



ABN 73 149 230 811

INTERIM FINANCIAL REPORT

For the 6 months ended
31 December 2023

ENRG ELEMENTS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2023

CORPORATE DIRECTORY

Directors

| | |
|------------------|-------------------------------|
| James Eggins | <i>Non-executive Chairman</i> |
| Caroline Keats | <i>Managing Director</i> |
| Quinton de Klerk | <i>Non-executive Director</i> |

Company Secretaries

Shannon Coates

Head Office and Registered Office

Suite 10, 44 Kings Park Road

WEST PERTH WA 6005

Telephone: +61 (0)8 6263 4400

Facsimile: +61 (0)8 9481 7863

Website: <https://enrg-elements.com>

Securities Exchange Listing

Australian Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace

PERTH WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: <https://www.asx.com.au>

ASX Code: EEL

Share Registry

Automic Group Pty Ltd

Level 2, 267 St Georges Terrace

PERTH WA 6000

Telephone: 1300 288 664

Email: hello@automicgroup.com.au

Website: <https://www.automicgroup.com.au>

Auditor

RSM Australia Partners

Level 32, Exchange Tower, 2 The Esplanade

PERTH WA 6000

INTERIM FINANCIAL REPORT

31 DECEMBER 2023

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DIRECTORS' REPORT

The Company's Directors present their report together with the financial statements of the Group, being the Company and its controlled entities (collectively the **Group**), for the half-year ended 31 December 2023 (**Half-Year**, or **Reporting Period**).

1. DIRECTORS

The Directors in office during and since the end of the Half-Year are as follows:

JAMES EGGINS Non-Executive Chairman

CAROLINE KEATS Managing Director

QUINTON DE KLERK Non-Executive Director

2. COMPANY SECRETARIES

The following persons held the position of Joint Company Secretary during and since the Half-Year end:

SARAH WILSON – resigned 16 February 2024

SHANNON COATES

3. OPERATIONS AND FINANCIAL REVIEW

3.1. REVIEW OF OPERATIONS

Manitoba Lithium Project, Canada

On 5 December 2023, ENRG announced that it had lodged four mineral exploration licence applications over potential lithium targets in Manitoba, Canada. Manitoba hosts the world class "Tanco" Lithium-Caesium-Tantalum pegmatite Mine located in eastern Manitoba, which has been in commercial operation for over 50 years.

Following an initial geological assessment, four areas at Handle Lake, Split Lake, Beaver Hill Lake and Unwin Lake were selected for application, with the Beaver Hill Lake and Unwin Lake Projects selected due to their geological similarities to that of the Tanco mine and the fractionated pegmatite model. Handle Lake and Split Lake were selected as they are located on granite-greenstone contacts.

The applications covered a total area of ~500km² in two separate geological provinces and in both cases, the underlying Archaean basement (granite-tonalite-granodiorite) and associated pegmatites, as well as the identified lithological units associated with the Tanco mine, provided the basis of the applications.

In all applications, there is evidence of pegmatite as either dykes, veins or swarms identified in historic diamond drilling or exploration reports. Historical exploration over the application areas focused on gold and base metals and did not target lithium or its associated minerals.

The Company has since been granted three of the Mineral Exploration Licences (1274B, 1275B and 194A) ("**Exploration Licences**") over areas at Handle Lake, Split Lake and Unwin Lake. The remaining application at Beaver Hill Lake remains pending.

The Handle Lake and Split Exploration Licences have been issued for a term of five (5) years, with an option to renew for a further term of five (5) years. The Unwin Lake Exploration Licence has a term of three (3) years, renewable further three (3) years. Prior to any exploration activities on the Exploration Licences, work permits must be obtained from the Department of Economic Development, Investment, Trade and Natural Resources. The Company will commence the process to comply with the necessary requirements.

Tarouadji Lithium Project, Niger

On 11 July 2023, ENRG announced that it had been granted the Tarouadji 2 exploration permit in the largely underexplored Tarouadji area, located in the Agadez region of Niger ("**Tarouadji Project**"), which is prospective for lithium and tin minerals, within a multiphase granitic setting in the Air Massif.

The Tarouadji Project represents a strategic increase in the Company's land holding position in Niger, situated 70km east of the Company's Agadez Project and covers an area of 499.7km².

Shortly after being granted the Tarouadji Project, the Company embarked upon a reconnaissance fieldwork program that included a small surface rock chip sampling campaign, focused primarily on areas historically identified with lithium anomalies and pegmatitic material. The Company also undertook a verification of the historic sample results which identified lithium and tin anomalies.

DIRECTORS' REPORT

Post the end of the reporting period, on 21 February 2024, the Company announced that the initial results of the surface rock chip sampling program had confirmed the historic results.

