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ENRG
elements

ABN 73 149 230 811

Formerly known as Kopore Metals Limited

INTERIM FINANCIAL REPORT

For the 6 months ended
31 December 2022

ENRG ELEMENTS LIMITED

Formerly known as Kopore Metals Limited

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2022

CORPORATE DIRECTORY

Directors

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

Company Secretaries

Sarah Wilson
Shannon Coates

Head Office and Registered Office

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

Share Registry

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PERTH WA 6000
Telephone: +61 (0)8 9324 2099
Website: <https://www.automicgroup.com.au>

Securities Exchange Listing

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PERTH WA 6000
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Telephone: +61 (0)2 9338 0000
Facsimile: +61 (0)2 9227 0885
Website: <https://www.asx.com.au>
ASX Code: EEL

Auditor

RSM Australia Partners
Level 32, Exchange Tower, 2 The Esplanade
PERTH WA 6000

INTERIM FINANCIAL REPORT

31 DECEMBER 2022

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DIRECTORS' REPORT

The Company's Directors present their report together with the financial statements of the Group, being the Company and its controlled entities (collectively the **Group**), for the half-year ended 31 December 2022 (**Half-Year**, or **Reporting Period**).

1. DIRECTORS

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

- **JAMES EGGINS** Non-Executive Chairman
- **CAROLINE KEATS** Managing Director
- **QUINTON DE KLERK** Non-Executive Director

2. COMPANY SECRETARIES

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

- **SARAH WILSON**
- **SHANNON COATES**

3. OPERATIONS AND FINANCIAL REVIEW**3.1. REVIEW OF OPERATIONS****Agadez Uranium Project, Niger**

The Agadez Uranium Project (**Agadez Project**) comprises three (3) granted exploration permits (**Permit/s**) and one (1) exploration licence application in Niger's highly prospective Tim Merso Basin, considered one of the world's major uranium producing areas. ENRG Elements Ltd (**Company**) completed the acquisition of the Agadez Project in May 2022.

In June 2022, the Company commenced a 5,500m drilling program, comprising approximately 5,340m of rotary mud drilling and 160 metres of diamond core drilling. The drilling program focused on four key areas across the Terzemasour 1 (**TER 1**) Permit, being Takardeit Centre, the location of the current Inferred Mineral Resource Estimate (**MRE**) (**Takardeit Deposit**), Takardeit East, Takardeit North and Takardeit North-West (the **Takardeit Prospects**).

Initial downhole gamma results from the drilling program were announced on 1 September 2022, confirming that mineralisation, occurring from surface to ~40m, extended beyond the current MRE at Takardeit and remained open in multiple directions. Significant downhole gamma result at Takardeit Centre included:

- KMP0048 – 2m at 2,266 eU3O8 from 22.7m;
- KMP0030 – 2m at 1,562 eU3O8 from 28.2m; and
- KMP0018 – 2m at 1,172 eU3O8 from 24.7m;

On 2 February 2023, the Company announced that diamond core assays confirmed the previously reported downhole gamma logging results from the Agadez Project 2022 drill program.

In June 2022, the Company also commenced a rock chip sampling program on the Permits, focused on several areas identified by airborne radiometric geophysical surveys and historic sampling undertaken. Assay results from the program were announced on 14 February 2023.

In November 2022, the Company published an Exploration Target of between 90 and 130Mlb U3O8, at a grade of between 300 and 400ppm U₃O₈, based on an average mineralisation thickness varying between 2m and 5m (**Exploration Target**) (refer ASX Release – 17 November 2022). It should be noted that the potential quantity and grade of the Exploration Target is conceptual in nature. Further, there has been insufficient exploration to estimate Mineral Resources on the prospects located on the Company tenements (outside of the Takardeit Deposit) and it is uncertain if further exploration will result in the estimation of additional Mineral Resources on these prospects.

DIRECTORS' REPORT

Agadez Project Exploration Target	Million Pound U ₃ O ₈	Grade U ₃ O ₈ (ppm)
Total	90 to 130	300 to 400

The Exploration Target was based on a comprehensive review of historical drilling data, likely locations of mineralisation within the tenements and an analysis of the geological setting of the adjacent projects.

A drilling program has been developed for the next phase of exploration, to be implemented in several stages, commencing in 2023. The program has been designed to identify mineralisation within prospects of the Agadez Project area and is expected to consist of 379 drill holes, for a total of 20,165m, with an average hole depth of 53m.

