

2021 Annual Report

carbon free energy

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Corporate Information

DIRECTORS

A Bantock (Independent Non-executive Chairman)
M Hill (Managing Director and CEO)
N Chen (Non-executive Director)
S Mann (Independent Non-executive Director)

COMPANY SECRETARY

S McBride

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Australian Securities Exchange Limited – EL8
Namibia Stock Exchange – EL8
OTC - ELVUF

HOME EXCHANGE

Perth

SHARE REGISTRY

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Nedlands WA 6009
Tel: +61 8 9389 8033
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ASX

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Fellow shareholders,

I am pleased to provide this first annual Chairman's letter since our name change to Elevate Uranium Ltd.

With your support we changed the Company's name during the year, to better reflect the continuing, exciting development of its assets, operations and future potential. Rather than remaining anchored to the Marenica Uranium Project, we chose to rename as Elevate Uranium, to reflect and embody the development of the business over recent years, including:

- Your company's ongoing focus on exploration, discovery and development of valuable uranium resources in Namibia and Australia;
- The benefits of your company's patented **U-pgrade™** uranium beneficiation process, which significantly elevates the grade of surficial uranium ores and reduces their processing costs;
- Your company's participation in elevating public awareness of uranium as a fuel of choice for safe, clean and reliable baseload power; and
- The capacity for uranium as a source of carbon free energy, to elevate living standards globally.

I am pleased to recap on the tangible evidence of Elevate Uranium's significant progress in meeting these aspirations, both during the year and subsequently:

- In July 2020, the Hirabeb discovery was announced – with a maiden scout exploration program identifying a 36 km long palaeochannel system, including uranium mineralisation extending over 30 km;
- In October 2020, success of the **U-pgrade™** process in treating Angela uranium deposit ores was announced, following a "proof of concept" lab-scale test work program. The tests showed **U-pgrade™** significantly reduces acid consumption and therefore processing costs of the ore;
- In November 2020, update of the Angela Project Mineral Resource to JORC 2012 compliance was announced – 30.8 Mlb of U₃O₈, at a high grade of 1,310 ppm U₃O₈, in the Inferred category;
- In March 2021, the discovery of an extensive 19 km palaeochannel system on the Namib IV tenement was announced;
- In July 2021, the results of a successful airborne EM program in the Namib area were announced, delineating palaeochannels totalling 347 km² in area and 280 km in length;
- In August 2021, highly encouraging results of initial follow-up drilling in the Namib IV area were announced, with uranium mineralisation confirmed over an extensive area.

Your board appreciates your support of our growth strategies and exploration initiatives, including your participation in successive capital raisings. Elevate Uranium held \$6.66 million of cash at year end. With this funding in hand, we expect to see continued news flow over the year ahead, on a number of fronts, as we chase down the exciting suite of opportunities across our portfolio.

We have recently welcomed Stephen Mann as a Non-Executive Director and Andy Wilde as Exploration Manager, to the Elevate Uranium team. In a market which, reflecting undeniable demand/supply dynamics, appears to finally be looking more favourably on the uranium sector, real industry experience is a relatively scarce and increasingly valuable resource. Together Stephen and Andy add over 45 years of relevant corporate and geological knowledge, elevating the collective uranium sector experience of your board and management to over 90 years.

In closing, my thanks again to Murray Hill for his continued strong and passionate leadership as your MD and CEO, and to Shane McBride as CFO, as well as every other member of the team who are driving Elevate Uranium forward to deliver on the ambitions of our new name.

We look forward to delivering further discoveries, developments, and shareholder value to come over the year ahead.

Yours faithfully

Andrew Bantock

Chairman

OVERVIEW

The Company continued to add value to its extensive portfolio of uranium exploration and development assets over the course of the year, making new discoveries and applying its proprietary intellectual property.

In Namibia, the Company's flagship projects are Koppies, Hirabeb, Namib IV and Marenica, which are included in 11 active tenements covering 3,089 square kilometres, containing 61 Mlb of JORC 2004 compliant U₃O₈ resources.

During the year, exploration activities added to the portfolio, discovering extensive mineralised palaeochannel systems at both Hirabeb and Namib IV, with follow up drilling now scheduled.

In Australia, the Company's assets include the 100% owned Angela, Thatcher Soak, Oobagooma and Minerva project areas, as well as joint venture holdings in the Bigryli, Malawiri, and Walbiri and Areva joint ventures. The Company's share of JORC resources across these Australian assets total 48.4 Mlb U₃O₈, including 30.8 Mlb U₃O₈ at the Angela deposit.

The Company developed and owns the **U-pgrade™** beneficiation process, which is potentially an industry leading and economically transformational beneficiation process for upgrading surficial uranium ores. During the year, the Company completed a successful proof of concept testwork program using the **U-pgrade™** process on an ore sample from the Angela project, which indicated a reduction in leach acid consumption in the processing of Angela ore from 104 kg/t without the benefit of **U-pgrade™**, to 24 kg/t with **U-pgrade™** (i.e. a difference of 80 kg/t), thereby indicating a substantial reduction in operating costs.

An important element of these tests, aside from their obvious success, is that the Angela deposit is sandstone hosted, rather than the calcrete hosted mineralisation on which **U-pgrade™** was initially developed. These results highlight the broader application of **U-pgrade™** to ore types outside of the primary application of calcrete hosted ore sources. The Company will continue to test the boundaries of the **U-pgrade™** process in the future.

NAMIBIAN URANIUM PROJECTS

The Erongo region of Namibia contains the fourth highest aggregate of uranium mineral resources of any region in the world and has a long history of uranium discovery and production. The region's world scale Rossing Uranium Mine commenced operation in 1976 and has been operating continuously for 45 years.

Elevate Uranium has three uranium project areas in the Erongo Region:

- Namib Area,
- Marenica Area, and
- Mile 72 Area.

Elevate Uranium holds eleven active tenements in the Erongo Region of Namibia covering 3,089 km², with a further two tenements under application (Figure 1).

The Company targets uranium mineralisation contained within historical river systems, called palaeochannels, in which calcrete hosted uranium mineralisation is likely to occur. This is the same style of mineralisation used to develop the Company's **U-pgrade™** uranium beneficiation process.

The palaeochannel deposits are referred to as surficial deposits due to their close proximity to the surface, as they generally occur no deeper than 30 metres. The style of uranium mineralisation is also known as secondary uranium mineralisation, as the uranium has been relocated from its primary source and reprecipitated within the palaeochannels.

The palaeochannels have no obvious surface expression nor do they emit sufficient radiation to detect at surface. Elevate Uranium uses electromagnetics, either ground based horizontal loop electromagnetics ("HLEM") or airborne electromagnetics ("Airborne EM") to identify the outlines of the palaeochannels, and then the paleochannels are drilled to physically validate the accuracy of the electromagnetics, and to identify the grade of any mineralisation.

Figure 1 – Elevate Uranium’s Tenements and Projects in the Erongo Region of Namibia



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The Company conducted an Airborne EM survey using a SkyTEM helicopter based system in April 2021, with analysed and interpreted results received in July 2021.

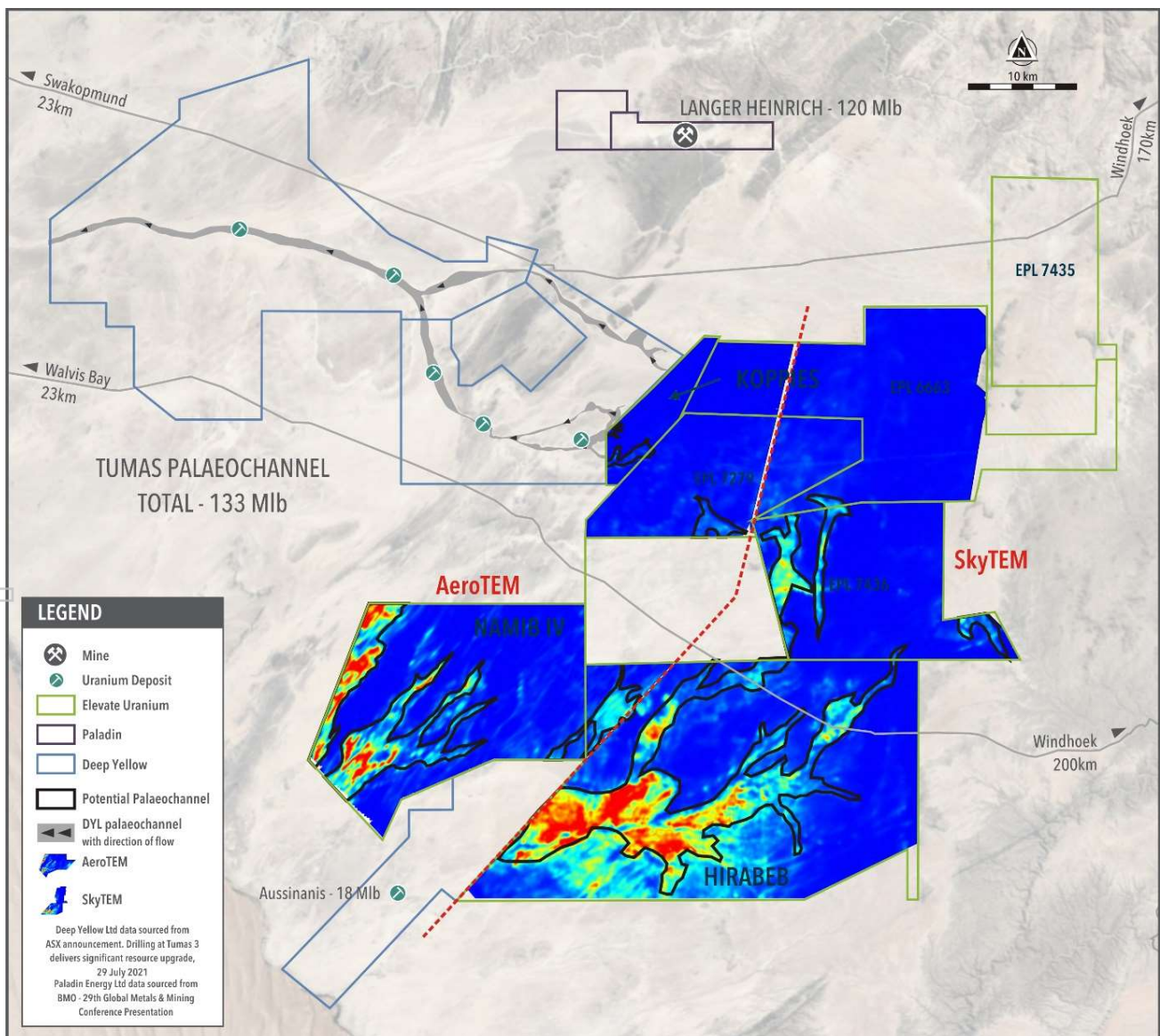
The SkyTEM data was combined with historical AeroTEM Airborne EM data over the western portions of the tenement package, in order to gauge the likely extent of the palaeochannel systems to the west.

An interpretation of the potential palaeochannel positions can be seen in Figure 2. The areas identified to contain palaeochannels, cover an area of approximately 347 square kilometres, which is about the total size of the Namib IV tenement. The corresponding length of the palaeochannels is estimated to be approximately 280 kilometres, which is the distance from Windhoek (capital of Namibia) to the coast at Swakopmund.

The Airborne EM survey was successful in identifying significant palaeochannel systems and this information will be used as the basis for planning future exploration programmes. The Company is currently designing drilling programs to physically confirm the existence of the palaeochannels and determine the grade of uranium mineralisation. Due to the large and extensive area of these palaeochannel systems, the drilling programs are expected to continue into 2022.

Unfortunately, EPL 7435 was not included in the Airborne EM survey, as the environmental clearance certificate to allow access had not been issued by the Ministry of Environment, Forestry and Tourism. Also, tenements in application were not able to be included in the Airborne EM survey.

Figure 2 – Palaeochannel Systems Identified from Airborne EM



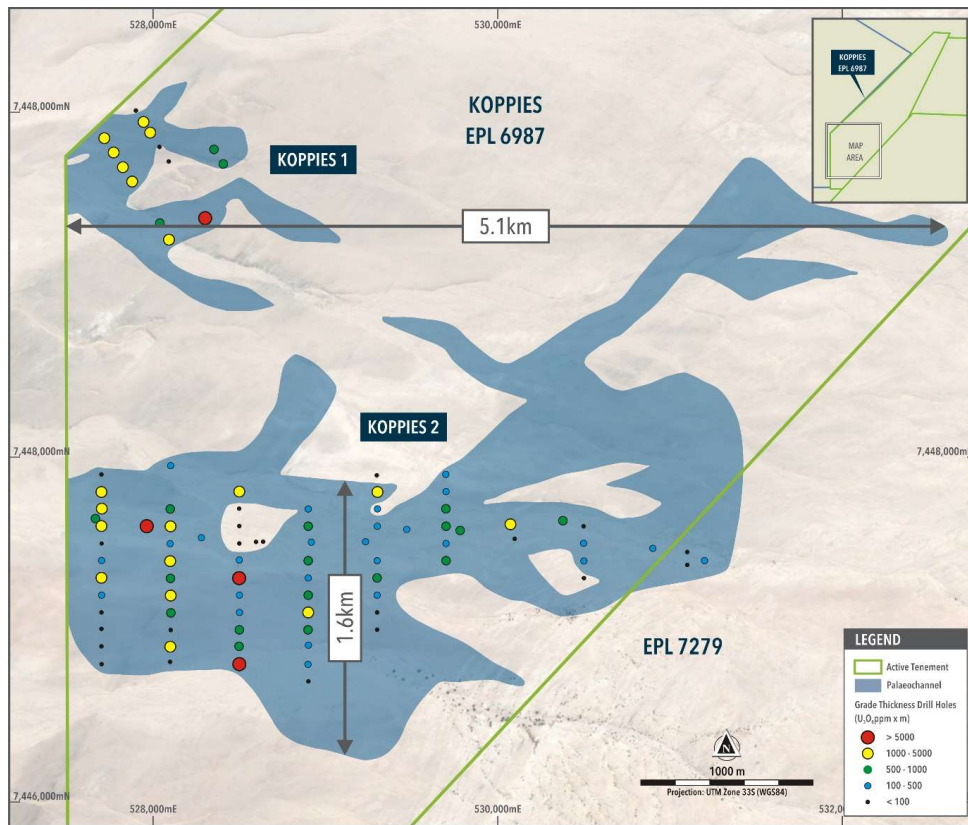
Koppies Project (EPL 6987) – Namibia

The exploration programs to date, being HLEM and drilling at Koppies, has delineated a 6.4 km² palaeochannel system, with exploration drilling completed on about 40% of the palaeochannel (refer Figure 3).

