PROTEAN ENERGY LIMITED

ABN 81 119 267 391

APPENDIX 4E

FOR THE YEAR ENDED

30 JUNE 2021

Details of the reporting period and the previous corresponding period

Current period:	1 July 2020 to 30 June 2021
Prior corresponding period:	1 July 2019 to 30 June 2020

Results for announcement to market

Key information	30 June 2021 $	30 June 2020 $	Change %
Revenue from continuing operations	1,927	7,941	Down 76%
Loss after tax from continuing operations attributable to members	(700,447)	(1,319,217)	Down 46%
Net loss attributable to members	(700,447)	(1,319,217)	Down 46%

Details of dividends

No dividends have been declared or paid for the year ended 30 June 2021 (30 June 2020: nil).

Net tangible assets per ordinary share

	30 June 2021 $	30 June 2020 $
Net tangible assets / (liabilities)	1,904,137	656,212
Ordinary shares	650,612,963	311,437,245
Net tangible assets per security (cents)	0.001	0.21

Other disclosure requirements

The document has been prepared in accordance with ASX listing rule 4.3A, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Group Interpretations and the *Corporations Act 2001*. The document is presented in Australian dollars and has been prepared on the basis of historical costs except in accordance with relevant accounting policies where assets and liabilities are stated at their values in accordance with relevant accounting policies. The accounting policies adopted in this report are the same as those disclosed in the annual financial report for the year ended 30 June 2021.

The accounting policies adopted in this report have been consistently applied by each entity in the Consolidated Entity and are consistent with the those of the previous year.

This document should be read in conjunction with the 2021 Annual Report and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules. The 2021 Annual Report covers Protean Energy Limited and its controlled entities, and is based on separately lodged consolidated financial statements and financial report which has been audited by BDO Audit (WA) Pty Ltd.

This report is signed in accordance with a resolution of the Board of Directors.

David Wheeler
Non-Executive Chairman

Perth, Western Australia

23 August 2021

PROTEAN ENERGY LIMITED

ABN 81 119 267 391

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2021

CORPORATE DIRECTORY

Directors
David Wheeler *Non-Executive Chairman*
Joe Graziano *Non-Executive Director*
Tim Slate *Non-Executive Director*

Company Secretaries
Tim Slate
Carla Healy

Bankers
National Australia Bank Limited
50 St Georges Terrace
Perth WA 6000

Share Registry
Link Market Services Limited
Central Park, Level 4, 152 St Georges Terrace
Perth WA 6000
Telephone: 1300 554 474

Contact Information
Telephone: +61 8 6558 0886
Facsimile: +61 8 6316 3337
Email: admin@proteanenergy.com
Web: www.proteanenergy.com

Registered & Principal Office
Level 3, 101 St Georges Terrace
Perth WA 6000

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

Auditor
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

CONTENTS

DIRECTORS' REPORT

The Company presents its financial report for the consolidated entity consisting of Protean Energy Limited (**Protean or Company**) and the entities it controls (**Consolidated Entity** or **Group**) at the end of, or during, the year ended 30 June 2021.

REVIEW OF OPERATIONS

<u>Gwesan Vanadium Project Exploration Programme</u>

During the year, the Company continued their exploration programme at its Gwesan Vanadium Project (Gwesan Project) in South Korea. The Company engaged independent consulting group GeoGeny Consultants Group Inc. (Geogeny) to provide in-country services to undertake a seven-phase exploration programme at the Gwesan Project.

Geogeny commenced phases 1 and 2 in February 2021. Phase 1 and 2 comprised of the following:

1. Phase 1: A site visit, a review of project history and existing reports, review of geology and mineralisation, and the preparation of exploration plan; and

2. Phase 2: A geological survey to gain a field-based understanding of project's geology and mineralisation. The geological field reconnaissance focused on locating structure trends of mineralisation and identifying soil sampling targets.

On 5 May 2021, the Company announced the exploration results of Phases 1 and 2 of the Gwesan Vanadium Project in South Korea, which were designed to identify the vanadium potential of the Gwesan deposit through the historical data review and a geological survey, which was not limited to Protean's tenements.

The results relating to exploration target obtained by this preliminary exploration identified the prospects of deposit are divided into 4 regions (Figure 1), and the priority of potential target is estimated in the following order as DAWL > DAEL > North > South. Protean tenement (Gwesan 137) belongs to DAWL prospect which was investigated in 1970s by the Korea Institute of Energy and Resources (KIER) with 88 drill-holes (13,163 m) targeting the graphitic slate of Guryongsan formation. The historical 1970s KIER drilling data drilling was not complete enough for use in JORC 2012 Mineral Resource estimate but was used for geological modelling and exploration targeting purposes.

It was hoped the historic cores from the DAWL prospect mineralisation investigation in the 1970's would provide sufficient data for an estimate in accordance with the JORC Code (2012), however unfortunately Protean was notified these cores had been destroyed in 2020.

The geological survey also confirmed that 3 ore-zones of the DAWL prospect have uranium and vanadium potential through this preliminary exploration, and especially the Dukyung orebody, which is considered to be repeated about 8 times due to tightly developed thrust imbricates at Gwesan 127.

The mineralization potential of the Gwesan 137 prospect remains open toward north-east along the strike, with the main potential is located at the adjacent tenement (Gwesan 127).

On 14 July 2021, Geogeny commenced a multi-commodity planning a soil sampling program, of approximately 500 soil samples on the Gwesan 137 prospect. The soil sampling program commenced in August 2021.

<u>Gwesan Vanadium Project Background</u>

The Geology in the Okcheon belt consists of meta-sedimentary sequence that is composed of three formations including the Wunkyori, Hwajeonri and Guryongsan. The stratigraphical sequence within the belt at the Gwesan project comprises a dark grey Phyllite, followed by the black shale (ore zone) and a fine grained sandstone. The historical drilling at the Gwesan project has intercepted black shale along a 10km strike.

The mineralised black shale has been under-targeted in the past and drilling completed in 2013 has shown and confirmed the potential for Vanadium mineralisation hosted by the black shale (refer ASX release 13 November 2013).

