energy transition minerals

Energising earth's evolution

2022 ANNUAL REPORT

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Corporate Directory

Directors

Edward Mason
Non-Executive Chairman

Daniel Mamadou Blanco
Managing Director

Xiaolei Guo
Non-executive Director

Mark Saxon
Non-executive Director

Chief Financial Officer/ Company Secretary
Miles Guy

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ABN
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2022 Highlights

Commence arbitration against Government of Greenland and Kingdom of Denmark

Secured litigation financing to fund the cost of arbitration with a non-recourse funding facility

Entered into an earn-in agreement to acquire a 51% interest in the Villasrubias lithium project

Change of Company name to Energy Transition Minerals Ltd

Commencement of exploration program at Villasrubias

Chairman’s and Managing Director’s letter to shareholders

Dear Shareholders,

I am pleased to present our annual report for the year ending 31 December 2022. Following a year of significant corporate renewal, Energy Transition Minerals Ltd remains focused on the delivery of the metals and materials essential for the shift to cleaner sources of energy generation and transport. The price of rare earth elements, one of the essential components of the energy transition through their use in high strength permanent magnets, witnessed a technical correction and ended the year 20% lower than the beginning of 2022. Despite these challenges and others resulting from global upheaval, our Energy Transition Minerals Ltd team has continued to work hard to achieve our strategic goals and maintain our commitment to responsible mining practices. As we look to the future, we are optimistic about the prospects for our company and the critical minerals sector as a whole.

With the exploration licence for our flagship Kvanefjeld rare earth elements project in Greenland renewed and the ongoing arbitration case, we remain hopeful we can progress towards a positive outcome with the Governments of Greenland and Denmark and other stakeholders, which will result in the development of Kvanefjeld. This project has the potential to bring equilibrium to the global supply of critical metals essential for modern technologies such as electric vehicles, wind turbines, and smartphones.

The introduction of Act No. 20 in late 2021, an act which does not permit the exploitation of mineral deposits if the concentration of uranium is above 100 ppm, interrupted our progress towards obtaining an exploitation licence for Kvanefjeld. The Greenland Government has indicated that Act No. 20 will prevent the Kvanefjeld project from proceeding, even though the explanatory notes to the act itself state that the act does not apply if its application would be expropriatory (which would be the case, if GMAS were deprived of its entitlement to an exploitation licence).

In December 2021, we were notified we would not be granted an exploitation licence if we continued with our exploitation licence application, despite having fulfilled every statutory requirement as guided by the Governments of Greenland and Denmark and the Mineral Resources Act of Greenland. As our efforts to establish a constructive dialogue with the authorities yielded no results, we were forced to activate the dispute resolution mechanism contained in our Exploration Licence, namely arbitration in Copenhagen under the Danish Arbitration Act. Our lawyers, Clifford Chance and Plesner are presenting our case, and we are optimistic about its merits. This is also evidenced by the fact that the company obtained a non-recourse financing package from a leading global litigation financing company to entirely fund the costs associated with the arbitration process. On 22 March 2022, the company served a request for arbitration to both the governments of Greenland and Denmark to determine (amongst other things) whether the Company had a right to an exploitation licence before Act No. 20.

During the remainder of 2022, we made significant progress in advancing the arbitration, and we are preparing to lodge the comprehensive statement of our claims in mid-2023. Our goal remains to continue the procedure available under our Exploration Licence and the Minerals Resources Act to obtain an exploitation licence for Kvanefjeld. Our position remains that our company and its shareholders are entitled to compensation in the alternative case where a decision is made to apply Act No. 20 to the Kvanefjeld project. In the meantime, the licence to conduct further exploration campaigns (the Exploration Licence) has been renewed for another three years until December 2025, providing secure ownership and enabling us to continue development activity on the ground.

During 2022, the company board also underwent a series of changes, with the arrival of Mr Ed Mason as Non-Executive Chairman and Mr Mark Saxon as Independent Director, replacing Tony Ho and Simon Cato. Messrs Mason and Saxon bring a wealth of transactional, mining and geological experience to the company.

In line with our focus on minerals leveraged to the energy transition, in late 2022, we successfully entered into an earn-in agreement to explore the prospective lithium project of Villasrubias, located in the province of Salamanca in Spain. Pending the outcome of the exploration drilling in 2023, we aim to deliver the maiden resource statement in FY2023. Towards the end of last year, we also renamed our company to reflect better an enhanced scope both product and geographically.

In addition to our exploration activities, we continue to focus on our social and environmental initiatives across the board completing additional environmental baseline data studies and stakeholder engagement. We are also committed to responsible mining practices and have implemented measures to minimise our environmental impact and engage with local communities. We have also continued to build relationships with key stakeholders, including government officials, investors, and industry experts.

As we look to the future, we are optimistic about the prospects for our company and the critical minerals sector as a whole. The industry has witnessed significant developments over the past 12 months. Australia, Canada, Japan and the United States are building strategic alliances to strengthen the supply chain's resilience and reduce their reliance on Chinese exports. The introduction of the Inflation Reduction Act in the United States and the Critical Raw Material Act by the European Union highlights a growing alignment regarding government support for the mining industry overall. Whilst we should acknowledge that it may never be possible for Europe or the US to become self-sufficient in sourcing and supplying rare earth elements, there is a recognition that diversification is needed and can be achieved by developing more local sources.

Greenland has the potential to play a vital role in these efforts, and the Kvanefjeld project would go a long way towards reducing the dependence on current supply chains and addressing the disruptions caused by the increased demand for critical minerals, especially rare earth elements. Kvanefjeld can be of great significance to Greenland's economy. When developed, the project has the potential to supply more than 10% of the global demand for rare earth; it will bring significant employment opportunities for the country and generate substantial revenue for the country. The need for rare earth metals is expected to grow, driven by the increasing adoption of clean energy technologies and the transition to a low-carbon economy. We are well-positioned to capitalise on these trends, thanks to our strong technical expertise, experienced management team and excellent exploration assets. We will continue to focus on delivering value for our shareholders while operating sustainably and responsibly.

I want to thank our shareholders for their continued support, and I look forward to updating you on our progress in the year ahead.

Yours sincerely,

Ed Mason
Non-Executive Chairman

Daniel Mamadou Blanco
Managing Director

Review of Operations

2022 Overview and Review of Operations

Energy Transition Minerals Ltd's ('ETM or 'the Company') (formerly Greenland Minerals Limited) aim is to develop mineral projects to meet the growing need for minerals vital de-carbonisation and the transition to renewable energy.