The best intersections from drilling at Koppies include:

- KP004 **6 m at 432 ppm U₃O₈** from 7 m
- KP045 **10 m at 687 ppm U₃O₈** from 2 m
Including **2 m at 1,974 ppm U₃O₈**
- KP055 **13 m at 905 ppm U₃O₈** from 3 m
Including **2 m at 4,504 ppm U₃O₈**
- KOR2 **6 m at 354 ppm eU₃O₈** from 1 m
- KOR21 **11 m at 502 ppm eU₃O₈** from 6 m
- KOR62 **3 m at 3,087 ppm eU₃O₈** from 1 m
Including **1 m at 7,060 ppm eU₃O₈**

Figure 3 – Koppies (EPL 6987)



The average depth of the 90 holes drilled at Koppies is 12 metres, with the deepest hole drilled to a depth of 22 metres. This indicates the shallow nature of the mineralisation in this area and explains the relatively low cost of drilling in the Namib Region. For full details of the Koppies drill intersections refer to the following ASX announcements – 27/08/19 ‘Marenica Identifies Significant Grade Mineralisation at Koppies’, 07/11/19 ‘Drill Results Deliver Exceptional Uranium Mineralisation at Koppies’, 10/02/20 ‘Koppies Drilling Intersects 1m at 7,060ppm U₃O₈’.

Koppies is ‘drill ready’ for resource definition drilling. Koppies is prime mineralisation for application of **U-grade™**.

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Hirabeb Discovery

On 21 July 2020, the Company announced a new uranium discovery from the maiden scout RC drilling program at EPL 7278 (“Hirabeb”). Hirabeb is the largest of Elevate Uranium’s tenements in the Namib Area, with an area of 730 km², 15 times that of the Koppies tenement. The exploration program identified a massive palaeochannel system, with the major palaeochannel extending from the northeast corner to the southwest corner of the tenement, a distance of over 44 kilometres. To put this into perspective the palaeochannel is longer than the width of the English Channel.

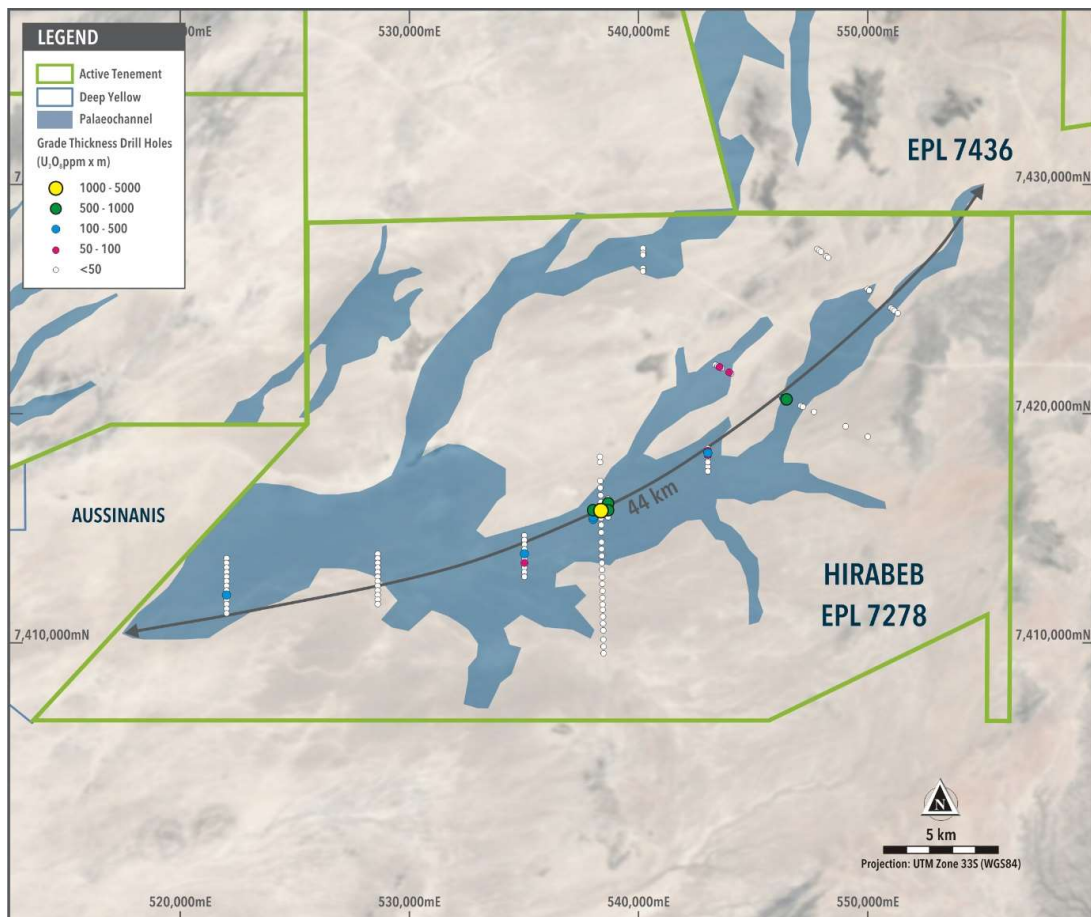
The main palaeochannel is mineralised for the majority of its length, providing Elevate Uranium with a multitude of follow up exploration targets with potential to host a significant uranium deposit. The drill lines completed in this scouting program are on average 5.5 kilometres apart, a distance greater than the width of the whole Koppies mineralised area. Consequently, there is significant upside potential for large scale uranium deposits along the identified palaeochannel as well as in other areas of the tenement.

The best intersections from drilling at Hirabeb include:

- HIR050 10 m at 242 ppm eU₃O₈ from 16 m**
Including **2 m at 787 ppm eU₃O₈**
- HIR070 4 m at 193 ppm eU₃O₈ from 4 m**
Including **1 m at 462 ppm eU₃O₈**
- HIR075 6 m at 153 ppm eU₃O₈ from surface**
Including **1 m at 334 ppm eU₃O₈**

Due to the large area of the tenement, the Company opted to complete an Airborne EM survey to further identify the palaeochannels prior to the next phase of drilling. The Airborne EM identified palaeochannels are shown in Figure 4 with the drill holes.

Figure 4 – Location of Hirabeb Drill Holes and Airborne EM Palaeochannels



Namib IV Discovery

On 10 August 2021, Elevate Uranium announced a new uranium discovery from its maiden scout RC drilling program at EPL 7662 (“Namib IV”). The exploration program identified a network of palaeochannels, with the major palaeochannel extending from the centre of the tenement to the southwest corner, a distance of over 19 kilometres. Uranium mineralisation was intersected over a distance of 17 kilometres.

This was the Company’s third tenement drilled in the Namib Area and the third to contain extensive uranium mineralisation.

The drill program was designed to focus on physically confirming the location of palaeochannels and associated uranium mineralisation within the tenement using widely spaced reconnaissance-style drilling. The program was highly successful in that it has identified an extensive palaeochannel system that is mineralised over the majority of its length. As a consequence, there is significant upside potential for additional mineralisation along the identified palaeochannels. Furthermore, the palaeochannels and contained mineralisation remain open to the north and east. Further geological interpretation will be undertaken in order to guide the next phase of drilling.

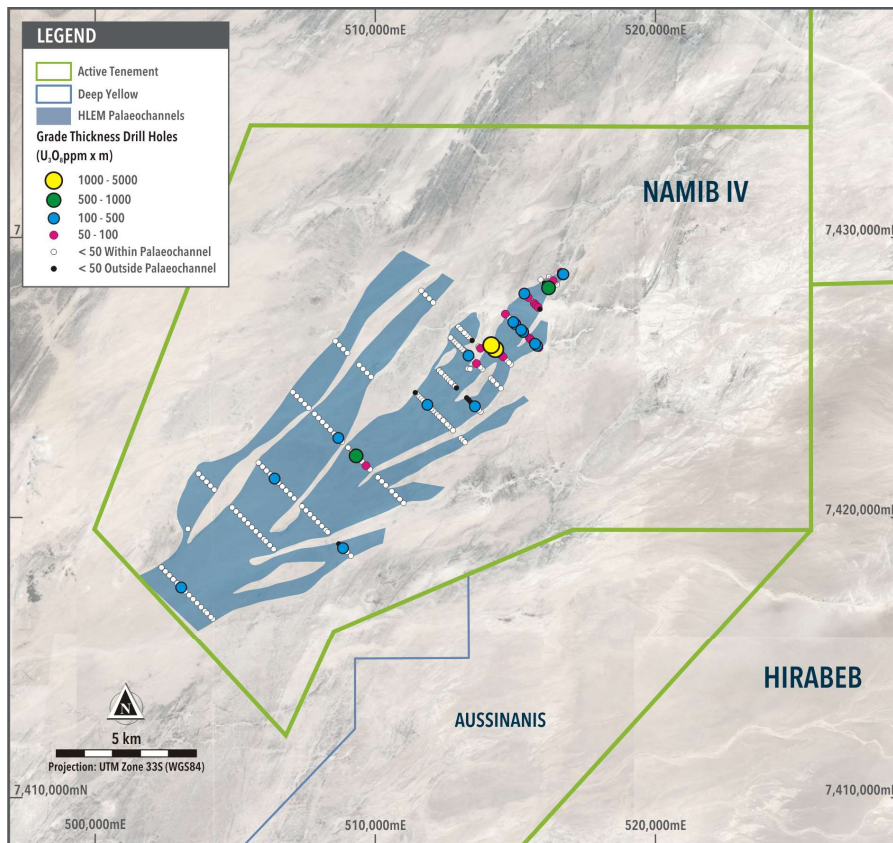
Significant drill intersections include

| | |
|--------|--|
| N4_015 | 2 m at 435 ppm eU₃O₈ from surface |
| N4_044 | 3 m at 376 ppm eU₃O₈ from surface |
| N4_046 | 4 m at 387 ppm eU₃O₈ from surface |
| N4R243 | 2 m at 758 ppm eU₃O₈ from surface |

These drill intersections are all from surface, with no overburden above the mineralised zone, which is significant when considering the potential mining of such a project.

Figure 5 shows the location of the drill holes within the palaeochannels identified by HLEM, see ASX Announcement “Encouraging Uranium Mineralisation Identified at Namib IV”, 10 August 2021.

Figure 5 – Detailed Location of Drill Holes and HLEM Identified Palaeochannels



Marenica Uranium Project Resource

Elevate Uranium’s tenements in the north of the Erongo region are also highly prospective for calcrete hosted uranium mineralisation, notably the Marenica Uranium Project has a JORC resource of 61 Mlb of U₃O₈.

The Marenica Uranium Project includes the Marenica resource and the smaller MA7 resource 5 km to the southeast of the main resource. Both are calcrete hosted uranium resources, located in the same palaeochannel system that hosts Orano’s Trekkopje uranium resource, which has similar mineralogical characteristics to the Marenica Uranium Project.

The Marenica Uranium Project has a Mineral Resource of 61 Mlb at 93 ppm U₃O₈ at a 50 ppm cut-off grade. Elevate Uranium owns 75% of this Mineral Resource.

AUSTRALIAN URANIUM PROJECTS

In Australia, the Company’s assets include the 100% owned Angela, Thatcher Soak, Oobagooma and Minerva project areas and joint venture holdings in the Bigryli, Malawiri, Walbiri and Areva joint ventures. The project areas include 48.4 Mlb U₃O₈ of high-grade mineral resources.

The project locations are shown in Figure 6 and the JORC resources listed in Table 2.

Figure 6 – Elevate Uranium’s Tenements and Projects in Australia

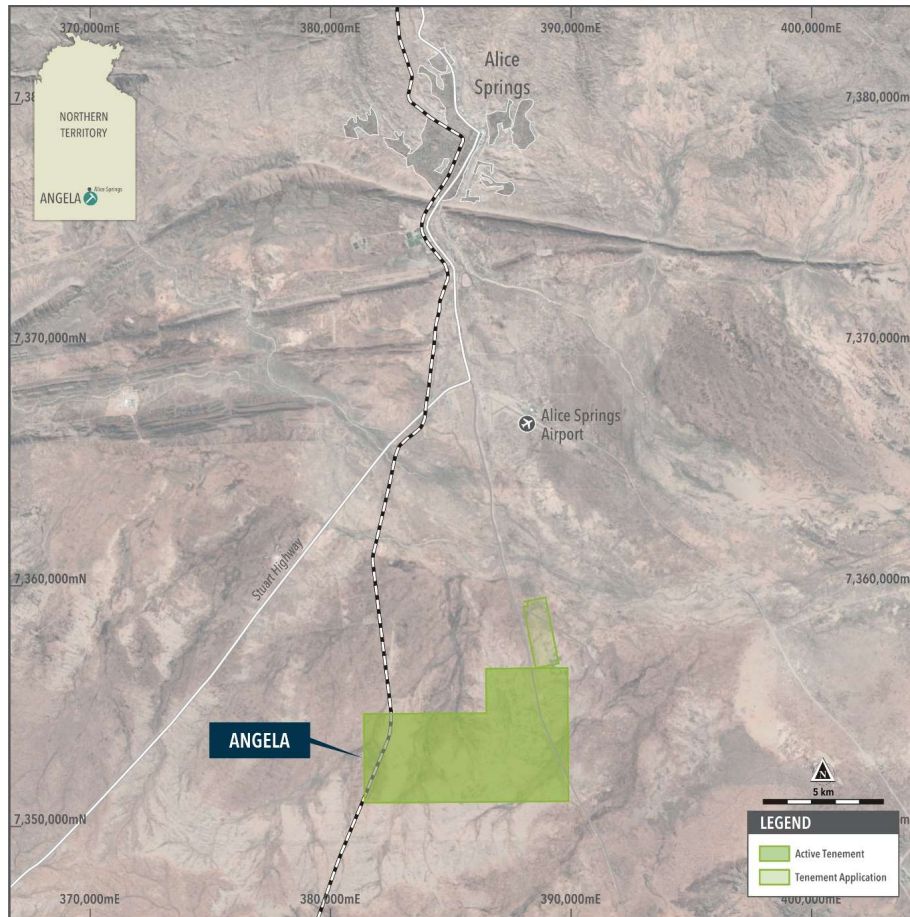


Angela Project (100%)

The Angela Uranium Project is located approximately 25 km south of the town of Alice Springs in the Northern Territory of Australia and the tenement straddles the Old South Road and the Central Australian Railway.