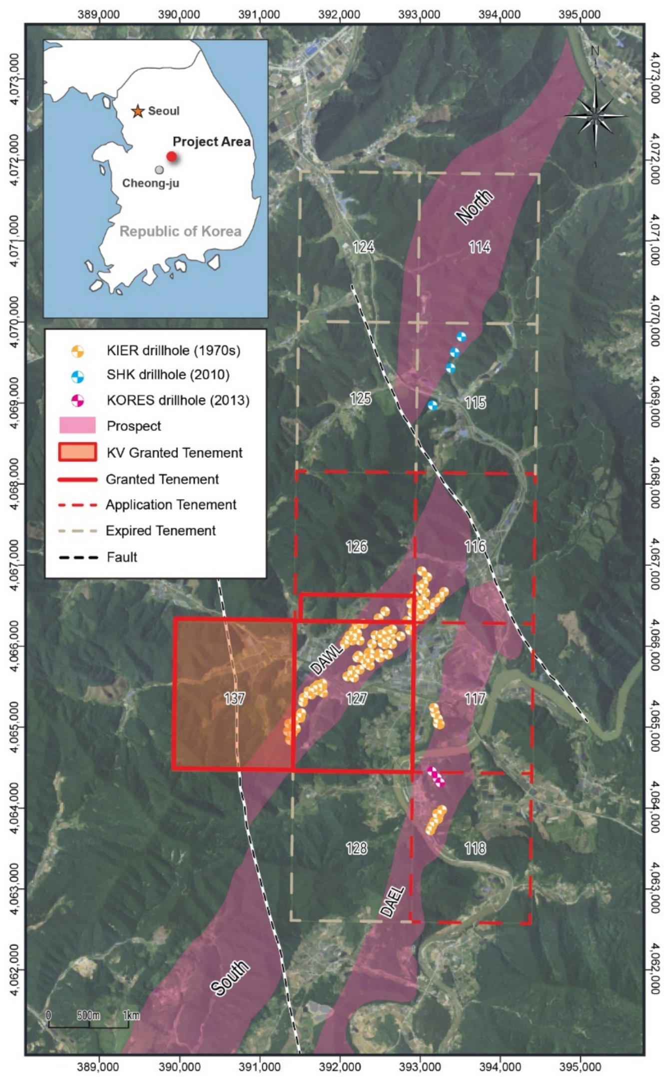

Figure 1. *Location map of Gwesan vanadium project*

Daejon Project

On 7 January 2021, the Company announced that it had received confirmation that, following an open hearing with the Mining Registration Office in South Korea in late November 2020, the Daejon Vanadium Project tenements have been granted a 1-year extension of term until November 2021.

No material exploration was undertaken on the Daejon Project during the period and the Company is currently reviewing the project to assess options moving forward.

Disposal of KORID Energy Interest

On 2 November 2020, the Company advised it had entered into a binding term sheet to dispose of its 50% interest in KORID Energy Co Ltd ("KORID") to Australia VRFB ESS Company Pty Ltd ("VRFB Australia"). Following receipt of shareholder approval on 15 December 2020, and the satisfaction of certain conditions precedent, the disposal was completed on 4 January 2021.

CORPORATE

Board Changes

During the year the Company advised that Mr Joe Graziano and Mr Tim Slate were appointed as Non-Executive Directors of the Company, effective 14 October 2020.

Mr Graziano is a Chartered Accountant with corporate and company secretarial experience. He has over 28 years' experience providing a wide range of business, financial and strategic advice to small capital unlisted and listed public companies and privately-owned businesses in Western Australia's resource-driven industries.

Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and structuring. He is currently a director of Pathways Corporate Pty Ltd, a specialised Corporate Advisory business.

Mr Tim Slate provides accounting, secretarial and corporate advice to a number of private and public companies. Mr Slate has over 10 years' experience in chartered accounting. Mr Slate has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, an Associate Member of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors.

The Company further advised that Mr Matthew Foy had resigned as Non-Executive Director of the Company effective 14 October 2020 and remained as joint Company Secretary. Mr Matthew Foy resigned as joint Company Secretary on 15 December 2020.

On 16 March 2021, the Company advised that Mrs Carla Healy was appointed as joint Company Secretary. Mrs Healy has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant and an Associate Member of the Chartered Governance Institute. Mrs Healy provides accounting and secretarial advice to private and public companies and has 18 years' experience in chartered accounting. Following Mrs Healy's appointment, both Mr Tim Slate and Mrs Carla Healy will act as Joint Company Secretaries.

On 16 March 2021, the Company further advised that Mr Bevan Tarratt had resigned from the position of Non-Executive Director.

Capital Raising and Entitlement Offer

In November 2020, the Company issued 40,000,000 shares to sophisticated investors, who are clients of CPS Capital Group Pty Ltd ("CPS"), at $0.006 per share under a share placement. A further 24,166,667 shares were issued to investors in December 2020, following shareholder approval at the Annual General Meeting.

On 6 November 2020, the Company issued a Rights Issue Prospectus for a non-renounceable entitlement issue of three new shares for every four existing shares held. The rights issue was underwritten by CPS. On 1 December 2020, the Company announced that it had received applications for 142,010,490 new shares totalling $852,063 from shareholders who had accepted and paid for their entitlement under the Prospectus. The remaining shortfall of $758,799 was fully underwritten by CPS and this share placement occurred on 10 December 2020.

Options issue

On 16 December 2020, the Company issued 40,000,000 unquoted options exercisable at $0.01 on or before 16 December 2023 at an issue price of $0.00001 to CPS.

Competent Persons Statement – JORC Code 2012

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled under the supervision of Dr Hagsoo Kim, PhD (Geophysics), Professional Engineer of Korea (Geology and Geotechnics), Chairman of Korean Society of Earth and Exploration Geophysicists, CEO of GeoGeny Consultants Group Inc.

Dr Kim is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Kim consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

DIRECTORS

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

David Wheeler	Non-Executive Chairman	
Joe Graziano	Non-Executive Director	*appointed 14 October 2020*
Tim Slate	Non-Executive Director	*appointed 14 October 2020*
Bevan Tarratt	Non-Executive Director	*resigned 16 March 2021*
Matthew Foy	Non-Executive Director	*resigned 14 October 2020*

PRINCIPAL ACTIVITIES

The activities of the Group and its subsidiaries during the year ended 30 June 2021 comprised mineral exploration in South Korea and commercialisation activities associated with energy projects in South Korea and Australia.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year (30 June 2020: Nil).

FINANCIAL SUMMARY

The Group made a net loss after tax of $700,447 for the financial year ended 30 June 2021 (30 June 2020: loss of $1,319,217). At 30 June 2021, the Group had net assets of $1,904,137 (30 June 2020: $656,212) and cash assets of $1,919,528 (30 June 2020: $763,956).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