Since 2007 the company has focused on the development of the 100%-owned Kvanefjeld project in Greenland.

Kvanefjeld is one of the world's largest and most important undeveloped rare earth projects with the potential to be a significant supplier of critical materials key to an energy efficient and environmentally sustainable future.

Kvanefjeld is underpinned by a JORC-code compliant resource of more than one billion tonnes, and an ore reserve estimate of 108 million tonnes to sustain an initial 37-year mine life. Kvanefjeld offers a new, simpler path to rare earth production than traditional refractory sources. Recovery of several by-products in addition to neodymium, praseodymium, terbium and dysprosium during the production of a rare earth intermediate product rich in critical magnet rare earths will ensures low production costs.

During the year ended 31 December 2022, the Company entered into an earn-in agreement to acquire a 51% interest in Villasrubias, a high prospective lithium exploration project in Spain.

Change of Company Name & Asset Diversification

A shareholders general meeting was held on 28 October 2022. Several resolutions were approved at the meeting, including the change of the Company's name from Greenland Minerals Limited to Energy Transition Minerals Ltd and the acquisition of a 51% interest in the Villasrubias project. ETM can earn its interest in TME SL by spending AU$3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years.

The Company commenced trading as Energy Transition Minerals Ltd, on the ASX under the new code ETM, on 10 November 2022.

Kvanefjeld

The Kvanefjeld Project is centred on the northern Ilimaussaq Intrusive Complex in southern Greenland. The project includes several large-scale multi-element resources including Kvanefjeld, Sørensen and Zone 3. Global mineral resources now stand at 1.01 billion tonnes (JORC-code 2012 compliant).

The deposits are characterised by thick, persistent mineralisation hosted within sub-horizontal lenses that can exceed 200m in true thickness. Highest grades generally occur in the uppermost portions of deposits, with overall low waste-ore ratios.

Less than 20% of the prospective area has been evaluated, with billions of tonnes of lujavrite (host-rock to defined resources) awaiting resource definition. Extensive resources of other rare minerals enriched in critical elements also occur within the license area.

While the resources are extensive, a key advantage to the Kvanefjeld project is the unique rare earth and uranium-bearing minerals. These minerals can be effectively beneficiated into a low-mass, high value concentrate, then leached with conventional acidic solutions under atmospheric conditions to achieve particularly high extraction levels of rare earths. This contrasts to the highly refractory minerals that are common in many rare earth deposits that require technically challenging and costly processing. The rigorously developed process route for Kvanefjeld has been the subject of several successful pilot plant campaigns.

The Kvanefjeld project area is located adjacent to deep-water fjords that allow for shipping access directly to the project area, all year-round. An international airport is located 35km away, and a nearby lake system has been positively evaluated for hydroelectric power.

Kvanefjeld provides an excellent opportunity to introduce a large, stable supplier at prices that are readily sustainable to end-users. In addition, rare earths from Kvanefjeld will be produced in an environmentally sustainable manner further differentiating it as a preferred supplier of rare earth products to end-users globally. These factors serve to enhance demand growth.

Review of Operations

Commencement of Dispute Resolution

ETM has spent approximately 15 years in Greenland working with local communities and the government and invested more than $130 million to progress the Kvanefjeld project to be development ready. The company followed the Greenlandic and Danish Governments regulations and requests throughout this time and the exploitation licence application process. The Project has been through a rigorous environmental assessment, and it remains one of the largest undeveloped rare earth assets in the world.

November 2021, Greenland's parliament passed Greenland Parliament Act No. 20 to ban uranium prospecting, exploration and exploitation, etc ('Act No. 20').

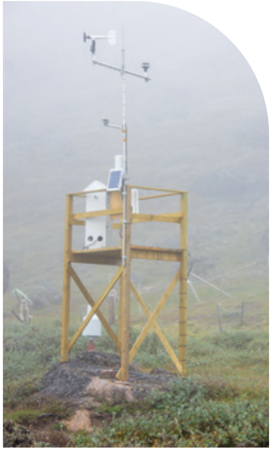
The Company's Greenland subsidiary Greenland Minerals A/S ('GMAS') has commenced an arbitration to determine (amongst other things) whether the Company had a right to an exploitation licence before Act No. 20. GMAS has also claimed that, if Act No. 20 is applied to the Kvanefjeld project, it has a right to receive damages in compensation for expropriation.

The position taken by the Government of Greenland currently leaves the Company with no option than to enforce the Company's right to an exploitation license and to protect our shareholders' interests.

The Company remains keen to resolve this dispute with the Government's and to obtain the exploitation licence that enables this nation building development project to proceed. To that end, the Company is maintaining its application for an exploitation licence and, in the arbitration, is seeking an independent legal ruling from the tribunal on whether GMAS had a right to an exploitation licence before Act No. 20, which goes to the question whether Act No. 20 applies. The Company is taking this approach because it wishes to see the Kvanefjeld Project through and believes that it is legally able and entitled to do so. Act No. 20 explicitly states that it does not apply to existing licences (of which the exploration licence held by GMAS is one) and the explanatory note to Act No. 20 emphasises that Act 20 does not apply if its application would result in an expropriation (which would be the case, if GMAS were deprived of its entitlement to an exploitation licence).

GMAS has brought the arbitration under Section 20 of the exploration licence, which provides for disputes between GMAS and the Government of Greenland to be resolved by arbitration before a tribunal of three arbitrators seated in Copenhagen. GMAS has named the Government of the Kingdom of Denmark as a respondent in the arbitration on the basis of the Danish Government's involvement in the exploration licence and the wider Project.

In the arbitration, GMAS is represented by a team of investor-State arbitration specialists at UK law firm, Clifford Chance, with Danish law firm Plesner, acting as co-counsel.



Following the initiation of the arbitration, a number of case management conferences ('CMC') have been held. The CMCs have heard and decided on procedural matters relevant to the arbitration. In tandem to the preparation of the Company's Statement of Claim has progressed.

The statement of Claim will contain the Company's detailed legal argument and will be accompanied by witness statements, expert reports and other supporting documents. As part of this process, independent experts have been engaged to prepare reports on various technical and legal matters. Drafts of these reports have been received and are in the process of being finalised.

The Company is well placed to meet any arbitration schedules set by the arbitrators.

Arbitration funding

On 30 June 2022, the Company entered into a litigation funding agreement with Woolridge Investments LLC, a wholly-owned subsidiary of Burford Capital Limited, to fully fund the arbitration costs in the dispute with the Government of Greenland and the Government of the Kingdom of Denmark.