During the year, the Company updated the JORC Mineral Resource estimate from JORC 2004 to JORC 2012. The JORC 2012 Mineral Resource estimate is 30.8 Mlb of U_3O_8 at a grade of 1,310 ppm U_3O_8 , all in the Inferred category.

Figure 7 – Angela Location



Historically, high acid consumption and its contribution to the estimated high operating cost of the project, has been a serious impediment to potential development of the Angela project. The Company completed a proof of concept metallurgical testwork program on a drill core sample to analyse the potential to reduce acid consumption and thereby, the project operating costs, through application of **U-pgrade™**.

The removal of the bulk of the acid consumer, calcite, was achieved. Leach testwork results are summarised in Table 1, showing that removal of calcite reduced acid consumption from 104 kg/t to 24 kg/t, i.e. a difference of 80 kg/t. At the time of the testwork, the estimated delivered cost of sulphuric acid to Angela was assumed, based on indicative quotes obtained for these calculations, to be A\$400/t or \$0.40/kg.

This proof of concept testwork program concluded that:

- removal of the bulk of the acid consuming calcite mineral could be achieved with minimal uranium losses,
- uranium extraction in the leach could be increased by removal of calcite, and
- the calcite reject could be used to render the leach tailings inert, providing significant potential environmental benefits for the project.

Table 1 – Pre and Post Calcite Removal Leach Result Summary

| Sample | Mass (%) | Acid Consumption (kg/t of feed) | U ₃ O ₈ Extraction from Sample (%) |
|----------------------------|----------|---------------------------------|--|
| Pre calcite removal - feed | 100 | 104 | 93.0 |
| Post calcite removal | 91 | 24 | 95.8 |
| Nett Difference | | 80 | 2.8 |

This testwork confirmed the potential benefits that **U-pgrade™** could provide to the Angela project, substantially increasing its value and reducing the uranium price that could trigger a potential development.

These results were achieved from a limited proof of concept testwork program. The Company is encouraged by the potential to further increase calcite removal and reduce uranium losses.

There is also a potential significant environmental benefit from removal of the calcite, as the calcite stream could be used to neutralise acid in the leach tailings prior to disposal. This would result in leach residue being rendered inert as a result of all acid being destroyed and all soluble metals precipitated. This consequential benefit is a significant potential environmental result that will be assessed in future testwork programs and study phases.

Other benefits which may result from using **U-pgrade™** include a reduction in the size of the acid storage facility and reduced leach circuit volume, which could potentially contribute to reduced capital and operating costs.

U-PGRADE™ BENEFICIATION PROCESS

U-pgrade™ is potentially an industry leading and economically transformational beneficiation process for upgrading surficial uranium ores.

This breakthrough process was developed on ore from Elevate Uranium's Marenica Uranium Project in Namibia and subsequently, testwork has been undertaken on ore samples from a number of other sources.

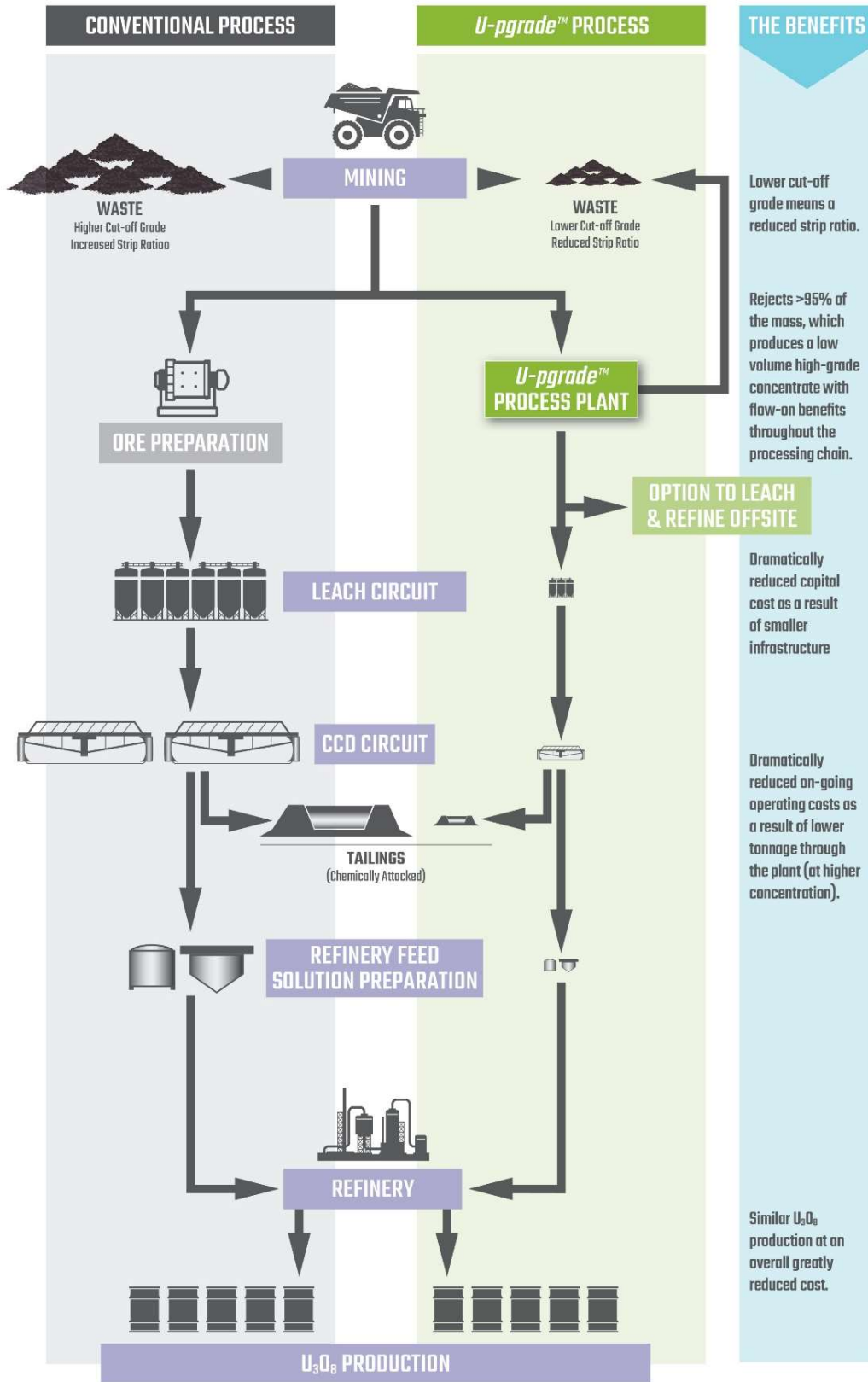
In summary, Elevate Uranium has demonstrated, in bench scale testwork, that the **U-pgrade™** beneficiation process;

- Concentrates the uranium by a factor of 50
- Increases ore grade from 93 ppm to ~5,000 ppm U₃O₈
- Rejects ~98% of the mass prior to leaching
- Produces a high-grade concentrate in a low mass of ~2% (leach feed)
- Rejects acid consumers
- Potentially reduces capital and operating costs by ~50% compared to conventional processing.

Beyond application at the Marenica Uranium Project, Elevate Uranium has determined, through bench scale testing, that calcrite hosted uranium deposits in Namibia and Australia are amongst those that are amenable to the **U-pgrade™** process.

Testwork undertaken on the Angela sandstone hosted uranium deposit indicates the broader application of **U-pgrade™** to ore types outside of the primary application of calcrite hosted ore sources. The Company will continue to test the boundaries of the **U-pgrade™** process.

Figure 8 – U-grade™ Process Comparison



Using the U-grade™ process could reduce process capital and operating costs by about 50%*
 * 2017 Scoping Study on the Morenico Uranium Project.

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MINERAL RESOURCES

The Company's mineral resources are internally peer reviewed at the time of estimation and are subject to ongoing review, as and when required. Each year, the Company reviews the reported resources.

The Mineral Resource for the Angela Project was updated from JORC 2004 to JORC 2012 and was reported in the ASX announcement dated 10 November 2020 "Angela Mineral Resource Updated to JORC 2012".

The Company's other Australian Mineral Resources have not changed since last reported in the 2020 Annual Report.

Table 2 – Uranium Mineral Resources

| Deposit | Category | Cut-off (ppm U ₃ O ₈) | Total Resource | | | Elevate Uranium's Share | | | |
|-------------------------------------|-----------|--|----------------|--|--|-------------------------|---------------|--|--|
| | | | Tonnes (M) | U ₃ O ₈ (ppm) | U ₃ O ₈ (Mlb) | Holding | Tonnes (M) | U ₃ O ₈ (ppm) | U ₃ O ₈ (Mlb) |
| AUSTRALIA | | | | | | | | | |
| 100% Holding | | | | | | | | | |
| Angela | Inferred | 300 | 10.7 | 1,310 | 30.8 | 100% | 10.7 | 1,310 | 30.8 |
| Thatcher Soak | Inferred | 150 | 11.6 | 425 | 10.9 | 100% | 11.6 | 425 | 10.9 |
| 100% Held Resource Total | | | 22.3 | 850 | 41.7 | 100% | 22.3 | 850 | 41.7 |
| Joint Venture Holding | | | | | | | | | |
| Bigrlyi Deposit | Indicated | 500 | 4.7 | 1,366 | 14.0 | | | | |
| | Inferred | 500 | 2.8 | 1,144 | 7.1 | | | | |
| Bigrlyi Deposit Total | | | 7.5 | 1,283 | 21.1 | 20.82% | 1.55 | 1,283 | 4.39 |
| Walbiri Joint Venture | | | | | | | | | |
| Joint Venture | Inferred | 200 | 5.1 | 636 | 7.1 | 22.88% | 1.16 | 636 | 1.63 |
| 100% EME | Inferred | 200 | 5.9 | 646 | 8.4 | | | | |
| Walbiri Total | | | 11.0 | 641 | 15.5 | | | | |
| Sundberg | Inferred | 200 | 1.01 | 259 | 0.57 | 20.82% | 0.21 | 259 | 0.12 |
| Hill One JV | Inferred | 200 | 0.26 | 281 | 0.16 | 20.82% | 0.05 | 281 | 0.03 |
| Hill One EME | Inferred | 200 | 0.24 | 371 | 0.19 | | | | |
| Karins | Inferred | 200 | 1.24 | 556 | 1.52 | 20.82% | 0.26 | 556 | 0.32 |
| Malawiri JV | Inferred | 100 | 0.42 | 1,288 | 1.20 | 23.97% | 0.10 | 1,288 | 0.29 |
| Joint Venture Resource Total | | | 21.6 | 847 | 40.2 | | 3.34 | 923 | 6.77 |
| Australia Resource Total | | | 43.9 | 848 | 81.9 | | 25.6 | 859 | 48.4 |
| NAMIBIA | | | | | | | | | |
| Marenica | | | | | | | | | |
| Marenica | Indicated | 50 | 26.5 | 110 | 6.4 | | | | |
| | Inferred | 50 | 249.6 | 92 | 50.9 | | | | |
| Marenica Total | | | 276.1 | 94 | 57.3 | 75% | 207.1 | 94 | 43.0 |
| MA7 | | | | | | | | | |
| MA7 | Inferred | 50 | 22.8 | 81 | 4.0 | | | | |
| MA7 Total | | | 22.8 | 81 | 4.0 | 75% | 17.1 | 81 | 3.0 |
| Namibia Resource Total | | | 298.9 | 93 | 61.3 | | 224.2 | 93 | 46.0 |
| TOTAL | | | | | | | | | 94.4 |

The Mineral Resource Estimate for the Bigrlyi, Marenica and MA7 resources in the table above were prepared and first disclosed under the 2004 Edition of the Australian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves (JORC Code 2004). They have not been updated since to comply with the 2012 Edition of the Australian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves (JORC Code 2012) on the basis that the information has not materially changed since it was last reported. A Competent Person has not undertaken sufficient work to classify the estimate of the Mineral Resource in accordance with the JORC Code 2012; it is possible that following evaluation and/or further exploration work the currently reported estimate may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012.

The Competent Person that completed the most recent JORC Mineral Resource estimate for each project is listed as follows.

| Resource | Competent Person | Employer |
|---------------------|---|-------------------------------|
| Angela | Mr David Princep | Consultant to Elevate Uranium |
| Thatcher Soak | Mr Peter Gleeson | SRK Consulting |
| Bigryli | Mr Arnold van der Heyden | Helman & Schofield Pty Ltd |
| Sundberg / Hill One | Mr Dimitry Pertel and Dr Maxim Seredkin | CSA Global Ltd |
| Karins | Mr Dimitry Pertel and Dr Maxim Seredkin | CSA Global Ltd |
| Walbiri | Mr Dimitry Pertel and Dr Maxim Seredkin | CSA Global Ltd |
| Malawiri | Dr Maxim Seredkin | CSA Global Ltd |
| Marenica | Mr Ian Glacken | Optiro Pty Ltd |
| MA7 | Mr Ian Glacken | Optiro Pty Ltd |

The information in this Annual Mineral Resource Statement is based on and fairly represents information prepared by the competent persons listed above and the supporting documentation has been reviewed by Mr David Princep B.Sc P.Geo FAusIMM (CP) who is an independent consultant to the Company and who is a member of the AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Princep approves this ore resource statement as a whole and consents to the inclusion of this information in the form and context in which it appears.

Governance and Internal Controls

The Company maintains thorough QAQC protocols for conducting exploration, site practice, sampling, safety, monitoring and rehabilitation.

Drilling methods vary according to the nature of the prospect under evaluation. These can include rotary air blast or reverse circulation drilling for unconsolidated formations. Typically, resource estimations are based on a mix of downhole radiometric sampling and chemical assays. Assay samples are collected over one metre intervals. Radiometric data is acquired at 10 cm intervals and composited to one metre intervals. Where statistical validation confirms radiometric and chemical assay equivalence, the resource estimate is primarily based on the radiometric data.

Drill hole collars are DGPS-surveyed by in-house operators, after an initial pick-up by hand-held GPS. Downhole radiometric surveys are outsourced to independent contractors.

Drill hole sample logging captures a suite of lithologic, alteration, mineralogic and hand-held radiometric data, at one metre intervals. This data is captured as permanent hard copy prior to digital input onto an in-house database.