Agadez Uranium Project, Niger

The Company has previously defined a Mineral Resource Estimate ("MRE") at the Takardeit Deposit, within the Agadez Uranium Project in Niger ("Agadez Project"), of 31.1Mt at a grade of 315 ppm U_3O_8 for 21.5 Mlbs U_3O_8 , in the Inferred category¹.

In early 2023, ENRG also announced positive results from an orientation electrical resistivity tomography ("ERT") survey undertaken across the Takardeit area, demonstrating a correlation with existing drilling data and historical geophysical surveys², which will be useful to not only identify additional targets at the Agadez Project, but also to potentially reduce the timeframe needed to increase the Resource base by narrowing down the search area and better targeting its drilling program.

Following the political events in Niger and the announcements on 28 July 2023 and 12 September 2023, ENRG Elements' Managing Director, Ms Caroline Keats travelled to Niger to meet with Government representatives. The Niger Minister of Petroleum, Mines and Energy, indicated that the administration continues to support the Agadez Uranium Project and the Taroudji Lithium Project and the advancement of these assets by ENRG Elements.

Following the coup in Niger, Orano, Global Atomic and Goviex have each announced that their activities in Niger are continuing. While the situation is dynamic, the Company's operations in Niger have not ceased. Instead, activities have been adjusted to adapt to the changing environment. The Board remains committed to developing its Agadez Project and Taroudji Project and is dedicated to safeguarding the team and the integrity of the Company's assets in the region.

Based on the exploration work completed to date at the Agadez Project, the Company's geological team has been assessing the data from the drilling, sampling and mapping programs. Post the end of the reporting period, on 31 January 2024, the Company announced the commencement of a trenching program to gain a better understanding of the detailed morphology of the mineralised channel system.

Ghazi West Copper-Silver Project, Botswana (10% interest)

On 16 November 2023, the Company advised it had completed the sale of 90% of the issued capital of each of the Company's wholly owned subsidiaries, Icon-Trading Company (Pty) Ltd ("Icon") and Ashmead Holdings (Pty) Ltd. ("Ashmead") to LSE listed Kavango Resources Plc ("Kavango") for a total, staged, cash consideration of A\$2.5 million, following receipt of Botswanan regulatory approvals.

The Company's remaining 10% interest will be free carried until the earlier of three years after Completion (provided that A\$3,000,000 is expended on the licences during this period) and the date that a decision to mine is made.

Virgo Project, Botswana (EEL 25% interest)

The Company retains a 25% interest in Alvis-Crest (Pty) Limited, the holder of two prospecting licences in the Kalahari Copper Belt (PL 135/2017 and PL 162/2017) ("Virgo Project"). The Virgo Project is located in an emerging copper district in the Kalahari district in close proximity of some larger discoveries and cover an area of over 210km². The Virgo licenses lie within (PL 165/2017) and adjacent (PL 135/2017) to the highly prospective Central Structural Corridor and within 10km and 50km of the Zone 5 and Banana Zone copper projects respectively, known as the two largest copper projects on the Kalahari Copper Belt.

Corporate

On 1 August 2023, the Company withdrew its Share Purchase Plan in light of unfavourable market conditions and the ongoing political uncertainty in Niger.

The Company has applied for grants to assist with the advancement of its projects in Niger and Canada. The Company is still waiting on the outcome of these applications and there is no assurance that any grant funding will be obtained.

730,780 fully paid ordinary shares were issued on 14 August 2023 on conversion of performance rights on achievement of performance milestones. A total of 17 million options expired unexercised during the half year period.

The Company held its annual general meeting of shareholders on 29 November 2023, where all resolutions put to shareholders were carried on a poll.

¹ ASX Release – 26 April 2023 – "100% Increase in Mineral Resource at Agadez Uranium Project"

² ASX Release – 11 May 2023 - "Ground Resistivity Geophysical Survey at Agadez Project"

DIRECTORS' REPORT

Post the end of the reporting period, on 16 February 2024, the Company announced the resignation of joint Company Secretary Ms Sarah Wilson, with Ms Shannon Coates remaining as Company Secretary.

Competent Persons Statement

The information relating to previous Niger Exploration Results and Mineral Resources outlined in this announcement was compiled by Mr. David Princep, an independent consultant employed by Gill Lane Consulting. Mr Princep is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist. Mr Princep has more than five years relevant experience in estimation of mineral resources and the mineral commodity uranium. Mr Princep has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)".

The Company confirms that the form and context in which the results are presented and all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed or been materially modified from the original announcements.

3.2. FINANCIAL REVIEW

a. OPERATING RESULTS

For the half-year ended 31 December 2023 the Group delivered a profit after tax of \$1,651,798 (31 December 2022: \$2,225,337 loss).

b. FINANCIAL POSITION

The net assets of the Group have increased from 30 June 2023 by \$1,815,541 to \$3,380,377 at 31 December 2023 (30 June 2023: \$1,564,836). As at 31 December 2023, the Group's cash and cash equivalents increased from 30 June 2023 by \$527,252 to \$1,339,917 at 31 December 2023 (30 June 2023: \$812,665) and had working capital of \$2,262,938 (30 June 2023: \$710,946).