The Takardeit Deposit MRE, which was updated from JORC 2004 to JORC 2012 guidelines, contains an Inferred MRE of 16.5Mt at a grade of 295ppm eU₃O₈ for 10.7Mlbs (at 150ppm cut-off) (refer ASX Release – 30 May 2022). The Company anticipates an update to the Takardeit MRE in Q1 CY2023.

Ghazi West Copper-Silver Project , Botswana

As announced on 7 December 2022, an Airborne Electromagnetic and Gravity Survey by New Resolution Geophysics was completed over the Kara prospect at the Ghanzi West Copper-Silver Project (**Ghanzi West**), in the emerging world class Kalahari Copper Belt of Botswana. Following a review of the new geophysical data, along with historical soil geochemistry and prior drilling results, three domal features were identified, similar to those discovered along strike by Sandfire Resources Ltd at its Motheo Copper Mine.

Based on this work, multiple exploration drill targets have been identified. Post the end of the Reporting Period, the Company commenced an Induced Polarisation (**IP**) survey, which will consist of four linear traverses totalling 26 km over the Kara prospect, to inform future drill programs. The Company engaged Botswana based Spectral Geophysics to undertake this work and results of the IP survey are expected during Q1 CY2023.

Virgo Project, Botswana

On 13 September 2022, AIM listed Arc Minerals Limited, the 75% owner of Alvis-Crest (Proprietary) Limited (Company 25%), the holder of two prospecting licenses (PL 135/2017 & PL 162/2017) in Botswana's Kalahari Copper Belt announced the renewal of the two prospecting licenses, comprising the Virgo Project, for an additional two years until 30 September 2024.

Horseshoe West Project, Western Australia

As announced in August 2022, the Company undertook a Dipole-Dipole Induced Polarisation (**DDIP**) survey interpretation at the Company's earn-in project at Horseshoe West (**HW Project**) in the Bryah Basin, Western Australia. The DDIP survey generated chargeability targets in areas of geochemical anomalism.

Subsequently, the Company announced that it had made a strategic decision to further refine its focus on its Niger Uranium and Botswana Copper-Silver Projects. As a result, the Company provided notice to Murchison Copper Mines Pty Ltd ("**MCM**"), a subsidiary of Horseshoe Metals Limited (ASX:HOR) to withdraw from the Farm-in and Joint Venture Agreement with MCM and Kopore (WA) Pty Ltd. In accordance with the terms of the Farm-in and Joint Venture Agreement, entered into on 25 January 2021, the Company provided the required 30 days advance notice of withdrawal, resulting in an effective withdrawal date of 30 November 2022.

Corporate

The Company announced on 3 August 2022 that at the 28 July 2022 General Meeting, approval was obtained to change the Company's name from Kopore Metals Ltd to ENRG Elements Limited, with the Company's shares being registered for trading under the new ticker code ASX:EEL on the Australian Securities Exchange (**ASX**). The new name reflects the Company's strategy and focus on developing its uranium and copper projects, supporting a carbon neutral and electric future.

DIRECTORS' REPORT*Competent Persons Statement*

The information relating to Exploration Results, Mineral Resources and Exploration Targets outlined in this announcement was compiled by Mr David Princep, an independent consultant employed by Gill Lane Consulting. Mr Princep is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist. Mr Princep has more than five years relevant experience in estimation of mineral resources and the mineral commodity uranium. Mr Princep has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". The Company confirms that the form and context in which the results are presented have not been materially modified from the original announcements.

3.2. FINANCIAL REVIEW**a. OPERATING RESULTS**

For the half-year ended 31 December 2022 the Group delivered a loss after tax of \$2,225,337 (31 December 2021: \$1,488,757 profit).

b. FINANCIAL POSITION

The net assets of the Group have decreased from 30 June 2022 by \$1,975,843 to \$2,746,366 at 31 December 2022 (30 June 2022: \$4,722,209).

As at 31 December 2022, the Group's cash and cash equivalents decreased from 30 June 2022 by \$2,099,363 to \$2,049,629 at 31 December 2022 (30 June 2022: \$4,148,992) and had working capital of \$2,169,441 (30 June 2022: \$4,045,033).