This funding agreement will underwrite the entire budgeted legal and associated costs of the arbitration case. The agreement is entered into on a non-recourse basis and other commercial terms standard for funding agreements of this nature. Entering a litigation funding agreement, enables the Company to preserve its cash reserves as it seeks other investments in the technology metals sector.

2022 Field Season

In May the Company received approval from Greenland's Mineral Licence and Safety Authority ('MLSA') to conduct field activities on the project in the northern summer.

The scope of the program of activities involves:

- Dust monitoring
- Water sampling
- Radon monitoring, and
- Sea bed sampling.

These activities are being undertaken pursuant to recommendations made by the Danish Centre for Environment and Greenland Institute for Natural Resources ('DCE/GINR'), with the knowledge of the Environmental Agency for Mineral Resources ('EAMRA'), and as noted above, with the approval of the MLSA. The aim of the work program is to address some of the "type 2 issues" that were agreed previously with the Greenland Government, that would need to be addressed prior to development approval.

The field season was carried out during August 2022, water and tissue samples from cattle, native fauna and food sources were collected by WSP (formerly Orbicon) and sent for analysis. Water samples were taken from the mine lake, Bredefjord and from the source of drinking water for the town of Narsaq. Benthic samples were taken from Bredefjord and from Narsap Ilua and tissue samples were collected from fauna and cattle in the Narsaq valley.

A high-volume dust sampler, with attached weather station, was set up at the cattle farm in the Narsaq valley. The dust collection campaign is expected to run for 12 months. The samples will be sent to the Norwegian Institute for Air Research ('NILU') for analysis at the end of the campaign.

Planning for a radon monitoring programme was undertaken. The proposed plan has been reviewed by EAMRA, the Greenland government's environmental agency, and the company is preparing an implementation strategy.

Review of Operations

During September, Company representatives visited Greenland to meet with stakeholders in both Nuuk and Narsaq. COVID travel restrictions have meant that this was the first visit since the start of the pandemic. Meetings were held with a cross-section of stakeholders including businesses, special interest groups, and Narsaq residents.

The opportunity was taken to brief interested parties in developments with the project and the company including the arbitration proceedings with the Governments of Greenland and Denmark.

Exploitation Licence Application Licensing

The Company received a draft decision on 22 July 2022 on the Company's application for an exploitation licence for the Kvanefjeld Project ('draft decision'). In the draft decision, the Greenland Ministry of Mineral Resources and Justice ('Ministery') proposes to reject the Company's exploitation licence application, because it would involve exploitation of an ore body that contains more than 100 ppm of uranium (the threshold that was introduced in Act No. 20).

The Company is disappointed with the Government's actions in making this draft decision which relies on the application of Act No. 20, when the application of Act No. 20 is one of the questions submitted for determination in the arbitration. In addition, the Government has taken the decision despite the fact that some requirements for an exploitation licence remain outstanding, specifically the completion of the White Papers and the Impact Benefit Agreement.

The Company was given four weeks to submit a response to the draft decision. The Government indicated that, after the consultation process on the draft decision, it intends to proceed to make a final decision on the Company's exploitation licence application.

It is the Company's position that, in accordance with general principles of law, the draft decision and any subsequent final decision should have no lawful bearing on the arbitration process.

The Draft Decision covers matters spanning a period of around 15 years, over which time the Company has operated in Greenland investing in the Kvanefjeld Project. Given the vast range and complexity of matters covered by the Draft Decision, the Company sought, on 17 August 2022, an extension of time beyond the four week period to submit its full response.

In connection with this extension request, the Company has also requested access to the file containing all relevant material upon which the Draft Decision was based.

On 19 August 2022, the Company lodged a preliminary response to the draft decision. In its preliminary response, the Company objected to the draft decision on both factual and legal grounds. The Company objected to breaches of procedure and serious errors of substance, and the legality of the proposed conclusion to reject the Company's exploitation licence application and of the making of any final decision for the reasons set out in the draft decision.

Access to some of, but not all, the relevant material was provided to the Company by the Ministry between 28 December 2022, and 17 February 2023.

On 17 February 2023, the Company formally responded to the Greenland Government's draft decision to deny its Exploitation License application for the Kvanefjeld project ('the Response'). The Response was supported by a detailed Statement of Facts and set out several objections to the arguments that the Government put forward in support of its draft decision. The Response was submitted under protest because the Company had not been given sufficient time to review the documents provided.

We have yet to receive a substantive response. If the application is rejected on the same bases as in the draft decision, the Company will assess its legal options.

Amendment to the Exploitation Licence Application

On 16 December 2022, the Company submitted an amendment to its existing application for an exploitation licence for the Kvanefjeld Project in Greenland to the Mineral Resource Authority. The amendment supplements the Company's existing application to include an alternative development scenario for which an exploitation licence may be granted for the Kvanefjeld Project. Specifically, under the alternative development scenario the Company will exploit only rare earth elements, zinc and fluorspar (and not uranium). Under the alternative development scenario, rather than being exploited, uranium will be removed as an impurity and safely treated and stored in the tailings facility. This modification is documented in the amended Process Flow Sheet, Feasibility Study and Environmental Impact Assessment ('EIA') submitted by the Company with the amendment.

The alternative development scenario does not require any significant amendments to the EIA, which has already been the subject of extensive public consultation and review by the Greenland Government's mandated advisers (the Danish Centre for the Environment and the Greenland Institute of Natural Resources). In preparing the amendment and its supporting documentation, the Company sought the opinion of an internationally accredited radiological expert, Arcadis, who has confirmed that the alternative treatment of uranium will not materially change the radiological impact of the Kvanefjeld project.

As set out in the amended Feasibility Study submitted with the amendment to the application, treating uranium as tailings (rather than processing into a saleable product) will not impact the commercial viability of the Kvanefjeld Project. This is due to the significant increase in rare earth element prices since the Company filed its original exploitation licence application in 2016.

The Company maintains its original exploitation licence application, by which it continues to apply for an exploitation licence for the Kvanefjeld Project inclusive of uranium exploitation rights. The Company has confirmed this to the Greenland Government along with its expectation that the Greenland Government will continue to process its exploitation licence application on that original basis.

Exploration Licence

The Company received on 16th March 2023 the official exploration licence renewal documentation for EL 2010-02, which covers Kvanefjeld. The licence has been renewed for a 3 year period up to 31 December 2025.

When providing the licence renewal, Greenland's Mineral Licence and Safety Authority, confirmed Greenland Parliament Act No. 20 of 1 December 2021 ('Act No. 20') does not apply to the renewal of the exploration license 2010-02.