Drill plans and sections generated from drilling and surface mapping are used to constrain wireframe mineralisation models; upon which resource estimations are made.

Your Directors present their report on the Group consisting of Elevate Uranium Limited (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2021 ("Group").

DIRECTORS

The following persons were Directors of Elevate Uranium Limited during or since the end of the financial year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Andrew Bantock

Independent Non-executive Chairman

Appointed 1 February 2018

Mr. Bantock is a Senior Managing Director of international corporate advisory firm FTI Consulting, where he co-leads the Australian Mining and Mining Services Practice.

Mr Bantock has operated as CFO, Chairman, CEO and Director of international, ASX listed, government sector and private corporations. Previous roles include: CFO of Glencore Xstrata plc's Australian nickel business; Director of Water Corporation - Western Australia's water utility; Chairman, CEO and Corporate Director of an ASX listed multi-commodity minerals exploration group; and Finance Director of ASX/NZSE listed gold mining and an engineering group.

During the last three years, Mr. Bantock has not been a director of any other listed companies.

Murray Hill – B.Sc. (Metallurgy), FAusIMM

Chief Executive Officer - Appointed 1 May 2012

Managing Director - Appointed 2 May 2016

Mr. Hill has 36 years' experience in the mining industry. He is a respected metallurgist with extensive experience in the design, operation and commissioning of gold, uranium and base metal process plants. His experience was broadened by management of a metallurgical testwork laboratory and his role as a process engineer in an engineering group, and he is well experienced in uranium metallurgy. For the 10 years prior to joining the Company, Mr. Hill operated his own business providing metallurgical consulting services to the mining industry world-wide. Mr. Hill is a Fellow of the Australasian Institute of Mining and Metallurgy.

During the last three years, Mr. Hill has not been a director of any other listed companies.

Nelson Chen – Master of Applied Finance, CA

Non-executive Director

Appointed 29 November 2011

Mr. Chen is a Director of Hanlong Resources Limited and a Chartered Accountant in Australia. He holds postgraduate degrees in finance and accounting. Prior to joining Hanlong, Mr. Chen spent over 11 years with PricewaterhouseCoopers, Sydney office, in their audit and M&A advisory practice. Mr. Chen served on the board of Australia China Business Council, NSW for over six years.

During the last three years, Mr. Chen has not been a director of any other listed companies.

Stephen Mann

Independent Non-executive Director

Appointed 15 July 2021

Mr Mann is geologist by profession and has a wealth of experience in the discovery, development, and commercialisation of mining assets over three decades, including 17 years in senior roles in the uranium sector. He was the Australian Managing Director of Orano for 12 years, the world's third largest uranium producer. At Orano,

Stephen led a sustained program of corporate improvement and active exploration; and represented both Orano and Cameco on the board of publicly listed ERA Ltd, owner and operator of the Ranger Uranium Mine in the Northern Territory of Australia. Stephen was involved in the negotiations and sale of these two companies' stakes in ERA, to Rio Tinto. Later Stephen co-founded and floated ASX listed U3O8 Ltd, where he led the discovery of the Dawson-Hinkler calcrite hosted uranium deposit in Western Australia, before negotiating its sale to Toro Energy Limited.

During the last three years, Mr. Mann has been a director of the following listed company:

* Lion One Metals Limited (TSX: LIO, ASX: LLO -) since 2013.

* Denotes current directorship

Directors' interests

The interests of Directors in securities of the Company are:

| Director | Fully Paid Ordinary Shares | | Options | Performance Rights |
|-----------|----------------------------|-----------------|-----------|--------------------|
| | At 30 June 2021 | At 30 June 2020 | | |
| M Hill | 5,327,547 | 3,963,911 | 4,521,053 | 202,500 |
| N Chen | 4,892,625 | 2,647,496 | 2,315,789 | - |
| A Bantock | 1,766,985 | 857,895 | 1,657,895 | - |
| S Mann | - | - | - | - |

Shane McBride – B.Bus (Acct), FCPA, FGIA, FCG (CS, CGP), MAICD

Chief Financial Officer - Appointed 1 May 2017

Company Secretary - Appointed 8 June 2017

Shane McBride has 39 years of commercial management experience gained in listed Australian public companies including corporate management, project development and mine site operations management, management and financial accounting, corporate finance, investor relations and company secretarial functions. He has a BBus (Acct) degree, is a Fellow of CPA Australia, Fellow of Governance Institute of Australia and The Chartered Governance Institute; and is a Member of the Australian Institute of Directors.

Mr McBride has been intimately involved with exploration, development, scoping and pre-feasibility studies, and financing activities. He was the managing director of an ASX listed mining company which acquired and operated an operating SX/EW Copper Cathode production facility in Queensland, Australia and has substantial experience as a listed company director.

DIVIDENDS

No dividends have been provided for or paid by the Group in respect of the year ended 30 June 2021 (30 June 2020: Nil).

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year was to create value through exploration and evaluation of its mineral tenements in Namibia and Australia and enhance that value through the potential application of the Company's patented **U-pgrade™** uranium beneficiation process to those mineral tenements.

OPERATING RESULTS FOR THE YEAR

The total loss of the Group attributable to the owners of Elevate Uranium Limited for the financial year was \$2,603,756 (2020: \$1,658,605).

FINANCIAL POSITION AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Group has significantly improved its balance sheet position during the year, reporting net assets of \$9,526,815 (2020: \$3,924,259). Cash on hand at 30 June 2021 was \$6,660,602 (2020: \$1,062,967).

On 3 July 2020, the Company issued 27,349,989 free attaching options exercisable at \$0.10 per share on or before 30 June 2023, to participants in a placement announced to the Australian Securities Exchange on 9 April 2020.

On 23 November 2020, the Company issued 31,660,619 shares at \$0.088 per share, under a share purchase plan, raising \$2,786,140.

On 27 November 2020, the Company issued 25,568,175 at \$0.088 per share, raising \$2,249,999.

On 25 January 2021, following shareholder approval, the Company issued 3,977,270 at \$0.088 per share, to directors and officers of the Company, raising \$350,000.

On 6 April 2021, the Company issued 3,300,000 shares following the exercise of options, raising \$330,000.

On 22 June 2021, the Company issued 18,693,145 shares following the exercise of options, raising \$2,776,906.

On 30 June 2021, the Company issued 100,000 shares following the exercise of options, raising \$17,000.

Other than the changes mentioned above, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

LIKELY DEVELOPMENTS AND BUSINESS STRATEGY

The Group intends to continue to explore and evaluate its mineral tenements and potentially apply its patented **U-pgrade™** uranium beneficiation process to the development of those mineral tenements.

ENVIRONMENTAL REGULATIONS

The Group's environmental obligations are regulated by the laws of the Commonwealth of Australia and the Republic of Namibia. The Group has complied with its environmental performance obligations. No environmental breaches have been notified by any Government agency to the date of this Directors' Report.

SHARE OPTIONS

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

| Expiry Date | Exercise Price | Number under Option |
|------------------|----------------|---------------------|
| 30 November 2021 | \$0.21 | 207,948 |
| 1 December 2023 | \$0.17 | 7,600,000 |
| 11 December 2021 | \$0.17 | 4,927,000 |
| 30 June 2023 | \$0.10 | 18,199,989 |
| 29 August 2025 | \$0.40 | 750,000 |

The Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial year the Company issued 22,093,145 shares and since that date has issued a further 1,559,040 shares as a result of the exercise of options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify former and current directors and officers of the Company against all liabilities to another person and the Company that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a wilful breach of duty. The agreement

stipulates that the Company will meet the full amount of such liabilities including costs and expenses.

During the year, the Company has paid insurance premium for a Directors and Officers insurance policy negotiated at commercial terms. The terms of the insurance policies prevent the Company from disclosing the premium amount.

During or since the financial year-end, in respect of any person who is, or has been an officer or auditor of the Company or of a related body corporate, the Company has not:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

DIRECTORS' MEETINGS

The number of meetings attended by each Director during the year is as follows:

| Director | Directors | |
|-----------|---|-----------------------------|
| | Number of meetings held while in office | Number of meetings attended |
| M Hill | 3 | 3 |
| A Bantock | 3 | 3 |
| N Chen | 3 | 3 |
| S Mann | - | - |

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The auditor's independence declaration for the year ended 30 June 2021 has been received and is located on the following page.

NON-AUDIT SERVICES

No non-audit services have been provided by the Company's auditor.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 15 July 2021, Mr Stephen Mann was appointed as an Independent Non-Executive Director of the Company.

On 15 July 2021, 1,559,040 fully paid ordinary shares were issued at a price of \$0.17 per share following the exercise of options.

On 19 July 2021, 202,500 performance rights lapsed.

On 24 August 2021, the Company issued 750,000 unlisted options exercisable at \$0.40 expiring on or before 29 August 2025. The options were issued to a new employee in accordance with their engagement letter.

The impact of the Coronavirus ("COVID-19") is ongoing and is largely out of the control of the Company, therefore, it is not practicable to estimate the future potential impact, positive or negative, on the Company. The situation continually develops and any material impact is dependent on measures imposed, in the first instance, by the different levels of government in Australia or Namibia and secondly on any other countries. These measures may include maintaining social distancing, quarantine, travel restrictions or any other as yet undefined restriction, these may be ameliorated by any economic stimulus provided to the Company. In addition, increases in input costs or unavailability of good and services, resulting from such measures, may affect the operations of the Company.

Other than the matters referred to above, there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- (i) the Group's operations in future years; or
- (ii) the results of those operations in future years; or
- (iii) the Group's state of affairs in future years.



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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

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

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

This declaration is in relation to Elevate Uranium Limited and the entities it controlled during the year.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Donovan', is written over a faint, circular watermark.

Donovan Odendaal
Partner

28 September 2021



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This remuneration report for the year ended 30 June 2021 outlines remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations (the Act). This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and including the executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term “executive” includes a chief executive officer (CEO), executive Directors, senior management and company secretaries of the Parent.

A. Individual key management personnel disclosures

Details of KMP including the top five remunerated executives of the Parent and Group are set out below:

Key management personnel

(i) Directors

| | |
|-----------|---|
| A Bantock | Non-executive chairman |
| M Hill | Managing director and Chief Executive Officer |
| N Chen | Non-executive director |
| S Mann | Non-executive director (Appointed 15 July 2021) |

(ii) Executives

| | |
|-----------|---|
| S McBride | Chief Financial Officer and Company Secretary |
|-----------|---|

B. Principles used to determine the nature and amount of remuneration

The objective of the Company's reward framework is to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors and executives of the highest calibre whilst maintaining a cost which is acceptable to shareholders.

Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed by the Board. The Chairman's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his remuneration.

Directors' fees

Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$300,000 in aggregate. This amount is separate from any specific tasks the Directors may take on for the Company in the normal course of business, which are charged at normal commercial rates.

Fees for Directors are not linked to the performance of the Group however, to align all Directors' interests with shareholders' interests; Directors are encouraged to hold shares in the Company and may receive securities which have previously been approved by shareholders. This effectively links Directors' performance to the share price performance and therefore, to the interests of shareholders.

Executive remuneration

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

- Reward executives for Company performance; and
- Align the interests of Executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of Company and individual performance, relevant comparative remuneration in the market and internal policies and practices. Executives are given the opportunity to receive their fixed remuneration in a variety of forms, including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. Variable remuneration may be delivered in the form of securities granted with or without vesting conditions and/or securities granted subject to successful completion, within an agreed timeframe, of various key tasks.

C. Executive contractual arrangements

M Hill – *Managing Director and Chief Executive Officer*

A formal written service agreement is in place. Details of Mr Hill's employment agreement are:

- Base salary, exclusive of superannuation, effective 1 July 2021 is \$300,000 per annum (plus superannuation), reviewable on an annual basis.
- Payment of a termination benefit on early termination by the Company equal to three (3) months', other than for grave misconduct or long-term incapacity.

S McBride – *Chief Financial Officer and Company Secretary*

Effective 1 July 2021, Mr McBride's remuneration is \$275,000 per annum (plus superannuation), with a 2-month notice period for either party.

D. Remuneration of Key Management Personnel ("KMP")

| 30-Jun-2021 | Fees & Consulting Paid | Super-annuation Paid | Share-based Payments | Total | % of Equity Based Payments |
|----------------------------|-----------------------------------|-----------------------------|-----------------------------|----------------|-----------------------------------|
| M Hill | 260,000 | 24,700 | 62,075 | 346,775 | 17.90% |
| A Bantock | 54,795 | 5,205 | 16,446 | 76,446 | 21.51% |
| N Chen | 41,096 | 3,904 | 16,446 | 61,446 | 26.76% |
| S Mann | - | - | - | - | - |
| Total Directors | 355,891 | 33,809 | 94,967 | 484,667 | 19.59% |
| Other KMP | | | | | |
| S McBride | 182,648 | 17,352 | 32,894 | 232,894 | 14.12% |
| Total executive KMP | 182,648 | 17,352 | 32,894 | 232,894 | 14.12% |
| Totals | 538,539 | 51,161 | 127,861 | 717,561 | 17.82% |

| 30-Jun-2020 | Fees & Consulting Paid | Super-annuation Paid | Share-based Payments | Total | % of Equity Based Payments |
|----------------------------|-----------------------------------|-----------------------------|-----------------------------|----------------|-----------------------------------|
| M Hill | 260,000 | 24,700 | 80,695 | 365,395 | 22.08% |
| A Bantock * | 41,096 | 3,904 | 20,804 | 65,804 | 31.62% |
| N Chen * | 30,822 | 2,928 | 20,804 | 54,554 | 38.13% |
| Total Directors | 331,918 | 31,532 | 122,303 | 485,753 | 25.18% |
| Other KMP | | | | | |
| S McBride | 247,877 | 22,123 | 41,608 | 311,608 | 13.35% |
| Total executive KMP | 247,877 | 22,123 | 41,608 | 311,608 | 13.35% |
| Totals | 579,795 | 53,655 | 163,911 | 797,361 | 20.56% |

* Note: Messrs Bantock and Chen agreed to forego their entitlement to director fees for three months from 1 April 2020 to 30 June 2020, as a result of the uncertain impact on the Company's operations and capital markets, as a consequence of government imposed restrictions to combat COVID-19.