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

INFORMATION ON DIRECTORS

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

Mr David Wheeler	**Non-Executive Chairman** (appointed 16 May 2017)
Qualifications	BA (Bus), SDIA
Experience	Mr Wheeler has more than 30 years executive management experience, through general management, CEO and Managing Director roles across a range of companies and industries. He has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). Mr Wheeler has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990.
Equity Interests	Nil
Directorships held in other listed entities	Current directorships: • Executive Chairman – Health House International Ltd from April 2021 • Non-Executive Chairman – PVW Resources (previously Thred Ltd) from August 2017 • Non-Executive Director - Ragnar Metals Ltd from December 2017 • Non-Executive Chairman - Avira Resources Ltd from September 2018 • Non-Executive Director - Tyranna Resources Ltd from October 2019 • Non-Executive Director - Syntonic Ltd from November 2019 • Non-Executive Chairman - Blaze International Ltd from March 2020 • Non-Executive Director - Delecta Ltd from June 2020 • Non-Executive Director – Athena Resources Ltd from June 2021 • Non-Executive Director – Cycliq Resources Ltd from June 2021 Former directorships: • Antilles Oil and Gas NL – from February 2016 to November 2018 • Ultracharge Ltd – from December 2015 to August 2019 No other listed directorships have been held by Mr Wheeler in the previous three years.
Mr Joe Graziano	**Non-Executive Director** (appointed 14 October 2020)
Qualifications	BA (Bus), CA
Experience	Mr Graziano is a Chartered Accountant with corporate and company secretarial experience. He has over 28 years' experience providing a wide range of business, financial and strategic advice to small capital unlisted and listed public companies and privately-owned businesses in Western Australia's resource-driven industries. Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and structuring. He is currently a director of Pathways Corporate Pty Ltd, a specialised Corporate Advisory business.
Equity Interests	Nil
Directorships held in other listed entities	Current directorships: • Non -Executive Chairman – Kin Mining NL from August 2019 • Non-Executive Director - Tyranna Resources Ltd from June 2019 • Non-Executive Director - Syntonic Ltd from October 2020 Former directorships: • Non-Executive Director – PVW Resources Ltd (previously Thred Ltd) to February 2021 No other listed directorships have been held by Mr Graziano in the previous three years.

Mr Tim Slate	**Non-Executive Director** (appointed 14 October 2020) **Joint Company Secretary**
Qualifications	BCom, CA, AGIA and Graduate of the Australian Institute of Company Directors.
Experience	Mr Tim Slate provides accounting, secretarial and corporate advice to a number of private and public companies. Mr Slate has over 10 years' experience in chartered accounting. Mr Slate has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, an Associate Member of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors.
Equity Interests	Nil
Directorships held in other listed entities	Current directorships: • Non-Executive Director - Syntonic Ltd from October 2020 No other listed directorships have been held by Mr Slate in the previous three years.
Mr Bevan Tarratt	**Non-Executive Director** (resigned 16 March 2021)
Qualifications	BA (Bus), SDIA
Experience	Mr Tarratt has an extensive background in the accounting industry primarily focused on small cap resource companies. This experience has allowed Mr Tarratt to develop an in-depth understanding of the resource sector within Western Australia and globally, allowing Mr Tarratt to systematically evaluate project and corporate opportunities. Mr Tarratt has extensive equity capital markets experience with Paterson's Securities Ltd.
Equity Interests	1,941,496 ordinary shares (at resignation date) 8,750,000 options over ordinary shares with an exercise price of $0.037 (at resignation date)
Directorships held in other listed entities	Current directorships: • Non-Executive Director - Jacka Resources Ltd from August 2018 • Non-Executive Director - Ansila Energy NL from May 2018 Former directorships: • Fenix Resources Ltd – from August 2015 to December 2019 No other listed directorships have been held by Mr Tarratt in the previous three years.
Mr Matthew Foy	**Non-Executive Director** (resigned 14 October 2020) **Company Secretary**
Qualifications	BCom, GradDipAppFin, GradDipACG, FGIA, FCIS
Experience	Mr Foy is a contract Company Secretary and active member of the WA State Governance Council of the Governance Institute Australia (GIA). He spent four years at the ASX facilitating the listing and compliance of companies and possesses core competencies in publicly listed company secretarial, operational and governance disciplines. His working knowledge of ASIC and ASX reporting and document drafting skills ensure a solid base to make a valued contribution to Protean.
Equity Interests	23,333 ordinary shares (at resignation date)
Directorships held in other listed entities	No other listed directorships have been held by Mr Foy in the previous three years.

DIRECTORS' REPORT (continued)

Meetings of Directors

During the financial year, two (2) meetings were held.

Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
D Wheeler	2	2
J Graziano[(1)]	2	2
T Slate[(2)]	2	2
B Tarratt[(3)]	1	1
M Foy [(4)]	-	-

a) Mr Graziano appointed on 14 October 2020
b) Mr Slate appointed on 14 October 2020
c) Mr Tarratt resigned on 16 March 2021
d) Mr Foy resigned on 14 October 2020

REMUNERATION REPORT (AUDITED)

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

A. Introduction

B. Remuneration governance

C. Key management personnel

D. Remuneration and performance

E. Remuneration structure

- Executive
- Non-Executive directors

F. Details of remuneration

G. Share based compensation

H. Other information

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

A. INTRODUCTION

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

During the year the Company did not engage remuneration consultants.

B. REMUNERATION GOVERNANCE

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

The Board aims to ensure that the remuneration practices are:

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

At the 2020 annual general meeting, the Company's remuneration report was passed by the requisite majority of shareholders (97% by a poll).

C. KEY MANAGEMENT PERSONNEL

The key management personnel in this report are as follows:

Non-Executive Directors

- D Wheeler (Non-Executive Chairman) – transitioned to Non-Executive Chairman on 15 October 2020
- J Graziano (Non-Executive Director) – appointed 14 October 2020
- T Slate (Non-Executive Director) – appointed 14 October 2020

Non-Executive Directors - former

- B Tarratt (Non-Executive Director) – resigned 16 March 2021; transitioned to Non-Executive Director on 15 October 2020
- M Foy (Non-Executive Director) – resigned 14 October 2020

D. REMUNERATION AND PERFORMANCE

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

	30 June 2021 $	30 June 2020 $	30 June 2019 $	30 June 2018 $	30 June 2017 $
Revenue from continuing operations	1,927	7,941	21,762	33,732	1,584
Net loss attributable to members of the Company	(700,447)	(1,319,217)	(4,579,296)	(3,669,481)	(7,107,731)
Share price	0.010	0.004	0.009	0.030	0.020

E. REMUNERATION STRUCTURE

Executive remuneration structure

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

REMUNERATION REPORT (AUDITED) (continued)

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

The employees of the Group receive a superannuation guarantee contribution required by the Government, which is currently 10%, and do not receive any other retirement benefits. There are currently no employees in the Group.

Non-Executive remuneration structure

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

Non-Executive Directors' fees and payments are reviewed annually by the Board. For the year ended 30 June 2021, remuneration for a Non-Executive Director/Chairman ranged between was $36,000 to $48,000 per annum. There are no termination or retirement benefits paid to Non-Executive Directors (other than statutory superannuation). The maximum aggregate amount of fees that can be paid to Non-Executive Directors, which was subject to approval by shareholders as part of the replaced constitution at the annual general meeting which occurred on 26 November 2014, is $250,000 per annum.

All Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of Director. In addition, in order to align their interests with those of shareholders, the Non-Executive Directors are encouraged to hold shares in the Company.