4. EVENTS SUBSEQUENT TO REPORTING DATE

There were no other events which occurred subsequent to the Reporting Period that are not covered in this Directors' Report or within the financial statements at Note 10, other than as follows:

1. On 2 February 2023, the Company announced that diamond core assays validated previously reported downhole gamma logging results from the Agadez Uranium Project 2022 drill program;
2. Assays results from the 2022 rock chip sampling program at the Agadez Uranium Project were announced on 14 February 2023. The program delivered outstanding results, with 74 of 83 (89%) samples collected returned values over 500ppm U₃O₈ and confirmed mineralisation throughout the Permit area. Significant assay results include:
 - TKD066 – 343,008ppm U₃O₈ (34.3%)
 - TKD086 – 261,066 ppm U₃O₈ (26.1%)
 - TKD015 – 27,255 ppm U₃O₈ (2.7%)
 - TKD090 – 18,357 ppm U₃O₈ (1.8%)
 - TKD017 – 11,772 ppm U₃O₈ (1.2%)

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

DIRECTORS' REPORT

6. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* (Cth) is set out on page 5.

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



Caroline Keats

Managing Director

Dated this Wednesday, 8 March 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of ENRG Elements Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 8 March 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	6 months to 31 Dec 2022 \$	6 months to 31 Dec 2021 \$
Other income	1	7,916	16
Share of loss of associate accounted for using the equity method	7	(127,428)	(795)
Administration expense		(16,556)	(27,526)
Compliance and regulatory		(189,267)	(131,775)
Consulting and legal		(187,864)	(166,681)
Depreciation and amortisation		-	(46)
Employee benefit expense	2.1	(321,784)	(245,429)
Exploration expense	2.2	(1,083,930)	(241,682)
Travel and accommodation		(104,527)	(31,932)
Share based payments	13	(123,343)	(8,995)
Other expenses		(70,486)	(62,195)
Impairment losses on financial assets		-	(380,680)
Unrealised loss on foreign exchange		(8,068)	(136)
Loss before income tax		(2,225,337)	(1,297,856)
Income tax expense		-	-
Loss from continuing operations		(2,225,337)	(1,297,856)
<i>Discontinued Operations</i>			
Profit from discontinued operations (attributable to equity holders of the Company)	6	-	2,786,613
Net (loss)/profit for the half-year		(2,225,337)	1,488,757
<i>Other comprehensive income for the half-year:</i>			
● Items that may be reclassified subsequently to profit or loss:			
○ Exchange differences on translation of foreign operations		77,401	46,507
Other comprehensive income for the half-year, net of tax		77,401	46,507
Total comprehensive (loss)/income for the half-year		(2,147,936)	1,535,264
<i>Total Comprehensive (loss)/income is attributable to:</i>			
● Equity holders of the Company		(2,147,936)	1,535,264
		(2,147,936)	1,535,264
<i>Total comprehensive (loss)/income attributable to owners of the Company arises from:</i>			
● Continuing operations		(2,147,936)	(1,251,349)
● Discontinued operations		-	2,786,613
<i>Earnings per share:</i>		¢	¢
Basic loss per share	12.5	(0.240)	0.230
Basic loss per share from continuing operations	12.5	(0.240)	(0.200)
Basic earnings per share from discontinued operations	12.5	-	0.430

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

ENRG ELEMENTS LIMITED*Formerly known as Kopore Metals Limited*

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2022**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents	3.1	2,049,629	4,148,992
Other receivables	3.2	276,026	292,322
Other current assets	3.3	41,952	14,775
Total current assets		2,367,607	4,456,089
Non-current assets			
Investment in associate	7.1	534,973	662,401
Total non-current assets		534,973	662,401
Total assets		2,902,580	5,118,490
Current liabilities			
Trade and other payables	3.4	156,214	396,281
Total current liabilities		156,214	396,281
Total liabilities		156,214	396,281
Net assets		2,746,366	4,722,209
Equity			
Contributed equity	4.1.1	17,259,415	17,170,761
Reserves	4.4	921,170	760,330
Accumulated losses		(15,434,219)	(13,208,882)
Total equity		2,746,366	4,722,209