E. Value of options issued, exercised and expired during the year

Details of vesting profile of options vested or expired during the year and those options unexercised at reporting date granted as remuneration to current key management personnel of the Company are detailed below:

Year ended 30 June 2021

During the 2021 financial year, the following options lapsed:

| Expiry Date | Exercise Price | Number under Option |
|------------------|----------------|---------------------|
| 13 December 2020 | \$0.17 | 7,600,000 |

The following options were exercised during the year:

| Expiry Date | Exercise Price | Number under Option |
|------------------|----------------|---------------------|
| 30 November 2021 | \$0.21 | 214,285 |

The following options were issued during the year:

| Expiry Date | Exercise Price | Number under Option |
|-------------|----------------|---------------------|
| - | - | - |

Year ended 30 June 2020

During the 2020 financial year, the following options lapsed:

| Expiry Date | Exercise Price | Number under Option |
|-------------|----------------|---------------------|
| - | - | - |

The following options were exercised during the year:

| Expiry Date | Exercise Price | Number under Option |
|-----------------|----------------|---------------------|
| 1 December 2019 | \$0.1806 | 290,698 |

The following options were issued during the year:

| Expiry Date | Exercise Price | Number under Option |
|-----------------|----------------|---------------------|
| 1 December 2023 | \$0.17 | 7,600,000 |

These options were fair valued at \$0.036867 using the Black Scholes option pricing model.

F. Shareholdings for Key Management Personnel

| <u>30 June 2021</u> | Balance at 1 July 2020 | Acquired on Exercise of Option | Purchased/ (Sold) during the year | Granted as remuneration | Balance at 30 June 2021 |
|---------------------|---------------------------|--------------------------------------|---|----------------------------|----------------------------|
| Directors | | | | | |
| M Hill | 3,963,911 | - | 1,363,636 | - | 5,327,547 |
| N Chen | 2,647,496 | 142,857 | 2,102,272 | - | 4,892,625 |
| A Bantock | 857,895 | - | 909,090 | - | 1,766,985 |
| S Mann | - | - | - | - | - |
| Other KMP: | | | | | |
| S McBride | 852,895 | - | (31,895) | - | 821,000 |
| | <u>8,322,197</u> | <u>142,857</u> | <u>4,343,103</u> | <u>-</u> | <u>12,808,157</u> |

| <u>30 June 2020</u> | Balance at 1 July 2019 | Acquired on Exercise of Option | Purchased/ (Sold) during the year | Granted as remuneration | Balance at 30 June 2020 |
|---------------------|---------------------------|--------------------------------------|---|----------------------------|----------------------------|
| Directors | | | | | |
| M Hill | 2,542,858 | - | 1,421,053 | - | 3,963,911 |
| N Chen | 1,331,707 | - | 1,315,789 | - | 2,647,496 |
| A Bantock | 200,000 | - | 657,895 | - | 857,895 |
| Other KMP: | | | | | |
| S McBride | 70,000 | - | 782,895 | - | 852,895 |
| | <u>4,144,565</u> | <u>-</u> | <u>4,177,632</u> | <u>-</u> | <u>8,322,197</u> |

G. Option holdings for Key Management Personnel

| <u>30 June 2021</u> | Balance at 1 July 2020 | Exercised | Lapsed | Purchased | Balance at 30 June 2021 | Vested at 30 June 2021 | | |
|---------------------|---------------------------|------------------|--------------------|------------------|-------------------------------|------------------------|-------------------|--------------------|
| | | | | | | Total | Exercisable | Not exercisable |
| Directors | | | | | | | | |
| M Hill | 7,200,000 | - | (3,600,000) | 921,053 | 4,521,053 | 4,521,053 | 4,521,053 | - |
| N Chen | 2,142,857 | (142,857) | (1,000,000) | 1,315,789 | 2,315,789 | 2,315,789 | 2,315,789 | - |
| A Bantock | 2,000,000 | - | (1,000,000) | 657,895 | 1,657,895 | 1,657,895 | 1,657,895 | - |
| S Mann | - | - | - | - | - | - | - | - |
| Other KMP | | | | | | | | |
| S McBride | 4,207,948 | - | (2,000,000) | 657,895 | 2,865,843 | 2,865,843 | 2,865,843 | - |
| | <u>15,550,805</u> | <u>(142,857)</u> | <u>(7,600,000)</u> | <u>3,552,632</u> | <u>11,360,580</u> | <u>11,360,580</u> | <u>11,360,580</u> | <u>-</u> |

| <u>30 June 2020</u> | Balance at 1 July 2019 | Exercised | Lapsed | Granted | Balance at 30 June 2020 | Vested at 30 June 2020 | |
|---------------------|---------------------------|-----------|------------------|------------------|----------------------------|------------------------|------------------|
| | | | | | | Total | Exercisable |
| Directors | | | | | | | |
| M Hill | 3,600,000 | - | - | 3,600,000 | 7,200,000 | 7,200,000 | 3,600,000 |
| N Chen | 1,292,857 | - | (150,000) | 1,000,000 | 2,142,857 | 2,142,857 | 1,142,857 |
| A Bantock | 1,100,000 | - | (100,000) | 1,000,000 | 2,000,000 | 2,000,000 | 1,000,000 |
| Other KMP | | | | | | | |
| S McBride | 2,207,948 | - | - | 2,000,000 | 4,207,948 | 4,207,948 | 2,207,948 |
| | <u>8,200,805</u> | <u>-</u> | <u>(250,000)</u> | <u>7,600,000</u> | <u>15,550,805</u> | <u>15,550,805</u> | <u>7,950,805</u> |

In regard to 142,857 of Mr. Chen's Directors options, the Company will fund the exercise price in the event of exercise.

H. Performance Rights for Key Management Personnel

| <u>30 June 2021</u> | Balance at 1 July 2020 | Issued | Vested | Balance at 30 June 2021 | Total | Unvested |
|---------------------|---------------------------|----------|----------|----------------------------|----------------|----------------|
| Directors | | | | | | |
| M Hill | 202,500 | - | - | 202,500 | 202,500 | 202,500 |
| A Bantock | - | - | - | - | - | - |
| N Chen | - | - | - | - | - | - |
| S Mann | - | - | - | - | - | - |
| Other KMP | | | | | | |
| S McBride | - | - | - | - | - | - |
| | <u>202,500</u> | <u>-</u> | <u>-</u> | <u>202,500</u> | <u>202,500</u> | <u>202,500</u> |

On 1 July 2016, the Company issued Mr Hill 675,000 performance rights with the following hurdles:

- 270,000 – successful raising of capital for pilot plant construction and operation
- 202,500 – successful completion of the initial pilot plant programme proving **U-pgrade™** works on samples tested
- 202,500 – first commercialisation deal on **U-pgrade™**

Any unvested performance rights will automatically vest on the occurrence of any of the following events:

- the sale by Uranium Beneficiation Pty Ltd of the Intellectual Property comprising the **U-pgrade™** process.
- the sale by Elevate Uranium Limited of all of its shares in Uranium Beneficiation Pty Ltd.
- A change of control in Elevate Uranium Limited by virtue of any person or entity obtaining a relevant interest within the meaning of the Corporations Act in more than 50% of the voting shares in Elevate.

In the event of Mr Hill ceasing to be an employee of Elevate Uranium Ltd a or a subsidiary of Elevate, any unvested performance rights will lapse unless the Board of Elevate otherwise determines, at its discretion, that all or any of the unvested performance rights shall vest. In any case, the performance rights lapse on 14 July 2023, if not vested.

Following the signing of the Technology Licence Agreement with Deep Yellow Limited in 2016, including at the time, advice of its intention to fund a pilot plant to demonstrate the **U-pgrade™** technology on a continuous basis, the Board determined that the first and third milestones noted above were achieved and 472,500 performance rights vested on 30 September 2016.

On 15 July 2021, the 202,500 performance rights expired.

End of Remuneration Report

Signed in accordance with a resolution of the Directors.



Andrew Bantock
Chairman

28 September 2021

Consolidated Statement of Profit and Loss and
Other Comprehensive Income For the year ended 30 June 2021



| | Note | 2021 \$ | 2020 \$ |
|---|------|-------------|-------------|
| Continuing operations | | | |
| Revenue | | | |
| Interest received | 4 | 1,401 | 5,740 |
| Research and development tax refund | 4 | 115,459 | 106,362 |
| Government cash flow boosts | 4 | - | 100,000 |
| Other income | 4 | - | 22,208 |
| | | 116,860 | 234,310 |
| Expenses | | | |
| Exploration and evaluation expenses | | (1,265,665) | (503,541) |
| Share based employee benefits | | (127,861) | (163,911) |
| Employee benefit expense | | (644,295) | (691,501) |
| Foreign exchange loss | 5 | (25,877) | (21,355) |
| Administration expenses | | (596,934) | (463,751) |
| Depreciation expense | 5 | (54,294) | (46,003) |
| Finance expense | 5 | (5,690) | (2,853) |
| Total expenses | | (2,720,616) | (1,892,915) |
| Loss before income tax expense | | (2,603,756) | (1,658,605) |
| Income tax (expense)/benefit | 6 | - | - |
| Net loss for the year | | (2,603,756) | (1,658,605) |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the year | | (2,603,756) | (1,658,605) |
| Loss for the year is attributable to: | | | |
| Owners of Elevate Uranium Ltd | | (2,603,756) | (1,658,605) |
| Non-controlling interests | | - | - |
| | | (2,603,756) | (1,658,605) |
| Total comprehensive loss for the year is attributable to: | | | |
| Owners of Elevate Uranium Ltd | | (2,603,756) | (1,658,605) |
| Non-controlling interests | | - | - |
| | | (2,603,756) | (1,658,605) |
| Earnings per share | | | |
| Basic loss per share (cents per share) | 21 | (1.44) | (1.61) |

Diluted losses per share are not disclosed as they are not materially different to basic losses per share.

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

Consolidated Statement of Financial Position
As at 30 June 2021



| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 19 | 6,660,602 | 1,062,967 |
| Trade and other receivables | 7 | 31,210 | 65,910 |
| Total Current Assets | | 6,691,812 | 1,128,877 |
| Non-Current Assets | | | |
| Plant & equipment | 8 | 22,124 | 20,248 |
| Right-of-use asset | 9 | 96,532 | 64,247 |
| Tenement acquisition cost | 10 | 3,145,885 | 3,145,885 |
| Total Non-Current Assets | | 3,264,541 | 3,230,380 |
| TOTAL ASSETS | | 9,956,353 | 4,359,257 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 11 | 177,297 | 227,768 |
| Lease liability | | 50,200 | 22,718 |
| Employee benefits | 12 | 109,544 | 103,318 |
| Total Current Liabilities | | 337,041 | 353,804 |
| Non-Current Liabilities | | | |
| Lease liability | | 49,089 | 42,520 |
| Employee benefits | 12 | 43,408 | 38,674 |
| Total Non-Current Liabilities | | 92,497 | 81,194 |
| TOTAL LIABILITIES | | 429,538 | 434,998 |
| NET ASSETS | | 9,526,815 | 3,924,259 |
| EQUITY | | | |
| Contributed equity | 13 | 64,041,354 | 55,929,259 |
| Reserves | 14 | 371,806 | 485,191 |
| Accumulated losses | 15 | (54,886,345) | (52,490,191) |
| TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO THE OWNERS OF Elevate Uranium Ltd | | 9,526,815 | 3,924,259 |
| Non-controlling interests | | - | - |
| TOTAL EQUITY | | 9,526,815 | 3,924,259 |

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021



| 30 June 2021 | Notes | Issued Capital | Accumulated Losses | Reserves | Total | Non-Controlling Interests | Total Equity |
|--|--------------|-----------------------|---------------------------|-----------------|------------------|----------------------------------|---------------------|
| Balance at beginning of year | | 55,929,259 | (52,490,191) | 485,191 | 3,924,259 | - | 3,924,259 |
| Loss for the year | 15 | - | (2,603,756) | - | (2,603,756) | - | (2,603,756) |
| Other comprehensive income | | - | - | - | - | - | - |
| Total comprehensive loss for the year | | - | (2,603,756) | - | (2,603,756) | - | (2,603,756) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | | |
| Issue of shares | 13 | 8,510,046 | - | - | 8,510,046 | - | 8,510,046 |
| Share issue costs | 13 | (447,413) | - | - | (447,413) | - | (447,413) |
| Transfer on exercise or expiry of equity | 13, 14 | 49,463 | - | (49,463) | - | - | - |
| Options issued during year | 14 | - | - | 137,897 | 137,897 | - | 137,897 |
| Options lapsed during year | 14 | - | 207,601 | (207,601) | - | - | - |
| Performance Rights vesting | 14 | - | - | 5,782 | 5,782 | - | 5,782 |
| Balance at end of year | | 64,041,354 | (54,886,346) | 371,806 | 9,526,815 | - | 9,526,815 |
| 30 June 2020 | Notes | Issued Capital | Accumulated Losses | Reserves | Total | Non-Controlling Interests | Total Equity |
| Balance at beginning of year | | 51,030,575 | (50,936,499) | 409,674 | 503,750 | - | 503,750 |
| Adjustment for change in accounting policy | 2 | - | (827) | - | (827) | - | (827) |
| Balance at beginning of year – restated | | 51,030,575 | (50,937,326) | 409,674 | 502,923 | - | 502,923 |
| Loss for the year | 15 | - | (1,658,605) | - | (1,658,605) | - | (1,658,605) |
| Other comprehensive income | | - | - | - | - | - | - |
| Total comprehensive loss for the year | | - | (1,658,605) | - | (1,658,605) | - | (1,658,605) |
| <i>Transactions with owners in their capacity as</i> | | | | | | | |
| Issue of shares | 13 | 5,157,542 | - | - | 5,157,542 | - | 5,157,542 |
| Share issue costs | 13 | (290,283) | - | - | (290,283) | - | (290,283) |
| Transfer on exercise or expiry of equity | 13, 14 | 31,105 | - | (31,105) | - | - | - |
| Options issued during year | 14 | 320 | - | 206,563 | 206,883 | - | 206,883 |
| Options lapsed during year | 14 | - | 105,740 | (105,740) | - | - | - |
| Performance Rights vesting | 14 | - | - | 5,799 | 5,799 | - | 5,799 |
| Balance at end of year | | 55,929,259 | (52,490,191) | 485,191 | 3,924,259 | - | 3,924,259 |

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 30 June 2021



| | Note | 2021 \$ | 2020 \$ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (2,501,528) | (1,614,187) |
| Research and development refund received | | 115,459 | 106,362 |
| Government cash flow boosts received | | 50,000 | 50,000 |
| Interest received | | 1,400 | 5,741 |
| Interest paid | | - | - |
| Net cash outflow from operating activities | 20 | <u>(2,334,669)</u> | <u>(1,452,084)</u> |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | | (6,280) | (4,103) |
| Payments for tenement acquisition cost | | (55,000) | (298,151) |
| Cash generated / (used) in investing activities | | <u>(61,280)</u> | <u>(302,254)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of equity securities | | 8,465,046 | 2,602,872 |
| Expenses from issue of equity securities | | (446,648) | (229,688) |
| Repayment of lease liabilities | | (26,708) | (44,278) |
| Cash generated / (used) in financing activities | | <u>7,991,690</u> | <u>2,328,906</u> |
| Net increase/(decrease) in cash and cash equivalents | | 5,595,741 | 574,568 |
| Cash and cash equivalents at the beginning of the financial year | | 1,062,967 | 487,862 |
| Effects of foreign exchange changes on cash and cash equivalents | | 1,894 | 537 |
| Cash at the end of the financial year | 19 | <u><u>6,660,602</u></u> | <u><u>1,062,967</u></u> |

The Consolidated Statement of Cash flows should be read in conjunction with the notes to the Financial Statements.