Review of Operations

Villasrubias

On 14th July 2022 the Company announced that it has entered into a binding heads of agreement with Technology Metals Europe SL ('TME SL') and its sole shareholder Welsbach Holdings Pte Ltd ('Welsbach'), for the right to earn-in a 51% interest in TME SL (the 'Transaction'). TME SL is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project.

ETM can earn its interest in TME SL by spending AU$3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction. All conditions precedent were satisfied with obtaining shareholder approval of the of the Transaction was obtained on 28th October 2022.

Following a visit to site by ETM senior management in November 2022, an initial work program and budget was agreed on. The initial work program will build on previous exploration and mining data, with the aim of identifying a first phase of drill targets.

Exploration activity at Villasrubias started in December 2022, including a drone aeromagnetic and electromagnetic survey, a very low frequency electromagnetic tomography survey, along with geological mapping, sampling, and trenching to identify the extension of pegmatite bodies. Results of exploration will be shared as they come available.

The results of the aeromagnetic survey of the Villasrubias project were announced on 13th January 2023, the survey identified several areas of interest for the upcoming drill campaign. The survey focused on a specific area where past exploitations of aplite and pegmatite dykes took place, and where appreciable contents of lithium, niobium and tantalum were measured. An initial exploration drill program commenced in March 2023.

Board Changes

On the 19th April 2022, the Company announced the appointment of Mr Edward ('Ed') Mason as Non-Executive Chairman of the Company. On the same date, Simon Cato resigned as a Non-Executive Director and Anthony Ho stepped down as Non-Executive Chairman to Non-Executive Director, advising the board of his intention to retire as director on 31st August 2022.

The Company appointed of Mr Mark Stephen Saxon as Non-Executive Director of the Company effective 24th August 2022.

The Board would once again like to thank Mr Cato and Mr Ho for their long service.

Outlook

As at 31 December 2022, it had a cash balance of $25 million. The Company remains committed to the development of the Kvanefjeld project and looks forward to working with the Government of Greenland on viable development paths. The Company will continue to work with Greenland communities to address any concerns and develop the Kvanefjeld project in a manner that will minimise environmental impacts and provide benefits to Greenland for decades ahead.

Exploration and evaluation work on the villasrubias lithium project will continue following the high impact drilling program that commenced in March 2023.

The Company has been actively reviewing opportunities to acquire new technology metals projects with the view of increasing the Company's asset portfolio provided it creates shareholder value.

The material risks faced by the Company that may have a financial impact on the Company include:

- As with all early stage exploration programs, there is an exploration risk associated with the Villasrubias project. Although the results of initial work is promising there is a risk that additional exploration and evaluation may not result in the establishing an economically recoverable resource.
- All mining activities, including exploration carry a certain level of environmental risk, this risk is managed by ensuring all activities are conducted to the highest standard and best practices are adopted in all operations.
- The Company is confident based on legal advice, the arbitration will result in a positive outcome for the Company, however there is a risk of a less favourable outcome. In addition there is a risk associated with regulatory changes that may have an adverse effect on the Company and any area of the Company's operations.

Review of Operations

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Competent Person Statement – Mineral Resources Ore Reserves and Metallurgy

The information in this report that relates to Mineral Resources is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (UK) Ltd ("SRK") and was engaged by Greenland Minerals Ltd on the basis of SRK's normal professional daily rates. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robin Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the statement that relates to the Ore Reserves Estimate is based on work completed or accepted by Mr Damien Krebs of Greenland Minerals Ltd and Mr Scott McEwing of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to metallurgy is based on information compiled by Damien Krebs.

Damien Krebs is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the type of metallurgy and scale of project under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

Scott McEwing is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

The mineral resource estimate for the Kvanefjeld Project was updated and released in a Company Announcement on February 12th, 2015. The ore reserve estimate was released in a Company Announcement on June 3rd, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcement.

Competent Person Statement – Exploration Results

The information in this announcement related to exploration results is based on information complied and approved for release by Mr Rafael López Guijarro who is a member of the European Federation of Geologists. Mr Guijarro is the chief geologist and full-time employee of the Company. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity, he is undertaking to qualify as a Competent Person in accordance with JORC Code (2012). The information from Mr Guijarro was prepared under JORC Code (2012). Mr Guijarro consents to the inclusion in this ASX release in the form and context in which it appears.

energy transition minerals

2022 ANNUAL FINANCIAL REPORT

DIRECTORS' REPORT

The directors of Energy Transition Minerals Ltd (the Company) (formerly Greenland Minerals Limited) submit herewith the annual financial report of Energy Transition Minerals Ltd and its subsidiaries (the Consolidated Group) for the financial year ended 31 December 2022, pursuant to the provisions of the *Corporations Act 2001*. The directors report the following:

Directors

The names of directors in office at any time during or since the end of the financial year are:

Edward Mason, Non-Executive Chairman – appointed 19 April 2022
Daniel Mamadou Blanco, Managing Director
Xiaolei Guo, Non-Executive Director
Mark Saxon, Non-Executive Director – appointed 24 August 2022
Anthony Ho, Non-Executive Director – resigned 31 August 2022
Simon Cato, Non-Executive Director – resigned 19 April 2022

Chief Financial Officer/Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Miles Simon Guy – *M.Com(PA), MIPA, FCG(CS), FGIA, MAICD* is a qualified accountant with more than 25 years' experience in both public practice and commerce.

Mr. Guy is also the Chief Financial Officer and Chief Operating Officer for Energy Transition Minerals Ltd.

Principal Activities

The principal activity of the Consolidated Group during the financial year was mineral exploration, project evaluation and permitting. Specifically, the continued evaluation and permitting of the Kvanefjeld project, located in Southern Greenland and the commencement of arbitration. The Consolidated group also commenced initial exploration work on the Villasrubias lithium project in Spain.

There were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

Operating Results

The net loss after providing for income tax amounted to $6,122,846 (2021: loss $93,135,348).

Review of operations

Refer to the Operations Report on pages 4 to 12.

Significant Changes in State of Affairs

Other than as reported in the Review of Operations, during the financial year, there were no other significant changes in the state of affairs of the Consolidated Group.

Shares

During the year ended 31 December 2022, 11,666,667 ordinary shares of Energy Transition Minerals Ltd were issued, as detailed in Note 17 to the financial report.

The total number of ordinary shares on issue at 31 December 2022 was 1,355,744,013 (31 December 2021: 1,344,077,346).

The Company has only one class of shares on issue and the Company has no unissued shares, other than those registered to options and performance rights holders which are disclosed in the next section.

No shares issued during the year or shares issued since the end of the financial year were issued as a result of exercised options.

