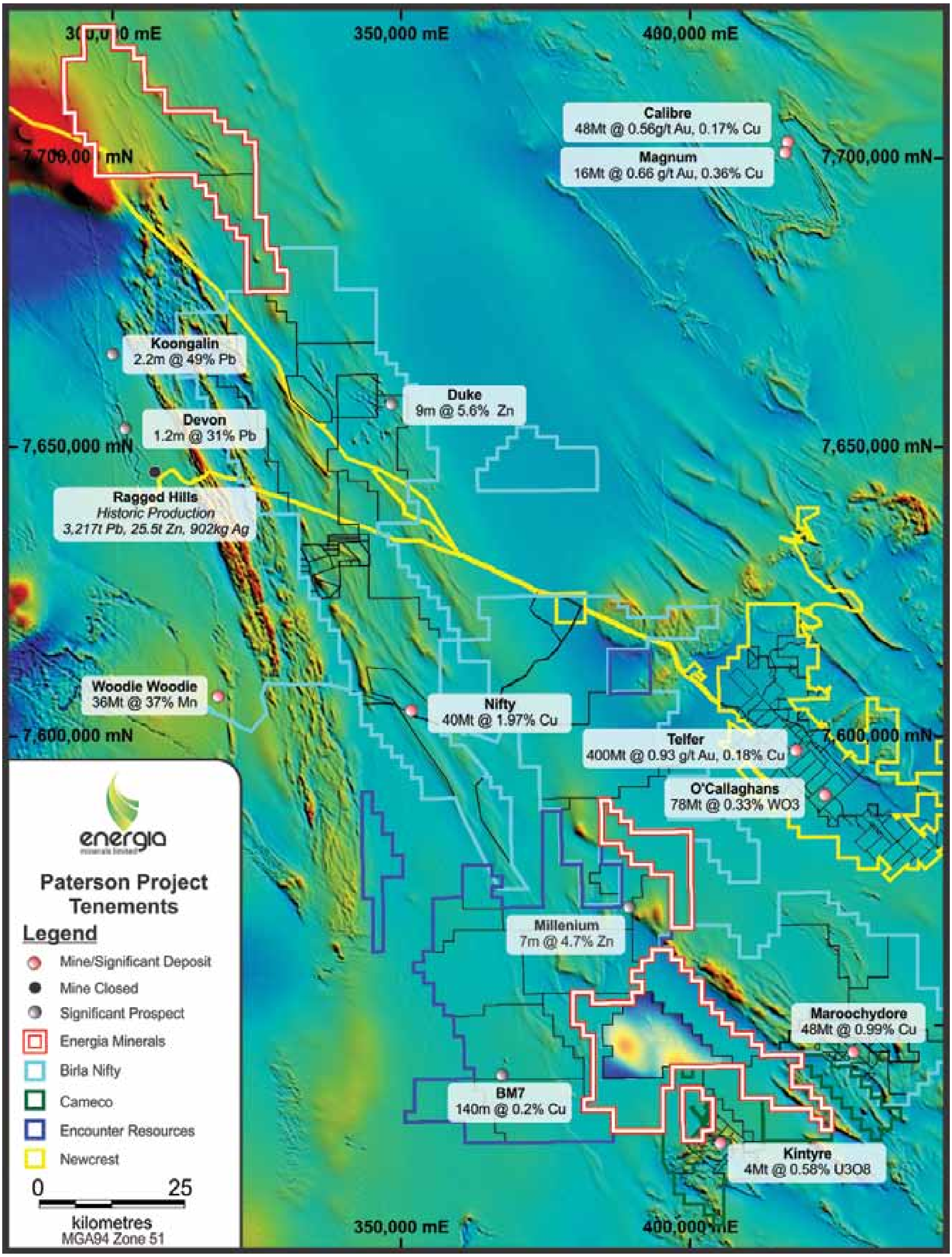

Figure 10: Location of Paterson Project Tenements, Western Australia

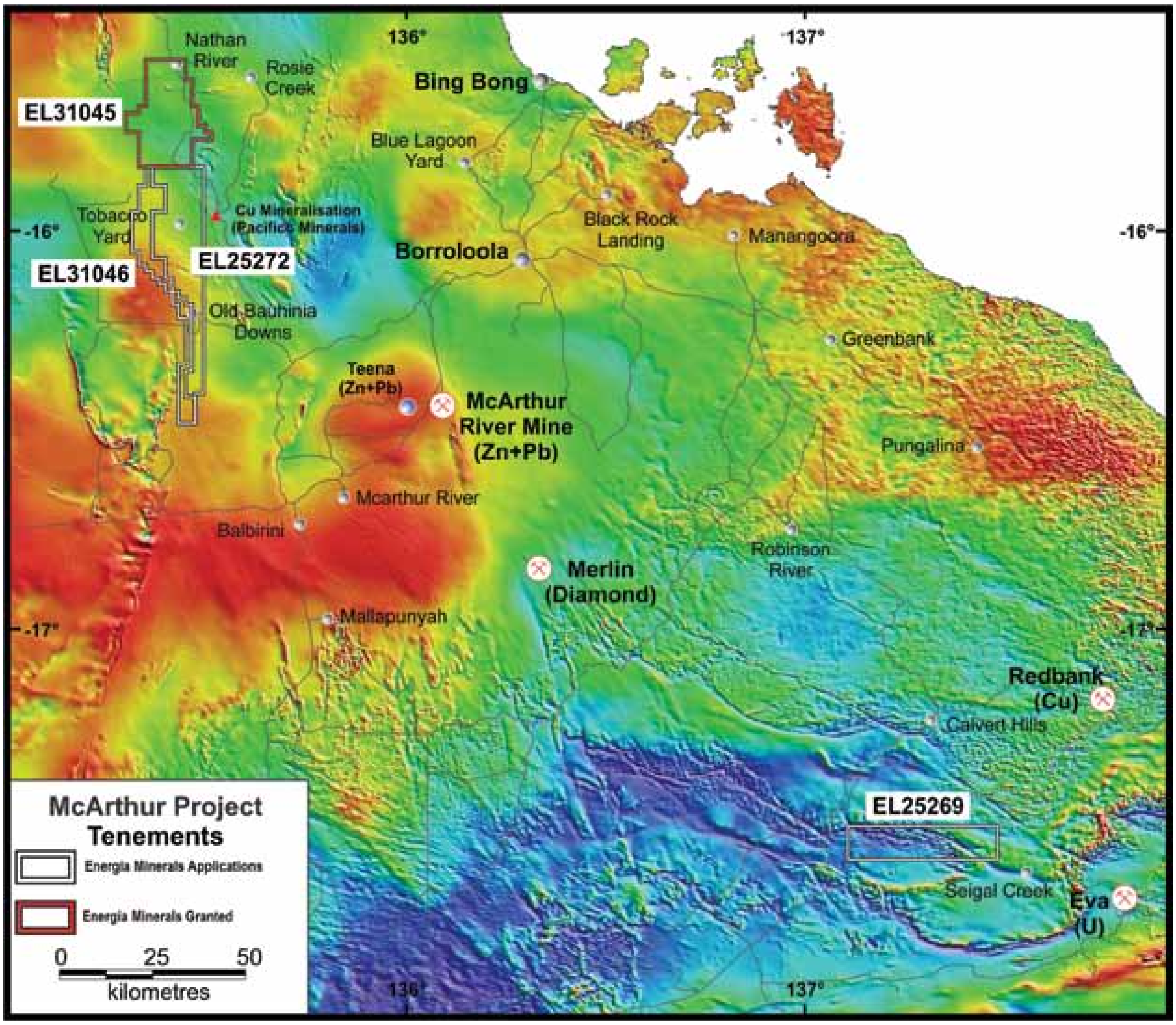

Figure 11: Northern Territory – McArthur River Project

COMPETENT PERSON STATEMENTS

Information in this Annual Report that relates to Exploration Targets and 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 release of the matters based on their information in the form and context in which it appears.

FORWARD-LOOKING STATEMENT

Certain statements made in this Annual Report, contain or comprise certain forward-looking statements regarding Energia Minerals Limited's exploration operations, economic performance and financial condition. Although Energia believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices, exchange rates and business and operational risk management. Energia undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

DIRECTORS' REPORT

The directors submit their report for Energia Minerals Limited and its controlled entities, ("Energia" or "the Group") for the year ended 30 June 2016.

DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. The directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Alexander Burns – Executive Chairman (appointed 7 October 2014)

MBA

Mr Burns was Managing Director of Sphere Minerals Limited from 1998 – 2010. During this period, the company acquired and evaluated iron ore properties in Mauritania, West Africa. Sphere was subsequently taken over by Xstrata PLC in November 2010 for $514 million. Mr Burns was also a non-executive Chairman of Shield Mining Limited (Shield), which was spun out of Sphere in 2006. Shield was a gold and base metals exploration company active in Mauritania and was taken over by Gryphon Minerals Limited in mid-2010.

During the past three years, Mr Burns has not served as a director of any other listed companies.

Mr Kim Robinson – Managing Director (appointed 30 April 2012)

BSc (Geology)

Mr Robinson has over 40 years' experience in mineral exploration and mining having graduated from the University of Western Australia in 1973 with a degree in Geology.

His experience is extensive including 10 years as Executive Chairman of Forrestania Gold NL. During his time at Forrestania, Mr Robinson played a key role in the discovery and development of the Bounty Gold Mine, the development of the Mt McClure Gold Mine and the discovery of the Maggie Hays and Emily Ann nickel sulphide deposits. Mr Robinson was also a Non-executive Director of Jubilee Mines NL in the period leading up to the discovery and development of the Cosmos Nickel Mine.

Mr Robinson was a founding Director of Kagara Ltd (in liquidation) where he held the position of Executive Chairman for a period of 12 years until February 2011. During this time he oversaw the development of Kagara's North Queensland base metal operations, the listing of Mungana Goldmines Ltd on the ASX and the acquisition and development of the high-grade Lounge Lizard nickel deposit in Western Australia.

During the past three years Mr Robinson has also served as a director of the following listed companies:

- Kagara Ltd (in liquidation)* – appointed September 1992; and
- Apex Minerals Ltd (in liquidation)* – appointed April 2006.

* denotes current directorship

Mr Max D J Cozijn – Finance Director (appointed 13 May 1997, resigned 30 June 2016)

BCom, CPA, MAICD

Mr Cozijn was a founding director of Energia and held the position of Finance Director. He has a Bachelor of Commerce Degree from the University of Western Australia having graduated in 1972, is a member of CPA Australia and is a member of the Australian Institute of Company Directors. He has over 30 years' experience in the administration of listed mining and industrial companies, as well as various private operating companies.

During the past three years, Mr Cozijn has also served as a director of the following listed companies:

- Oilex Ltd* – appointed September 1997;
- Jacka Resources Ltd* – appointed 21 May 2014;
- Malagasy Minerals Limited – appointed September 2006, resigned 8 August 2013, and
- Carbon Energy Ltd – appointed September 1992 and resigned 21 April 2015.

* denotes current directorship

Mr Marcello Cardaci – Non-executive Director (appointed 7 October 2014)

BJuris, LLB, B.Com

Mr Cardaci is a partner of Gilbert & Tobin's Corporate Advisory Group. Mr Cardaci advises on a range of corporate and commercial matters including public and private equity fund raisings and public and private mergers, acquisitions and divestment. Mr Cardaci also regularly advises on issues relating to *Corporations Act* and *Australian Securities Exchange Listing Rules*. He has cross-border experience, having advised on numerous overseas transactions including capital raisings, takeovers, schemes of arrangements and the structuring of acquisitions and joint ventures in numerous countries. Mr Cardaci has also lectured in the securities law course conducted by the *Securities Institute of Australia* and is a past committee member of the State Branch of the *Australian Mining and Petroleum Law Association Limited.*

Mr Cardaci is the Chairman of the Remuneration Committee, Nomination Committee and Audit & Risk Committee when the full board meets in its capacity as these committees.

During the past three years, Mr Cardaci has also served as a director of the following listed companies:

- Manhattan Corporation Limited* – appointed December 2006;
- Style Limited – appointed May 2013 and resigned 10 August 2015;
- Forge Group Limited (in liquidation) – appointed June 2007 and resigned October 2013, and
- Lemur Resources Limited – appointed February 2009 and resigned November 2013.

* denotes current directorship

Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the directors in the shares and options of Energia were:

	Number of Ordinary Shares		No. of Options Over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
A Burns	–	139,847,071	–	–
K Robinson	1,063,665	19,137,966	9,000,000	12,000,000
M D Cardaci	–	25,333,334	–	–

COMPANY SECRETARY

Max D J Cozijn –
appointed 11 December 2013, resigned 1 July 2015
BCom, CPA, MAICD

Details of Mr Cozijn's qualifications and experience are disclosed in the director's information section contained in this report.