F. DETAILS OF REMUNERATION

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

Remuneration of KMP for the 2021 financial year is set out below:

	Short-term benefits			Post-employment benefits			Share based payments	Total
	Cash salary	Consulting fees	Non-cash benefits [1]	Super-annuation	Annual leave	Termination	Options	
	$	$	$	$	$	$	$	$
Non-Executive Directors								
D Wheeler [2]	38,667	-	-	-	-	-	-	38,667
J Graziano[3][4]	24,000	-	-	-	-	-	-	24,000
T Slate[5][6]	25,772	-	-	-	-	-	-	25,772
Non-Executive Directors –Former								
B Tarratt[7]	35,140	-	-	-	-	-	-	35,140
M Foy [8][9]	23,800	-	-	-	-	-	-	23,800
Total	147,379	-	-	-	-	-	-	147,379

1 Other benefits include the provision of a mobile phone allowance.
2 Mr Wheeler is a Director of Pathways Corporate Pty Ltd, which received Mr Wheeler's Director fees during the year.
3 Mr Graziano was appointed on 14 October 2020.
4 Mr Graziano is a Director of Pathways Corporate Pty Ltd, which received Mr Graziano's Director fees during the year.
5 Mr Slate was appointed on 14 October 2020.
6 Mr Slate is a Director of Catalyst Corporate Pty Ltd, which received Mr Slate's Director and Company Secretary fees during the year.
7 Mr Tarratt resigned on 16 March 2021.
8 Mr Foy resigned as Director on 14 October 2020 and Company Secretary on 15 December 2020.
9 Mr Foy is a Director of FT Corporate Pty Ltd, which received Mr Foy's Director and Company Secretary fees during the period.

The following table sets out each KMP's relevant interest in fully paid ordinary shares, options and performance rights to acquire shares in the Company, as at 30 June 2021:

Name	Fully paid ordinary shares	Options	Performance rights
D Wheeler	-	-	-
J Graziano	-	-	-
T Slate	-	-	-
B Tarratt (at resignation date)	1,941,496	8,750,000	-
M Foy (at resignation date)	23,333	-	-

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration of KMP for the 2020 financial year is set out below:

	Short-term benefits			Post-employment benefits			Share based payments	Total
	Cash salary	Consulting fees	Non-cash benefits (1)	Super-annuation	Annual leave	Termination	Options	
	$	$	$	$	$	$	$	$
Non-Executive Directors								
B Tarratt	48,000	20,000	150	6,460	-	-	-	74,610
M Foy (2)(3)(4)	24,000	-	-	-	-	-	-	24,000
D Wheeler (5)	36,000	-	-	-	-	-	-	36,000
Non-Executive Directors –Former								
W Loxton (6)	24,000	-	-	2,280	-	-	-	26,280
Y Yu (7)(8)(9)	18,000	24,000	-	-	-	-	-	42,000
Total	150,000	44,000	150	8,740	-	-	-	202,890

1 *Other benefits include the provision of a mobile phone allowance.*
2 *Mr Foy appointed 31 December 2019.*
3 *Mr Foy's fees are paid for the role of Non-Executive Director and Company Secretary.*
4 *Mr Foy is a Director of FT Corporate Pty Ltd, which received Mr Foy's fees during the period.*
5 *Mr Wheeler is a Director of Pathways Corporate Pty Ltd, which received Mr Wheeler's Director fees during the year.*
6 *Mr Loxton resigned 31 December 2019.*
7 *Mr Yu transitioned from Executive Director to Non-Executive Director on 1 July 2019.*
8 *Mr Yu resigned 31 December 2019.*
9 *Mr Yu is a Director of MGM O'Connor Corporate Advisory Pty Ltd, which received Mr Yu's Director and consulting fees during the period.*

G. SHARE BASED COMPENSATION

During the year ended 30 June 2021 there was no share-based compensation provided to Directors.

Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense for the 2021 and 2020 financial years:

	Fixed remuneration	At risk STI	At risk LTI	Fixed remuneration	At risk STI	At risk LTI
	2021			2020		
Non-Executive Directors – Current						
D Wheeler	100%	-	-	100%	-	-
J Graziano(1)	100%	-	-	100%	-	-
T Slate(2)	100%	-	-	100%	-	-
Non-Executive Director – Former						
B Tarratt(3)	100%			100%		
M Foy(4)	100%	-	-	100%	-	-

1 *Mr Graziano was appointed on 14 October 2020.*
2 *Mr Slate was appointed on 14 October 2020.*
3 *Mr Tarratt resigned on 16 March 2021.*
4 *Mr Foy resigned as Director on 14 October 2020 and Company Secretary on 15 December 2020.*

REMUNERATION REPORT (AUDITED) (continued)

Reconciliation of equity instruments held by KMP

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

	Balance at the start of the year/period	Granted/ Acquired	Exercised	Expired	Other changes	Balance at year end
Non-Executive Directors						
D Wheeler						
Options [1]	9,750,000	-	-	(9,750,000)	-	-
J Graziano[2]	-	-	-	-	-	-
T Slate[3]	-	-	-	-	-	-
Non-Executive Directors – Former (at resignation date)						
B Tarratt[4]						
Fully paid ordinary shares	1,941,496	-	-	-	(1,941,496)	-
Options [1]	8,750,000	-	-	-	(8,750,000)	-
M Foy[5]						
Fully paid ordinary shares	23,333	-	-	-	(23,333)	-

1 *Options are vested and exercisable.*
2 *Mr Graziano was appointed on 14 October 2020.*
3 *Mr Slate was appointed on 14 October 2020.*
4 *Mr Tarratt resigned on 16 March 2021.*
5 *Mr Foy resigned as Director on 14 October 2020 and Company Secretary on 15 December 2020.*

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

H. OTHER INFORMATION

Unissued ordinary shares

Unissued ordinary shares under option at the date of this report are 40,000,000 and broken-down as follows:

- Share options issued to consultants and vendors 40,000,000

Options over ordinary shares can be exercised at a weighted average price of $0.01.

Other transactions and balances with Key Management Personnel

Pathways Corporate Pty Ltd, a company of which Mr Wheeler and Mr Graziano are Directors, charged the Group registered office fees of $7,000 (2020: $nil) during the year. $nil (2020: $nil) was outstanding at year end.

Catalyst Corporate Pty Ltd, a company of which Mr Slate is a Director, charged the Group accounting fees of $25,773 (2020: $nil) during the year. $nil (2020: $nil) was outstanding at year end.

This concludes the Remuneration Report which has been audited.

ENVIRONMENTAL REGULATIONS

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

INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a policy insuring the Company's Directors, Secretaries, Executive Officers and any related body corporate against a liability incurred as such a director, secretary or officer to the extent permitted by the *Corporations Act 2001*.

The policy of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has entered into Deeds of Indemnity, Insurance and Access with the Company's Directors, Secretary and Executive Officers.

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

PROCEEDINGS ON BEHALF OF COMPANY

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 15.