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Contributed equity \$	Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2021		9,103,337	145,732	(8,666,498)	582,571
Profit for the half-year		-	-	1,488,757	1,488,757
Other comprehensive income for the half-year		-	46,507	-	46,507
Total comprehensive income for the half-year		-	46,507	1,488,757	1,535,264
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs		1,009,023	-	-	1,009,023
Share-based payments - options		-	8,995	-	8,995
Balance at 31 December 2021		10,112,360	201,234	(7,177,741)	3,135,853
Balance at 1 July 2022		17,170,761	760,330	(13,208,882)	4,722,209
Loss for the half-year		-	-	(2,225,337)	(2,225,337)
Other comprehensive income for the half-year		-	77,401	-	77,401
Total comprehensive income/(loss) for the half-year		-	77,401	(2,225,337)	(2,147,936)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	4.1.1	88,654	-	-	88,654
Share-based payments - options	4.2.1	-	70,001	-	70,001
Share-based payments – performance rights	4.3.1	-	13,438	-	13,438
Balance at 31 December 2022		17,259,415	921,170	(15,434,219)	2,746,366

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

ENRG ELEMENTS LIMITED*Formerly known as Kopore Metals Limited*

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2022**CONSOLIDATED STATEMENT OF CASH FLOWS**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note	6 months to 31 Dec 2022 \$	6 months to 31 Dec 2021 \$
Cash flow from operating activities		
Payments to suppliers & employees	(934,096)	(545,715)
Interest received	7,916	16
Payments for exploration expenditure	(1,221,933)	(297,210)
Net cash outflow from operating activities	(2,148,113)	(842,909)
Cash flow from investing activities:		
Proceed from disposal of investments net of costs	-	559,311
Net cash inflow from investing activities	-	559,311
Cash flow from financing activities:		
Proceeds from issue of shares	50,000	1,095,000
Cost of capital raising	(1,250)	(36,000)
Proceeds from Share application monies received in advance	-	105,000
Net cash inflow from financing activities	48,750	1,164,000
Net decrease in cash held	(2,099,363)	880,402
Cash and cash equivalents at the beginning of the half-year	4,148,992	553,795
Cash and cash equivalents at the end of half-year	2,049,629	1,434,197
3.1		

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

In preparing the 31 December 2022 financial statements, ENRG Elements Limited (formerly known as Kopore Metals Limited) has grouped notes into sections under four key categories:

- Section A: How the numbers are calculated11
- Section B: Group structure16
- Section C: Unrecognised items.....20
- Section D: Other Information21

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

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

NOTE 1	REVENUE AND OTHER INCOME		6 months to 31 Dec 2022	6 months to 31 Dec 2021
			\$	\$
1.1	From continuing operations:			
	Interest – unrelated parties		7,916	16
	Total revenue and other income		7,916	16
NOTE 2	LOSS BEFORE INCOME TAX	Note	6 months to 31 Dec 2022	6 months to 31 Dec 2021
			\$	\$
	Loss before income tax has been determined after including the following expenses:			
2.1	Employee benefit expense			
	● Directors' fees		209,583	190,081
	● Salaries and Wages		61,356	-
	● Superannuation		25,345	16,392
	● Other		25,500	38,956
			321,784	245,429
2.2	Exploration and evaluation costs:			
	● Exploration and evaluation expenditure		1,083,930	241,682
			1,083,930	241,682

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

3.1 Cash and cash equivalents		31 Dec 2022	30 June 2022
		\$	\$
	Cash at bank and on hand	2,044,629	4,143,992
	Bank term deposits	5,000	5,000
		2,049,629	4,148,992
3.2 Other receivables		31 Dec 2022	30 June 2022
		\$	\$
3.2.1 Current			
	GST refundable	28,400	44,696
	Other receivables	247,626	247,626
		276,026	292,322
3.3 Other Assets		31 Dec 2022	30 June 2022
		\$	\$
3.3.1 Current:			
	Prepayments	41,952	14,775
		41,952	14,775
3.4 Trade and other payables		31 Dec 2022	30 June 2022
		\$	\$
3.4.1 Current:			
Unsecured			
	Trade payables	78,301	66,863
	Other payables and accruals	77,913	329,418
	Total unsecured liabilities	156,214	396,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 4 EQUITY

4.1 Issued capital	Note	6 months to	12 months to	6 months to	12 months to
		31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
		No.	No.	\$	\$
Fully paid ordinary shares at no par value	4.1.1	928,001,854	926,486,703	17,259,415	17,170,761
4.1.1 <i>Ordinary shares</i>					
At the beginning of the half-year/year		926,486,703	645,388,900	17,170,761	9,103,337
Shares issued during half-year/year:					
● Placement @ \$0.03 per share		-	40,000,000	-	1,200,000
● Directors' Loan Shares		-	30,000,000	39,904	32,880
● Consideration shares @ \$0.035 per share		-	120,000,000	-	4,200,000
● Placement @ \$0.033 per share		1,515,151	89,393,939	50,000	2,950,000
● Consultant's shares @ \$0.031 per share		-	1,703,864	-	52,820
Transaction costs relating to share issues					
● Share-based payments (Shares)		-	-	-	(155,820)
● Share issue costs – Cash-based		-	-	(1,250)	(212,456)
At end of the half-year/year		928,001,854	926,486,703	17,259,415	17,170,761

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 4 EQUITY (CONT.)