Jamie M Armes
– appointed 1 July 2015
BBus, CA

Mr Armes is a Chartered Accountant with a Bachelor of Business from the University of Tasmania. He has over 20 years' experience within the accounting profession and the administration of public listed companies in the mining and exploration industry.

PRINCIPAL ACTIVITIES

The principal activity of the entities within the Group during the year was the exploration of a suite of tenements located throughout Italy and Australia.

REVIEW OF OPERATIONS

Operating Review, Business Strategy and Prospects

The Group's operations, business strategies and prospects are discussed in detail in the *Operations Report* attached to this *Directors' Report* on page 2.

Operating Results for the Year

The consolidated net profit after tax of the Group from continuing and discontinued operations for the year was $401,242 after tax (2015: Net loss $4,618,121).

The result for the year was impacted by the disposal of the Carley Bore Project to Paladin Energy Ltd (Paladin). 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 were subject to escrow until 7 August 2016) resulting in a net gain on disposal of $8,292,576.

The Group disposed of 24,316,613 Paladin shares during the year to realise proceeds of $5,406,234. These proceeds assisted in funding the Group's exploration activities.

DIRECTORS' REPORT

Exploration expenditure on continuing operations for the year was $7,096,694 (2015: $2,285,009). The increase in exploration expenditure when compared to the previous financial year is due to the significant exploration activities undertaken at the Gorno Zinc Project.

Administration expenditure was $1,990,002 (2015: $1,314,920). The increase is due primarily to a rise in employee benefits expenditure following an expansion in staffing levels to facilitate the Group's activities.

During the year ended 30 June 2016, the Group obtained a Research and Development Incentive from the Australian Federal Government of $89,087 (2015: $173,575) this claim was in relation to research activities undertaken on the Carley Bore Project prior to disposal.

Capital Structure

As at the date of this report, the Group had 609,020,979 (2015: 609,020,979) fully paid ordinary shares on issue and 39,750,000 (2015: 28,500,000) unlisted options over ordinary shares. No ordinary shares were issued during the year ended 30 June 2016 (2015: 369,029,181).

Unlisted Options

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

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

Additional details regarding the options granted during the year and the terms of options on issue are provided in Note 25 of the consolidated financial statements.

Cash on Hand

Cash on hand at 30 June 2016 was $2,494,771 (2015: $4,109,628).

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 can continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Group to execute current anticipated exploration activities requires the Group to raise additional capital. Additional information is provided in Note 2 of the consolidated financial statements.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company other than those detailed elsewhere in this Review of Operations.

Significant Events after the Balance Date

Disposal of Investment in Paladin Energy Ltd

Subsequent to year end, the Group disposed of its remaining investment in Paladin Energy Ltd realising net proceeds of $3.5 million.

Fully Underwritten Non-Renounceable Rights Issue

On 12 September 2016, the Group announced that it was proceeding with a fully underwritten pro-rata non-renounceable rights issue to raise up to approximately $6.1 million before associated costs of the issue (Rights Issue). The Rights Issue is being undertaken on the basis of two (2) new fully paid ordinary shares for every seven (7) ordinary shares held by eligible shareholders at $0.035 (3.5 cents) per share. The Rights Issue is fully underwritten by Euroz Securities Limited (Euroz). The Rights Issue is scheduled to close on 7 October 2016.

A maximum of approximately 174,005,994 ordinary shares will be issued under the Rights Issue. Following completion of the Rights Issue will have approximately 783,026,973 fully paid ordinary shares on issue.

Apart for the above, there has not been any significant event that has occurred after balance date that has not been brought to account in the 30 June 2016 Annual Report.

Likely Developments and Expected Result

For the year ended 30 June 2016, the Group will continue to undertake mineral exploration to advance the status of its projects, with a primary focus on the advancement and development of the Gorno Zinc Project in Italy.

Environmental Regulation and Performance

The Group holds exploration tenements issued by the relevant regulatory authorities in which the Group operates, being the various states of Australia and Italy. The conditions attaching to these tenements and/or the relevant legislation in those jurisdictions impose obligations on the Group in relation to the environmental management of its operations on the tenements. There have been no known breaches of the Group's environmental obligations to which it is subject.

SHARE OPTIONS

Unissued Shares – Options

As at the date of this report, there were 39,750,000 unissued ordinary shares under option (39,750,000 at balance date). Refer to Note 25 of the financial statements for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any issue of shares by the Group or any related body corporate.

Shares Issued as a Result of the Exercise of Options

During and since the end of the financial year, no ordinary shares were issued as the result of the exercise of options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS' AND OFFICERS

The Group has entered into a Deed of Access, Insurance and Indemnity (Deed) with each Director and the Company Secretary (Officers). Under the Deed, the Group indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the Officers in connection with the Officers being an officer of the Group, the employment of the Officer with the Group or a breach by the Group of its obligations under the Deed.

Also, pursuant to the Deed, the Group must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Group.

During, or since the financial year, the Group has paid premiums in respect of a contract insuring all the directors, company secretary, executives and employees of Energia against legal costs incurred in defending proceedings for conduct other than:

(a) a wilful breach of duty; or

(b) a contravention of sections 182 or 183 of the *Corporations Act 2001*; as permitted by section 199B of the *Corporations Act 2001*.

In accordance with a confidentiality clause under the insurance policy the amount of premium paid to insurers has not been disclosed. This is permitted under Section 300(9) of the *Corporations Act 2001*.

AUDITOR INDEPENDENCE AND NON AUDIT SERVICES

The independence declaration received from our auditors, Crowe Horwath Perth, for the year ended 30 June 2016 has been received and is attached to this report on page 29.

INDEMNIFICATION OF AUDITORS

No payment has been made to indemnify Crowe Horwath Perth during or since the financial year.

NON AUDIT SERVICES

The Group's auditors, Crowe Horwath Perth, provided no non-audit services during the year ended 30 June 2016 (2015: nil).

DIRECTORS' MEETINGS

During the financial year, 14 meetings of directors, including committees of directors, were held and the number of meetings attended by each director was as follows:

	Director's Meetings		Meeting of Committees					
			Audit & Risk Committee		Remuneration		Nomination	
	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended	No. Eligible to Attend	No. Attended
Alexander Burns	9	9	3	3	1	1	1	1
Kim Robinson	9	9	3	3	1	1	1	1
Max Cozijn	9	9	3	3	1	1	1	1
Marcello Cardaci	9	9	3	3	1	1	1	1

COMMITTEE MEMBERSHIP

The role of the Audit and Risk, Remuneration and Nomination Committees is carried out by the full board. The directors consider that no efficiencies or benefits would be gained by establishing separate committees. Whilst the board has not established separate committees, it has adopted charters which describe the role, composition, functions and responsibilities of the full board when acting in its capacity as the Audit and Risk, Remuneration and Nomination Committees. Reference to committee meetings in the table above refers to separate meetings convened by the full board to specifically deal with the business of that committee in accordance with the charters of the Audit and Risk, Remuneration and Nomination Committees.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

DIVIDENDS

No dividends have been paid or declared during the financial year and the directors do not recommend the payment of a dividend.

REMUNERATION REPORT (AUDITED)

This Remuneration Report for the year ended 30 June 2016 outlines the remuneration arrangements in place for directors and executives of the Parent and the Group, in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Parent and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes three executives of the parent company.

For the purposes of this report, the term "executive" includes the Executive Chairman, Managing Director, Finance Director, senior executives of the Parent and the Group and the term "director" refers to non-executive directors only.

Details of KMP of the Parent and Group are set out below:

Key Management Personnel

Non-executive Director

Mr M Cardaci	appointed 7 October 2014

Executive Directors

Mr A Burns	Executive Chairman – appointed 7 October 2014
Mr K Robinson	Managing Director
Mr M Cozijn	Finance Director – resigned 30 June 2016

Executives

Mr G Collins	Director of Operations, Italy – appointed 14 January 2015
Mr D Andreazza	Manager of Exploration
Mr J Armes	Company Secretary and Group Accountant – appointed 1 July 2015

Remuneration Policy

The *Remuneration Policy* of Energia has been developed by the Remuneration Committee in accordance with the *Remuneration Committee Charter*. The full Board currently performs the function of the Remuneration Committee. The *Remuneration Committee Charter* is set out on the Group's website at www.energiaminerals.com.

Emoluments of directors and executives are reviewed on an annual basis and are set by reference to employment market conditions, payments made by other companies of similar size and industry, and by reference to the skills and experience of the directors and executives.

KMP and related parties of KMP are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Engagement of Remuneration Consultants

The Remuneration Committee may at times seek external remuneration advice. No remuneration consultant was engaged during the year ended 30 June 2016 to provide remuneration recommendations in relation to KMP.

Non-executive Directors

The Group's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not directly linked to individual performance. Given the Group is at an early stage of development and the financial restrictions placed on it, the Group may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. All of the non-executive directors' option holdings are fully disclosed. The grant of options is designed to conserve cash reserves, recognise efforts and to provide non-executive directors with additional incentive to continue those efforts for the benefit of the Group.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. The maximum amount of non-executive fees payable is currently set at $250,000 per annum.

Executives

Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

Executive pay and reward consists of a base salary and incentives. Long-term incentives may include options over unissued ordinary shares granted at the discretion of the Board and where applicable, subject to obtaining the relevant shareholder approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of service conditions.

Company Performance, Shareholder Wealth, Director and Executive Remuneration

The *Remuneration Policy* aims to align the objectives of shareholders and the Group with that of directors and executives through the issue of options over unissued shares. The granting of options is not subject to specific performance criteria, however, when granting options, the terms of the options are designed to provide an incentive that will contribute to increasing shareholder wealth. This is undertaken by determining an exercise price that exceeds the underlying share price at the date of grant and through vesting conditions that require a period of continuous employment. Remuneration of KMP is not dependent on company performance as the nature of the Group's operations are exploration, and therefore, not currently profit generating.

The following table shows the net profit/(loss) from continuing and discontinued operations and dividends for the last three years for the listed entity, as well as share prices at the end of the respective financial years:

	2014 $	2015 $	2016 $
Net profit/(loss)	(2,852,526)	(4,618,121)	401,242
Share price at year end	$0.022	$0.055	$0.043
Dividends paid	Nil	Nil	Nil

Non-executive Director Remuneration

Fixed Remuneration

The aggregate remuneration paid to non-executive directors will not exceed the maximum amount in aggregate of $250,000 per annum. The Constitution of Energia and the *ASX Listing Rules* specify that the non-executive director fee pool shall be determined from time to time by a general meeting of shareholders. The board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable by shareholders.

The amount of aggregate remuneration sought to be approved by shareholders, and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as the additional time commitment of director's who serve on one or more sub-committees. Non-executive directors do not currently receive additional remuneration for their membership of subsidiary boards or committees.

Non-executive directors are encouraged by the board to hold shares in Energia.

The remuneration of non-executive directors for the period ending 30 June 2016 is detailed on page 25 of this report.

Variable Remuneration – Short-term Incentives

Non-executive directors do not receive performance based bonuses.

Variable Remuneration – Long-term Incentives

The Group has no contractual obligation to provide long-term incentives to non-executive directors.

Executive Remuneration

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for company and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals of the Group; and
- ensure total remuneration is competitive by market standards.

Executive remuneration comprises of four components:

- base pay and benefits;
- short-term incentives;
- other remuneration such as statutory superannuation and social security contributions; and
- long-term incentives through equity based compensation.

Base pay and benefits

Base pay is structured as a total employment cost package that may be delivered as a combination of cash and salary sacrifice superannuation at the executives' discretion.

Executives are offered a base pay. Base pay is reviewed annually to ensure the executives' pay is competitive with comparable positions of responsibility. This review may utilise external advisors to provide information on industry benchmarks. There is no guaranteed base pay increases included in any executive contracts.

Executives based in Perth are entitled to receive car parking benefits as a component of their base pay remuneration. Italian based executives are provided additional benefits customary with expatriate arrangements, including, a motor vehicle, expatriate medical insurance, return airfares to Australia and tax equalisation assistance. In addition, the Company also meets all employer and employee social security obligations arising as a result of working in Italy.

Variable Remuneration – Short-term Incentives

At this time, any incentive paid to executives is at the absolute discretion of the Remuneration Committee and the Group has no contractual commitments to provide these incentives to executives. The Group's Policy permits the payment of short-term incentives to executives.

No short-term incentive bonuses were paid to Executives during the year ended 30 June 2016 (2015: Nil).