AUDITOR'S REMUNERATION

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

	2021 $	2020 $
Taxation services		
BDO Tax (WA) Pty Ltd		
Tax compliance services	8,240	7,365
International tax consulting and tax advice	-	3,966
Total remuneration for taxation services	8,240	11,331
Total remuneration for non-audit services	8,240	11,331

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

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

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

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

David Wheeler
Non-Executive Chairman

Perth, Western Australia
23 August 2021

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF PROTEAN ENERGY LIMITED

As lead auditor of Protean Energy Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 23 August 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue from continuing operations			
Interest income		1,927	7,941
Other Income		17,176	-
Expenses			
Research and development expense	2	-	(52,202)
Exploration expense	2	(174,545)	(87,193)
Depreciation and amortisation expense		(11,162)	(13,768)
Administrative expense	2	(501,097)	(457,367)
Plant and equipment written off		-	(725)
Share of net loss of joint venture accounted using the equity method	7	-	(44,436)
Impairment expense	7	-	(671,467)
Loss on settlement of liability		(32,746)	-
Loss before income tax		(700,447)	(1,319,217)
Income tax benefit	4	-	-
Loss attributable to members of the Company		(700,447)	(1,319,217)
Other comprehensive income			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		-	107
Other comprehensive income/(loss) for the period, net of tax		-	107
Total comprehensive loss for the period attributable to members of the Company		(700,447)	(1,319,110)
Loss per share for loss from continuing operations attributable to the ordinary equity holders			
Basic and diluted loss per share (cents per share)	13	(0.14)	(0.42)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	5	1,919,528	763,956
Trade and other receivables	6	27,989	17,670
Total current assets		1,947,517	781,626
Non-current assets			
Plant and equipment		15,069	26,231
Total non-current assets		15,069	26,231
Total assets		**1,962,586**	**807,857**
Current liabilities			
Trade and other payables	8	58,449	151,645
Total current liabilities		58,449	151,645
Total liabilities		**58,449**	**151,645**
Net assets		**1,904,137**	**656,212**
Equity			
Issued capital	9(a)	36,465,944	34,953,095
Reserves	9(c)	8,181,310	7,745,787
Accumulated losses	9(b)	(42,743,237)	(42,042,790)
Capital and reserves attributable to owners		1,904,017	656,092
Non-controlling interest		120	120
Total equity		**1,904,137**	**656,212**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Non-controlling interest $	Total Equity $
As at 1 July 2019		**34,953,095**	**7,745,680**	**(40,723,573)**	**120**	**1,975,322**
Loss for the year		-	-	(1,319,217)	-	(1,319,217)
Other comprehensive income		-	107	-	-	107
Total comprehensive loss for the year		-	107	(1,319,217)	-	(1,319,110)
Transactions with owners in their capacity as owners						
Shares issued during the year	9(a)	-	-	-	-	-
Share issue expenses	9(a)	-	-	-	-	-
As at 30 June 2020		**34,953,095**	**7,745,787**	**(42,042,790)**	**120**	**656,212**
Loss for the year		-	-	(700,447)	-	(700,447)
Other comprehensive income/(loss)		-	-	-	-	-
Total comprehensive income /(loss) for the year		-	-	(700,447)	-	(700,447)
Transactions with owners in their capacity as owners						
Shares issued during the year	9(a)	2,067,715	-	-	-	2,067,715
Share issue expenses	9(a)	(554,866)	-	-	-	(554,866)
Share based payment	10	-	435,123	-	-	435,123
Proceeds from issue of options		-	400	-	-	400
As at 30 June 2021		**36,465,944**	**8,181,310**	**(42,743,237)**	**120**	**1,904,137**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payments in the normal course of business		(722,874)	(534,568)
Interest received		1,927	7,941
Net cash used in operating activities	19	(720,947)	(526,627)
Cash flows from investing activities			
Proceeds for property, plant and equipment		-	-
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares	9	1,995,862	-
Issue costs associated with issue of shares	10	(119,743)	-
Proceeds from issue of options		400	
Net cash inflow from financing activities		1,876,519	-
Net increase/(decrease) in cash and cash equivalents		1,155,572	(526,627)
Cash and cash equivalents at the beginning of the period		763,956	1,290,583
Net cash and cash equivalents at the period	5	1,919,528	763,956

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements of Protean Energy Limited for the year ended 30 June 2021 comprise the Company and its controlled subsidiaries (together referred to as the **Group** and individually as **Group entities**).

Statement of compliance

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

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

Historical cost convention

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

Critical accounting estimates and significant judgements

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

The areas involving significant estimates or judgements are:

- Recognition of deferred tax asset for carried forward tax losses — Note 4; and
- Estimation of fair value of share-based payments – Note 10.

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

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

New and amended standards adopted by the Group

In the year ended 30 June 2021, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2020. As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued by the AASB.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Group and therefore no material change is necessary to Group accounting policies.

Accounting policies

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

a) Principles of Consolidation

Subsidiaries

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Where a subsidiary has entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of subsidiaries is contained in Note 16 to the financial statements.

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

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

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

Equity method

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

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

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 1.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in ownership interests

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

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

b) Going concern

During the year the consolidated entity incurred a net loss of $700,447 (2020: $1,319,217) and incurred net cash outflows from operating activities of $720,947 (2020: $526,627). The consolidated entity held cash assets at 30 June 2021 of $1,919,528 (2020: $763,956).

Management believe there are sufficient funds to meet the consolidated entity's working capital requirements as at the date of this report.

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

c) Segment Reporting

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

d) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

No dividends were paid or proposed during the year.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Group companies

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

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

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

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

e) Revenue Recognition

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

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

Interest income

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

f) Income Tax and Other Taxes

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

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

g) Goods and Services Tax (GST)

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

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

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

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

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

h) Exploration and evaluation expenditure

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

Exploration and Evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource. Exploration and evaluation expenditure is expensed to the profit or loss as incurred except when existence of a commercially viable oil and/or gas reserve has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of Assets

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

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

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

j) Cash and Cash Equivalents

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

k) Trade and Other Receivables

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

l) Investments and Other Financial Assets

The Group classifies its financial assets in the following categories:

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

For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(i) Recognition and de-recognition

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

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

(ii) Subsequent measurement

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

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

(iii) Impairment

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

Loans and receivables

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

m) Property, Plant and Equipment

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

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

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

n) Leases

Where the Company is a lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price pf purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there us a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs.

These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Share-Based Payment Transactions

Benefits to Employees and consultants (including Directors)

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

The costs of these equity settled transactions are measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of performance rights granted is determined using the single barrier share option pricing model. The fair value of options granted is determined by using the Black-Scholes option pricing technique. Further details of options granted are disclosed in Note 10.