DIRECTORS' REPORT

Anti-dilution rights
Le Shan Shenghe Rare Earth Company Limited (Le Shan) has anti-dilution or top-up rights under the Subscription Agreement entered into with the Company. Le Shan has the right to subscribe for top-up shares to maintain its existing percentage interest where the Company issues additional shares which increases the existing share capital by greater than 0.5%. The subscription price, under the top-up right, will be the same price as any additional shares issued under a capital raising (in the event of a cash capital raising) or, in any other event (such as non-cash consideration), the volume weighted average price of the shares calculated over the last 10 days on which sales of shares were recorded before the day on which the additional shares were issued. The top-up right is subject to Le Shan maintaining at least a minimum share interest of 6.5% of shares in the Company and ceases to operate where Le Shan's Share interest or voting power exceeds 19.9%. In addition, the top-up right will cease on the date the ASX considers that the strategic relationship between the Company and Le Shan or Shenghe Resources Holding Co. Limited changes in such a way so as to effectively cease.

Options
During the year ended 31 December 2022 there were no options of Energy Transition Minerals Ltd issued, for details of outstanding options and performance rights refer to Note 25 to the financial report.

Details of unissued shares or interests under option and employee rights at the date of this report are:

Issuing entity	Number of shares under option	Number of Shares under employee rights	Class of shares	Exercise price of option	Expiry date of option/right
Energy Transition Minerals Ltd	-	23,333,334	-	-	24/06/2024
Energy Transition Minerals Ltd	-	35,000,000	-	-	24/06/2025

The holders of these options do not have the right, by virtue of being holders, to participate in any share issue or interest issue of the Consolidated Group or of any other body corporate.

Financial Position
The net assets of the Consolidated Group were $25,329,289 as at 31 December 2022 (2021: $29,881,357).

Dividends
During the financial year ended 31 December 2022, no dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year. No dividends were paid in the comparative period ended 31 December 2021.

Environmental Regulations
The Consolidated Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, customers, employees and suppliers. The Consolidated Group's exploration activities are currently regulated by significant environmental regulation under laws of Greenland, Spain and the Commonwealth and states and territories of Australia. The Consolidated Group is committed to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

Future Developments
The Consolidated Group will continue to evaluate the Kvanefjeld and Villasrubias projects and development alternatives for the Kvanefjeld project, as in the Operations Report on pages 4 to 12.

Subsequent Events

There have been no other matters or circumstances occurring subsequent to the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Information on Directors

Ed Mason – Non-executive chairman – Appointed 19 April 2022

Special responsibilities
Member audit committee
Member remuneration committee

Qualifications
B.Eng (Hons)

Experience
Ed Mason is an experienced company director and corporate advisor, having held positions as Chairman, Director and Corporate Advisor to a number of listed ASX companies. This includes being Non-Executive Chairman of Auroch Minerals, Non-Executive Director of Blackspur Oil & Gas and Managing Director at HSBC, Renaissance Capital and Royal Bank of Canada.

Ed is currently Founder and Corporate Advisor for JE Capital, and Founder and Managing Director of Jet Zero Australia. He is also a member of Bioenergy Australia and the Sustainable Aviation Fuel Alliance of Australia & New Zealand. Ed has a Bachelor of Engineering & Computing (Hons) from Monash University and is a Graduate in Corporate Finance from the Securities Institute of Australia.

Interest in shares, options and performance rights
2,333,333 Shares
11,666,667 Performance Rights

Directorships held in other listed entities
Nil

Former directorships in other listed entities in the last 3 years
Non-executive Chairman - Auroch Minerals
Non-executive director of Rincon

Daniel Mamadou Blanco – Managing Director - Appointed 6 December 2021

Qualifications
MSc (inter. Sec. Bank), BA (Bus. Man.)

Experience
Daniel Mamadou is the founder of Welsbach Holdings Pte Ltd, a Singapore-based company which specialises in the financing and development of technology metals supply chains. He founded and was Managing Director of Talaxis Ltd (Noble Group's technology metals division, in Hong Kong) from 2015 until 2021. During this period, he drove the development and growth acceleration of technology metals supply chains, gaining expertise across rare earths, lithium, cobalt, and graphite along with a range of other critical materials.

Daniel Mamadou (cont'd)

Prior to that, Daniel held various senior positions with Deutsche Bank, Goldman Sachs and Nomura, with more than two decades across EMEA and Asia-Pacific. He has established and nurtured relationships with key stakeholders and decision makers across the specialty metals sector. His global network includes upstream companies in Europe, America's, Asia and Africa, and midstream in China, South Korea and Japan.

Interest in shares, options and performance rights
7,3333,333 shares
31,666,666 Performance Rights

Directorships held in other listed entities
Executive director – Welshbach Technology Metals Acquistion Corp (NASDAQ:WTMA) – December 2021

Former directorships in other listed entities in the last 3 years
Non-executive director – Medallion Resources Limited (TSX:MDL) – August 2021 – March 2022

Xiaolei Guo – Non-executive Director – Appointed 12 October 2017

Special responsibilities
Nil

Qualifications
BA.Law(CnU)

Experience
Mr Xiaolei Guo completed a Bachelor of Arts, major in law at China University of Political Science and Law and was admitted to the Bar in China.

He was previously a judge assistant in Tianjin Hexi District People's Court from July 2004, then joined King & Wood Mallesons in September 2007, working in the securities department specialising in providing securities and investment services to clients. He was extensively involved in IPOs, M&A bond issues bankruptcy and other corporate matters.

In early 2014, he joined Shenghe Resources Holding Co., Ltd as General Manager Assistant and Manager of the investments and development department. In this role, Mr Guo focused on the acquisition of rare earth projects and played a key role in selecting and evaluating project and participated in the negotiation and legal aspects of acquisitions.

Xiaolei is Le Shan Shenghe Rare Earth Company Limited's nominee to the Company's board.

Interest in shares, options and performance rights
1,500,000 shares
7,500,000 Performance Rights

Directorships held in other listed entities
Nil

Former directorships in other listed entities in the last 3 years
Nil

Information on Directors

Mark Saxon – Non-executive director – Appointed 24 August 2022

Special responsibilities
Chair audit committee
Member remuneration committee

Qualifications
Honours BSc graduate in Geology, FAusIMM

Experience
Mark Saxon has over 30 years of industry experience with a strong geological and technical background. He is an Honours BSc graduate in Geology from the University of Melbourne and received a Graduate Diploma of Applied Finance and Investment through the Financial Services Institute of Australasia. He is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.