Variable Remuneration – Long-term Incentives

The Group has established an *Employee Incentive Plan* (EIP) as a means of providing long-term incentives to all employees and key management personnel, other than non-executive directors. In accordance with the provisions of the plan, as approved by shareholders at the annual general meeting held 18 November 2015, at its discretion the Board may grant incentives under the plan for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the Group. Any options granted under the EIP carry neither rights to dividends nor voting rights and may be exercised at any time from the date of vesting to the date of their expiry.

On 6 July 2015, 1,500,000 options were granted to Mr Armes under the *2014 Employee Incentive Scheme*. These 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 employee resigns prior to the vesting date the options are forfeited.

On 1 December 2015, 12 million options were granted under the *2015 Employee Incentive Plan*. This included 9 million options granted to Mr Robinson, Managing Director and 2,250,000 options granted to Mr Cozijn. The grant of these options was approved by shareholders at the Annual General Meeting held 18 November 2015. These 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 employee resigns prior to the vesting date the options are forfeited. Mr Cozijn forfeited 750,000 of the above options in accordance with the terms of the *2015 Employee Incentive Plan* upon resignation on 30 June 2016.

The grant of options to KMP is not subject to performance conditions as the nature of the Groups operations are loss making during mineral exploration. The Group has no contractual obligation to provide long-term incentives to key management personnel.

Contracts with Key Management Personnel

Alexander Burns – Executive Chairman

Mr Burns is employed on a part-time basis under an Executive Service Agreement which commenced 7 October 2014 and expires 7 October 2017. Under the terms of the present agreement, Mr Burns receives fixed remuneration of $175,000 per annum, inclusive of superannuation, reviewed annually on or before 30 June each year. Prior to 1 July 2015, Mr Burns was employed full time.

The termination provisions of the agreement are:

Reason for Termination	Notice Period	Severance payment	Treatment of LTI on termination
Employer initiated termination	1 month	6 months' salary together with 2 weeks' salary for each completed year of service	Unvested awards forfeited
Termination for serious misconduct	None	None	Unvested awards forfeited
Employee initiated termination	3 months	None	Unvested awards forfeited
Termination by the effluxion of time	None	None	Not Applicable

Kim Robinson – Managing Director

Mr Robinson is employed under an Executive Service Agreement which commenced 30 April 2012. On 31 July 2015, an amendment was executed extending the agreement for an additional three years, expiring 30 April 2018.

Under the terms of the amended agreement, Mr Robinson receives fixed remuneration of $350,000 per annum, inclusive of superannuation, reviewed annually on or before 30 June each year.

The termination provisions of the agreement are:

Reason for Termination	Notice Period	Severance payment	Treatment of LTI on termination
Employer initiated termination	1 month	6 months' salary together with 2 weeks' salary for each completed year of service	Unvested awards forfeited
Termination for serious misconduct	None	None	Unvested awards forfeited
Employee initiated termination	3 months	None	Unvested awards forfeited
Termination by the effluxion of time	6 months	None	Not Applicable

Max Cozijn – Finance Director

Mr Cozijn was employed under a rolling agreement with Energia which commenced 11 December 2013.

Under the terms of the agreement, Mr Cozijn received fixed remuneration of $115,700 per annum (inclusive of superannuation) for 6 days per month with a daily rate of $1,000 per day (plus superannuation) for any additional time. Mr Cozijn resigned as Finance Director on 30 June 2016 and as result received a termination payment $49,926, as determined by the Board.

Additionally, the Board permitted Mr Cozijn to retain 750,000 options exercisable at $0.18 per share that were due to vest on 18 November 2016. Mr Cozijn forfeited 750,000 options exercisable at $0.24 per share in accordance with the terms of the *2015 Employee Incentive Plan*.

Graeme Collins – Director of Operations, Italy

Mr Collins is employed under an Executive Services Agreement which commenced 14 January 2015 and expires 14 January 2017. Under the terms of the agreement, Mr Collins receives fixed remuneration of $300,000 inclusive of superannuation per annum. Remuneration is reviewed annually.

Mr Collins is currently based in Italy on a secondment basis. As is customary with expatriate arrangements Mr Collins is provided with additional benefits including, motor vehicle, expatriate medical insurance, return airfares to Australia and tax equalisation assistance. In addition, the Company also meets all employer and employee social security obligations arising as a result of working in Italy.

The termination provisions of the agreement are:

Reason for Termination	Notice Period	Severance payment	Treatment of LTI on termination
Employer initiated termination	1 month	6 months' salary together with 2 weeks' salary for each completed year of service	Unvested awards forfeited
Termination for serious misconduct	None	None	Unvested awards forfeited
Employee initiated termination	3 months	None	Unvested awards forfeited
Termination by the effluxion of time	None	None	Not applicable

David Andreazza – Manager of Exploration

Mr Andreazza is currently employed under a rolling agreement which commenced 26 June 2012. Under the terms of the agreement, for the year ended 30 June 2016, Mr Andreazza received fixed remuneration of $200,000 inclusive of superannuation per annum, reviewed annually. Effective from 1 August 2016, Mr Andreazza will receive fixed remuneration of $150,000 per annum, inclusive of superannuation.

The termination provisions of the agreement are:

Reason for Termination	Notice Period	Severance payment	Treatment of LTI on termination
Employer initiated termination	45 days (or payment in lieu)	None	Unvested awards forfeited
Termination for serious misconduct	None	None	Unvested awards forfeited
Employee initiated termination	45 days (or payment in lieu)	None	Unvested awards forfeited

Apart from termination benefits under statute (such as unpaid annual leave or long service leave) or as mentioned above, there are no retirement benefits for executives.

Jamie Armes – Group Accountant and Company Secretary

Mr Armes is employed under an Executive Service Agreement which commenced 1 July 2015 and expires 30 June 2018. Under the terms of the agreement, Mr Armes receives fixed remuneration of $180,000 per annum, inclusive of superannuation, reviewed annually on or before 30 June each year.

The termination provisions of the agreement are:

Reason for Termination	Notice Period	Severance payment	Treatment of LTI on termination
Employer initiated termination	1 month	3 months' salary together with 2 weeks' salary for each completed year of service	Unvested awards forfeited
Termination for serious misconduct	None	None	Unvested awards forfeited
Employee initiated termination	3 months	None	Unvested awards forfeited
Termination by the effluxion of time	6 months	None	Not Applicable

Remuneration for the year ended 30 June 2016 and 30 June 2015

	Short Term			Post Employment	Share Based Payment			
	Salary & Fees $	Italian Social Security $	Non Monetary (ii)(iii) $	Super-annuation $	Options $	Shares $	Term-ination Payment $	Total $
Non-executive Directors								
Mr M Cardaci (Non-executive – appointed 7 October 2014)								
2016	**54,795**	**–**	**–**	**5,205**	**–**	**–**	**–**	**60,000**
2015	33,387	–	–	3,172	–	–	–	36,559
Mr T Iannello (Chairman – resigned 7 October 2014)								
2016	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2015	1,405	–	–	1,907	–	18,664	–	21,976
Mr I Walker (Non-executive – resigned 7 October 2014)								
2016	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2015	9,802	–	–	1,144	–	2,240	–	13,186
Total Non-executive Directors								
2016	**54,795**	**–**	**–**	**5,205**	**–**	**–**	**–**	**60,000**
2015	44,594	–	–	6,223	–	20,904	–	71,721
Executive Directors								
Mr A Burns (Executive Chairman – appointed 7 October 2014)								
2016	**159,817**	**–**	**6,692**	**15,183**	**–**	**–**	**–**	**181,692**
2015	202,669	–	2,800	19,254	–	–	–	224,723
Mr K Robinson (Managing Director)								
2016	**327,245**	**–**	**4,190**	**31,088**	**39,837**	**–**	**–**	**402,360**
2015	260,275	–	3,840	26,028	–	13,699	–	303,842
Mr M Cozijn [(i)] (Finance Director – resigned as Company Secretary 1 July 2015, resigned as Finance Director 30 June 2016)								
2016	**130,698**	**–**	**4,190**	**11,077**	**10,731**	**–**	**49,927**	**206,623**
2015	116,845	–	3,840	11,313	–	2,240	–	134,238
Total Executive Directors								
2016	**617,760**	**–**	**15,072**	**57,348**	**50,568**	**–**	**49,927**	**790,675**
2015	579,789	–	10,480	56,595	–	15,939	–	662,803
Other Key Management Personnel								
Mr G Collins (Director of Operations, Italy – appointed 14 January 2015)								
2016	**273,973**	**146,622**	**69,977**	**26,027**	**33,264**	**–**	**–**	**549,863**
2015	127,854	–	8,078	12,146	61,918	–	–	209,996
Mr D Andreazza (Manager of Exploration)								
2016	**183,066**	**–**	**3,805**	**17,391**	**7,046**	**–**	**–**	**211,308**
2015	183,066	–	2,916	17,391	23,700	–	–	227,073
Mr J Armes (Company Secretary) – appointed 1 July 2015								
2016	**164,384**	**–**	**4,190**	**15,616**	**24,669**	**–**	**–**	**208,859**
2015	–	–	–	–	–	–	–	–
Total Other Key Management Personnel								
2016	**621,423**	**146,622**	**77,972**	**59,034**	**64,979**	**–**	**–**	**970,030**
2015	310,920	–	10,994	29,537	85,618	–	–	437,069
TOTAL								
2016	**1,293,978**	**146,622**	**93,044**	**121,587**	**115,547**	**–**	**49,927**	**1,820,705**
2015	935,303	–	21,474	92,355	85,618	36,843	–	1,171,593

(i) *Mr Cozijn resigned as Finance Director on 30 June 2016. Included in Salary and Fees for the year ended 30 June 2016 is the statutory payment of accrued annual leave entitlements. Any share based payment expense recognised on options that were forfeited as a consequence of resignation has been reversed;*
(ii) *Non-monetary benefits for Perth based executives and KMP represents the provision of car parking and the associated fringe benefits tax; and*
(iii) *Non-monetary benefits for Mr Collins includes expatriate costs associated with his secondment to Italy including housing, motor vehicle, expatriate medical insurance, return airfares to Australia and tax equalisation assistance and associated fringe benefits tax.*

No director or senior executive appointed during the period received a payment before they started to hold the position, as part of the consideration for them agreeing to hold the position.

The premium paid for Directors and Officers liability insurance is not included in the above remuneration table.

Additional Disclosures Relating to Options and Shares

This section sets out additional disclosures required under the *Corporations Act 2001*.

Options awarded, vested and lapsed during the year (Consolidated)

The following table discloses the share options granted to key management personnel as remuneration during the year ended 30 June 2016 as well as the number of options that vested during the year.

Share options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

	Options Awarded During the Year No.	Award Date	Fair Value per Option $	Exercise Price of Option Granted $	Expiry Date	Vesting Date	Vested During Year No.
Mr K Robinson	3,000,000	1 Dec 15	$0.00836	$0.12	18 Nov 20	1 Dec 15	3,000,000
	3,000,000	1 Dec 15	$0.00592	$0.18	18 Nov 20	18 Nov 16	–
	3,000,000	1 Dec 15	$0.00447	$0.24	18 Nov 20	18 Nov 17	–
Mr M D J Cozijn	750,000	1 Dec 15	$0.00836	$0.12	18 Nov 20	1 Dec 15	750,000
	750,000	1 Dec 15	$0.00592	$0.18	18 Nov 20	30 Jun 16	750,000
	750,000	1 Dec 15	$0.00447	$0.24	18 Nov 20	18 Nov 17	–
M G Collins	–	14 Jan 15	$0.01700	$0.10	14 Jan 20	14 Jan 16	2,000,000
Mr D Andreazza	–	14 Apr 14	$0.00863	$0.15	30 Apr 19	30 Apr 16	2,000,000
Mr J Armes	500,000	6 Jul 15	$0.02317	$0.12	30 Jun 20	6 Jul 15	500,000
	500,000	6 Jul 15	$0.01852	$0.18	30 Jun 20	1 Jul 16	–
	500,000	6 Jul 15	$0.01543	$0.24	30 Jun 20	1 Jul 17	–

The following table summarises the value of options granted to key management personnel as part of their remuneration:

	Value of Options Granted During the Year (i) $
Mr K Robinson	39,837
Mr M D J Cozijn	9,959
Mr J Armes	24,669

(i) *The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards. For the details on the valuation of the options, including models and assumptions used, please refer to Note 25.*

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

	Year of Grant	Lapsed During Year No.
Mr M D J Cozijn	2010	1,000,000
Mr M D J Cozijn	2015	750,000
Ms K Paterson	2010	2,500,000
Mr I Walker	2010	1,000,000
Mr L Bettenay	2010	500,000
Mr A Iannello	2010	250,000
Mr J Armes	2010	500,000

There were no alterations to the term and conditions of options awarded as remuneration since their award date.

No options were exercised by key management personnel during the financial year ended 30 June 2016.