4. EVENTS SUBSEQUENT TO REPORTING DATE

There were no other events which occurred subsequent to the Reporting Period that are not covered in this Directors' Report or within the financial statements at Note 11.

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Company cannot provide forward looking statements and outcomes, however the Company has included its immediate business strategy within the Operations Report.

6. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* (Cth) is set out on page 4.

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



Caroline Keats
Managing Director
Dated this 14th March 2024



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of ENRG Elements Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2024

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

| | Note | 6 months to 31 Dec 2023 \$ | 6 months to 31 Dec 2022 \$ |
|---|------|----------------------------------|----------------------------------|
| Other income | 1 | 3,176 | 7,913 |
| Share of loss of associate accounted for using the equity method | 7 | (14,229) | (127,428) |
| Administration expense | | (12,162) | (16,556) |
| Compliance and regulatory | | (194,341) | (176,199) |
| Consulting and legal | | (99,469) | (174,229) |
| Employee benefit expense | 2 | (375,872) | (321,784) |
| Exploration expense | 2 | (126,355) | (722,534) |
| Travel and accommodation | | (12,900) | (104,527) |
| Share based payments | 14 | (78,495) | (123,343) |
| Other expenses | | (58,305) | (63,91) |
| Unrealised loss on foreign exchange | | (1,496) | (8,110) |
| Profit / (Loss) before income tax | | (970,448) | (1,830,712) |
| Income tax expense | | - | - |
| Profit / (Loss) from continuing operations | | (970,448) | (1,830,712) |
| <i>Discontinued Operations</i> | | | |
| Profit from discontinued operations (attributable to equity holders of the Company) | 6 | 2,622,246 | (394,625) |
| Net profit / (loss) for the half-year | | 1,651,798 | (2,225,337) |
| <i>Other comprehensive income for the half-year:</i> | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | 85,326 | 77,401 |
| Other comprehensive income for the half-year, net of tax | | 85,326 | 77,401 |
| Total comprehensive income/(loss) for the half-year | | 1,737,124 | (2,147,936) |
| <i>Total Comprehensive income/(loss) is attributable to:</i> | | | |
| Equity holders of the Company | | 1,737,124 | (2,147,936) |
| <i>Total comprehensive income/(loss) attributable to owners of the Company arises from:</i> | | | |
| Continuing operations | | (885,122) | (1,830,712) |
| Discontinued operations | | 2,622,246 | (394,625) |
| <i>Earnings per share:</i> | | | |
| Basic earnings/(loss) per share | 13 | 0.164 | (0.240) |
| Basic earnings/(loss) per share from continuing operations | 13 | (0.088) | (0.197) |
| Basic earnings per share from discontinued operations | 13 | 0.260 | (0.043) |

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | Note | 31 Dec 2023 \$ | 30 June 2023 \$ |
|--|------|-------------------|--------------------|
| Current assets | | | |
| Cash and cash equivalents | 3 | 1,339,917 | 812,665 |
| Other receivables | 3 | 51,983 | 81,747 |
| Other current assets | 3 | 1,039,399 | 20,259 |
| Total current assets | | 2,431,299 | 914,671 |
| Non-current assets | | | |
| Investment in Associate – Equity Method | 7 | 628,066 | 642,295 |
| Financial Assets at Fair Value Through Profit and Loss | 8 | 277,778 | - |
| Other receivables | 3 | 211,595 | 211,595 |
| Total non-current assets | | 1,117,439 | 853,890 |
| Total assets | | 3,548,738 | 1,768,561 |
| Current liabilities | | | |
| Trade and other payables | 3 | 168,361 | 203,725 |
| Total current liabilities | | 168,361 | 203,725 |
| Total liabilities | | 168,361 | 203,725 |
| Net assets | | 3,380,377 | 1,564,836 |
| Equity | | | |
| Contributed equity | 4 | 17,365,332 | 17,325,506 |
| Reserves | 4 | 2,847,303 | 2,723,386 |
| Accumulated losses | | (16,832,258) | (18,484,056) |
| Total equity | | 3,380,377 | 1,564,836 |