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

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

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

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

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

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

Benefits to Vendors

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

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

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

p) Fair value estimation

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

q) Employee Entitlements

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

r) Loss per share

Basic loss per share

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

Diluted earnings per share

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

s) Trade and other payables

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

t) Contributed equity

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

u) Dividends

No dividends were paid or proposed during the year.

v) Parent entity financial information

The financial information for the parent entity, Protean Energy Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements except as set out below:

Investments in subsidiaries

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

2. EXPENSES

	Note	2021 $	2020 $
Loss before income tax includes the following specific items:			
Research and development costs[1]		-	52,202
Exploration expenses		174,545	87,193
Administrative expenses			
Employee benefits expense		-	2,692
Director benefits expense		123,579	178,130
Regulatory expense		105,138	84,585
Travelling expenses		1,415	5,224
Accounting expense		41,948	2,954
Advertising and marketing expense		-	2,548
Audit expense		40,119	46,874
Rent expense		15,479	21,435
Corporate advisory fees		45,398	19,000
Legal fees		42,178	8,850
Other administrative expenses		85,843	85,075
Total administrative expense		501,097	457,367
Share of net loss of joint venture accounted using the equity method [2]	7	-	44,436
Impairment of interest in joint venture	7	-	671,467

1 *During the prior period expenditure incurred relates to new project research*
2 *Share of loss from Korea Vanadium Limited, investment in joint venture*

3. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being exploration and corporate activities. During the prior year the Group had two reportable segments, being exploration in South Korea and Other Exploration activities. The Group's exploration in South Korea was funded through its joint venture investment in Korea Vanadium Limited and exploration activity undertaken by the Group. This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Board monitors the Group based on actual versus budgeted expenditure incurred by segment. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing activities, while also taking into consideration the results that has been performed to date.

	Revenue from external sources $	Reportable segment loss $	Reportable segment assets [1] $	Reportable segment liabilities $
For the year ended 30 June 2021				
Exploration activities	-	(174,545)	-	-
Corporate activities	1,927	(525,902)	1,962,586	(58,449)
Total	1,927	(700,447)	1,962,586	(58,449)
For year ended 30 June 2020				
Exploration – South Korea				
Investment in Joint Venture	-	(715,903)	-	-
Exploration activity	-	-	26,068	(385)
Exploration Other	-	(52,202)	-	(20,007)
Corporate activities	7,941	(551,112)	781,789	(131,253)
Total	7,941	(1,319,217)	807,857	(151,645)

1 Corporate activities include cash held of $1,919,528 for the year ended 30 June 2021 and $763,956 for the year ended 30 June 2020.

4. TAXATION

	2021 $	2020 $
Income tax benefit		
Current tax	-	-
Deferred tax	-	-
Income tax benefit	-	-
Reconciliation of income tax to prima facie tax payable		
Loss before income tax	(700,447)	(1,319,217)
Income tax benefit at 30% (30 June 2020: 30%)	(210,134)	(395,765)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impairment of assets	-	201,440
Other permanent differences	36,004	67,570
Deferred tax assets relating to gain not recognised	174,130	126,755
Total income tax benefit		-
Unrecognised deferred tax assets		
Deferred tax assets and liabilities not recognised relate to the following:		
Tax losses	8,689,729	8,486,070
Other	81,369	75,591
Net deferred tax assets unrecognised	8,771,098	8,561,661

Significant accounting judgment

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

5. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank	1,919,528	763,956

(a) Risk exposure

Refer to Note 11 for details of the risk exposure and management of the Group's cash and cash equivalents.

(b) Deposits at call

Deposits at call are presented as cash equivalents if they have a maturity of three months or less. Refer to Note 1 for the Group's other accounting policies on cash and cash equivalents.

6. CURRENT TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Other receivables	27,989	11,065
Prepayments	-	6,605
	27,989	17,670

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

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

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

Refer to Note 11 for details of the risk exposure and management of the Group's trade and other receivables.

7. INTEREST IN JOINT VENTURE

Protean had formal joint venture (**JV**) with DST Co. Ltd (**DST**). The JV was created via the sale to KORID of 50% of Korea Vanadium Limited. On 2 November 2020, the Company advised it had entered into a binding term sheet to dispose of its 50% interest in KORID Energy Co Ltd ("KORID") to Australia VRFB ESS Company Pty Ltd ("VRFB Australia"). The disposal was subject to approval at the Company's Annual General Meeting on 15 December 2020. Following receipt of shareholder approval on 15 December 2020, and the satisfaction of certain conditions precedent, the disposal was completed on 4 January 2021.

	2021 $	2020 $
Opening balance	-	715,796
Share of net loss of joint venture accounted using the equity method	-	(44,436)
Impairment (1)	-	(671,467)
Foreign exchange gain recognised in other comprehensive income	-	107
Closing balance	-	-

1 *During the year ended 30 June 2020, the JV submitted mining plan application withdrawal request amid severe opposition from local residents and economic deterioration caused by a plunge in vanadium prices for the Daejeon tenements. As a result, the assets were considered to be impaired and an impairment loss was recognised.*

8. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	58,449	151,645

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

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

Refer to Note 12 for details of the risk exposure and management of the Group's trade and other receivables.

9. ISSUED CAPITAL

(a) Issued capital

	2021 Shares	2020 Shares	2021 $	2020 $
Fully paid	650,612,963	311,437,245	36,465,944	34,953,095

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

Details	Number of shares	Issue price/share $	$
Balance at 30 June 2019	**311,437,245**		**34,953,095**
Movement	-	-	-
Balance at 30 June 2020	**311,437,245**		**34,953,095**
Shares issued to consultant	6,532,067	0.011	71,853
Shares issued to sophisticated investors	64,166,667	0.006	385,000
Shares issued under rights issues	268,476,984	0.006	1,610,862
Share issue expenses	-		(554,866)
Balance at 30 June 2021	**650,612,963**		**36,465,944**

(b) Accumulated losses

	2021 $	2020 $
Opening balance	(42,042,790)	(40,723,573)
Net loss attributable to owners of the Company	(700,447)	(1,319,217)
Balance at 30 June	(42,743,237)	(42,042,790)

(c) Reserves

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

	Note	2021 $	2020 $
Share based payments/ option reserve			
Opening balance		8,681,110	8,681,110
Share based payment	10	435,123	
Proceeds from issue of options		400	-
Balance at 30 June		9,116,633	8,681,110
Foreign currency translation reserve			
Opening balance		1,845	1,738
Currency translation differences arising during the year		-	107
Balance at 30 June		1,845	1,845

9. ISSUED CAPITAL (continued)

	Note	2021 $	2020 $
Fair value through other comprehensive income reserve			
Opening balance		(937,168)	(937,168)
Movement during the period	6	-	-
Balance at 30 June		(937,168)	(937,168)
Total reserves		**8,181,310**	**7,745,787**

Share based payments reserve

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

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income as described in Note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Fair value through other comprehensive income reserve

The group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

10. SHARE-BASED PAYMENTS

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

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

	Note	2021 $	2020 $
As part of share issue expense:			
Options issued	10	435,123	-
		435,123	-

(a) Share options

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

10. SHARE-BASED PAYMENTS (continued)

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

Set out below are summaries of options granted:

	30 June 2021		30 June 2020	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
Opening balance	$0.037	85,000,000	$0.037	85,000,000
Granted during the period	$0.01	40,000,000	-	-
Exercised during the period	-	-	-	-
Lapsed during the period	-	(85,000,000)	-	-
Closing balance	$0.01	40,000,000	$0.037	85,000,000
Vested and exercisable	$0.01	40,000,000	$0.037	85,000,000

Grant date	Expiry date	Exercise price	30 June 2021 Number of options	30 June 2020 Number of options
16-Dec-20	16-Dec-23	$0.01	40,000,000	-
			40,000,000	85,000,000
Weighted average remaining contractual life of options outstanding at the end of the year:			2.5 year	1.00 year

The fair value of option issued is measured by reference to the value of the goods or services received. The fair value of services received in return for share options granted to Directors and employees and consultants is measured by reference to the fair value of options granted. The fair value of services received by advisors couldn't be reliably measured and are therefore measured by reference to the fair value of the equity instruments granted.