Option holdings of key management personnel

The number of options over ordinary shares held by each KMP of the Group both directly and indirectly during the financial year is as follows:

						Vested at 30 June 2016		
30 June 2016	Balance at 1 Jul 15	Granted as remuneration	Options Expired	Net Change Other	Balance at 30 Jun 16	Total	Exercisable	Not Exercisable
Directors								
Mr K Robinson	12,000,000	9,000,000	–	–	21,000,000	21,000,000	15,000,000	6,000,000
Mr M Cozijn(i)	1,000,000	2,250,000	(1,000,000)	(750,000)	1,500,000	1,500,000	750,000	750,000
Executives								
Mr G Collins	6,000,000	–	–	–	6,000,000	6,000,000	4,000,000	2,000,000
Mr D Andreazza	6,000,000	–	–	–	6,000,000	6,000,000	6,000,000	–
Mr J Armes	250,000	1,500,000	(250,000)	–	1,500,000	1,500,000	500,000	1,000,000
Total	**25,250,000**	**12,750,000**	**(1,250,000)**	**(750,000)**	**36,000,000**	**36,000,000**	**26,250,000**	**9,750,000**

(i) Resigned 30 June 2016. Upon resignation, Mr Cozijn forfeited 750,000 options exercisable at $0.24 per share in accordance with the terms of the 2015 Employee Incentive Plan.

Shareholdings of key management personnel

Ordinary shares held in Energia Minerals Limited directly and indirectly

30 June 2016	Balance at 1 Jul 15	Granted as remuneration	Issued on exercise of options	Net Change Other #	Balance at 30 Jun 16
Directors					
Mr A Burns	131,287,662	–	–	8,559,409	139,847,071
Mr K Robinson	20,201,631	–	–	–	20,201,631
Mr M Cozijn(i)	1,458,310	–	–	–	1,458,310
Mr M Cardaci	23,333,334	–	–	2,000,000	25,333,334
Executives	–				
Mr G Collins	290,000	–	–	–	290,000
Mr D Andreazza	–	–	–	–	–
Mr J Armes	–	–	–	–	–
Total	**176,570,937**	**–**	**–**	**10,559,409**	**187,130,346**

(i) *Resigned 30 June 2016.*

\# *All equity transactions with KMP classified as Net Change Other have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arms-length.*

Other transactions and balances with key management personnel and their related parties

Purchases

Mr Cardaci is a partner in Gilbert + Tobin Lawyers. During the year, Gilbert + Tobin provided legal services to the Group of $7,146 (2015: $45,735). The balance owing to Gilbert + Tobin as at 30 June 2016 was $nil (2015: $17,044).

These costs have not been included in directors' remuneration as these fees were not paid for services provided by Mr Cardaci. All transactions were entered into on normal commercial terms.

Revenue

During the year, the Group provided office space to Marindi Metals Pty Ltd a company associated with Mr Robinson's son. The total value of this transaction was $20,000 (2015: $4,238). The balance owing by Marindi Metals Pty Ltd as at 30 June 2016 was $nil (2015: $1,418).

All services provided by companies associated with key management personnel were provided on normal commercial terms.

There have been no other transactions involving equity instruments other than those described in the tables above.

END OF REMUNERATION REPORT

This Director's Report is signed in accordance with a resolution of the directors.

Alexander Burns

Executive Chairman

29 September 2016

AUDITOR'S INDEPENDENCE DECLARATION

Crowe Horwath™

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Energia Minerals Limited for the financial year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

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

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

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, this 29th day of September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Revenue	3	**72,655**	101,397
Other income	4	**3,117**	454
Administrative expenditure		**(1,990,002)**	(1,314,920)
Exploration expenditure		**(7,096,694)**	(2,285,009)
Marketing expenditure		**(136,584)**	(247,755)
Unrealised gains on financial assets at fair value through profit or loss		**638,840**	63,469
Net realised gains on financial assets at fair value through profit or loss		**426,967**	–
Net gain on sale of available-for-sale financial assets	12	**32,031**	–
Unrealised foreign exchange gain		**106,853**	–
Other gains/(losses) – net	5	**(1,609)**	1,951
Other expenses	6(a)	**–**	(2,132)
Loss from continuing operations before income tax		**(7,944,426)**	(3,682,545)
Income tax expense	8	**–**	–
Loss from continuing operations after income tax		**(7,944,426)**	(3,682,545)
Discontinued Operations			
Profit/(loss) from discontinued operations after tax	7	**8,345,668**	(935,576)
Net profit/(loss) for the year		**401,242**	(4,618,121)
Other comprehensive income/(loss)			
Items that may be re-classified to profit or loss			
Exchange differences on translation of foreign operations		**39,104**	19,356
Other comprehensive income/(loss) for the year, net of tax		**39,104**	19,356
Total comprehensive profit/(loss) for the year		**440,346**	(4,598,765)
Earnings/(loss) per share	30		
From continuing and discontinued operations:			
Basic earnings/(loss) per share (cents)		**0.07**	(0.91)
Diluted earnings/(loss) per share (cents)		**0.07**	(0.91)
From continuing operations:			
Basic earnings/(loss) per share (cents)		**(1.30)**	(0.73)
Diluted earnings/(loss) per share (cents)		**(1.30)**	(0.73)
From discontinued operations:			
Basic earnings/(loss) per share (cents)		**1.37**	(0.18)
Diluted earnings/(loss) per share (cents)		**1.37**	(0.18)

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	**2,494,771**	4,109,628
Other financial assets	12	**3,805,743**	–
Receivables	10	**412,153**	227,039
Total Current Assets		**6,712,667**	4,336,667
Non – Current Assets			
Restricted cash	11	**68,834**	68,834
Other financial assets	12	**59,986**	50,000
Receivables	10	**845,349**	297,066
Plant & equipment	13	**234,432**	141,496
Exploration and evaluation expenditure	14	**446,543**	1,818,593
Total Non-Current Assets		**1,655,144**	2,375,989
TOTAL ASSETS		**8,367,811**	6,712,656
LIABILITIES			
Current Liabilities			
Trade and other payables	15	**1,522,230**	639,874
Borrowings	16	**109,273**	106,612
Employee Benefit Liabilities	17	**210,296**	122,811
Provisions	18	**156,745**	–
Total Current Liabilities		**1,998,544**	869,297
Non-Current Liabilities			
Borrowings	16	**63,743**	168,804
Employee Benefit Liabilities	17	**55,581**	24,987
Total Non-Current Liabilities		**119,324**	193,791
TOTAL LIABILITIES		**2,117,868**	1,063,088
NET ASSETS		**6,249,943**	5,649,568
EQUITY			
Equity attributable to equity holders of the parent			
Issued Capital	20	**26,750,592**	26,750,592
Accumulated losses		**(21,387,941)**	(21,789,183)
Reserves	20	**887,292**	688,159
TOTAL EQUITY		**6,249,943**	5,649,568

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Attributable to the equity holders of the Parent				
	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total $
As at 1 July 2014	18,248,643	(17,171,062)	(18,374)	630,746	1,689,953
Loss for the period	–	(4,618,121)	–	–	(4,618,121)
Other comprehensive gain	–	–	19,356	–	19,356
Total comprehensive gain/ (loss) for the period	**–**	**(4,618,121)**	**19,356**	**–**	**(4,598,765)**
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	–	–	–	56,431	56,431
At 30 June 2014	26,750,592	(21,789,183)	982	687,177	5,649,568
As at 1 July 2015	**26,750,592**	**(21,789,183)**	**982**	**687,177**	**5,649,568**
Profit for the period	**–**	**401,242**	**–**	**–**	**401,242**
Other comprehensive gain	**–**	**–**	**39,104**	**–**	**39,104**
Total comprehensive income for the period	**–**	**401,242**	**39,104**	**–**	**440,346**
Transactions with owners in their capacity as owners:					
Share based payments	**–**	**–**	**–**	**160,029**	**160,029**
At 30 June 2016	**26,750,592**	**(21,387,941)**	**40,086**	**847,206**	**6,249,943**

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**993,680**	29,793
Payment to suppliers and employees (inclusive of GST)		**(3,680,340)**	(1,380,016)
Payment of exploration expenditure		**(6,079,110)**	(3,288,243)
Interest received		**52,248**	92,570
Government grants received		**–**	73,500
Research and development incentive received		**262,666**	9,264
Net cash flows used in operating activities	23	**(8,450,856)**	(4,463,132)
Cash flows from investing activities			
Payments for security bonds		**(2,131)**	(11,609)
Return of security bonds		**–**	5,000
Proceeds from the disposal of exploration assets		**1,600,000**	–
Payments to acquire exploration assets		**–**	(801)
Payments to acquire financial assets		**(24,127)**	–
Net proceeds from the disposal of financial assets		**5,406,234**	–
Proceeds from the sale of plant and equipment		**–**	2,727
Purchase of plant and equipment		**(167,139)**	(51,948)
Net cash flows from/(used in) investing activities		**6,812,837**	(56,631)
Cash flows from financing activities			
Proceeds from borrowings		**–**	250,000
Repayment of borrowings		**(111,977)**	(44,422)
Proceeds from issue of shares		**–**	8,732,218
Transaction costs on issue of shares		**–**	(578,764)
Net cash flows from/(used in) financing activities		**(111,977)**	8,359,032
Net (decrease)/increase in cash and cash equivalents		**(1,749,996)**	3,839,269
Net foreign exchange difference		**135,139**	83,447
Cash and cash equivalents at beginning of period		**4,109,628**	186,912
Cash and cash equivalents at end of period	9	**2,494,771**	4,109,628

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

1. CORPORATE INFORMATION

The financial report of Energia Minerals Limited (Energia or the Group) comprises of Energia Minerals Limited and its controlled entities for the year ended 30 June 2016. The financial report was authorised for issue in accordance with a resolution of the directors on 29 September 2016.

Energia (the Parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group is a for profit entity for financial reporting purposes under *Australian Accounting Standards*.

The nature of the operations and principal activities of the Group are described in the *Directors' Report*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with *Australian Accounting Standards*, *Australian Accounting Interpretations*, other authoritative pronouncements of the *Australian Accounting Standards Board* (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events, and conditions. Compliance with *Australian Accounting Standards* ensures that the financial statements and notes also comply with *International Financial Reporting Standards*. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical cost, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

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 incurred a net loss after tax from continuing operations for the year ended 30 June 2016 of $7,944,426 (2015: $3,682,545) and net cash outflows from operating activities of $8,450,856 (2015: $4,463,132). At 30 June 2016, the Group had Cash on Hand of $2,494,771 (30 June 2015: $4,109,628).

Accordingly, to meet planned expenditure on the Gorno Project and Group operating costs, the Company will be required to raise additional funds through either debt and/or equity.

Subsequent to year end, the Company has undertaken the following funding activities to assist in meeting its expenditure commitments:

- On 31 August 2016 the Group disposed of its remaining investment in Paladin Energy Ltd realising net proceeds of $3.5 million.
- On 12 September 2016, the Group announced that it was proceeding with a fully underwritten pro-rata non-renounceable rights issue to raise up to approximately $6.1 million before associated costs of the issue (Rights Issue). The Rights Issue is being undertaken on the basis of two (2) new fully paid ordinary shares for every seven (7) ordinary shares held by eligible shareholders at $0.035 (3.5 cents) per share. The Rights Issue is fully underwritten by Euroz Securities Limited (Euroz). The Rights Issue is scheduled to close on 7 October 2016.

In addition to the above amounts raised post 30 June 2016, based on the Group's cash flow forecast the directors are aware that the Group will need to access additional capital in the next 12 months to undertake its business activities and to continue to progress its exploration interests. The directors are confident that the Group will be able to raise additional funds through the issue of new equity and/or debt capital.

Should the Group be unable to raise additional funds through both of the avenues mentioned above in order 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.

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

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Energia Minerals Limited at the end of the reporting period (the Group). A controlled entity is any entity over which Energia has the power to govern the financial and operating policies so as to obtain benefits from the entities activities. The control exists when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent.

Where a company prepares consolidated financial statements, the sections of the *Corporations Act 2001* which required that a company also prepare and present parent company financial statements have been repealed. The primary statements and notes should contain only consolidated results. The disclosures required under the *Corporations Act 2001* have been included within Note 28 to the accounts in respect of the parent entity and all the information has been calculated in accordance with *Australian Accounting Standards*.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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

(c) Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and Italian Value Added Tax (VAT) except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT 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, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT 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/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

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

(d) Plant and Equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable any accumulated depreciation and impairment losses.

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. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Field equipment	15% to 50%
Motor vehicles	12.5%
Office equipment	15% to 75%
Office furniture	30%

The assets residual values, 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 the carrying amount. These gains and losses are included in the statement of profit or loss and comprehensive.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses, if any are recognised in the profit or loss.