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

| | Note | Contributed equity \$ | Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|--|------|-----------------------------|---------------|-----------------------------|-----------------------|
| Balance at 1 July 2022 | | 17,170,761 | 760,330 | (13,208,882) | 4,722,209 |
| Loss for the half-year | | - | - | (2,225,337) | (2,225,337) |
| Other comprehensive income for the half-year | | - | 77,401 | - | 77,401 |
| Total comprehensive income/(loss) for the half-year | | - | 77,401 | (2,225,337) | (2,147,936) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs | | 88,654 | - | - | 88,654 |
| Share-based payments - options | | - | 70,001 | - | 70,001 |
| Share-based payments – performance rights | | - | 13,438 | - | 13,438 |
| Balance at 31 December 2022 | | 17,259,415 | 921,170 | (15,434,219) | 2,746,366 |
| Balance at 1 July 2023 | | 17,325,506 | 2,723,386 | (18,484,056) | 1,564,836 |
| Profit for the half-year | | - | - | 1,651,798 | 1,651,798 |
| Other comprehensive income for the half-year | | - | 85,326 | - | 85,326 |
| Total comprehensive income/(loss) for the half-year | | - | 85,326 | 1,651,798 | 1,737,124 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs | 4 | 39,826 | - | - | 39,826 |
| Share-based payments - options | 4 | - | 20,139 | - | 20,139 |
| Share-based payments – performance rights | 4 | - | 18,452 | - | 18,452 |
| Balance at 31 December 2023 | | 17,365,332 | 2,847,303 | (16,832,258) | 3,380,377 |

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

| | Note | 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|--|------|----------------------------|----------------------------|
| | | \$ | \$ |
| Cash flow from operating activities | | | |
| Payments to suppliers & employees | | (836,591) | (934,096) |
| Interest received | | 3,176 | 7,916 |
| Payments for exploration expenditure | | (139,256) | (1,221,933) |
| Net cash outflow from operating activities | | (972,671) | (2,148,113) |
| Cash flow from investing activities: | | | |
| Proceed from disposal of investments net of costs | | 1,500,000 | - |
| Net cash inflow from investing activities | | 1,500,000 | - |
| Cash flow from financing activities: | | | |
| Proceeds from issue of shares | | - | 50,000 |
| Cost of capital raising | | (77) | (1,250) |
| Net cash (outflow) / inflow from financing activities | | (77) | 48,750 |
| Net increase / (decrease) in cash held | | 527,252 | (2,099,363) |
| Cash and cash equivalents at the beginning of the half-year | | 812,665 | 4,148,992 |
| Cash and cash equivalents at the end of half-year | 3 | 1,339,917 | 2,049,629 |

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

In preparing the 31 December 2023 financial statements, ENRG Elements Limited has grouped notes into sections under four key categories:

| | |
|---|----|
| Section A: How the numbers are calculated | 10 |
| Section B: Group structure | 13 |
| Section C: Unrecognised items | 17 |
| Section D: Other Information | 18 |

Material accounting policies specific to each note are included within that note. Accounting policies that are determined to be not material are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

The registered office and principal place of business of the Company is:

Address: Suite 10, 44 Kings Park Road
WEST PERTH WA 6005

Telephone: +61 (0)8 6263 4400

Facsimile: +61 (0)8 9481 7869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity.

NOTE 1 REVENUE AND OTHER INCOME

From continuing operations:

Interest – unrelated parties

Total revenue and other income

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| \$ | \$ |
| 3,176 | 7,916 |
| 3,176 | 7,916 |

NOTE 2 LOSS BEFORE INCOME TAX

Loss before income tax has been determined after including the following expenses:

Employee benefit expense:

Directors' fees

Salaries and Wages

Superannuation

Bonus

Leave Accruals

FBT Expense

Other

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| \$ | \$ |
| 220,000 | 209,583 |
| 71,267 | 61,356 |
| 29,157 | 25,345 |
| 30,382 | - |
| 9,485 | - |
| 15,109 | 5,500 |
| 472 | 20,000 |
| 375,872 | 321,784 |
| 126,355 | 1,083,930 |
| 126,355 | 1,083,930 |

Exploration and evaluation costs:

Exploration and evaluation expenditure

NOTE 3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

3.1 Cash and cash equivalents

Cash at bank and on hand

Bank term deposits

| 31 Dec 2023 | 30 June 2023 |
|------------------|----------------|
| \$ | \$ |
| 1,334,917 | 807,665 |
| 5,000 | 5,000 |
| 1,339,917 | 812,665 |

3.2 Other receivables

Current:

GST refundable

Other receivables

| 31 Dec 2023 | 30 June 2023 |
|---------------|---------------|
| \$ | \$ |
| 15,952 | 22,746 |
| 36,031 | 59,001 |
| 51,983 | 81,747 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Non-Current:

Other receivables – Alvis-Crest

| 31 Dec 2023 | 30 June 2023 |
|-------------|--------------|
| \$ | \$ |
| 211,595 | 211,595 |
| 211,595 | 211,595 |

3.3 Other Assets

Current:

Prepayments

Deferred consideration receivable

| 31 Dec 2023 | 30 June 2023 |
|-------------|--------------|
| \$ | \$ |
| 39,399 | 20,259 |
| 1,000,000 | - |
| 1,039,399 | 20,259 |