4.2 Options

For information relating to the share-based payment plan, including details of options issued and/or lapsed during the financial year, and the options outstanding at balance date, refer to Note 13 Share-based Payments. The total number of options on issue are as follows:

	6 months to 31 Dec 2022 No.	12 months to 30 June 2022 No.	6 months to 31 Dec 2022 \$	12 months to 30 June 2022 \$
4.2.1 <i>Unlisted options</i>				
At the beginning of the half-year/year	65,000,000	50,000,000	805,433	250,847
Options issued / expired during the half-year/year:				
● Amortisation of options issued to advisors	-	-	70,001	322,591
● Amortisation of options issued to directors	-	-	-	8,995
● Issued - Exp. Date: 29.05.2024 Ex. Price: \$0.036	-	2,500,000	-	32,000
● Issued - Exp. Date: 21.06.2025 Ex. Price: \$0.035	-	12,500,000	-	191,000
At end of the half-year/year	65,000,000	65,000,000	875,434	805,433

4.3 Performance rights

	6 months to 31 Dec 2022 No.	12 months to 30 June 2022 No.	6 months to 31 Dec 2022 \$	12 months to 30 June 2022 \$
4.3.1 <i>Performance rights</i>				
At the beginning of the half-year/year	-	-	-	-
Performance rights issued / expired during the half-year/year:				
● Issued	6,314,636	-	13,438	-
At end of the half-year/year	6,314,636	-	13,438	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 4 EQUITY (CONT.)

4.4 Reserves	Note	31 Dec 2022 \$	30 June 2022 \$
Foreign currency translation reserve	4.4.1	32,298	(45,103)
Share-based payment reserve	4.4.2	888,872	805,433
		921,170	760,330

4.4.1 *Foreign currency translation reserve*

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

	31 Dec 2022 \$	30 June 2022 \$
Balance at beginning of the half-year/year	(45,103)	(105,115)
Change in reserve	77,401	60,012
Balance at end of the half-year/year	32,298	(45,103)

4.4.2 *Share-based payment reserve*

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

	31 Dec 2022 \$	30 June 2022 \$
Balance at beginning of the half-year/year	805,433	250,847
Options issued	-	223,000
Amortisation of options issued	70,001	331,586
Amortisation of performance rights issued	13,438	-
Balance at end of the half-year/year	888,872	805,433

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

SECTION B. GROUP STRUCTURE

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

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

A list of subsidiaries is provided in Note 5.

NOTE 5 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Country of Incorporation	Percentage Owned	
		31 December 2022 %	30 June 2022 %
● Alvis-Crest Holdings (Pty) Ltd ⁽¹⁾	Botswana	25	25
● Ashmead Holdings (Pty) Ltd	Botswana	100	100
● Icon-Trading Company (Pty) Ltd	Botswana	100	100
● Global Exploration Technologies Pty Ltd	Australia	100	100
● Kopore (WA) Pty Ltd	Australia	100	100
● EF Niger Exploration SARL	Niger	100	100

⁽¹⁾ The 25% equity in Alvis-Crest Holdings (Pty) Ltd is recognised and measured as an associate (Refer to Note 7)

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 6 DISCONTINUED OPERATIONS

6.1 Sale of Alvis-Crest (Proprietary) Limited

On 24 March 2021, the Company entered into a binding term sheet to sell 75% equity in its wholly owned subsidiary, Alvis-Crest (Proprietary) Limited (**Alvis**) to AIM listed ARC Minerals Limited (AIM: ARCM) (**ARC**).

On 11 November 2021, the Company completed the sales of 75% of the issued capital in Alvis.

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

Operating results of the business are not included in operating segment disclosed in Note 14 Segment Reporting.