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

(e) Exploration Expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and comprehensive.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Foreign Currency Transactions and Balances

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and comprehensive, except where deferred in equity as a qualifying cash flow or net investment hedge.

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

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

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(j) Equity Settled Compensation

The Group undertakes equity-settled share-based payments. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using either the Binomial or Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Upon the exercise of awards, the balance of the share based payments reserve relating to those awards is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(m) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(n) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument classified "at fair value through profit or loss" in which case transaction costs are expensed to the statement of comprehensive income. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive.

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

(n) Financial Instruments (Cont'd)

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(ii) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(iii) Available-for-sale (AFS) financial investments

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised as Other Comprehensive Income (OCI) and credited in the AFS reserve until the investment is de-recognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss.

(iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit and loss.

Impairment

At each reporting date, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit or loss.

(o) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(p) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Trade and Other Payables

Trade payables and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(r) Fair Value Measurement

The Group measures financial instruments at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

(r) Fair Value Measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

(i) *Impairment of capitalised exploration and evaluation expenditure*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment indicator exists, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration expenditure is dependent on a number of factors and will ultimately depend on whether the expenditure is recouped through exploitation or sale. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(ii) *Share based payments*

The Group measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of unlisted options is determined by using either a Black-Scholes or Binomial model. The assumptions (volatility, dividend yield and risk free rate) used are detailed in Note 25.

(iii) *Italian Value Added Tax Receivable*

The Italian value added tax receivable ("VAT") represents the VAT that is yet to be recovered from Italian authorities. The Group expects to recover this receivable through offsetting various Italian employee taxes and social security contributions. The future recoverability of the VAT receivable is dependent on the Group continuing to be entitled to this offsetting arrangement. To the extent that the VAT receivable is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(iv) *Provision for rehabilitation*

Rehabilitation costs are a normal consequence of mineral exploration and mining, and the majority of this expenditure is incurred on ceasing exploration activities or the end of the mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs, and the estimated future level of inflation. The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques.

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

(t) Critical Accounting Estimates and Judgments (Cont'd)

Key Judgments

Capitalisation of exploration and evaluation expenditure

Under *AASB 6 Exploration for and Evaluation of Mineral Resources*, the Group has the option to expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Group has elected to expense exploration and evaluation expenditure until such time as activities in an area have reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. However, costs associated with the acquisition of exploration tenements are initially capitalised.

(u) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board* (AASB) that are mandatory for the current reporting period.

The adoption of these *Accounting Standards and Interpretations* did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending *Accounting Standards or Interpretations* that are not yet mandatory have not been early adopted.

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended *Accounting Standards and Interpretations*, most relevant to the consolidated entity, are set out below:

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the Group makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI). For financial liabilities, the standard requires the portion of the change in fair value that relates to the Group's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018. The impact of its adoption is yet to be assessed by Group.

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

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted (Cont'd)

AASB 16 Leases

AASB 16 supersedes:

- AASB 117 Leases
- Interpretation 4 Determining whether an Arrangement contains a Lease
- SIC-15 Operating Leases—Incentives
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The key features of AASB 16 are as follows:

Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for lessees.

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

The Group will adopt this standard from 1 July 2019. The impact of its adoption is yet to be assessed by Group. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.

3. REVENUE

	Consolidated	
	2016 $	2015 $
Interest received	**52,655**	93,439
Other revenue	**20,000**	7,958
	72,655	101,397

4. OTHER INCOME

	Consolidated	
	2016 $	2015 $
Realised foreign exchange gain	**3,117**	–
Other	**–**	454
	3,117	454

	Consolidated	
	2016 $	2015 $
5. OTHER GAINS/(LOSSES)-NET		
Gain/(loss) on disposal of plant & equipment	**(1,609)**	1,951
	(1,609)	1,951

	Consolidated	
	2016 $	2015 $
6. EXPENSES		
(a) Other Expenses		
Realised foreign exchange loss	**–**	2,132
	–	2,132
(b) Depreciation, impairment and amortisation		
Depreciation of plant and equipment	**46,194**	32,213
(c) Rental expense on operating lease		
Minimum lease payments – operating lease	**183,714**	196,625
(d) Employee benefits expense		
Wages and salaries	**2,028,882**	1,254,732
Superannuation contribution expense	**149,118**	120,411
Share based payment expense	**160,029**	130,201
Termination Payment	**49,927**	–
Movement in provision for annual leave	**66,595**	55,693
Movement in provision for long service leave	**30,594**	24,987
Other employee benefits expense	**117,227**	39,694
	2,602,372	1,625,718

7. 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 year ending 30 June 2016. 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 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 were 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 8 for further information.

7. DISCONTINUED OPERATION (CONT'D)

Financial information relating to the discontinued operation is set out below.

	Consolidated	
	2016 $	2015 $
(b) Financial performance and cash flow information		
Other income	**89,087**	247,079
Exploration expenditure	**(35,995)**	(1,182,655)
Gain on disposal of exploration assets	**8,292,576**	–
Profit from discontinued operations before tax	**8,345,668**	(935,576)
Income tax expense	**–**	–
Profit from discontinued operations after tax	**8,345,668**	(935,576)
Net cash inflow/(outflow) from ordinary activities	**215,659**	(1,111,982)
Net cash inflow from investing activities	**1,600,000**	–
Net increase/(decrease) in cash generated from discontinued operations	**1,815,659**	(1,111,982)

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

8. INCOME TAX EXPENSE

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	Consolidated	
	2016 $	2015 $
Accounting loss before income tax	**(7,944,426)**	(4,618,121)
Tax refundable at the statutory income tax rate – 30% (2015: 30%)	**(2,383,328)**	(1,385,436)
Non-deductible expenses		
Share based payment	**48,009**	39,060
Other non-deductible expenses	**(274,219)**	209,734
Gains from sale of assets	**3,218,544**	–
Government grants exempted from tax	**(26,726)**	(52,073)
Section 40-880 deduction	**(26,447)**	(42,993)
Effect of different tax rates	**158,586**	–
Under/(Over) provision in prior year	**(34,269)**	99,682
Tax losses not previously recognised	**(2,662,895)**	–
Deferred tax assets not recognised	**1,982,745**	1,132,026
Income tax expense	**–**	–

The Group has tax losses for which no deferred tax asset is recognised arising in Australia of $6,477,988 (2015: $15,240,320) and Italy of $7,968,424 (2015: $1,951,298). These tax losses are available for offset against future taxable profits of the Group subject to continuing to meet the relevant statutory tests. The Italian income tax rate is currently 27.5% (2015: 27.5%).

	Consolidated 2016 $	Consolidated 2015 $
9. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	**1,216,566**	3,397,117
Short-term bank deposits	**1,278,205**	712,511
	2,494,771	4,109,628

The effective interest rate on cash and cash equivalents was 1.12% (2015: 0.04%). Short-term deposits mature every 7 to 30 days.

	Note	Consolidated 2016 $	Consolidated 2015 $
10. RECEIVABLES			
Current			
Trade receivables	10(a)	**9,713**	189,045
Prepayments		**40,303**	31,297
Security deposits	10(b)	**8,917**	6,697
Italian value added tax receivable	10(c)	**353,220**	–
		412,153	227,039
Non-current			
Italian value added tax receivable	10(c)	**840,145**	291,989
Security deposits	10(b)	**5,204**	5,077
		845,349	297,066

(a) Current trade receivables are non-interest bearing and generally on 30 to 90 day terms. There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full. Due to the short-term nature of trade receivables, their carrying value is assumed to approximate their fair value.

(b) Security Deposits represent payments made as guarantees under operating leases that the Group has entered into.

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

	Consolidated 2016 $	Consolidated 2015 $
11. RESTRICTED CASH		
Non-current		
Restricted cash	**68,834**	68,834
	68,834	68,834

Restricted cash represents term deposits held with various financial institutions as security for bank guarantees issued to landlords in relation to operating lease commitments associated with the office premises, and as security for credit card facilities. Refer to Note 22 for further details. The funds receive interest at fixed rates and have an average maturity of 12 months.

	Note	Consolidated 2016 $	2015 $
12. OTHER FINANCIAL ASSETS			
Current			
Financial assets at fair value through profit & loss			
Shares in listed entities	12(a)	**3,805,743**	–
		3,805,743	–
Non-Current			
Financial assets at fair value through profit & loss			
Shares in listed entities	12(b)	**57,586**	–
Options in listed entities	12(b)	**2,400**	–
		59,986	
Financial assets available-for-sale			
Shares in unlisted entities	12(c)	**–**	50,000
		–	50,000
Total non-current other financial assets		**59,986**	50,000
Total other financial assets		**3,865,729**	50,000

	Consolidated 30 June 2016 $	30 June 2015 $
(a) Movement in the carrying amount of the current shares in listed entities		
Brought forward	**–**	–
Shares in listed entity received as consideration	**8,100,000**	–
Gain on fair value of financial assets through profit & loss	**685,011**	–
Disposal of shares in listed entity	**(4,979,268)**	–
	3,805,743	–

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 the Carley Bore Project and associated plant and equipment.

At 30 June 2016, current financial assets at fair value through profit and loss consists of 20,683,387 listed ordinary shares in Paladin Energy Limited.

12. OTHER FINANCIAL ASSETS (CONT'D)

	Consolidated	
	30 June 2016 $	30 June 2015 $
(b) Movement in the carrying amount of non-current financial assets at fair value through profit and loss		
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	**(46,171)**	–
	59,986	–

	Consolidated	
	30 June 2016 $	30 June 2015 $
(c) Movement in the carrying amount of non-current financial assets available-for-sale		
Brought forward	**50,000**	50,000
Revaluation increment	**32,031**	–
Disposal of shares in unlisted entity	**(82,031)**	–
	–	50,000

Refer to Note 19 for further information on fair value measurement.

13. PLANT AND EQUIPMENT

	Consolidated	
	2016 $	2015 $
Field equipment		
At cost	**168,853**	153,247
Accumulated depreciation	**(71,859)**	(79,510)
	96,994	73,737
Motor vehicles		
At cost	**65,558**	4,845
Accumulated depreciation	**(2,604)**	(11)
	62,954	4,834
Office equipment		
At cost	**149,934**	121,405
Accumulated depreciation	**(85,982)**	(72,640)
	63,952	48,765
Office furniture		
At cost	**60,075**	59,942
Accumulated depreciation	**(49,543)**	(45,782)
	10,532	14,160
Total plant and equipment	**234,432**	141,496

13. PLANT AND EQUIPMENT (CONT'D)

	Field Equipment $	Motor Vehicles $	Office Equipment $	Office Furniture $	Total $
(a) Movements in carrying amount					
Balance at 30 June 2014	75,829	695	30,924	12,175	119,623
Additions	11,635	4,844	32,398	5,983	54,860
Disposals	(117)	(657)	–	–	(774)
Depreciation expense	(13,610)	(48)	(14,557)	(3,998)	(32,213)
Balance at 30 June 2015	73,737	4,834	48,765	14,160	141,496
Additions	**62,385**	**60,522**	**40,168**	**–**	**163,075**
Disposals	**(23,673)**	**–**	**(1,609)**	**–**	**(25,282)**
Depreciation expense	**(16,084)**	**(2,647)**	**(23,698)**	**(3,765)**	**(46,194)**
Exchange differences	**629**	**245**	**326**	**137**	**1,337**
Balance at 30 June 2016	**96,994**	**62,954**	**63,952**	**10,532**	**234,432**

14. EXPLORATION AND EVALUATION EXPENDITURE

	Note	Consolidated 2016 $	Consolidated 2015 $
Costs carried forward in respect of:			
Exploration and evaluation – at cost			
Balance at beginning of the year		**1,818,593**	1,555,303
Acquisitions	14(b)	**–**	263,290
Carrying value of tenements sold	14(a)	**(1,383,750)**	–
Foreign exchange adjustment on translation		**11,700**	–
Total exploration and evaluation expenditure		**446,543**	1,818,593

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

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

(b) During the year ended 30 June 2015, the Group acquired the Monica Mining Concession within the Gorno tenement holding from Bergem Mines & Tech SRL. The cash consideration payable was €219,600 together with a 1% royalty on net smelter return.

15. TRADE AND OTHER PAYABLES

	Note	Consolidated 2016 $	Consolidated 2015 $
Current			
Trade payables	15(a)	**1,522,230**	639,874
		1,522,230	639,874

(a) Trade payables and other payables are non-interest bearing and are normally settled within 45 days. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	Note	Consolidated 2016 $	2015 $
16. BORROWINGS			
Current			
Unsecured loan	16(a)	**109,273**	106,612
		109,273	106,612
Non-current			
Unsecured loan	16(a)	**63,743**	168,804
		63,743	168,804

(a) On 2 February 2015, the Group acquired the Monica Mining Concession within our Gorno tenement holding from Bergem Mines & Tech SRL. The cash consideration payable of €219,600 is repayable over 36 months in equal instalments. The loan is unsecured and interest free.