1. CORPORATE INFORMATION

The financial statements of Elevate Uranium Ltd (formerly Marenica Energy Limited (the “Company”) for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on 28 September 2021.

Elevate Uranium Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange and the Namibia Stock Exchange.

The nature of operations and principal activities of the Group, comprising Elevate Uranium Ltd and its subsidiaries, (“Group”) are described in the Directors’ Report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which are the Company’s functional currency and the functional currency of the majority of the Group’s current financial transactions.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Elevate Uranium Ltd (“Company” or “parent entity”) as at 30 June 2021 and the results of all subsidiaries for the year then ended. Elevate Uranium Ltd and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. The effects of all intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated in full.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill (if any), liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Exploration expenses

Exploration and evaluation costs represent intangible assets. Exploration, evaluation and development costs are expensed as incurred. Acquisition costs related to an area of interest are capitalised and carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the areas of interest are continuing.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment

(g) Plant and equipment

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

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during their expected useful life of 3 to 5 years.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(h) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(i) Investments and other financial assets

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

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

Financial assets at fair value through profit and loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(j) **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(k) **Provisions and employee benefits**

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(l) **Share based payments**

The Company provides benefits to Directors, employees, consultants and other advisors of the Company in the form of share-based payments, whereby the directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of the shares of the Company, if applicable.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipient becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired and
- (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

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. In addition, an 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, as measured at the date of modification.

If an equity-settled award is cancelled, 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 award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(m) **Earnings per share**

Basic earnings per share is determined by dividing the profit (loss) after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(o) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(p) Trade and Other Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(q) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(r) Issued capital

Ordinary shares are classified as equity.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grants

Grant revenue is recognised in profit or loss when the Group satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(t) Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period.

(u) Segment reporting

The Group uses a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

A deferred tax asset for unused tax losses is recognised only if it is probable that future taxable amounts will be available to utilise losses.

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 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 assets and settle the liability simultaneously.

(w) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

(x) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(y) Lease liabilities

Lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

| | 1 July 2019 |
|---|--------------------|
| | \$ |
| Operating lease commitments as at 1 July 2019 (AASB 117) | 78,889 |
| Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16) | (2,149) |
| Short-term leases not recognised as a right-of-use asset (AASB 16) | (66) |
| Accumulated depreciation as at 1 July 2019 (AASB 16) | <u>(25,558)</u> |
| | |
| Right-of-use assets (AASB 16) | 51,116 |
| Lease liabilities - current (AASB 16) | (38,639) |
| Lease liabilities - non-current (AASB 16) | (13,304) |
| Tax effect on the above adjustments | <u>-</u> |
| Reduction in opening retained profits as at 1 July 2019 | <u>(827)</u> |

(z) New accounting standards and interpretations

(i) New and amended standards adopted by the Company

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Share based payment transactions

The Group measures the cost of equity-settled share based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined by using a recognised option valuation model, with the assumptions detailed in Note 14. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the availability of contractor, supply chain effects, staffing in the geographic regions in which the Group operates.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of COVID-19.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Tenement Acquisition Costs

Tenement acquisition costs for the Australian tenements acquired in December 2019 have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

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4. REVENUE FROM CONTINUING OPERATIONS

| | 2021 | 2020 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Other income | - | 22,208 |
| Research and development tax refund | 115,459 | 106,362 |
| Government cash flow boosts | - | 100,000 |
| Interest received | 1,401 | 5,740 |
| | <u>116,860</u> | <u>234,310</u> |

5. EXPENSES

Loss before income tax includes the following specific expenses:

| | | |
|---|---------------|---------------|
| Depreciation | | |
| Plant and equipment | 4,591 | 4,588 |
| Right-of-use asset | 49,703 | 41,415 |
| | <u>54,294</u> | <u>46,003</u> |
| Finance costs | | |
| Lease liability | 5,690 | 2,853 |
| Net foreign exchange loss | 25,877 | 21,355 |
| Rental expense relating to operating lease | | |
| Minimum lease payments | 4,565 | 9,707 |
| Superannuation expense | | |
| Defined contribution superannuation expense | 46,707 | 51,791 |
| Share-based payments expense | | |
| Equity-settled share-based payments | 127,861 | 163,911 |

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6. INCOME TAX

| | 2021 \$ | 2020 \$ |
|---|-------------|-------------|
| Loss for year | (2,603,756) | (1,658,605) |
| Tax expense/(benefit) at tax rate of 26% (2020: 27.5%) | (676,977) | (456,116) |
| Tax effect of amounts that are not deductible/taxable in calculating taxable income | 16,206 | (4,325) |
| Impact of reduction in future corporate tax rate | - | 754,025 |
| Deferred tax assets not brought to account | (29,839) | (784,286) |
| Revenue losses not brought to account | 690,610 | 490,702 |
| Income tax expense/(benefit) | - | - |

DEFERRED TAX

Deferred Tax Assets

at 26% (2020: 27.5%) unless stated otherwise

| | | |
|---|------------------|------------------|
| Provisions and accruals | 58,256 | 41,466 |
| Capital raising costs | 92,237 | 72,351 |
| Overseas tax losses (at 32% corporate tax rate) | 1,124,743 | 706,874 |
| Australian capital losses carried forward | 910,848 | 910,848 |
| Australian carried forward revenue losses | 7,110,854 | 6,804,657 |
| Other | 690 | 264 |
| | <u>9,297,628</u> | <u>8,536,460</u> |

The tax benefit of the above Deferred Tax Assets will only be obtained if:

- The company derives future assessable income or a nature and of an amount sufficient to enable the benefits to be utilised; and
- The company continues to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the company in utilising the benefits

Deferred Tax Liabilities at 25% (2020: 27.5%)

| | | |
|-------------|--------------|------------|
| Prepayments | 1,965 | 983 |
| | <u>1,965</u> | <u>983</u> |

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

7. TRADE AND OTHER RECEIVABLES

Current Assets

| | | |
|-----------------------------|---------------|---------------|
| GST and VAT refundable | 22,144 | 20,029 |
| Other receivables | 9,066 | 5,021 |
| Government Cash Flow Boosts | - | 37,500 |
| Rental & Security Bonds | - | 3,360 |
| | <u>31,210</u> | <u>65,910</u> |

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7. TRADE AND OTHER RECEIVABLES (continued)

Non-Current Assets

| | 2021 \$ | 2020 \$ |
|--|-------------|-------------|
| Amount receivable from sale of Marenica Minerals (Proprietary) Limited (incorporated in Namibia) | 3,425,275 | 3,425,275 |
| Provision for impairment | (3,425,275) | (3,425,275) |
| | <u>-</u> | <u>-</u> |

The recoverability of the amount receivable from the sale to the Company's Black Economic Empowerment partner Millennium Minerals Pty Ltd of a 5% interest in the Company's shareholding in Marenica Minerals (Proprietary) Limited (incorporated in Namibia) is subject to the successful exploitation and development of the Company's Marenica Uranium Project. As the project has not yet reached a stage at which this can be assured, the amount receivable from the purchaser is considered to be impaired.

8. PLANT AND EQUIPMENT

| | | |
|--------------------------------|---------------|---------------|
| Cost | 122,450 | 116,093 |
| Less: Accumulated Depreciation | (100,326) | (95,845) |
| Net book value | <u>22,124</u> | <u>20,248</u> |

Reconciliations:

Reconciliations of written down values at the beginning and end of the current and previous financial year are set out below:

| | | |
|-------------------------|---------------|---------------|
| Opening net book amount | 20,248 | 20,886 |
| Additions | 6,407 | 3,950 |
| Disposals | - | - |
| Profit on sale | - | - |
| Depreciation charge | (4,531) | (4,588) |
| Closing net book amount | <u>22,124</u> | <u>20,248</u> |

9. RIGHT-OF-USE ASSET

| | | |
|-----------------------------------|---------------|---------------|
| Land and buildings – right-of-use | 137,313 | 105,293 |
| Less: Accumulated depreciation | (40,781) | (41,046) |
| | <u>96,532</u> | <u>64,247</u> |

The Company leases land and buildings for its office in Australia under a two-year agreement and for its warehouse in Namibia under a five-year agreement. On renewal, the terms of the leases are renegotiated. The Company also leases land and buildings under a separate agreement of less than two years and is either short-term or low-value, so has been expensed as incurred and not capitalised as a right-of-use assets.

10. CAPITALISED TENEMENT ACQUISITION COSTS

| | 2021 \$ | 2020 \$ |
|---|------------------|------------------|
| Balance at beginning of year | 3,145,885 | - |
| Cash component of purchase price | - | 250,000 |
| Share-based consideration of purchase price | - | 2,502,500 |
| Acquisition costs | - | 393,385 |
| | <u>3,145,885</u> | <u>3,145,885</u> |

On 11 December 2019, the Company acquired 100% of the shares of Thatcher Soak Pty Ltd (formerly Africa Uranium Ltd), Jackson Cage Pty Ltd and Northern Territory Uranium Pty Ltd, which collectively hold tenements and minerals resources in Western Australia and the Northern Territory that are prospective for uranium (“the Acquisition Assets”). Refer to Note 17 for the names and countries of incorporation of these entities. Details of the purchase of assets are as follows:

| | 2020 \$ |
|---|------------------|
| Amount settled in cash | 250,000 |
| Fair value of equity shares issued | 2,502,500 |
| Acquisition costs | 393,385 |
| Total | <u>3,145,885</u> |
| Recognised amount of identifiable net assets: | |
| Capitalised exploration expenditure | <u>3,145,885</u> |
| Net identifiable assets and liabilities | <u>3,145,885</u> |
| Goodwill | <u>-</u> |

Capitalised tenement acquisition costs represent the accumulated cost of acquiring the Acquisition Assets. Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation or alternatively, sale of the respective areas of interest.

11. PAYABLES

| | 2021 \$ | 2020 \$ |
|-----------------|----------------|----------------|
| Trade payables | 98,066 | 47,317 |
| Accrued charges | 79,231 | 180,451 |
| | <u>177,297</u> | <u>227,768</u> |

Included in Accrued charges for 2020 year is an amount of \$45,000 related to the Company’s obligation to fund the exercise price of options issued to Directors should those specific Directors choose to exercise the options. Refer to Note 24 for further information on financial instruments. Also included in the prior period’s Accrued charges is the sum of \$15,820 relating to the share-based payment valuation of 1,000,000 options issued to the Company’s on 3 July 2020, which was part consideration of the selling fees for shares issued during the year. Refer to Note 24 for further information on the shares and options issued.

12. PROVISIONS

| | 2021 \$ | 2020 \$ |
|----------------------------------|------------|------------|
| Current Liabilities | | |
| Provision for annual leave | 109,544 | 103,318 |
| | 109,544 | 103,318 |
| Non-Current Liabilities | | |
| Provision for long service leave | 43,408 | 38,674 |
| | 43,408 | 38,674 |

13. CONTRIBUTED EQUITY

(a) Ordinary Shares

| | \$ | \$ |
|-----------------------------------|-------------|-------------|
| Paid up capital – ordinary shares | 66,057,329 | 57,497,810 |
| Capital raising costs capitalised | (2,015,975) | (1,568,552) |
| | 64,041,354 | 55,929,258 |

Movement during the year

| | Number of Shares | \$ |
|--|---------------------|------------|
| Balance at 1 July 2019 | 73,212,293 | 51,030,575 |
| Share placement on 1 August 2019 | 16,012,417 | 1,601,242 |
| Exercise of options on 29 November 2019 | 290,698 | 52,500 |
| In lieu of options exercised on 29 November 2019 | - | 31,105 |
| Share options issued on 12 December 2019 | - | 320 |
| Convertible preference shares issued to Optimal Mining Limited on 17 December 2019 | 27,500,000 | 2,502,500 |
| Share placement on 17 April 2020 | 13,157,894 | 500,000 |
| Share placement on 15 June 2020 | 13,192,095 | 501,300 |
| Less: Share issue costs | - | (290,283) |
| Balance at 30 June 2020 | 143,365,397 | 55,929,259 |
| Share issue 23 November 2020 | 31,660,619 | 2,786,140 |
| Share issue 27 November 2020 | 25,568,175 | 2,249,999 |
| Share issue 25 January 2021 | 3,977,270 | 350,000 |
| Exercise of options 6 April 2021 | 3,300,000 | 330,000 |
| Exercise of options 22 June 2021 | 12,628,860 | 2,146,906 |
| Exercise of options 22 June 2021 | 214,285 | 45,000 |
| Exercise of options by Directors 22 June 2021 | - | 18,549 |
| Exercise of options by Brokers 22 June 2021 | - | 30,915 |
| Exercise of options 22 June 2021 | 5,850,000 | 585,000 |
| Exercise of options 30 June 2021 | 100,000 | 17,000 |
| Less Share issue costs | - | (447,414) |
| | 226,664,606 | 64,041,354 |

Ordinary shares participate in dividends and the proceeds on winding up of Elevate Uranium Ltd in proportion to the number of shares held. The fully paid ordinary shares have no par value. At shareholder meetings, when a poll is called, each ordinary share is entitled to one vote otherwise each shareholder has one vote on a show of hands.