3.4 Trade and other payables

Current:

Unsecured

Trade payables

Other payables and accrual

Total unsecured liabilities

| 31 Dec 2023 | 30 June 2023 |
|-------------|--------------|
| \$ | \$ |
| 57,971 | 92,668 |
| 110,390 | 111,057 |
| 168,361 | 203,725 |

NOTE 4 EQUITY

4.1 Issued capital

Fully paid ordinary shares at no par value

Ordinary shares

At the beginning of the half-year/year

Shares issued during the half-year/year

- Directors' Loan Shares

- Performance shares converted to ordinary shares @ \$0.018 per share

- Shares Placement @ \$0.033 per share

- Consultant's shares issued @ \$0.0284 per share

- Performance rights converted to ordinary shares @ \$0.007 per share

Transaction costs relating to share issues

- Share issue costs – Cash-based

At end of the half-year/year

| | 6 months to 31 Dec 2023 No. | 6 months to 31 Dec 2023 \$ | 12 months to 30 June 2023 No. | 12 months to 30 June 2023 \$ |
|---|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|
| Fully paid ordinary shares at no par value | 1,009,965,029 | 17,365,332 | 1,009,234,249 | 17,325,506 |
| At the beginning of the half-year/year | 1,009,234,249 | 17,325,506 | 926,486,703 | 17,170,761 |
| Shares issued during the half-year/year | | | | |
| - Directors' Loan Shares | - | 39,903 | - | 79,157 |
| - Performance shares converted to ordinary shares @ \$0.018 per share | - | - | 80,000,000 | - |
| - Shares Placement @ \$0.033 per share | - | - | 1,515,151 | 50,000 |
| - Consultant's shares issued @ \$0.0284 per share | - | - | 1,232,395 | 35,000 |
| - Performance rights converted to ordinary shares @ \$0.007 per share | 730,780 | - | - | - |
| Transaction costs relating to share issues | | | | |
| - Share issue costs – Cash-based | - | (77) | - | (9,412) |
| At end of the half-year/year | 1,009,965,029 | 17,365,332 | 1,009,234,249 | 17,325,506 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

4.2 Options and Performance Rights

For information relating to the share-based payment plan, including details of options and performance rights issued and/or lapsed during the financial year, and the options outstanding at balance date, refer to Note 14 Share-based Payments. The total number of options and performance rights on issue are as follows:

| | 6 months to 31 Dec 2023 No. | 6 months to 31 Dec 2023 \$ | 12 months to 30 June 2023 No. | 12 months to 30 June 2023 \$ |
|--|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|
| <i>Unlisted options / Performance rights</i> | | | | |
| At the beginning of the half-year/year | 121,314,636 | 2,718,839 | 65,000,000 | 805,433 |
| <i>Performance rights issued / expired during the half-year/year:</i> | | | | |
| - Issued – Exp. Date: 19/08/2027 Ex. Price \$0.029 | - | 18,452 | 6,314,636 | 31,590 |
| - Shares issued on conversion of performance rights following achievement of the performance milestone | (730,780) | - | - | - |
| <i>Options issued / expired during the half-year/year:</i> | | | | |
| - Issued – Exp. Date: 24/05/2025 Ex. Price \$0.03 | - | - | 50,000,000 | 1,750,000 |
| - Issued – Exp. Date: 01/02/2025 Ex. Price \$0.02 | - | 20,139 | - | 131,816 |
| - Options expired 19/11/2023 | (3,000,000) | - | - | - |
| - Options expired 7/12/2023 | (14,000,000) | - | - | - |
| At end of the half-year/year | 103,583,856 | 2,757,430 | 121,314,636 | 2,718,839 |

4.3 Reserves

Foreign currency translation reserve
Share-based payment reserve

| Note | 31 Dec 2023 \$ | 30 June 2023 \$ |
|------|-------------------|--------------------|
| 4 | 89,873 | 4,547 |
| 4 | 2,757,430 | 2,718,839 |
| | 2,847,303 | 2,723,386 |

Foreign currency translation reserve

Balance at beginning of the half-year/year
Change in reserve
Balance at end of the half-year/year

| 31 Dec 2023 \$ | 30 June 2023 \$ |
|-------------------|--------------------|
| 4,547 | (45,103) |
| 85,326 | 49,650 |
| 89,873 | 4,547 |

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

Share-based payment reserve

Balance at beginning of the half-year/year
Options issued
Amortisation of options issued
Performance rights issued to personnel
Balance at end of the half-year/year

| 31 Dec 2023 \$ | 30 June 2023 \$ |
|-------------------|--------------------|
| 2,718,839 | 805,433 |
| 20,139 | 1,881,816 |
| - | - |
| 18,452 | 31,590 |
| 2,757,430 | 2,718,839 |

The share-based payment reserve records the value of options issued to Directors, employees or consultants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

SECTION B. GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of discontinued operations
- (b) transactions with non-controlling interests, and
- (c) interests in joint operations.