Mark is presently executive director of Canadian-listed Medallion Resources Ltd, focused on the development of REE processing technologies; he is the CEO of Aguila Copper Corp a Canadian public company dedicated to copper exploration in North America. He is part time Executive Director of ACDC Metals Ltd (an ASX listed company) and Non-Executive Director of NorTech Strategic Minerals Ltd (an unlisted company).

Interest in shares, options and performance rights
500,000 Shares
7,500,000 Performance Rights

Directorships held in other listed entities
Executive director/CEO Medallion Resources LTD (TSX:MDL)
Executive director ACDC Metals Ltd (ASX:ADC)

Former directorships in other listed entities in the last 3 years
Nil

Anthony Ho (Tony) - Non-Executive Director - Appointed 9 August 2007- Resigned 31 August 2022

Special responsibilities
Member of the Audit Committee

Qualifications
B.Com (UNSW), CA, FAICD, FCG(CS), FGIA

Experience
Tony holds a Bachelor of Commerce degree from the University of New South Wales and is a member of Chartered Accountants Australia New Zealand and a fellow of the Australian Institute of Company Directors, Chartered Governance Institute and Governance Institute of Australia.

Interest in shares, options and performance rights – holding at date of resignation
4,132,798 Ordinary Shares
9,000,000 Performance Rights

(i) 1,500,000 performance rights were vested into fully paid shares on 13 September 2022, the 7,500,000 balance lapsed on 28 February 2023.

Information on Directors

Anthony Ho (cont'd)

Directorships held in other listed entities
Non-executive Chairman – Bioxyne Limited (ASX:BXN) – November 2012
Non-executive Chairman – Truscreen Group Limited (NZX and ASX:TRU) – October 2018
Non-executive Chairman – Cannasouth Limited (NZX:CBD) - June 2019

Former directorships in other listed entities in the last 3 years
Non-executive Chairman Credit Intelligence Limited – June 2018 – April 2021

Simon Cato – Non-Executive Director – Appointed 21 February 2006 -Resigned 19 April 2022

Special responsibilities
Chairman of the Audit Committee

Qualifications
B.A. (USYD)

Experience
Mr Simon Cato has over 30 years' experience in the capital markets in broking, regulatory roles and as director of listed companies.

Since 2006 he has been an executive and non-executive director of a number of public companies with a range of different business activities and was a founding director of Energy Transition Minerals Ltd.

Interest in shares & options - holding at date of resignation
6,389,594 Ordinary shares

Directorships held in other listed entities
Non-executive Chairman - Advanced Share Registry Limited - August 2007.
Non-executive director – Bentley Capital Limited – January 2015

Former directorships in other listed entities in the last 3 years
Non-executive director – Keybridge Capital limited – July 2016 to January 2021

Remuneration Report – Audited

This remuneration report, which forms part of the directors' report, details the nature and amount of remuneration for each director and other key management personnel (KMP) of Energy Transition Minerals Ltd, for the financial year ended 31 December 2022.

Director and key management personnel details
The following persons acted as directors and other KMP of the Company during or since the end of the financial year and unless otherwise stated, positions were held for the full year ended 31 December 2022 and continued to be held at the date of this report:

Remuneration Report – Audited (cont'd)

Directors

Edward Mason, Non-Executive Chairman – appointed 19 April 2022
Daniel Mamadou Blanco, Managing Director
Xiaolei Guo, Non-Executive Director
Mark Saxon, Non-Executive Director – appointed 24 August 2022
Anthony Ho, Non-Executive Director – resigned 31 August 2022
Simon Cato, Non-Executive Director – resigned 19 April 2022

Key management personnel

Miles Guy, Chief Financial Officer, Chief Operations Officer and Company Secretary

Long-term remuneration

The senior management are entitled to receive long service leave after 10 years continuous service, with a pro-rata entitlement after 7 years. A provision for this payment is recognised.

Short term incentives (STI)

The Consolidated Group does not have a short term incentive scheme that is in addition to the short term employee benefits. The Consolidated Group considers that short term incentive schemes would not be consistent with shareholder value at the Consolidated Group's current stage of development.

Long term incentives (LTI)

Performance rights were issued to directors during the year ended 31 December 2022 as a long term incentive scheme. During the prior year ended 31 December 2021, no long term incentive schemes were entered into.

Termination payments

Director and senior management are not entitled to any termination payment other than statutory entitlements and notice period payment. There are no notice period requirements for Non-executive Directors and the notice period requirements for Executive Directors and Senior Management are disclosed key terms of employment contracts, on pages 27 to 29.

Details of Remuneration

The remuneration for the directors and senior management of the Company during the current financial year was as follows:

	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments			
2022	Salary & fees $	Other $	Super-annuation $	Provision for long service leave $	STI $	Rights (i) $	Total Remuneration $	% Performance based
Executive Director								
D Mamadou (ii)	417,455	-	-	-	-	856,583	1,274,038	67.2%
Non-executive Director								
E Mason (iii)	83,871	-	-	-	-	315,583	399,454	79.0%
X Guo	40,000	-	-	-	-	202,875	242,875	83.5%
M Saxon (iv)	17,718	18,300(vii)	-	-	-	89,333	125,351	71.3%
A Ho (v)	66,666	-	6,750	-	-	90,000	163,416	55.1%
S Cato (vi)	16,664	-	1,666	-	-	-	18,330	-
Senior Management								
M Guy	220,000	16,929(viii)	22,500	4,580	-	-	264,009	-
TOTAL	**862,374**	**35,229**	**30,916**	**4,580**	**-**	**1,554,374**	**2,487,473**	**62.5%**

Remuneration Report – Audited (cont'd)

(i) Rights issued are Performance Rights that are Long Term Incentives and are subject to share price and performance vesting hurdles which are detailed further in Note 25 of the financial statements. The rights do not vest into fully paid shares unless vesting conditions are satisfied. At 31 December 2022, Class B, C and D performance rights remained unvested and as a result these rights represent no monetary value to the holder, Class A rights vested to fully paid shares during the year.
(ii) Daniel Mamadou's cash remuneration is paid in Singaporean Dollars (SGD), the amount disclosed above represents the AUD value at the time of payment.
(iii) Edward Mason was appointed as non-executive chairman on 19 April 2022.
(iv) Mark Saxon was appointed as a non-executive director on 24 August 2022.
(v) Anthony Ho resigned as non-executive director on 31 August 2022, following on from his resignation, he was engaged as a consultant for a 6 month period commencing 1 September 2022. For the year ended 31 December 2022 $36,833 was paid to Anthony Ho for consulting services, payments for these services are not included in the above table.
(vi) Simon Cato resigned as non-executive director on 19 April 2022, following on from his resignation, he was engaged as a consultant for a 6 month period commencing 20 April 2022. For the year ended 31 December 2022 $26,269 was paid, including superannuation to Simon Cato for consulting services, payments for these services are not included in the above table.
(vii) Consulting fees paid to Mark Saxon in addition the director fees paid.
(viii) Recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken.