13. CONTRIBUTED EQUITY (continued)

(b) Share Options

| Movements in share options: | Unlisted, \$0.17 Options 28/11/23 | Unlisted, \$0.17 Options 10/12/21 | Unlisted, \$0.21 Options 30/11/21 | Unlisted, \$0.17 Options 13/12/20 | Unlisted, \$0.17 Options 13/12/20 | Unlisted, \$0.17 Options 25/05/20 | Unlisted, \$0.1806 Options 01/12/19 | Unlisted, \$0.10 Options 30/6/23 |
|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|----------------------------------|
| Balance at 30 June 2019 | - | - | 422,233 | 7,890,000 | 7,600,000 | 7,309,998 | 290,698 | - |
| Issued during the year | 7,600,000 | 19,214,900 | - | - | - | - | - | - |
| Exercised during the year | - | - | - | - | - | (7,308,998) | (290,698) | - |
| Balance at 30 June 2020 | 7,600,000 | 19,214,900 | 422,233 | 7,890,000 | 7,600,000 | - | - | - |
| Issued during the year | - | - | - | - | - | - | - | 27,349,989 |
| Exercised during the year | - | (12,728,860) | (214,285) | - | - | - | - | (9,150,000) |
| Lapsed during the year | - | - | - | (7,890,000) | (7,600,000) | - | - | - |
| Balance at 30 June 2021 | 7,600,000 | 6,486,040 | 207,948 | - | - | - | - | 18,199,989 |

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14. RESERVES

| | 2021 \$ | 2020 \$ |
|--|----------------|----------------|
| Share-Based Payments Reserve | 371,806 | 485,191 |
| | <u>371,806</u> | <u>485,191</u> |
| Share-Based Payments Reserve | | |
| Balance at beginning of year: | 485,191 | 409,674 |
| Options issued during the year | | |
| - In lieu of placement fees | 15,820 | 48,450 |
| - Directors' options | 122,077 | 158,112 |
| Options lapsed/exercised during the year | (257,065) | (136,844) |
| Performance rights vesting | 5,783 | 5,799 |
| Balance at end of year: | <u>371,806</u> | <u>485,191</u> |

| (i) Share Options | Number of options | \$ | Weighted average exercise price \$ |
|--|----------------------|----------------|--|
| <i><u>Movements in share options</u></i> | | | |
| Balance as at 30 June 2019 | 23,512,929 | 380,996 | 0.1708 |
| Options exercised | (290,698) | (31,105) | 0.1806 |
| Options lapsed | (7,309,998) | (105,740) | 0.17 |
| Options issued ref. (a) next page | 26,814,900 | 206,562 | 0.17 |
| Balance as at 30 June 2020 | <u>42,727,133</u> | <u>450,713</u> | <u>0.1704</u> |
| Options exercised | (22,093,145) | (49,463) | 0.125 |
| Options lapsed | (15,490,000) | (207,602) | 0.17 |
| Options issued | 27,349,989 | 137,897 | 0.10 |
| Balance as at 30 June 2021 | <u>32,493,977</u> | <u>331,544</u> | <u>0.1310</u> |

(ii) Movements in Share Based Payments Reserve

| | |
|--|-----------------------|
| Balance as at 1 July 2019 | 409,674 |
| Transfer on exercise or expiry of equity | (31,104) |
| Issue of options | 206,562 |
| Lapse of options | (105,740) |
| Rights vesting ref. (c) next page | 5,799 |
| Balance as at 30 June 2020 | <u>485,191</u> |
| Transfer on exercise or expiry of equity | (49,463) |
| Issue of options | 137,897 |
| Lapse of options | (207,602) |
| Performance rights vesting | 5,783 |
| Total (i) & (ii) Share Based Payments Reserve | <u>371,806</u> |

14. RESERVES (continued)

- (a) On 3 July 2020, 1,000,000 options were granted and exercisable at \$0.10 each on or before 30 June 2023, to share brokers in lieu of fees. The fair value of these options is \$0.00158 per option for a total value of \$15,820. In valuing these options the Company used the following inputs in the Black Scholes option valuation model.

Inputs into the Model

| | |
|-------------------------|---------|
| Grant date share price | \$0.065 |
| Exercise price | \$0.10 |
| Expected volatility | 55.55% |
| Option life | 3 years |
| Risk-free interest rate | 0.260% |

- (b) On 10 December 2019, 3,202,483 options were granted and exercisable at \$0.17 each on or before 10 December 2021, to a broker as part of the fees relating to a placement of shares and options. The fair value of these options is \$0.015129 per option (a subscription amount of \$0.0001 was paid by the broker and this amount has been taken off the valuation) for a total value of \$48,450. In valuing these options the Company used the following inputs in the Black Scholes option valuation model.

Inputs into the Model

| | |
|-------------------------|---------|
| Grant date share price | \$0.086 |
| Exercise price | \$0.170 |
| Expected volatility | 79.29% |
| Option life | 4 years |
| Risk-free interest rate | 0.640% |

- (c) As at the reporting date, 202,500 performance rights remain which have not yet vested. However, the expense relating to the fair value of these performance rights has been spread across their seven-year life on the assumption that they will vest. If they do not vest, the expense will be reversed.

Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised equity instruments granted to management and consultants of the Company recognised in accordance with the accounting policy adopted for share-based payments and the cash price of rights/options issued to investors.

15. ACCUMULATED LOSSES

| | 2021 \$ | 2020 \$ |
|---|---------------------|---------------------|
| Accumulated losses at beginning of year | (52,490,191) | (50,936,499) |
| Adjustment for change in accounting policy (note 2) | - | (827) |
| Net losses attributable to members of the parent entity | (2,603,756) | (1,658,605) |
| Options lapsed during the year | 207,602 | 105,740 |
| Accumulated losses at the end of the year | <u>(54,886,345)</u> | <u>(52,490,191)</u> |

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16. SEGMENT INFORMATION

The Group operates predominately in the mineral exploration and evaluation industry in Namibia. For management purposes, the Group is organised into one main operating segment which involves the exploration and evaluation of uranium deposits in Namibia. All of the Group's activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

17. RELATED PARTIES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Elevate Uranium Ltd and the subsidiaries listed in the following table:

| Name | Country of Incorporation | % Equity Interest 2021 | % Equity Interest 2020 |
|---|--------------------------|------------------------|------------------------|
| Marenica Energy Namibia (Pty) Ltd | Namibia | 100% | 100% |
| Uranium Beneficiation Pty Ltd | Australia | 100% | 100% |
| Marenica Minerals (Pty) Ltd | Namibia | 75% | 75% |
| Marenica Ventures (Pty) Ltd | Namibia | 100% | 100% |
| Aloe Investments 247 (Pty) Ltd | Namibia | 90% | 90% |
| Metals Namibia Pty Ltd | Namibia | 100% | 100% |
| Thatcher Soak Pty Ltd (formerly Africa Uranium Ltd (note 10)) | Australia | 100% | 100% |
| Jackson Cage Pty Ltd (note 10) | Australia | 100% | 100% |
| Northern Territory Uranium Pty Ltd (note 10) | Australia | 100% | 100% |

(b) Ultimate parent

Elevate Uranium Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in Note 23 and the audited remuneration report section of the Directors' report.

18. COMMITMENTS FOR EXPENDITURE

Mineral Tenement Lease

| | 2021 \$ | 2020 \$ |
|--|------------------|------------------|
| Exploration expenditure | | |
| The Company has been granted tenements in Namibia which have the following exploration commitments | | |
| Within one year | 1,961,582 | 638,373 |
| Between 1 and 5 years | 559,621 | 671,123 |
| | <u>2,521,203</u> | <u>1,309,496</u> |
| Lease commitments - operating | | |
| Within one year | 67,125 | 26,535 |
| Between 1 and 5 years | 173,881 | 49,108 |
| | <u>241,006</u> | <u>75,643</u> |

19. CASH AND CASH EQUIVALENTS

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | 2021 | 2020 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank and on deposit | 6,660,602 | 1,062,967 |
| Balance per statement of cash flows | <u>6,660,602</u> | <u>1,062,967</u> |

20. RECONCILIATION OF LOSS AFTER INCOME TAX TO CASH FLOWS USED IN OPERATING ACTIVITIES

| | | |
|---|--------------------|--------------------|
| Operating Profit (Loss) | (2,603,756) | (1,658,605) |
| <u>Add non-cash items</u> | | |
| Depreciation | 54,294 | 45,634 |
| Interest on unwinding of lease liability | - | 2,713 |
| Share-based payments | 127,861 | 163,911 |
| Unrealised foreign exchange loss | 3,196 | 1,614 |
| <u>Decrease/increase in operating assets and liabilities:</u> | | |
| Receivables | 8,515 | (23,243) |
| Trade and other payables | 64,261 | (1,062) |
| Provisions | 10,960 | 16,954 |
| Net cash (outflow) from operating activities | <u>(2,334,669)</u> | <u>(1,452,084)</u> |

21. EARNINGS PER SHARE

(a) Basic earnings per share – cents per share

| | | |
|---|--------|--------|
| Loss attributable to the ordinary equity holders of the Company | (1.44) | (1.61) |
|---|--------|--------|

(b) Diluted earnings per share

Diluted earnings per share are not disclosed as they are not materially different to basic earnings per share.

(c) Weighted average number of shares used as the denominator

| | | |
|--|-------------|-------------|
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share | 180,528,771 | 103,291,964 |
|--|-------------|-------------|

22. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors:

(a) Audit services

| | | |
|---|--------|--------|
| Audit and review of financial reports under the Corporations Act 2001 | 35,000 | 29,500 |
| Audit and review of financial reports of Namibian subsidiaries | 4,608 | 6,769 |

(b) Other services

| | | |
|--------------------------------|---------------|---------------|
| Other Services | - | - |
| Total remuneration of auditors | <u>39,608</u> | <u>36,269</u> |

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23. KEY MANAGEMENT PERSONNEL

Compensation for Key Management Personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

| | 2021 \$ | 2020 \$ |
|------------------------------|----------------|----------------|
| Short term employee benefits | 538,539 | 579,795 |
| Post-employment benefits | 51,161 | 53,655 |
| Share-based payments | 127,861 | 163,911 |
| Total compensation | <u>717,561</u> | <u>797,361</u> |

24. SHARE BASED PAYMENTS

Set out below are summaries of options granted during the year:

2021

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------|---------------------------|--------------------------------|
| 3/07/2020 | 30/06/2023 | \$0.10 | - | 27,349,989 | - | 27,349,989 |

2020

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------|---------------------------|--------------------------------|
| 3/12/2019 | 1/12/2023 | \$0.17 | - | 7,600,000 | - | 7,600,000 |
| 12/12/2019 | 11/12/2021 | \$0.17 | - | 19,214,900 | - | 19,214,900 |

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2021 | 2020 |
|------------|-------------|-------------------|-------------------|
| | | Number | Number |
| 22/11/2017 | 30/11/2021 | 207,948 | 422,233 |
| 13/12/2018 | 13/12/2020 | - | 7,890,000 |
| 13/12/2018 | 13/12/2020 | - | 7,600,000 |
| 3/12/2019 | 28/11/2023 | 7,600,000 | 7,600,000 |
| 10/12/2020 | 10/12/2021 | 6,486,040 | 19,214,900 |
| 3/07/2020 | 10/06/2023 | 18,199,989 | - |
| | | <u>32,493,977</u> | <u>42,727,133</u> |

The weighted average exercise price of options outstanding as at the end of the financial year was \$0.1310 (2020: \$0.1708).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.78 years (2020: 1.44 years).

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25. PARENT ENTITY FINANCIAL INFORMATION

(a) Information relating to Elevate Uranium Ltd

| | 2021 \$ | 2020 \$ |
|----------------------------|-------------------|------------------|
| Current Assets | 6,653,322 | 1,100,675 |
| Non-Current Assets | 3,503,952 | 3,290,202 |
| Total Assets | 10,157,274 | 4,390,877 |
| Current Liabilities | (323,706) | (342,494) |
| Non-Current Liabilities | (56,738) | (38,674) |
| Total Liabilities | (380,444) | (381,168) |
| NET ASSETS | 9,776,830 | 4,009,709 |
| EQUITY | | |
| Issued capital | 64,041,345 | 55,929,259 |
| Reserves | 371,806 | 485,191 |
| Accumulated losses | (54,636,321) | (52,404,741) |
| TOTAL EQUITY | 9,776,830 | 4,009,709 |
| Loss for the year | (2,439,182) | (1,547,589) |
| Total comprehensive income | (2,439,182) | (1,547,589) |

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

(c) Commitments

Commitments of the Company as at reporting date are disclosed in Note 18 to the financial statements.

26. CONTINGENT LIABILITIES

Mallee Minerals Pty Limited

On 7 April 2006, the Company entered into an introduction agreement with Mallee Minerals Pty Limited in respect of a mineral licence in Namibia (Project). Upon the Company receiving a bankable feasibility study in respect of the Project or the Company delineating, classifying or reclassifying uranium resources in respect of the project, the Company will pay to Mallee Minerals Pty Limited:

- (i) \$0.01 per tonne of uranium ore classified as inferred resources in respect of the Project; and a further
- (ii) \$0.02 per tonne of uranium ore classified as indicated resources in respect of the Project; and a further
- (iii) \$0.03 per tonne of uranium ore classified as measured resources in respect of the Project.

Pursuant to this agreement, no payments were made during the year ended June 2021 (2020: nil). In total \$2,026,000 has been paid under this agreement.

Metals Australia Limited

In May 2018, the Company signed binding agreement to purchase the Mile 72 Uranium Project (EPL 3308) from Metals Australia Limited. The agreement includes a provision to pay a gross production preferential dividend of 1% on any production from EPL 3308.

Jackson Cage Royalties

On 13 December 2019, the Company acquired Jackson Cage Pty Ltd ("Jackson Cage"). Jackson Cage is liable for a 1% gross royalty payable to Paladin Energy Limited and a 1% gross royalty payable to Areva Resources Australia Pty Ltd on any production from the Oobagooma Project in Western Australia (being tenement E04/2297) and a 1.5% gross royalty payable to Paladin NT Pty Ltd on any production from the Pamela/Angela Project in the Northern Territory (being tenement application EL25759 and tenement EL25758).