A list of significant subsidiaries is provided in Note 5

NOTE 5 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

| | Country of Incorporation | Percentage Owned | |
|---|--------------------------|------------------|--------------|
| | | 31 December 2023 | 30 June 2023 |
| | | % | % |
| Alvis-Crest Holdings (Pty) Ltd ⁽¹⁾ | Botswana | 25 | 25 |
| Ashmead Holdings (Pty) Ltd ⁽²⁾ | Botswana | 10 | 100 |
| Icon-Trading Company (Pty) Ltd ⁽³⁾ | Botswana | 10 | 100 |
| Global Exploration Technologies Pty Ltd | Australia | 100 | 100 |
| Kopore (WA) Pty Ltd | Australia | 100 | 100 |
| EF Niger Exploration SARL | Niger | 100 | 100 |

⁽¹⁾ The Company sold its 75% equity in Alvis-Crest Holdings (Pty) Ltd to 25%. The remaining equity holding (25% at 30 June 2023) is recognised and measured as an associate (Refer Note 7).

⁽²⁾ The Company sold its 90% equity in Ashmead Holdings (Pty) Ltd to 10% (refer Note 6). The remaining equity holding (10% at 31 December 2023) is recognised and measured as Financial asset at fair value through profit and loss (Refer Note 8).

⁽³⁾ The Company sold its 90% equity in Icon-Trading Company (Pty) Ltd to 10% (refer Note 6). The remaining equity holding (10% at 31 December 2023) is recognised and measured as Financial asset at fair value through profit and loss (Refer Note 8).

Investments in subsidiaries are accounted for at cost and have been written down to nil.

NOTE 6 DISCONTINUED OPERATIONS

Sale of Ghanzi-West Project

On 25 September 2023, the Company entered into a binding agreement to sell 90% equity of its Ghanzi West Copper-Silver Project to AIM listed Kavango Resources Plc (Kavango).

On 15 November 2023, the Company completed the sale of 90% of the issued capital of each of the Company's wholly owned subsidiaries Icon-Trading Company (Pty) Ltd and Ashmead Holdings (Pty) Ltd.

Comparative balances in the Statement of Profit or Loss and Other Comprehensive income have been adjusted for this disposal.

Operating results of the business are not included in operating segment disclosed in note 15 Segment Reporting.

Financial information relating to the discontinued operation to the date of sale is set out below:

The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of profit or loss and other comprehensive income, is as follows:

Ashmead Holdings (Pty) Ltd

Revenue and other income
Expenses
Loss before income tax
Income tax expense
Loss after income tax of discontinued operation

| | 6 months to 31 Dec 2023 \$ | 6 months to 31 Dec 2022 \$ |
|---|----------------------------------|----------------------------------|
| Revenue and other income | - | 1 |
| Expenses | (20,017) | (197,140) |
| Loss before income tax | (20,017) | (197,139) |
| Income tax expense | - | - |
| Loss after income tax of discontinued operation | (20,017) | (197,139) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

| | | |
|---|-----------|-----------|
| Gain on sale of the subsidiary after income tax | 1,439,036 | - |
| Profit/(loss) from discontinued operation | 1,419,019 | (197,139) |

The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:

| | | |
|--|----------|-----------|
| Net cash outflow from operating activities | (20,017) | (196,544) |
| Net cash flow generated by the discontinued operations | (20,017) | (196,544) |

Profit on disposal of the operation is included in discontinued operations per the statement of profit and loss and comprehensive income

| | 6 months to 31 Dec 2023 \$ |
|---------------------------|----------------------------------|
| Cash and cash equivalents | 155 |
| Other current assets | - |
| Total assets | 155 |
| Trade and other payables | 715,752 |
| Total liabilities | 715,752 |
| Net (liabilities)/Assets | (715,597) |

The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of profit or loss and other comprehensive income, is as follows:

Icon-Trading Company (Pty) Ltd

| | 6 months to 31 Dec 2023 \$ | 6 months to 31 Dec 2022 \$ |
|---|----------------------------------|----------------------------------|
| Revenue and other income | - | 2 |
| Expenses | (17,246) | (197,488) |
| Loss before income tax | (17,246) | (197,486) |
| Income tax expense | - | - |
| Loss after income tax of discontinued operation | (17,246) | (197,486) |
| Gain on sale of the subsidiary after income tax | 1,220,473 | - |
| Profit/(loss) from discontinued operation | 1,203,227 | (197,486) |

The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:

| | | |
|--|----------|-----------|
| Net cash outflow from operating activities | (17,246) | (168,662) |
| Net cash flow generated by the discontinued operations | (17,246) | (168,662) |