	Consolidated 2016 $	2015 $
17. EMPLOYEE BENEFIT LIABILITIES		
Current		
Provision for annual leave	**196,888**	121,436
Provision for employee leaving indemnity	**13,408**	1,375
	210,296	122,811
Non-current		
Provision for long service leave	**55,581**	24,987
	55,581	24,987

A provision has been recognised for employee entitlements relating to annual leave, long service leave and Italian leaving entitlements accrued at balance date. The measurement and recognition criteria relating to employee benefits have been included in Note 2.

The number of employees at year end was 14 (2015: 13).

	Consolidated 2016 $	2015 $
18. PROVISIONS		
Current		
Provision for restoration	**156,745**	–
	156,745	–

A provision has been recognised for the estimated cost of restoring the environmental disturbance that has occurred on the Gorno Project up to 30 June 2016. No discount has been applied to this provision as the restoration work is anticipated to be completed within 12 months.

19. 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 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 30 June 2016 and 30 June 2015 classified by the fair value hierarchy levels as prescribed under the accounting standards.

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

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 30 June 2016.

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

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

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

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

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

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

	Note	Consolidated 2016 $	 2015 $
20. ISSUED CAPITAL AND RESERVES			
Issued Capital			
Ordinary shares fully paid	20(a)	**26,750,592**	26,750,592
		26,750,592	26,750,592

20. ISSUED CAPITAL AND RESERVES (CONT'D)

Ordinary shares

Effective 1 July 1998, the *Corporations* legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the parent entity does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

	30 June 2016		30 June 2015	
	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 30 June	**609,020,979**	**26,750,592**	609,020,979	26,750,592

Nature and purpose of reserves

Share Based Payment Reserve

The share based payment reserve is used to record the value of equity benefits provided to employees, including key management personnel and external service providers as part of their remuneration.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

		Consolidated	
	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total
Movement in Reserves			
As at 1 July 2014	630,746	(18,374)	612,372
Recognition of options issued	93,358	–	93,358
Shares to be allotted in-lieu of directors fees	(36,927)	–	(36,927)
Movement for the year	–	19,356	19,356
Balance as at 30 June 2015	687,177	982	688,159
As at 1 July 2015	**687,177**	**982**	**688,159**
Recognition of options issued	**161,019**	**–**	**161,019**
Forfeiture of options	**(990)**	**–**	**(990)**
Movement for the year	**–**	**39,104**	**39,104**
Balance as at 30 June 2016	**847,206**	**40,086**	**887,292**

21. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Group has entered into a number of non-cancellable operating leases for various buildings that it occupies. These leases have terms between 6 months and 6 years, with rent payable in advance. The leases in some instances permit subletting.

The Group has also entered into a commercial operating lease on a motor vehicle with a lease term of 2 years.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	Consolidated	
	2016 $	2015 $
Minimum lease payments payable		
Not later than 12 months	**149,669**	53,438
After one year but not more than five years	**61,988**	12,185
	211,657	65,623

(b) Exploration Expenditure Commitments

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

Australia

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

	Consolidated	
	2016 $	2015 $
Minimum exploration expenditure commitments		
Not later than 12 months	**620,700**	70,846
After one year but not more than five years	**2,185,135**	144,603
	2,805,835	215,449

Italy

With respect to the Group's mineral property interests in Italy, no statutory expenditure commitments are specified by the mining legislation other than annual licence fees. However, as part of the licence application and renewal requirements, the Group submits budgeted exploration expenditure. In assessing subsequent renewal applications the regulatory authorities review actual expenditure against budgets previously submitted. The Group's budgeted expenditures for future periods are shown below. These amounts do not become legal obligations of the Group and actual expenditure may and does vary depending on the outcome of the actual exploration programs.

	Consolidated	
	2016 $	2015 $
Minimum exploration expenditure commitments		
Not later than 12 months	**1,250,009**	2,639,870
After one year but not more than five years	**2,549,891**	543,879
	3,799,900	3,183,749

22. CONTINGENT LIABILITIES

(a) Bank Guarantees

The National Australia Bank has provided unconditional bank guarantees of $45,145 (2015: $45,145) in relation to a property lease. The guarantee has been provided by way of fully utilised finance facility secured by fixed term cash deposit.

(b) Claims of Native Title and Cultural Heritage

Native title claims have been made with respect to areas within Australia which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

	Consolidated	
	2016 $	2015 $
23. CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit/(loss) after tax		
Profit/(Loss) after tax	**401,242**	(4,618,121)
Non-cash flows in loss:		
Depreciation	**46,194**	32,213
Share based payments	**160,029**	130,202
Unrealised foreign exchange (gain)/loss	**(106,853)**	(63,469)
(Gain)/loss on disposal of plant and equipment	**1,609**	(1,951)
Gain on disposal of exploration assets	**(8,292,576)**	–
Realised gains on disposal of financial assets	**(458,998)**	–
Unrealised gains on revaluation of financial assets	**(638,840)**	–
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	**(577,486)**	(354,160)
(Increase)/decrease in prepayments	**(9,071)**	(14,230)
Increases/(decrease) in trade payables and accruals	**745,110**	344,348
Increases/(decrease) in provisions	**278,784**	82,036
Cash flow from operations	**(8,450,856)**	(4,463,132)

	Note	Consolidated	
		2016 $	2015 $
(b) Non-cash Financing & Investing Activities			
Other financial assets acquired as part of consideration from the sale of Carley Bore	12(a)	**8,100,000**	–
Other financial assets acquired on the disposal of the investment in Marindi Metals Pty Ltd	12(c)	**82,031**	–
Issue of ordinary fully paid shares as repayment of borrowings	23(b)(i)	**–**	250,000
Acquisition on exploration assets	23(b)(ii)	**–**	319,836

(i) 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.

23. CASH FLOW INFORMATION (CONT'D)

(b) Non-cash Financing & Investing Activities (Cont'd)

(ii) On 2 February 2015, the Group acquired the Monica Mining Concession within the Gorno tenement holding from Bergem Mines & Tech SRL. The consideration for this acquisition was €219,600 (including 22% VAT) and a 1% net smelter royalty. The consideration is payable in equal monthly over three years.

	Consolidated	
	2016 $	2015 $
24. AUDITORS REMUNERATION		
Amounts received or due and receivable by the auditor of the parent entity, Crowe Horwath Perth for:		
– auditing or reviewing of financial reports	**31,250**	25,250
	31,250	25,250

25. SHARE BASED PAYMENTS

(a) Recognised share based payment expense

The expense recognised for employee services received during the year is shown in the table below:

	Consolidated	
	2016 $	2015 $
Expense arising from equity-settled share based payment transactions	**160,029**	130,201
	160,029	130,201

(b) General terms of share-based payments

2015 Employee Incentive Plan

On 18 November 2015, the Company obtained shareholders' approval for the *2015 Employee Incentive Plan* (EIP) as there were a number of changes in legislation since the adoption of the *2014 Employee Incentive Plan*. The EIP is established as a means of providing long-term incentives to all employees and key management personnel, other than non-executive directors. At its discretion, the Board may grant incentives under the plan for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the Group.

On 6 July 2015, 1,500,000 options were granted to Mr Armes 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*.

On 1 December 2015, 12 million options were granted under the *2015 Employee Incentive Plan*. This included 9 million options granted to Mr Robinson, Managing Director and 2,250,000 options granted to Mr Cozijn. The grant of these options was approved by shareholders at the Annual General Meeting held 18 November 2015. Following his resignation on 30 June 2016, Mr Cozijn forfeited 750,000 options exercisable at $0.24 in accordance with the terms of the EIP.

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.

25. SHARE BASED PAYMENTS (CONT'D)

The following table illustrates the number and weighted average exercise prices of, and movements in share options during the year:

	2016		2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**30,250,000**	**$0.16**	38,150,000	$0.21
Granted during the year	**15,750,000**	**$0.18**	6,750,000	$0.10
Forfeited/lapsed during the year	**(6,250,000)**	**$0.23**	(14,650,000)	$0.27
Exercised during the year	**–**	**–**	–	–
Outstanding at the end of the year	**39,750,000**	**$0.16**	30,250,000	$0.16
Exercisable at the end of the year	**27,750,000**	**$0.14**	23,750,000	$0.17

The details of options outstanding as at 30 June 2016 are as follows:

Series No.	Number of options	Exercise price	Expiry date	Vesting date
11	4,000,000	$0.10	30 April 2017	Vested
12	4,000,000	$0.20	30 April 2017	Vested
13	4,000,000	$0.30	30 April 2017	Vested
14	2,000,000	$0.05	30 April 2019	Vested
15	2,000,000	$0.10	30 April 2019	Vested
16	2,000,000	$0.15	30 April 2019	Vested
17	2,250,000	$0.05	14 January 2020	Vested
18	2,250,000	$0.10	14 January 2020	Vested
19	2,250,000	$0.15	14 January 2020	14 January 2017
20	1,250,000	$0.12	30 June 2020	Vested
21	1,250,000	$0.18	30 June 2020	1 July 2016
22	1,250,000	$0.24	30 June 2020	1 July 2017
23	4,000,000	$0.12	18 November 2020	Vested
24	4,000,000	$0.18	18 November 2020	18 November 2016
25	3,250,000	$0.24	18 November 2020	18 November 2017
Total	**39,750,000**			

The options outstanding at 30 June 2016 had a weighted average exercise price of $0.16 (2015: $0.16) and a weighted average remaining contractual life of 2.9 years (2015: 2.51). Exercise prices range from $0.05 to $0.24 in respect of options outstanding at 30 June 2016 (2015: $0.05 to $0.30). The weighted average fair value of the options granted during the year was $0.0093 (2015: $0.0172). No options were exercised during the year.

The fair value of options issued during the year was calculated as at the date of grant using a Black & Scholes option pricing model. Expected volatility has been based on historical volatility as it is assumed that this is indicative of future volatility, however, this may not necessarily be the actual outcome. No allowance has been made for the effects of early exercise.

25. SHARE BASED PAYMENTS (CONT'D)

The following tables show the model inputs for the years ended 30 June 2016 and 30 June 2015:

	30 June 2016						30 June 2015		
Series No.	**20**	**21**	**22**	**23**	**24**	**25**	**17**	**18**	**19**
Exercise price	**$0.12**	**$0.18**	**$0.24**	**$0.12**	**$0.18**	**$0.24**	$0.05	$0.10	$0.15
Share price	**$0.054**	**$0.054**	**$0.054**	**$0.033**	**$0.033**	**$0.033**	$0.029	$0.029	$0.029
Expected volatility	**72%**	**72%**	**72%**	**64%**	**64%**	**64%**	100%	100%	100%
Option life (yrs)	**4.98**	**4.98**	**4.98**	**4.97**	**4.97**	**4.97**	5	5	5
Dividend yield	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–
Risk free interest rate	**2.21%**	**2.21%**	**2.21%**	**2.30%**	**2.30%**	**2.30%**	2.17%	2.17%	2.17%

26. RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statements of Energia Minerals Limited and the subsidiaries listed in the following table:

		Percentage Owned	
	Country of Incorporation	**2016 %**	**2015 %**
Nickelex Pty Ltd	Australia	**100**	100
Nabberu Resources Pty Ltd	Australia	**100**	–
Energia Minerals (Italia) Srl	Italy	**100**	100

(b) Key management personnel (KMP)

Disclosures relating to key management personnel set out in the *Remuneration Report* contained in the *Directors Report*.

(c) Compensation for key management personnel

Refer to the *Remuneration Report* contained in the *Directors Report* for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2016.

Other than the resignation of Mr Cozijn on 30 June 2016, there were no changes to KMP between the reporting date and the date the financial report was authorised.

The total remuneration paid to KMP of the Energia and the Group during the year is as follows:

	Consolidated	
	2016 $	**2015 $**
Short-term employee benefits	**1,533,644**	956,777
Post-employment benefits	**121,587**	92,355
Termination payments	**49,927**	–
Share based payments	**115,547**	122,461
Total compensation	**1,820,705**	1,171,593

27. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise primarily of investments in listed entities and cash deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks.

Financial Risk Management Policies

The primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing identified risks. The Group uses different methods to manage the different types of risks to which it is exposed. These include monitoring exposure to currency risk and interest rate risk and undertaking an assessment of market forecasts. The Group monitors liquidity risk through the preparation and monitoring of cash flow forecasts.

Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as undertaking operations in a manner that provide returns to shareholders and other stakeholders. The Group aims to maintain a capital structure that ensures the lowest cost of capital available to the entity and maximises returns for shareholders through minimising dilution.

In order to maintain or adjust the capital structure, the entity may, issue new shares, enter into joint ventures or sell assets. The entity does not have a defined share buy-back plan.

No dividends were paid in 2016 (2015: Nil).

Commodity Price Risk

The Group is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for those commodities is affected.

Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. Other than the investment in listed entities, no financial assets and financial liabilities are readily traded on organised markets in standardised form. The Group has no financial assets where carrying amount exceeds net fair values at balance date.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

As the Group is yet to commence mining operations, therefore, it currently has no significant exposure to customer credit risk. The class of assets described as Receivables is considered to be the main source of credit risk to the Group. Further information regarding Receivables is detailed at Note 10.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset in the Statement of Financial Position.

The credit risk in relation to balances with banks is managed through the assessment of the credit quality of the institution with whom the funds are deposited. Currently the Group only invests cash with counterparties assessed with high credit ratings. Funds are transferred to Italy to meet the working capital needs of the controlled entity Energia Minerals (Italia) Srl. The cash needs of the controlled entity's operations are monitored by the parent company and funds are advanced to the Italian operations as required.

The Directors believe this is the most efficient method of combining the monitoring and mitigation of potential credit risks arising out of holding cash assets in overseas jurisdictions, and the funding mechanisms required by the Group.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk

The Group's main exposure to the risks of changes in market interest rates relates primarily to the Group's cash deposits with a floating interest rate and short-term deposits with fixed interest rates (these are predominantly 7 to 30 day revolving term deposits). These financial assets expose the Group to cash flow to a minimal interest rate risk. All other financial assets and liabilities in the form of receivables, payables and cash held in EURO currency are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk. The following tables set out the carrying amount by maturity and the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on the loss after tax if interest rates at that date had been 0.5% higher or lower with all other variables held constant as a sensitivity analysis. In regard to its interest rate risk, the Group analyses its exposure. Within this analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates.

Based on the sensitivity analysis only interest revenue from cash deposits, term deposits and bank and cash balances are impacted resulting in a decrease or increase in overall income.

	Weighted Average		Floating Interest		Fixed Interest	
	2016 %	2015 %	2016 $	2015 $	2016 $	2015 $
Financial Assets						
Cash	**1.12**	0.04	**333,444**	279,293	**1,278,205**	712,511
Receivables			**–**	–	**–**	–
Restricted cash	**2.92**	2.96	**–**	–	**68,834**	68,834
Other financial assets			**–**	–	**–**	–
Total financial assets			**333,444**	279,293	**1,347,039**	781,345
Financial Liabilities						
Payables			**–**	–	**–**	–
Total financial liabilities			**–**	–	**–**	–
Net financial assets/(liabilities)			**333,444**	279,293	**1,347,039**	781,345

	Non-interest		Total	
	2016 $	2015 $	2016 $	2015 $
Financial Assets				
Cash	**883,122**	3,117,824	**2,494,771**	4,109,628
Receivables	**1,257,502**	524,105	**1,257,502**	524,105
Restricted cash	**–**	–	**68,834**	68,834
Other financial assets	**3,865,729**	50,000	**3,865,729**	50,000
Total financial assets	**6,006,353**	3,691,929	**7,686,836**	4,752,567
Financial Liabilities				
Payables	**1,522,230**	639,874	**1,522,230**	639,874
Borrowings	**173,016**	275,416	**173,016**	275,416
Total financial liabilities	**1,695,246**	915,290	**1,695,246**	915,290
Net financial assets/(liabilities)	**4,311,107**	2,776,639	**5,991,590**	3,837,277

27. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk Sensitivity

The following table illustrates the sensitivities of the Group's exposures to changes in interest rates. The table demonstrates the impact on the reported loss and equity values at balance date. A sensitivity of 50 basis points has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates. This would represent approximately two decreases and two increases which is reasonably possible in the current economic climate over a financial year. Based on the sensitivity analysis only interest revenue from cash deposits, term deposits and bank and cash balances are impacted resulting in a decrease or increase in overall income.

	2016		2015	
	Loss $	Equity $	Loss $	Equity
50 basis point increase	**14,716**	**14,716**	12,483	12,483
50 basis point decrease	**(14,716)**	**(14,716)**	(12,483)	(12,483)

Foreign Currency Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to currency risk on financial assets and liabilities held by the controlled entity in Italy. The Group's expenditure obligations in Italy are primarily in EURO and as a result the Group is exposed to fluctuations in the EURO to Australian dollar. These exposures are not subject to a hedging program. Exposure to negative currency fluctuations has been partially mitigated through the maintenance of a Euro denominated cash position.

The Group's is also exposed to foreign exchange risk arising from the translation of its foreign operations. The Group's investment in its overseas subsidiary is not hedged as it is considered to be long-term in nature.

The Groups financial instrument exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follows:

	2016			2015		
	EUR	AUD	Total	EUR	AUD	Total
Financial Assets						
Cash	**882,657**	**1,612,114**	**2,494,771**	3,117,614	992,014	4,109,628
Receivables	**1,216,375**	**41,127**	**1,257,502**	309,374	214,731	524,105
Restricted cash	**–**	**68,834**	**68,834**	–	68,834	68,834
Other financial assets	**–**	**3,865,729**	**3,865,729**	–	50,000	50,000
Total financial assets	**2,099,032**	**5,587,804**	**7,686,836**	3,426,988	1,325,579	4,752,567
Financial Liabilities						
Payables	**1,287,598**	**234,632**	**1,522,230**	291,051	348,823	639,874
Borrowings	**173,016**	**–**	**173,016**	275,416	–	274,416
Total financial liabilities	**1,460,614**	**234,632**	**1,695,246**	566,467	348,823	914,290
Net financial assets/(liabilities)	**638,418**	**5,353,172**	**5,991,590**	2,860,521	976,756	3,838,277

27. FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the AUD to the EURO with all other variables held constant. The 10% sensitivity is based on management's estimate of reasonably possible changes over a financial year.

	2016		2015	
	Profit $	Equity $	Profit $	Equity $
+10% increase in AUD:EUR	**(58,705)**	**(42,766)**	(211,702)	79,011
-10% decrease in AUD:EUR	**58,705**	**42,766**	211,702	(79,011)

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in liquid short term deposits. The Group's liquidity needs are currently met through cash and cash equivalents and the disposal of investments in listed entities. Future liquidity needs can potentially be met through the disposal of other financial assets and equity raisings.

The following table details the Group's undiscounted financial liabilities according to their contractual maturities.

	Within 1 Year		1 to 5 Years		Total	
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Financial liabilities due for payment						
Trade and other payables	**1,522,230**	639,874	**–**	–	**1,522,230**	639,874
Borrowings	**109,273**	106,612	**63,743**	168,804	**173,016**	275,416
Total contracted outflows	**1,631,503**	746,486	**63,743**	168,804	**1,695,246**	915,290
Financial assets – cash flows realisable						
Cash and cash equivalents	**2,494,771**	4,109,628	**–**	–	**2,494,771**	4,109,628
Trade and other receivables	**412,153**	227,039	**845,349**	297,066	**1,257,502**	524,105
Available-for-sale financial assets	**3,805,743**	–	**59,986**	50,000	**3,865,729**	50,000
Restricted cash	**–**	–	**68,834**	68,834	**68,834**	68,834
Total anticipated inflows	**6,712,667**	4,336,667	**974,169**	415,900	**7,686,836**	4,752,567
Net inflow/(outflow) on financial instruments	**5,081,164**	3,590,181	**910,426**	247,096	**5,991,590**	3,837,277

Financial assets pledged as collateral

Certain financial assets have been pledged as security for finance facilities associated with bank guarantees. The realisation of these financial assets into cash may be restricted and subject to terms and conditions attached to the relevant finance facilities. Refer to Note 11 for further details.

28. ADDITIONAL FINANCIAL INFORMATION OF THE PARENT ENTITY

Below are the additional disclosures for the parent entity, Energia Minerals Limited, required by *Regulation 2M.3.01* of the *Corporations Regulations 2001*:

	Parent Entity	
FINANCIAL POSITION	**2016 $**	**2015 $**
ASSETS		
Current Assets	**6,335,226**	4,290,005
Non-current Assets	**8,711,312**	3,871,948
TOTAL ASSETS	**15,046,538**	8,161,953
LIABILITIES		
Current Liabilities	**400,967**	466,309
Non-current Liabilities	**55,581**	24,987
TOTAL LIABILITIES	**456,548**	491,296
NET ASSETS	**14,589,990**	7,670,657
EQUITY		
Contributed equity	**26,750,592**	26,750,592
Accumulated losses	**(13,007,808)**	(19,767,112)
Share based payment reserve	**847,206**	687,177
TOTAL EQUITY	**14,589,990**	7,670,657
FINANCIAL PERFORMANCE		
Net profit/(loss) for the year	**6,759,304**	(3,039,029)
Other comprehensive income	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**6,759,304**	(3,039,029)

Details of guarantees entered into by the parent entity in relation to debts of subsidiaries

The parent entity has provided a letter of financial support to its subsidiary Nickelex Pty Ltd whereby the parent entity will not demand repayment of its intercompany loan of $74,635 (2015: $72,254) before 30 September 2017 and agrees to provide funding to Nickelex Pty Ltd for approved expenditures. As at 30 June 2016, and at the date of this report, other than the loan from Energia Minerals Ltd, Nickelex Pty Ltd had no known liabilities (2015: Nil).

Details of any contingent liabilities

The parent entity has no contingent liabilities as at 30 June 2016 (2015: nil).

Details of any contractual commitments for acquisition of property, plant and equipment

The parent entity has no commitments to purchase property, plant and equipment at 30 June 2016 (2015: nil).

29. EVENTS AFTER THE REPORTING PERIOD

Disposal of Investment in Paladin Energy Ltd

Subsequent to year end, the Group disposed of its remaining investment in Paladin Energy Ltd realising net proceeds of $3.5 million.

Fully Underwritten Non-renounceable Rights Issue

On 12 September 2016, the Group announced that it was proceeding with a fully underwritten pro-rata non-renounceable rights issue to raise up to approximately $6.1 million before associated costs of the issue (Rights Issue). The Rights Issue is being undertaken on the basis of two (2) new fully paid ordinary shares for every seven (7) ordinary shares held by eligible shareholders at $0.035 (3.5 cents) per share. The Rights Issue is fully underwritten by Euroz Securities Limited (Euroz). The Rights Issue is scheduled to close on 7 October 2016.

A maximum of approximately 174,005,994 ordinary shares will be issued under the Rights Issue. Following completion of the Rights Issue will have approximately 783,026,973 fully paid ordinary shares on issue.

Apart from the above, there has not been any significant event that has occurred after balance date that has not been brought to account in the 30 June 2016 Annual Report.

	Consolidated	
	2016 $	2015 $
30. EARNINGS PER SHARE		
Net profit/(loss) used in the calculation of basic and dilutive earnings per share from continuing and discontinued operations	**401,212**	(4,618,121)
Loss used in the calculation of basic and dilutive earnings per share from continuing operations	**(7,944,426)**	(3,682,545)
Profit/(loss) used in the calculation of basic and dilutive earnings per share from discontinued operations	**8,345,668**	(935,576)

	Number Shares	Number Shares
Weighted average number of ordinary shares on issue during the year used in calculating basic earnings per share	**609,020,979**	505,838,343
Effect of dilution:		
Share options	**–**	–
Weighted average number of ordinary shares on issue during the year used in calculating dilutive earnings per share	**609,020,979**	505,838,343

All of the options outstanding 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.

31. OPERATING SEGMENTS

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.

The Group operates predominantly 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

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

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.