	Short term benefits		Post-employment benefits	Long –term remuneration	Share Based payments			
2021	Salary & fees $	Other $	Super-annuation $	Provision for long service leave $	STI $	Rights $	Total Remuneration $	% Performance based
Executive Director								
D Mamadou (i)	29,805	-	-	-	-	-	29,805	-
J Mair (ii)	326,583	177,181 (iv)	46,896	10,200	-	-	560,860	-
Non-executive Director								
A Ho	100,000	-	9,750				109,750	-
S Cato	50,000	-	4,875	-	-	-	54,875	-
X Guo	40,000	-	-	-	-	-	40,000	-
Senior Management								
M Guy	220,000	8,461 (vi)	21,450	3,664	-	-	253,575	-
JS Nielsen (iii)	223,135	-	-	-	-	(149,044) (v)	74,091	-
TOTAL	**989,523**	**185,642**	**82,971**	**13,864**	**-**	**(149,044)**	**1,122,956**	**-**

(i) Daniel Mamadou was appointed as Managing Director on 6 December 2021, Daniel Mamadou's cash remuneration is paid in Singaporean Dollars (SGD), the amount disclosed above represents the AUD value at the time of payment.
(ii) John Mair resigned as managing director on 6 December 2021, following on from his resignation, he was engaged as a consultant for an initial two month period, commencing 7 December 2021. For the year ended 31 December 2021 $23,413 was paid to John Mair for consulting services, payments for these services are not included in the above table.
(iii) Jørn Skov Nielsen resigned from the subsidiary, Greenland Minerals A/S on 31 October 2021. Jørn Skov Nielsen's cash remuneration is paid in Danish Krone (DKK), the functional currency of the subsidiary, an average rate of DKK4.71033 to AU$1.00 has been applied to the cash remuneration

Remuneration Report – Audited (cont'd)

(iv) Recognition of 6 months salary paid in lieu of notice period, being $175,000 and $2,181, a recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken. John Mair's termination payment, in addition to amounts disclosed above, included the payment of $209,418 in accrued annual leave and $75,822 in accrued long service leave. The accrued leave entitlements have been recognised in previous remuneration reports.
(v) Reversal of previously recognised Employee Performance Rights balance due to the expiry of the rights.
(vi) Recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken.

Equity Incentive Scheme
At the Company's annual general meeting on 30 May 2022, shareholders approved the issue of 70,000,000 performance rights to directors. The performance rights to be issued under the board approved Equity Incentive Plan, approved at the same meeting.

The performance rights were issued in four Classes and are subject to performance and share price vesting hurdles based vesting hurdles that align with increasing shareholder value. The performance rights vest into fully paid ordinary shares on satisfying the vesting hurdles the expiry date of the performance rights.

In addition:
- The performance rights, unless otherwise stated, is subject to the rules of the Company's Equity Incentive Plan;
- No amounts are payable by the recipient on receipt of the right or on the vesting of the rights;
- The right do not carry the right to either dividends or voting;
- The rights are non-transferable and do not represent any monetary value to the recipient prior to vesting, and;
- Each right issued will be convertible into one fully paid ordinary share upon satisfying the clearly defined vesting hurdles.

Vesting Conditions
The Performance Rights, in addition to continued service, will vest at any time prior to the expiry date as follows:

(i) **Class A**: the Company entering into a binding agreement with a third party to finance its litigation costs in respect of its arbitration or other proceedings against the governments of Greenland and Denmark in respect of the Kvanefjeld Project.

(ii) **Class B**: an increase of at least 20% in the size of the Mineral Resources in accordance with the JORC Code 2021 at the Kvanefjeld Project or any other Company project.

(iii) **Class C**: favourable completion of the arbitration against the governments of Greenland and Denmark resulting in either the award of an exploitation licence for the Kvanefjeld Project or of compensation to the Company.

(iv) **Class D**: the Volume Weighted Average Price over a period of 20 consecutive Trading Days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least $0.15.

The individual must remain as a director or employee at the time of vesting, an Eligible Person as defined under the Equity Incentive Plan.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

The fair value has been established based on the following inputs. The fair value will be recognised over the respective vesting periods.

	Class A	Class B	Class C	Class D
Grant Date	30/05/2022	30/05/2022	30/05/2022	30/05/2022
Underlying share price at grant date	$0.06	$0.06	$0.06	$0.06
Commencement of vesting period	24/06/2022	24/06/2022	24/06/2022	24/06/2022
Expiry date	24/06/2024	24/06/2024	24/06/2024	24/06/2025
Expected future volatility	100%	100%	100%	100%
Risk free rate	2.78%	2.78%	2.78%	2.78%
Hurdle price	-	-	-	$0.15

The fair value has been calculated using the Black and Scholes option pricing model for Classes A, B and C and the barrier up-and-in trinomial option pricing model with a Parisian barrier adjustment for Class D.

On 17 August 2022, the board agreed to issue incoming non-executive director, Mark Saxon 7,500,000 performance rights. Mark Saxon was appointed as a non-executive director on 24 August 2022.

Vesting Conditions
The Performance Rights, in addition to continued service, will vest at any time prior to the expiry date as follows:

(i) **Class B**: an increase of at least 20% in the size of the Mineral Resources in accordance with the JORC Code 2021 at the Kvanefjeld Project or any other Company project.

(ii) **Class C**: favourable completion of the arbitration against the governments of Greenland and Denmark resulting in either the award of an exploitation licence for the Kvanefjeld Project or of compensation to the Company.

(iii) **Class D**: the Volume Weighted Average Price over a period of 20 consecutive Trading Days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least $0.15.

The individual must remain as a director or employee at the time of vesting, an Eligible Person as defined under the Equity Incentive Plan.

The fair value has been established based on the following inputs. The fair value will be recognised over the respective vesting periods.

	Class B	Class C	Class D
Grant Date	19/08/2022	19/08/2022	19/08/2022
Underlying share price at grant date	$0.069	$0.069	$0.069
Commencement of vesting period	24/08/2022	24/08/2022	24/08/2022
Expiry date	24/06/2024	24/06/2024	24/06/2025
Expected future volatility	100%	100%	100%
Risk free rate	3.12%	3.12%	3.12%
Hurdle price	-	-	$0.15

The fair value has been calculated using the Black and Scholes option pricing model for Classes B and C and the barrier up-and-in trinomial option pricing model with a Parisian barrier adjustment for Class D.