The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options including early exercise options are built into the option model. The fair value of the options are expensed over the expected vesting period.

Volatility %	Risk free interest rate %	Expected life of option (years)	Exercise price (cents)	Grant date share price (cents)	Fair value per option (cents)
188	0.25	3	$0.01	$0.012	$0.0109

Options granted during the current year, 40,000,000 (30 June 2020: nil). Capital raising costs settled as options issued during the reporting period, $453,123 (30 June 2020: nil).

10. SHARE-BASED PAYMENTS (continued)

(b) Share capital to vendors

On 16 December 2020, the Company issued 40,000,000 unquoted options exercisable at $0.01 on or before 16 December 2023 at an issue price of $0.00001 to CPS. The fair value of options issued is $0.0109.

Significant accounting estimates, assumptions and judgements

Estimation of fair value of share-based payments

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

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Overview

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

General objectives, policies and processes

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

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

Financial Instruments

The Group has the following financial instruments:

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	1,919,528	763,956
Trade and other receivables	27,989	11,065
	1,947,517	775,021
Financial liabilities		
Trade and other payables	58,449	151,645
	58,449	151,645

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(a) Market Risk

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

(i) Interest rate risk

The Board manages the Group's exposure to interest rate risk by regularly assessing exposure, taking into account funding requirements and selecting appropriate instruments to manage its exposure. As at the 30 June 2021, the Group has interest-bearing assets, being cash at bank (30 June 2020: cash at bank).

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

Sensitivity analysis

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

The weighted average effective interest rate of funds on deposit is 0.38% (30 June 2020: 0.27%).

(ii) Currency risk

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

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

The Group's had minimal exposure to foreign currency risk at year end (30 June 2020: minimal).

(iii) Commodity price risk

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

(b) Credit risk

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

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

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

Exposure to credit risk

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

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

	2021 $	2020 $
Cash and cash equivalents	1,919,528	763,956
Other receivables	27,989	11,065
	1,947,517	775,021

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

	2021 $	2020 $
Cash at bank and short-term deposits		
Held with Australian banks and financial institutions		
AA- S&P rating	1,919,428	763,856
Unrated	100	100
Total	1,919,528	763,956

(c) Liquidity risk

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

Maturities of financial liabilities

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

	Less than 6 months $	6 - 12 months $	1 - 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount of liabilities $
At 30 June 2021						
Trade and other payables	58,449	-	-	-	58,449	58,449
At 30 June 2020						
Trade and other payables	151,645	-	-	-	151,645	151,645

(d) Capital risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern. This is to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios, as the Group has not derived any income from operations.

12. DIVIDENDS

No dividends have been declared or paid for the year ended 30 June 2021 (30 June 2020: nil).

13. LOSS PER SHARE

	2021	2020
Basic and diluted loss per share		
Net loss after tax attributable to the members of the Company	$(700,447)	$ (1,319,217)
Weighted average number of ordinary shares	507,695,140	311,437,245
Basic and diluted loss per share (cents)	(0.14)	(0.42)

14. COMMITMENTS

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

	2021 $	2020 $
Within one year	130,000	-
Later than one year but no later than five years	-	-
Later than five years	-	-
	130,000	-

15. RELATED PARTY TRANSACTIONS

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

Key management personnel compensation

	2021 $	2020 $
Short-term employee benefits	147,379	194,150
Post-employment benefits	-	8,740
Termination	-	-
Long-term benefits	-	-
Share based payments	-	-
	147,379	202,890

Other transactions and balances with Key Management Personnel

Pathways Corporate Pty Ltd, a company of which Mr Wheeler and Mr Graziano are Directors, charged the Group registered office fees of $7,000 (2020: $nil) during the year. $nil (2020: $nil) was outstanding at year end.

Catalyst Corporate Pty Ltd, a company of which Mr Slate is a Director, charged the Group accounting fees of $25,773 (2020: $nil) during the year. $nil (2020: $nil) was outstanding at year end.

Detailed remuneration disclosures are provided within the remuneration report.

15. RELATED PARTY TRANSACTIONS

Parent entity

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

Subsidiaries

Interests in subsidiaries are set out in Note 16.

16. INTEREST IN OTHER ENTITIES

(a) Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name of entity	Country of incorporation	2021 Equity holding	2020 Equity holding
SK Energy Metals Pty Ltd (1)	Australia	100%	100%
Ginja Minerals Pty Ltd (2)	Australia	100%	100%
Protean Power Pty Ltd (3)	Australia	99.79%	99.79%
Protean Energy Australia Pty Ltd (4)	Australia	100%	100%

1 *Holding company of Korea Vanadium Limited.*
2 *Dormant subsidiary.*
3 *Subsidiary acquired on 20 August 2015.*
4 *Subsidiary acquired on 25 February 2016 and was the holder of the rights and trademarks to the Protean WEC Technology.*

(b) Non-controlling interests

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

17. CONTINGENCIES

The Group has no contingent assets or liabilities as at 30 June 2021 (30 June 2020: nil).

18. EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

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

19. RECONCILATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Note	2021 $	2020 $
Loss for the period		(700,447)	(1,319,217)
Add/(less) non-cash items:			
Depreciation and amortisation		11,162	13,768
Vendor payment in shares		71,853	-
Plant and equipment written off		-	725
Share of net loss of joint venture		-	44,436
Impairment of interest in joint venture	7	-	671,467
Changes in assets and liabilities during the financial year:			
Decrease/(increase) in receivables		(10,319)	18,582
Increase/(decrease) in payables		(93,196)	45,065
Increase/(decrease) in employee provision		-	(1,453)
Net cash outflow from operating activities		(720,947)	(526,627)

Non-cash investing and financing activities
On 16 December 2020, the Company issued 40,000,000 unquoted options exercisable at $0.01 on or before 16 December 2023 at an issue price of $0.00001 to CPS in settlement of capital raise fees. The fair value of options issued is $0.0109.