Profit on disposal of the operation is included in discontinued operations per the statement of profit and loss and comprehensive income

| | 6 months to 31 Dec 2023 \$ |
|---------------------------|----------------------------------|
| Cash and cash equivalents | 520 |
| Other current assets | - |
| Total assets | 520 |
| Trade and other payables | 1,176,091 |
| Total liabilities | 1,176,091 |
| Net (liabilities) | (1,175,571) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Details of the disposal – Icon-Trading Company (Pty) Ltd & Ashmead Holdings (Pty) Ltd

| |
|---|
| Sales consideration – shares at fair value |
| Fair value of residual interest |
| Carrying amount of net liabilities disposed |
| Disposal costs |
| Gain on disposal before income tax |
| Gain on disposal after income tax |

| 6 months to 31 Dec 2023 |
|----------------------------|
| \$ |
| 2,500,000 |
| 277,778 |
| (118,269) |
| - |
| 2,659,509 |
| 2,659,509 |

NOTE 7 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Non-Current

Investment accounted for using the equity method – Alvis-Crest Holdings (Pty) Ltd

| 31 Dec 2023 | 30 June 2023 |
|----------------|--------------|
| \$ | \$ |
| 628,066 | 642,295 |
| 628,066 | 642,295 |

Information about associates

Set out below are the investment accounted for using the equity method of the group as at 31 December 2023 which, in the opinion of the directors, is material to the group. The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

| Associates | Country of Incorporation | Measurement method | Percentage Owned | |
|--------------------------------|-----------------------------|--------------------|------------------|--------------|
| | | | 31 Dec 2023 | 30 June 2023 |
| | | | % | % |
| Alvis-Crest Holdings (Pty) Ltd | Botswana | Equity method | 25% | 25% |

On 11 November 2021, the Company completed a Share Purchase Agreement (SPA) to sell down its 75% equity in Alvis to 25%. The remaining equity holding (of 25% at 30 June 2023) is recognised and measured as an associate.

The underlying assets held by Alvis-Crest Holdings (Pty) Ltd, which support the value of the investment, are the exploration tenements. The Group assessed impairment indicators of the exploration tenements in line with the Group's policies. The Group has determined that impairment is not required and it is appropriate to carry forward the balance of the investment as at 31 December 2023.

Summarised financial position

| |
|----------------------------------|
| Current assets |
| Current liabilities |
| Current net assets/(liabilities) |
| Non-current assets |
| Non-current liabilities |
| Non-current deficiency |
| Net deficiency |

| 31 Dec 2023 | 30 June 2023 |
|-------------|--------------|
| \$ | \$ |
| 47,684 | 43,515 |
| (70,306) | (57,485) |
| (22,622) | (13,970) |
| 596,555 | 603,645 |
| (1,450,817) | (1,416,887) |
| (854,262) | (813,242) |
| (876,884) | (827,212) |

Summarised financial performance

| |
|---|
| Revenue |
| Loss for the half-year |
| Other comprehensive income |
| Total comprehensive loss |
| Group's share of associate's loss after tax |

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| \$ | \$ |
| - | - |
| (56,916) | (509,710) |
| - | - |
| (56,916) | (509,710) |
| (14,229) | (127,428) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Group's share of associate's other comprehensive income

| | |
|---|---|
| - | - |
|---|---|

Reconciliation to carrying amounts

Opening net assets at fair value
Share of loss for the period
Other comprehensive income
Closing net assets (carrying amount of investment)

| 31 Dec 2023 | 30 June 2023 |
|-------------|--------------|
| \$ | \$ |
| 642,295 | 662,401 |
| (14,229) | (20,106) |
| - | - |
| 628,066 | 642,295 |

NOTE 8 FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed 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

Level 3: Unobservable inputs for the asset or liability

Consolidated – 31 December 2023

Assets

Ordinary shares at fair value through profit or loss

Total assets

| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|---------|
| \$ | \$ | \$ | \$ |
| - | - | 277,778 | 277,778 |
| - | - | 277,778 | 277,778 |

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

SECTION C. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

NOTE 9 COMMITMENTS

The Group does not have any capital expenditure commitments.

NOTE 10 CONTINGENT ASSETS AND LIABILITIES

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2023.

NOTE 11 EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

SECTION D. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 12 RELATED PARTY TRANSACTIONS

KMP and related party transactions

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

Mr James Eggins – consulting services in accordance with a consultancy agreement.

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| \$ | \$ |
| - | 20,000 |

There are no other related party transactions other than those payments to Directors as disclosed above.