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

6.1.1	6 months to 31 Dec 2021 \$
The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:	
Revenue and other income	-
Expenses	(30,154)
Loss before income tax	(30,154)
Income tax expense	-
Loss after income tax of discontinued operation	(30,154)
Gain on sale of the subsidiary after income tax	2,816,767
Profit/(loss) from discontinued operation	2,786,613
6.1.2	
The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:	
Net cash outflow from operating activities	(30,154)
Net cash flow generated by the discontinued operations	(30,154)
6.1.3	
Profit on disposal of the operation is included in discontinued operations per the statement of profit and loss and comprehensive income	
Other current assets	62,269
Total assets	62,269
Trade and other payables	846,381
Total liabilities	846,381
Net (liabilities)/Assets	(784,112)
6.1.4	6 months to 31 Dec 2021 \$
Details of the disposal	
Sales consideration – shares at fair value	2,037,904
Fair value of residual interest	679,301
Carrying amount of net liabilities disposed	738,612
Disposal costs	(639,050)
Gain on disposal before income tax	2,816,767
Gain on disposal after income tax	2,816,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note	7	Investment accounted for using the equity method	31 Dec 2022	30 June 2022
			\$	\$
7.1		Non-Current		
		Investment accounted for using the equity method	534,973	662,401
			534,973	662,401

7.2 Information about associates

7.2.1 Set out below are the investment accounted for using the equity method of the group as at 31 December 2022 which, in the opinion of the directors, is material to the group. The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Associates	Country of Incorporation	Measurement method	Percentage Owned	
			31 Dec 2022	30 June 2022
			%	%
Alvis-Crest Holdings (Pty) Ltd	Botswana	Equity method	25%	25%

7.3 On 11 November 2021, the Company completed a Share Purchase Agreement (**SPA**) to sell down its 75% equity in Alvis to 25% (refer Note 6). The remaining equity holding (of 25% at 30 June 2022) is recognised and measured as an associate.

The underlying assets held by Alvis-Crest Holdings (Pty) Ltd, which support the value of the investment, are the exploration tenements. The Group assessed impairment indicators of the exploration tenements in line with the Group's policies. The Group has determined that impairment is not required and it is appropriate to carry forward the balance of the investment as at 31 December 2022.

7.3.1 Summarised financial position

	31 Dec 2022	30 June 2022
	\$	\$
Current assets	75,690	9,232
Current liabilities	(24,627)	(9,423)
Current net assets/(liabilities)	51,063	(191)
Non-current assets	58,632	64,442
Non-current liabilities	(1,470,719)	(914,108)
Non-current deficiency	(1,412,087)	(849,666)
Net deficiency	(1,361,024)	(849,857)

7.3.2 Summarised financial performance

	6 months to 31 Dec 2022	6 months to 31 Dec 2021
	\$	\$
Revenue	-	-
Loss for the half-year	(509,710)	(3,179)
Other comprehensive income	-	-
Total comprehensive loss	(509,710)	(3,179)
Group's share of associate's loss after tax	(127,428)	(795)
Group's share of associate's other comprehensive income	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 7 Investment accounted for using the equity method (cont.)**7.3.3 Reconciliation to carrying amounts:**

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

31 Dec 2022	30 June 2022
\$	\$
662,401	679,301
(127,428)	(16,900)
-	-
534,973	662,401

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

SECTION C. UNRECOGNISED ITEMS

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

NOTE 8 COMMITMENTS

8.1 The Group does not have any capital expenditure commitments.

NOTE 9 CONTINGENT ASSETS AND LIABILITIES**9.1 Contingent liabilities****9.1.1 Agadez Project**

In accordance with the agreement between Kopore Metals Limited (now known as ENRG Elements Limited or the Company), Endeavour Financial AG and EF Niger Exploration SARL (**Target**), the Company has issued Endeavour Financial AG (or its Nominees) 80,000,000 performance shares with a 5-year expiry date and 50,000,000 performance options with an exercise price of \$0.03 and a 3-year expiry date, with the vesting of those performance shares and options linked to the Target having declared a Mineral Resource of at least 16Mlb of U₃O₈ at a minimum grade of 200ppm U₃O₈ on any of the permits.

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2022.