31. OPERATING SEGMENTS (CONT'D)

(d) Segment Performance, Assets and Liabilities

30 June 2016	Western Australia $	Italy $	Other $	Total $
Revenue				
Total segment revenue	–	–	–	–
Reconciliation of segment revenue to group revenue				
Interest received				52,650
Other revenue				20,000
Total group revenue				72,650
Segment net profit/(loss) before tax	**8,203,673**	**(7,242,630)**	**(156,804)**	**804,239**
Reconciliation of segment net profit/(loss) before tax				
Amounts not included in segment loss but reviewed by board				
Unallocated items				
– Administration				(1,537,999)
– Marketing				(136,584)
– Other income/(expenses)				1,271,586
Net profit before tax				**401,242**
Segment assets	**31,658**	**1,809,222**	**–**	**1,840,880**
Segment asset increases/(decreases) for the period				
– Cash and cash equivalents	–	(27,994)	–	(27,994)
– Trade & other receivables	(173,579)	907,001	–	733,422
– Exploration and evaluation assets	(1,383,751)	–	–	(1,383,751)
– Plant & equipment	(46,912)	112,470	–	65,558
– Foreign exchange translation	–	13,038	–	13,038
	(1,604,242)	**1,004,515**	**–**	**(599,727)**
Reconciliation of segment assets to group assets				
Unallocated assets:				
– Cash and cash equivalents				2,488,467
– Financial assets				3,865,729
– Trade and other receivables				41,127
– Restricted cash				68,834
– Plant and equipment				62,774
Total group assets				**8,367,811**
Segment liabilities	**1,651**	**1,661,319**	**491**	**1,663,461**
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities:				
– Trade and other payables				232,490
– Provisions				221,916
Total group liabilities				**2,117,867**

31. OPERATING SEGMENTS (CONT'D)

(d) Segment Performance, Assets and Liabilities (Cont'd)

30 June 2015	Western Australia $	Italy $	Other $	Total $
Revenue				
Total segment revenue	–	–	–	–
Reconciliation of segment revenue to group revenue				
Interest received				93,439
Other revenue				7,958
Total group revenue				101,397
Segment net loss before tax	**(1,179,253)**	**(2,133,594)**	**(43,688)**	**(3,356,535)**
Reconciliation of segment net loss before tax				
Amounts not included in segment loss but reviewed by board				
Unallocated items				
– Administration				(1,017,098)
– Marketing				(247,755)
– Other income/(expenses)				3,267
Net loss before tax from continuing operations				**(4,618,121)**
Segment assets	**1,635,900**	**804,707**	**–**	**2,440,607**
Segment asset increases/(decreases) for the period				
– Cash and cash equivalents	–	33,370	–	33,370
– Trade & other receivables	173,579	295,387	–	468,966
– Exploration and evaluation assets	–	263,290		263,290
– Plant & equipment	2,046	26,193	–	28,239
	175,625	**618,240**	**–**	**793,865**
Reconciliation of segment assets to group assets				
Unallocated assets:				
– Cash and cash equivalents				4,075,328
– Financial assets				50,000
– Trade and other receivables				41,154
– Restricted cash				68,834
– Plant and equipment				36,733
Total group assets				**6,712,656**
Segment liabilities	**30,304**	**571,966**	**58**	**602,328**
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities:				
– Trade and other payables				318,286
– Provisions				142,473
Total group liabilities				**1,063,087**

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Energia Minerals Limited, I state that:

1. In the opinion of the directors:

   (a) The financial statements and notes of the Group are 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 2016 and of its performance for the year ended on that date.

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

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

   (c) The financial statements and notes comply with International Financial Reporting standards as set out in Note 2.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

On behalf of the board

Alexander Burns
Executive Chairman

29 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGIA MINERALS LIMITED

Crowe Horwath™

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGIA MINERALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Energia Minerals Limited and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the consolidated entity 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 is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements and notes comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We have given the directors of Energia Minerals Limited a written Auditor's Independence Declaration, a copy of which is included in the financial report.

Crowe Horwath™

Auditors Opinion
In our opinion:

(a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2 in the financial report which indicates that the consolidated entity incurred a net loss after tax from continuing operations for the year ended 30 June 2016 of $7,944,426 and net cash outflows from operating activities of $8,450,856 during the year ended 30 June 2016 and, as of that date, had cash at bank of $2,494,771. Matters relating to future contracted and planned expenditure set forth in Note 2 indicate the existence of material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not qualified in respect of this matter.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 20 to 28 of the directors' report for the year ended 30 June 2016. The directors of the consolidated entity 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.

Auditor's Opinion
In our opinion, the Remuneration Report of the consolidated entity for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, dated this 29 September 2016

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ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 27 September 2016.

(a) Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at www.energiaminerals.com/company-information/our-corporate-governance.

(b) Distribution of Shareholders

The number of shareholders of ordinary shares, by size of holding are:

Number of Shares			Fully Paid Number of Holders	Fully Paid Number of Shares
1	–	1,000	26	2,600
1,001	–	5,000	22	85,187
5,001	–	10,000	109	1,067,258
10,001	–	100,000	571	24,451,164
100,001	–	and over	351	583,414,770
			1,079	**609,020,979**
The number of shareholders holding less than a marketable parcel of shares are:			176	1,368,730

(c) Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are:

		Fully Paid Number	Fully Paid Percentage
1	ASIM Holdings Pty Ltd (ASLI A/C)	81,513,737	13.38%
2	Burns Elizabeth + A S (Rose-Burns SMSF S/F A/C)	58,333,334	9.58%
3	Zero Nominees Pty Ltd	55,776,667	9.16%
4	J P Morgan Nominees Australia Ltd	19,873,189	3.26%
5	Pollara Pty Ltd (Pollara A/C)	17,500,000	2.87%
6	SHL Pty Ltd (S H Lee Family A/C)	17,000,000	2.79%
7	Jetosea Pty Ltd	15,167,816	2.49%
8	Cairnglen Investments Pty Ltd (Woodford S/F A/C)	9,500,000	1.56%
9	Robinson Kim & Jennifer (Kim Robinson S/F A/C)	9,135,011	1.50%
10	Rentier Investments Pty Ltd (Gwen Woodford S/F)	8,000,000	1.31%
11	Malvasia Pty Ltd (Spyder S/F A/C)	7,833,334	1.29%
12	Inkese Pty Ltd	7,500,000	1.23%
13	BSN Holdings Pty Ltd (BSN S/F A/C)	7,000,000	1.15%
14	Dangoor Alfred C & V O	6,730,489	1.11%
15	BPM Commodities Ltd	6,531,549	1.07%
16	Ianello Delia (ADI InvA/C)	5,750,615	0.94%
17	Robinson Kim & Jennifer (Kim Robinson S/F A/C)	5,702,955	0.94%
18	Roberts John Barry & J E (John Roberts S/F A/C)	5,650,000	0.93%
19	Vetah Abdallah Abdel	5,000,000	0.82%
20	Lomacott Pty Ltd (Keogh S/F A/C)	5,000,000	0.82%
		354,498,696	**58.20%**

(d) Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with *section 671B* of the *Corporations Act 2001* are:

	Number	Percentage
Alexander Burns & Associates	139,847,071	22.96%
Westoz Funds Management	42,000,000	6.89%

Unquoted Equity Securities

(e) Distribution of Option Holders

The number of option holders, by size of holding, in each class of option are:

Number of Options	Series Number														
	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1 – 1,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1,001 – 5,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5,001 – 10,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10,001 –100,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
100,001 – over	1	1	1	1	1	1	2	2	2	2	2	2	3	3	2
	1	1	1	1	1	1	2	2	2	2	2	2	3	3	2

(f) Terms of Unquoted Options on Issue

Series No.	Number of Options	Exercise Price	Expiry Date	Vesting Date
11	4,000,000	$0.10	30 April 2017	Vested
12	4,000,000	$0.20	30 April 2017	Vested
13	4,000,000	$0.30	30 April 2017	Vested
14	2,000,000	$0.05	30 April 2019	Vested
15	2,000,000	$0.10	30 April 2019	Vested
16	2,000,000	$0.15	30 April 2019	Vested
17	2,250,000	$0.05	14 January 2020	Vested
18	2,250,000	$0.10	14 January 2020	Vested
19	2,250,000	$0.15	14 January 2020	14 January 2017
20	1,250,000	$0.12	30 June 2020	Vested
21	1,250,000	$0.18	30 June 2020	Vested
22	1,250,000	$0.24	30 June 2020	1 July 2017
23	4,000,000	$0.12	18 November 2020	Vested
24	4,000,000	$0.18	18 November 2020	18 November 2016
25	3,250,000	$0.24	18 November 2020	18 November 2017
	39,750,000			

Holders With More Than 20% of Each Option Series (Not acquired under an employee incentive scheme)

Option Series No.	Optionholder	Number of Options
20	Marcello de Angelis	750,000
21	Marcello de Angelis	750,000
22	Marcello de Angelis	750,000

(g) Voting Rights

All ordinary shares carry one vote per share. There are no voting rights attached to options in the Company. Voting rights will be attached to the unissued ordinary shares when options have been exercised.

(h) Securities Exchange Listing

Quotation has been granted for 609,020,979 ordinary shares of Energia Minerals Limited on all member exchanges of the *Australian Securities Exchange* and trade under the symbol EMX.

(i) Restricted Securities

The Company has no restricted securities.

(j) On Market Buy-back

There is no on-market buy-back currently being undertaken.

(k) Mineral Resource Statement

The Company's Inferred and Indicated Resources as at 14 March 2016 for the Gorno Project, Italy, reported in accordance with the *Joint Ore Reserves Committee (JORC 2012)* guidelines, are:

March 2016 OK Estimate Reported using a 1.0% Zinc cut-off grade Subdivided by JORC Code 2012 Resource Categories using ROUNDED figures							
Category	**Tonnes (Mt)**	**Zinc (%)**	**Contained Zinc (Kt)**	**Lead (%)**	**Contained Lead (Kt)**	**Silver (ppm)**	**Contained Silver (Moz)**
Indicated	0.97	7.0	68	1.9	19.0	29	0.9
Inferred	2.90	5.8	170	1.5	44.0	23	2.2
Total	3.87	6.1	238	1.6	63	25	3.1

Note: The above resource estimation was completed on 14 March 2016.

As the resource estimation was completed in March 2016, no reviews have been completed, however, no material changes have occurred that would impact the estimation.

This Mineral Resource Statement is based on, and fairly represents, information and supporting documentation prepared by the Competent Persons.

On 7 August 2015, the Carley Bore Project and its associated Mineral Resources were sold to Paladin Energy Ltd. The Gorno Project had no Mineral Resource in the previous year.

Governance and Internal Controls on Resource Estimates:

Energia's policy for the completion of resource estimations is to engage an independent consultant with an exemplary industry reputation. This independent consultant is required to review any information Energia has provided for resource estimation purposes and is not to utilise any information that does not meet appropriate professional standards. This consultant is required to review Energia's field and data collection procedures and provide feedback to ensure Energia collects and interprets data using industry best practice.

Energia utilises extensive quality assurance and control procedures for all of its data collection and data compilation, and completes annual reviews of its database and any material assumptions made in interpretation and its resource estimates.

The Mineral Resources Statement contained in the 2016 Annual Report has been reviewed by suitably qualified competent persons as detailed in the Competent Person Statement.

Competent Person Statement:

Information in this Annual Report that relates to Exploration Targets and 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 release of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resources estimates at the Gorno Zinc Project is based on, and fairly represents, information which has been compiled by Mr James Ridley. Mr James Ridley is a Principal Geologist at Jorvik Resources Pty Ltd and a Member of the Australian Institute of Mining and Metallurgy. Mr Ridley has sufficient experience that is relevant to the style and mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the *"Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."* Mr Ridley consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

ASX ADDITIONAL INFORMATION

(I) Schedule of Mining Tenements

Area of Interest	Tenement	Entity's Interest	Comments
Western Australia			
Nyang	E08/2735	100%	Granted
Table Top	E45/2886	100%	Granted
Iron Hill	E45/4499	100%	Granted
Paterson Range	E45/4520	100%	Granted
Iron Hill South East	E45/4521	100%	Granted
Throssell Range	E45/4522	100%	Granted
Throssell Range	E45/4535	100%	Granted
Moses Chair	E45/4534	100%	Granted
Broadhurst Range	E45/4543	100%	Granted
Isadell	E45/4563	100%	Granted
Lake Talbot	E69/3445	100%	Application
Weld Spring	E69/3446	100%	Application
Northern Territory			
Westmoreland West	EL25269	100%	Application
McArthur	EL25272	100%	Application
Nathan River	EL31045	100%	Granted
Bauhinia	EL31046	100%	Application
Italy			
Novazza	N/A	100%	Application
Val Vedello	N/A	100%	Application
Gorno – Monica Mining Concession	Decree 845	100%	Granted
Gorno	Decree 1633	100%	Granted
Gorno	Decree 1571	100%	Granted
Gorno	Decree 1629	100%	Granted
Gorno	Decree 1632	100%	Granted
Gorno	Decree 1630	100%	Granted
Gorno	Decree 3280	100%	Granted
Gorno	Decree 3279	100%	Granted
Gorno	Decree 3277	100%	Granted
Gorno	Decree 3278	100%	Granted
Gorno	Decree 3276	100%	Granted
Gorno	N/A	100%	Application
Gorno	N/A	100%	Application
Gorno	N/A	100%	Application
Gorno	N/A	100%	Application
Gorno	N/A	100%	Application
Gorno	N/A	100%	Application
Predil	N/A	100%	Application
Salafossa	N/A	100%	Application

NB: All tenements granted except those shown as "Application".

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Mr Jamie Armes

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