26. CONTINGENT LIABILITIES (continued)

Marenica Namibia VAT

Marenica Energy Namibia Pty Ltd (“Marenica Namibia”), a subsidiary of the Group, received an equivalent amount in Australian Dollars of \$26,470 that relate to Namibian VAT debtors from prior reporting periods which were previously not considered to be recoverable. Marenica Namibia will be liable to pay the stated amount back if the Namibian VAT authorities issue a letter demanding the stated amount to be repaid

27. FINANCIAL INSTRUMENTS

Overview – Risk Management

This note presents information about the Group’s exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company and the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investment securities. At 30 June 2021, there were no significant concentrations of credit risk.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables

As the Group operates primarily in exploration activities, it does not have any significant trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Group where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

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:

| | Note | 2021 \$ | 2020 \$ |
|-----------------------------|------|------------|------------|
| Trade and other receivables | 7 | 31,210 | 65,910 |
| Cash and cash equivalents | 19 | 6,660,602 | 1,062,967 |

Impairment Losses

None of the Group’s receivables are past due (2020: \$ nil).

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27. FINANCIAL INSTRUMENTS (continued)

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.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual flows. Apart from the convertible note, the Group does not have any significant external borrowings.

The Group will need to raise additional capital in the next 12 months to meet forecast operational and development activities. The decision on when and how the Group will raise future capital will depend on market conditions existing at that time.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| 30 June 2021 | Note | Carrying amount | Contractual cash flow | 6 months or less | >12 months |
|--------------------------|------|-----------------|-----------------------|------------------|------------|
| Trade and other payables | 11 | 177,297 | 177,297 | 177,297 | - |
| 30 June 2020 | Note | Carrying amount | Contractual cash flow | 6 months or less | >12 months |
| Trade and other payables | 11 | 182,768 | 182,768 | 182,768 | - |
| Directors Fees | 11 | 45,000 | 45,000 | - | 45,000 |

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Currency Risk

The Group's exposure to currency risk at 30 June 2021 on financial assets denominated in Namibian dollars was nil (2020: nil) which amounts are not hedged. The effect of future movements in the exchange rate for Namibian dollars on the Group's financial position and results of fully expensed exploration and evaluation activities is likely to be negligible.

Interest Rate Risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Company adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on short term deposit at interest rates maturing over 30 to 90 day rolling periods.

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27. FINANCIAL INSTRUMENTS (continued)

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

| | Carrying Amount | |
|--|-----------------|-----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Variable rate instruments | | |
| Financial assets – cash and cash equivalents | 6,660,602 | 1,062,967 |

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (2020: 50 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 30 June 2021.

| | Profit or loss | | Equity | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 50bp increase | 50bp decrease | 50bp increase | 50bp decrease |
| 30 June 2021 | | | | |
| Variable rate instruments | 33,303 | (33,303) | 33,303 | (33,303) |
| 30 June 2020 | | | | |
| Variable rate instruments | 5,315 | (5,315) | 5,315 | (5,315) |

Fair Value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. The Group's focus has been to raise sufficient funds through equity or debt to fund its exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

28. FAIR VALUE MEASUREMENT

Fair value hierarchy

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

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29. EVENTS AFTER THE REPORTING PERIOD

On 15 July 2021, Mr Stephen Mann was appointed as an Independent Non-Executive Director of the Company.

On 15 July 2021, 1,559,040 fully paid ordinary shares were issued at a price of \$0.17 per share following the exercise of options.

On 19 July 2021, 202,500 performance rights lapsed.

On 24 August 2021, the Company issued 750,000 unlisted options exercisable at \$0.40 expiring on or before 29 August 2025. The options were issued to a new employee in accordance with their engagement letter.

The impact of the Coronavirus ("COVID-19") is ongoing and is largely out of the control of the Company, therefore, it is not practicable to estimate the future potential impact, positive or negative, on the Company. The situation continually develops and any material impact is dependent on measures imposed, in the first instance, by the different levels of government in Australia or Namibia and secondly on any other countries. These measures may include maintaining social distancing, quarantine, travel restrictions or any other as yet undefined restriction, these maybe ameliorated by any economic stimulus provided to the Company. In addition, increases in input costs or unavailability of good and services, resulting from such measures, may affect the operations of the Company.

Other than the matters referred to above, there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- (i) the Group's operations in future years; or
- (ii) the results of those operations in future years; or
- (iii) the Group's state of affairs in future years.

The Directors of the Company declare that:

1. the financial statements, notes and additional disclosures included in the Directors' Report designated as audited, of the Company and of the Group are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standards and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Company's and Group's financial position as at 30 June 2021 and of their performance for the year ended on that date.
2. in the Directors' opinion there are reasonable grounds to believe that the Company and Group will be able to pay their debts as and when they become due and payable.
3. the financial report also complies with International Financial Reporting Standards.
4. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is made in accordance with a resolution of the board of Directors.

On behalf of the board.



Andrew Bantock
Chairman
Perth

28 September 2021



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ELEVATE URANIUM LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elevate Uranium Limited ("the Company") and its controlled entities ("the Group") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the 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 these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the 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.





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ELEVATE URANIUM LIMITED (continued)

| Key Audit Matter - Cash and Cash Equivalents | How our Audit Addressed the Key Audit Matter |
|---|---|
| <p>The Group's cash and cash equivalents make up 67% of current assets by value and are considered to be the key driver of the Group's operations.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement or to be subject to a significant level of judgement.</p> <p>However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p> | <p>Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none">• Documenting and assessing the processes and controls in place to record cash transactions;• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and• Agreeing balances to independent confirmations. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p> |
| Key Audit Matter - Exploration and evaluation expenditure | How our Audit Addressed the Key Audit Matter |
| <p>The Group has capitalised exploration assets that represent 96% of the non-current assets by value.</p> <p>We do not consider the underlying tenements to be at a high risk of significant misstatement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p> | <p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none">• We assessed exploration and evaluation expenditure with reference to AASB 6 Exploration for and Evaluation of Mineral Resources;• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments;• We reviewed the management's assessment for the indicators for impairment for the exploration assets; and• We documented and assessed the processes and controls in place to record exploration and evaluation transactions. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p> |

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ELEVATE URANIUM LIMITED (continued)

Other Information

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

Our opinion on the financial report does not cover the other information and accordingly 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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility 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 the 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ELEVATE URANIUM LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Elevate Uranium 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.

Rothsay Auditing

Dated 28 September 2021

Donovan Odendaal
Partner

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The following additional information is required by the Australian Securities Exchange and is current as at 3 September 2021.

(a) Distribution schedule and number of holders of equity securities

| | 1 – 1,000 | 1,001 – 5,000 | 5,001 – 10,000 | 10,001 – 100,000 | 100,001 – and over | Total |
|---|-----------|---------------|----------------|------------------|--------------------|--------------|
| Fully Paid Ordinary Shares (EL8) | 3,681 | 1,092 | 479 | 1,033 | 286 | 6,571 |
| Unlisted Options – \$0.40 29/08/2025 | - | - | - | - | 1 | 1 |
| Unlisted Options – \$0.21 30/11/2021 | - | - | - | - | 1 | 1 |
| Unlisted Options - \$0.17 01/12/2023 | - | - | - | - | 4 | 4 |
| Unlisted Options - \$0.17 11/12/2021 | - | - | 1 | 2 | 5 | 8 |
| Unlisted Options - \$0.10 30/06/2023 | - | - | - | 1 | 25 | 26 |

The number of holders holding less than a marketable parcel of fully paid ordinary shares 3,762.

(b) 20 Largest holders of quoted equity securities

The names of the twenty largest holders of fully paid ordinary shares (ASX code: EL8) are:

| Rank | Name | Shares | % of Total Shares |
|------|---|--------------------|-------------------|
| 1 | BNP Paribas Nominees Pty Ltd <IB AU Noms Retail client DRP> | 23,734,930 | 10.40 |
| 2 | Hanlong Resources Limited | 11,635,072 | 5.10 |
| 3 | Citicorp Nominees Pty Limited | 11,197,964 | 4.91 |
| 4 | BNP Paribas Nominees Pty Ltd ACF Clearstream | 8,398,887 | 3.68 |
| 5 | Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C> | 6,596,386 | 2.89 |
| 6 | Retzos Family Pty Ltd <Retzos Family S/Fund A/C> | 5,496,580 | 2.41 |
| 7 | BNP Paribas Noms Pty Ltd <DRP> | 3,918,131 | 1.72 |
| 8 | BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C> | 3,539,861 | 1.55 |
| 9 | Mrs Carol Ann Hill | 3,104,820 | 1.36 |
| 10 | Shayden Nominees Pty Ltd | 3,000,000 | 1.31 |
| 11 | Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <Daly Family S/F Tom A/C> | 2,727,979 | 1.20 |
| 12 | Remake Pty Ltd < Elliott Family A/C> | 2,272,727 | 1.00 |
| 13 | Pasias Holdings Pty Ltd | 2,200,000 | 0.96 |
| 14 | HSBC Custody Nominees (Australia) Limited | 2,013,725 | 0.88 |
| 15 | HSBC Custody Nominees (Australia) Limited – A/C 2 | 1,926,863 | 0.84 |
| 16 | Magedo Super Pty Ltd <MG Family Super Fund A/C> | 1,900,000 | 0.83 |
| 17 | Atlantis MG Pty Ltd <MG Family A/C> | 1,800,000 | 0.79 |
| 18 | Enerview Pty Ltd | 1,800,000 | 0.79 |
| 19 | Sam Gouloupoulos Pty Ltd <S Gouloupoulos F/Super A/C> | 1,790,000 | 0.78 |
| 20 | Define Consulting Pty Ltd <Define Super Fund A/C> | 1,766,985 | 0.77 |
| | TOTAL | 100,820,910 | 44.18 |

Stock Exchange Listing – there are 228,223,646 ordinary fully paid shares of the Company on issue on the Australian Securities Exchange.

Unquoted securities on issue are detailed below in Section (d).

(c) Substantial shareholders

Substantial shareholders in Elevate Uranium Ltd and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

| Name | Shares |
|---------------------------|------------|
| Chris Retzos | 14,592,973 |
| Hanlong Resources Limited | 11,635,072 |

(d) Unquoted Securities

The number of unquoted securities on issue:

| Security | Number on issue |
|---|-----------------|
| Unlisted options, exercisable at \$0.40 each on or before 29 August 2025. | 750,000 |
| Unlisted options, exercisable at \$0.21 each on or before 30 November 2021. | 207,948 |
| Unlisted options, exercisable at \$0.17 each on or before 01 December 2023. | 7,600,000 |
| Unlisted options, exercisable at \$0.17 each on or before 11 December 2021. | 4,927,000 |
| Unlisted options, exercisable at \$0.10 each on or before 30 June 2023. | 18,199,989 |

(e) Holder Details of Unquoted Securities

Names of people that hold more than 20% of a given class of unquoted securities (other than unquoted securities issued under an employee incentive scheme) are below:

| Security | Name | Number of Securities |
|---|-------------------|----------------------|
| Unlisted options, exercisable at \$0.40 each on or before 29 August 2025. | A&S Wilde Pty Ltd | 750,000 |
| Unlisted options, exercisable at \$0.21 each on or before 30 November 2021. | SJJZT Pty Ltd | 207,948 |
| Unlisted options, exercisable at \$0.17 each on or before 01 December 2023. | Carol Ann Hill | 3,600,000 |
| Unlisted options, exercisable at \$0.17 each on or before 01 December 2023. | SJJZT Pty Ltd | 2,000,000 |
| Unlisted options, exercisable at \$0.17 each on or before 11 December 2021. | UBS Nominees | 3,300,000 |

(f) Restricted Securities

There are no restricted securities on issue.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Options have no voting rights.

(h) Company Secretary

The Company Secretary is Mr Shane McBride.

(i) Registered Office

The Company's Registered Office is Office C1, 1139 Hay Street, West Perth, WA 6005.

(j) Share Registry

The Company's Share Registry is Advanced Share Registry Services, 110 Stirling Highway, Nedlands WA 6009. Telephone: +61 8 9389 8033. Facsimile: +61 8 9262 3723.

(k) On-Market Buy-back

The Company is not currently conducting an on-market buy-back.

(l) Corporate Governance

The Board of Elevate Uranium Ltd is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at www.elevateuranium.com.au.

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The Group holds the following mineral tenements.

| Number | Name | Percentage Holding | Number | Name | Percentage Holding |
|--|-------------------|--------------------|---|----------------|--------------------|
| NAMIBIA | | | | | |
| Active Licences | | | Licence Applications | | |
| MDRL 3287 | Marenica | 75% | EPL 6746 | Tumasvlaktes | 95% |
| EPL 3308 | Mile 72 | 100% | EPL 8098 | Autseib | 100% |
| EPL 6987 | Koppies | 100% | | | |
| EPL 7278 | Hirabeb | 100% | | | |
| EPL 7279 | Ganab | 100% | | | |
| EPL 7368 | Trekkopje East | 100% | | | |
| EPL 7435 | Skilderkop | 100% | | | |
| EPL 7436 | Amichab | 100% | | | |
| EPL 7508 | Capri | 100% | | | |
| EPL 7662 | Namib IV | 100% | | | |
| EPL 6663 | Arechadamab | 90% | | | |
| AUSTRALIA | | | | | |
| Active Licences – 100% Interest | | | Licence Applications – 100% Interest | | |
| R 38/1 | Thatcher Soak | 100% | EL 25759 | Pamela | 100% |
| E 04/2297 | Oobagooma | 100% | | | |
| EL 25758 | Angela | 100% | | | |
| EL 32400 | Minerva | 100% | | | |
| Active Licences – Joint Venture Interests | | | Licence Applications – Joint Venture Interests | | |
| ELR 41 | Malawiri | 23.97% | MCS 318 | Karins | 20.82% |
| ELR 45 | Walbiri | 22.88% | MCS 319 | Karins | 20.82% |
| ELR 46 | Bigrlyi | 20.82% | MCS 320 | Karins | 20.82% |
| ELR 47 | Bigrlyi | 20.82% | MCS 321 | Karins | 20.82% |
| ELR 48 | Bigrlyi | 20.82% | MCS 322 | Karins | 20.82% |
| ELR 49 | Bigrlyi | 20.82% | MCS 323 | Karins | 20.82% |
| ELR 50 | Bigrlyi | 20.82% | MCS 324 | Karins | 20.82% |
| ELR 51 | Bigrlyi | 20.82% | MCS 325 | Karins | 20.82% |
| ELR 52 | Bigrlyi | 20.82% | MCS 326 | Karins | 20.82% |
| ELR 53 | Bigrlyi | 20.82% | MCS 327 | Karins | 20.82% |
| ELR 54 | Bigrlyi | 20.82% | MCS 328 | Karins | 20.82% |
| ELR 55 | Bigrlyi | 20.82% | MLN 1952 | Karins | 20.82% |
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