NOTE 10 EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

SECTION D. OTHER INFORMATION

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

NOTE 11	RELATED PARTY TRANSACTIONS	6 months to 31 Dec 2022	6 months to 31 Dec 2021
		\$	\$
11.1	Related party transactions		
	Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
	<ul style="list-style-type: none"> The Steele Group The Steele Group, a Company where Mr Grant Ferguson is a director, provides consulting services in accordance with a service agreement. Mr Grant Ferguson resigned as a Director on 14 January 2022. Mr James Eggins – consulting services in accordance with a consultancy agreement. 	20,000	36,200

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE	12	LOSS PER SHARE	6 months to 31 Dec 2022 \$	6 months to 31 Dec 2021 \$
12.1		Reconciliation of loss to profit or loss		
		Net loss for the half-year	(2,225,337)	1,488,757
		Net loss used in the calculation of basic and diluted loss per share	(2,225,337)	1,488,757
12.2		Reconciliation of loss to profit or loss from continuing operations		
		Loss for the half-year from continuing operations	(2,225,337)	(1,297,856)
		Loss used in the calculation of basic and diluted EPS continuing operations	(2,225,337)	(1,297,856)
12.3		Reconciliation of loss to profit or loss from discontinued operations		
		Profit for the half-year from discontinued operations	-	2,786,613
		Profit used in the calculation of basic and diluted EPS discontinued operations	-	2,786,613
			6 months to 31 Dec 2022 No.	6 months to 31 Dec 2021 No.
12.4		Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic loss per share	927,770,028	648,181,250
12.5		Earnings per share	6 months to 31 Dec 2022 ¢	6 months to 31 Dec 2021 ¢
		Basic loss per share	(0.240)	0.230
		Basic loss per share from continuing operations	(0.240)	(0.200)
		Basic earnings per share from discontinued operations	-	0.430
12.6		The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the half-year (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the half-year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (31 December 2021: Nil).		

NOTE	13	SHARE-BASED PAYMENTS	6 months to 31 Dec 2022 \$	6 months to 31 Dec 2021 \$
		The following share-based payment arrangements were entered into during the half-year:		
		Amortisation of Loan Shares issued to Directors	39,904	-
		Amortisation of options issued to Directors in 30 June 2019 financial year	-	8,995
		Amortisation of options issued to advisors in 30 June 2021 financial year	70,001	-
		Amortisation of performance rights issued during the half-year ended 31 December 2022	13,438	-
		Total shares-based payments included in statement of profit or loss and other comprehensive income.	123,343	8,995

Total share-based payments recognised in reserves is \$123,343 (31 December 2021: \$8,995)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 13 SHARE-BASED PAYMENTS (cont.)

13.1 Share-based payments recognised in profit or loss

13.1.1 Performance Rights

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

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

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

13.2 Fair value of performance rights issued during the half-year

Valuation date:	19/08/2022
Issue date share price:	\$0.029
Exercise price:	\$nil
Number of performance rights issued:	6,314,636
Expiry date:	19/08/2027
Expected future volatility:	100%
Risk-free interest rate:	3.20%
Value per performance rights:	\$0.029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 14 SEGMENT REPORTING**14.1 Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

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

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

14.2 Basis of accounting for purposes of reporting by operating segments**14.2.1 Accounting policies adopted**

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

14.2.2 Inter-segment transactions

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

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

14.2.3 Segment assets

During the half-year ended 31 December 2022 and the year ended 30 June 2022, all assets were in the same business segment, which is the Group's exploration business.

14.2.4 Segment liabilities

During the half-year ended 31 December 2022 and the year ended 30 June 2022, all liabilities were in the same business segment, which is the Group's exploration business.

14.3 Revenue by geographical region

There is no revenue attributable to external customers for the half-year ended 31 December 2022 and half-year ended 31 December 2021.

14.4 Assets by geographical region

During the half-year ended 31 December 2022 and the year ended 30 June 2022, all reportable segment assets are located in Africa, with the Group's financial assets located in Africa and Australia.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 15 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

15.1 Basis of preparation**15.1.1 Reporting Entity**

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

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

15.1.2 Basis of accounting

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

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

The financial statements were authorised for issue on 8 March 2023 by the Directors of the Company.

15.2 New or amended Accounting Standards and Interpretations adopted

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

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

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half-year ended on that date of the Group.
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Caroline Keats
Managing Director

Dated this Wednesday, 8 March 2023

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of ENRG Elements Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

THE POWER OF BEING UNDERSTOOD

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Directors' Responsibility for the Half-Year Financial Report

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

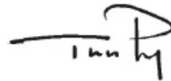
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized, handwritten-style logo for RSM.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 8 March 2023

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