20. REMUNERATION OF AUDITORS

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

From time to time the Consolidated Entity may decide to employ an external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important. These assignments are principally tax advice and due diligence on acquisitions, which are awarded on a competitive basis.

It is the Group's policy to seek competitive tenders for all major consulting projects. The Board is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

20. REMUNERATION OF AUDITORS (continued)

	2021 $	2020 $
(a) BDO Australia		
Audit and assurance services		
Audit and review of financial statements	31,879	38,624
Taxation services		
Tax compliance services	8,240	7,365
International tax consulting and tax advice	-	3,966
Total remuneration for taxation services	8,240	11,331
Total remuneration for BDO Australia	40,119	49,955
(b) Other auditors and their related network firms		
Audit and assurance services		
Controlled entities and joint operations	-	8,250
Total services provided by other auditors	-	8,250

21. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Protean Energy Limited as at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Company	
	2021 $	2020 $
Financial position		
Current assets	1,947,517	781,626
Non-current assets	58,167	25,909
Total assets	**2,005,684**	**807,535**
Current liabilities	58,449	151,323
Total liabilities	**58,449**	**151,323**
Equity		
Contributed equity	36,465,944	34,953,095
Reserves	9,116,633	8,681,110
Accumulated losses	(43,635,341)	(42,977,993)
Total equity	**1,947,235**	**656,212**
Financial performance		
Loss for the year	(657,348)	(1,319,110)
Total comprehensive loss	**(657,348)**	**(1,319,110)**

21. PARENT ENTITY INFORMATION (continued)

(a) Summary of financial information

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

(b) Guarantees entered into by the parent entity

The parent entity did not have any guarantees as at 30 June 2021 or 30 June 2020.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

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

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2021 or 30 June 2020.

DIRECTORS DECLARATION

The Directors of the Group declare that:

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

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

    (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated entity.

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

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

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

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

David Wheeler
Non-Executive Chairman

Perth, Western Australia
23 August 2021

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Protean Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Protean Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Accounting for share-based payments

Key audit matter	*How the matter was addressed in our audit*
During the year, the Group issued options for services provided in relation to the capital raising undertaken during the year. Refer to Note 10 of the Financial Report for details of the transactions and Note 1(o) of the Financial Report for the accounting policy. Share-based payments is a key audit matter as the accounting can be complex and requires judgement and the use of assumptions regarding their recognition and measurement.	Our procedures in respect of this area included but were not limited to the following: • Reviewing the relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management's valuation inputs in respect of volatility; • Assessing the reasonableness of the share-based payment amount and share issue costs; and • Assessing the adequacy of the related disclosures in Note 1(o) and Note 10 of the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Protean Energy Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 23 August 2021

ADDITIONAL INFORMATION

Information as at 17 August 2021

(a) Distribution of Shareholders

The number of shareholdings held with less than marketable parcels is 1,722.

Category (size of holding)	No. of Holders	No. of Units
1 – 1,000	664	272,336
1,001 – 5,000	412	1,044,894
5,001 – 10,000	115	863,460
10,001 – 100,000	792	37,815,388
100,001 – and over	643	610,616,885
Total	**2,626**	**650,612,693**

(b) Voting rights

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

Ordinary Share	Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
Options	There are no voting rights attached to any class of options that are on issue

(c) 20 Largest Shareholders — Ordinary Shares as at 17 August 2021

Rank	Name	Ordinary Shares Held	% of Issued Capital
1	SUNSET CAPITAL MANAGEMENT PTY LTD	61,687,026	9.48
2	PHEAKES PTY LTD	25,344,156	3.90
3	ONE MANAGED INVESTMENT FUNDS LTD	16,891,775	2.60
4	MR PETER TAKIS GRIGORIADIS	15,443,651	2.37
5	CELTIC CAPITAL PTY LTD	12,500,000	1.92
6	DAVY CORP PTY LTD	10,792,209	1.66
7	AGENS PTY LTD	9,114,720	1.40
8	TECH IT EX PTY LTD	9,000,000	1.38
9	MS ZOLZAYA BYAMBAA	8,634,446	1.33
10	MISHTALEM PTY LTD	7,594,542	1.17
11	MR JEFFREY GERARD EMMANUEL	7,000,000	1.08
12	NEWCONOMY COM AU NOMINEES PTY LTD	6,959,443	1.07
13	DST COMPANY LIMITED	6,300,000	0.97
14	MISS DIANNE LESLEY LALANNE	6,100,000	0.94
15	CHAMPAGNE CAPITAL PTY LTD	6,006,493	0.92
16	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LTD	5,611,105	0.86
17	MONEX BOOM SECURITIES (HK) LTD	5,164,955	0.79
18	MR VINCENZO BRIZZI & MRS RITA LUCCIO BRIZZI	5,075,000	0.78
19	MR MARCUS ANTONIO GUTIERREZ	5,000,000	0.77
19	RED APPLE SUPERANNUATION	5,000,000	0.77
20	AJ LOO INVESTMENTS PTY LTD	4,754,826	0.73
	Total	**239,964,347**	**36.88**
	Balance of register	**410,648,616**	**63.12**
	Grand total	**650,612,963**	**100.00**

(d) Substantial Shareholders

As at 17 August 2021 the following shareholders held 5% or more of the issued capital of the Company:

Interest	Name
9.48%	SUNSET CAPITAL MANAGEMENT PTY LTD

(e) Unquoted Securities – as at 17 August 2021

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

Number	Class
40,000,000	Options exercisable at 3.7¢ on or before 16 December 2023

(f) Securities Subject to Escrow

No securities are currently subject to any escrow provisions.

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

As at 17 August 2021 there were no class of unquoted securities that had holders with greater than 20% of that class on issue.

(h) On-market Buy-Back

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

(i) Restricted Securities

There are no restricted securities currently on issue.

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

Tenement Name	ID	Registration No.	Expiry Date	Area (ha)	Mineral
Gwesan	137	79161	11/01/2022	275	Uranium, Vanadium

Daejeon Group – detailed information

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

Tenement Name	Area	ID	Registration No.	Expiry Date	Area (ha)	Mineral
Daejeon Group	Daejeon	18	77011	30/11/2021	277	Uranium, Vanadium, Molybdenum
	Daejeon	28	77012	30/11/2021	259	Uranium, Vanadium
	Daejeon	38	77013	30/11/2021	277	Uranium, Vanadium
	Daejeon	48	77014	30/11/2021	277	Uranium, Vanadium
	Okcheon	136	77010	30/11/2021	138	Uranium, Vanadium
	Okcheon	147	77038	30/11/2021	277	Uranium, Vanadium
	Daejeon	17	77039	30/11/2021	103	Uranium, Vanadium
	Daejeon	7	77114	30/11/2021	190	Uranium, Vanadium, Molybdenum
					1,798	

ADDITIONAL INFORMATION

Corporate Governance

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