NOTE 13 LOSS PER SHARE

Reconciliation of loss to profit or loss

| | | |
|--|-----------|-------------|
| Net profit or loss for the half-year | 1,651,798 | (2,225,337) |
| Net profit or loss used in the calculation of basic and diluted profit or loss per share | 1,651,798 | (2,225,337) |

Reconciliation of loss to profit or loss from continuing operations

| | | |
|---|-----------|-------------|
| Profit or Loss for the half-year from continuing operations | (885,122) | (1,830,712) |
| Profit or Loss used in the calculation of basic and diluted EPS continuing operations | (885,122) | (1,830,712) |

Reconciliation of loss to profit or loss from discontinued operations

| | | |
|---|-----------|-----------|
| Profit or Loss for the half-year from discontinued operations | 2,622,246 | (394,625) |
| Profit or Loss used in the calculation of basic and diluted EPS discontinued operations | 2,622,246 | (394,625) |

Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic loss per share

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| No. | No. |
| 1,009,789,322 | 927,770,028 |

Earnings per share

| | | |
|--|---------|---------|
| Basic earnings/(loss) per share | 0.164 | (0.240) |
| Basic earnings/(loss) per share from continuing operations | (0.088) | (0.197) |
| Basic earnings per share from discontinued operations | 0.260 | (0.043) |

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| ¢ | ¢ |
| 0.164 | (0.240) |
| (0.088) | (0.197) |
| 0.260 | (0.043) |

The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the half-year (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the half-year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (31 December 2022: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 14 SHARE-BASED PAYMENTS

The following share-based payment arrangements were entered into during the half-year:

Amortisation of Loan Shares issued to Directors

Amortisation of options issued to advisors in 30 June 2021 financial year

Amortisation of performance rights issued during the half-year ended 31 December 2022

Total share-based payments included in statement of profit or loss and other comprehensive income.

| 6 months to 31 Dec 2023 | 6 months to 31 Dec 2022 |
|----------------------------|----------------------------|
| \$ | \$ |
| 39,904 | 39,904 |
| 20,139 | 70,001 |
| 18,452 | 13,438 |
| 78,495 | 123,343 |

Total share-based payments recognised in reserves is \$78,495 (31 December 2022: \$123,343).

14.1 Share-based payments recognised in profit and loss

Performance Rights

On 19 August 2022, the Company issued 4,122,295 Performance Rights as a long-term incentive to key contractors who provide technical services to the Company and 2,192,341 Performance Rights issued to an employee under the Company's Employee Securities Incentive Plan (**the Plan**).

These performance rights have been valued and issued on terms as detailed below:

| Incentive | Vesting Conditions | Milestone Date | Expiry Date | Performance Condition Satisfied |
|-----------|---|----------------|-------------|---------------------------------|
| 1 | Equal third of the Performance Rights will vest and become capable of exercise into fully paid ordinary Shares twelve (12) months from the Start Date, subject to continuous service or engagement as an employee or contractors of the Company. | 19 Aug 2023 | 19 Aug 2027 | No |
| 2 | Equal third of the Performance Rights will vest and become capable of exercise into fully paid ordinary Shares two years ((24) months) from the Start Date, subject to continuous service or engagement as an employee or contractors of the Company. | 19 Aug 2024 | 19 Aug 2027 | No |
| 3 | Equal third of the Performance Rights will vest and become capable of exercise into fully paid ordinary Shares three years ((36) months) from the Start Date, subject to continuous service or engagement as an employee or contractors of the Company. | 19 Aug 2025 | 19 Aug 2027 | No |

NOTE 15 SEGMENT REPORTING

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 is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics. The Group considers that it has only operated in one segment, being the exploration business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment receivables receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

During the half-year ended 31 December 2023 and the year ended 30 June 2023, all assets were in the same business segment, which is the Group's exploration business.

Segment liabilities

During the half-year ended 31 December 2023 and the year ended 30 June 2023, all liabilities were in the same business segment, which is the Group's exploration business.

Revenue by geographical region

There is no revenue attributable to external customers for the half-year ended 31 December 2023 and half-year ended 31 December 2022.

Assets by geographical region

During the half-year ended 31 December 2023 and the year ended 30 June 2023, all reportable segment assets are located in Africa and Australia, with the Group's financial assets located in Africa and Australia.

NOTE 16 STATEMENT OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

Reporting Entity

ENRG Elements Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Suite 10, 44 Kings Park Road, West Perth, Western Australia. These are the consolidated financial statements and notes of ENRG Elements Limited (the **Company**) and controlled entities (collectively the **Group**). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of ENRG Elements Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

Basis of accounting

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent financial report.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements were authorised for issue on 14th March 2024 by the Directors of the Company.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 20, are in accordance with the Corporations Act 2001 (Cth) and:

- (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
- (b) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half-year ended on that date of the Group.

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

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



Caroline Keats

Managing Director

Dated this 14th March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ENRG ELEMENTS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of ENRG Elements Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Directors' Responsibility for the Half-Year Financial Report

The directors of ENRG Elements Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2024