Remuneration Report – Audited (cont'd)

The following performance rights were issued during the current financial year ended 31 December 2022.

Director	Grant date	Number	Fair value @ grant date $	Expiry date
E Mason				
Class A	31/05/2022	2,333,333	140,000	24/06/2024
Class B	31/05/2022	2,333,333	140,000	24/06/2024
Class C	31/05/2022	2,333,334	140,000	24/06/2024
Class D	31/05/2022	7,000,000	322,000	24/06/2025
Total		**14,000,000**	**742,000**	
D Mamadou				
Class A	31/05/2022	6,333,333	380,000	24/06/2024
Class B	31/05/2022	6,333,333	380,000	24/06/2024
Class C	31/05/2022	6,333,334	380,000	24/06/2024
Class D	31/05/2022	19,000,000	874,000	24/06/2025
Total		**38,000,000**	**2,014,000**	
A Ho				
Class A	31/05/2022	1,500,000	90,000	24/06/2024
Class B	31/05/2022	1,500,000	90,000	24/06/2024
Class C	31/05/2022	1,500,000	90,000	24/06/2024
Class D	31/05/2022	4,500,000	207,000	24/06/2025
Total		**9,000,000**	**477,000**	
X Guo				
Class A	31/05/2022	1,500,000	90,000	24/06/2024
Class B	31/05/2022	1,500,000	90,000	24/06/2024
Class C	31/05/2022	1,500,000	90,000	24/06/2024
Class D	31/05/2022	4,500,000	207,000	24/06/2025
Total		**9,000,000**	**477,000**	
M Saxon				
Class B	19/08/2022	1,500,000	103,500	24/06/2024
Class C	19/08/2022	1,500,000	103,500	24/06/2024
Class D	19/08/2022	4,500,000	243,000	24/06/2025
Total		**7,500,000**	**450,000**	

The Class A performance rights vested during the year and as a result the full fair value of this class has been recognised during the year ended 31 December 2022. The fair value of classes B and C will be recognised over the respective vesting periods and the class D performance rights fair value will be recognised over the estimated vesting period, being 2 years.

Anthony Ho ceased to be an Eligible Person as defined under the Equity Incentive Plan on 28 February 2023 and as a result all unvested performance rights lapsed on this date. Based on this, the probability of achievement at 31 December 2022, is deemed to be nil for classes B, C and D issued to Anthony Ho.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

No performance rights were issued during the prior year ended 31 December 2021.

Performance Rights – vested
During the year ended 31 December 2022, the following Class A performance rights satisfied the vesting conditions, each exercised performance right was converted to one fully paid ordinary share:

Director	Grant date	Class A Opening balance	Vested	Exercised	Fair value @ grant date $	Closing balance	Expiry date
E Mason	30/05/2022	2,333,333	2,333,333	2,333,333	140,000	Nil	24/06/2024
D Mamadou	30/05/2022	6,333,333	6,333,333	6,333,333	380,000	Nil	24/06/2024
T Ho	30/05/2022	1,500,000	1,500,000	1,500,000	90,000	Nil	24/06/2024
X Guo	30/05/2022	1,500,000	1,500,000	1,500,000	90,000	Nil	24/06/2024

(i) All rights vested were converted to an equal number of fully paid ordinary shares.
(ii) The weighted average share price at date of vesting was $0.066.

No performance rights vested for KMP's during the year ended 31 December 2021.

Rights lapsed
No performance rights lapsed during the year ended 31 December 2022.

The following performance rights lapsed during the year ended 31 December 2021:

KMP	Grant date	Number	Fair value @ grant date $	Date lapsed
Jorn Skov Nielsen				
Tranche 1	10/08/2020	2,000,000	469,200	31/10/2021
Tranche 2	10/08/2020	2,000,000	451,000	31/10/2021
Total		**4,000,000**	**920,200**	

The rights were issued in 2 tranches, tranche 1 was subject to a 24 month service period and tranche 2 was subject to a 36 month service period. In addition the tranches were subject to the following share price performance hurdle:

Tranche	20 Trading Day VWAP share price hurdle	Number
Tranche 1	$0.30	2,000,000
Tranche 2	$0.35	2,000,000

Jørn Skov Nielsen resigned prior to service periods being satisfied.

Rights cancelled
No rights were cancelled during the year ended 31 December 2022 or the prior year ended 31 December 2021.

KMP inducements
No director or senior management person appointed during the current or prior period received a payment as part of his consideration for agreeing to hold the position.

No cash bonuses were paid to any directors or senior management during the current year ended 31 December 2022, or during the prior year ended 31 December 2021

Remuneration Report – Audited (cont'd)

Key management personnel equity holdings
Refer to Note 29 for full details of key management personnel equity holdings.

Transactions with related parties
Edward Mason is engaged through JE Capital Pty Ltd, a company controlled by Edward Mason. Payments to JE Capital Pty Ltd are for services provided by Edward Mason as non-executive chairman, and substantiated expense reimbursement. An additional $18,000 was paid to JE Capital Pty Ltd for services unrelated to Edward Mason, there were no other transactions with JE Capital Pty Ltd. For the year ended 31 December 2022 a total of $140,274 was paid and an amount of $3,870 is payable to JE Capital Pty Ltd (year ended 31 December 2021 Nil).

Daniel Mamadou is engaged through a Singapore registered company, DMB Capital Solutions Pte. Ltd., a company controlled by Daniel Mamadou. Payments to DMB Capital Solutions Pte. Ltd. are for services provided by Daniel Mamadou as managing director and substantiated expense reimbursement, there are no other transactions with DMB Capital Solutions Pte. Ltd. For the year ended 31 December 2022 $456,596 was paid to DMB Capital Solutions Pte. Ltd. (for the year ended 31 December 2021: $29,805).

On 14th July 2022 the Company announced that it has entered into a binding head of agreement with Technology Metals Europe SL (TME SL) and its sole shareholder Welsbach Holdings Pte Ltd (Welsbach), for the right to earn-in a 51% interest in TME SL (the Transaction). TME SL is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project. Daniel Mamadou has a controlling shareholding interest in Welsbach.

The Company can earn its interest in TME SL by spending $3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction. Shareholder approval of the Transaction was obtained on 28th October 2022. For the year ended 31 December 2022, the Company had advanced TME SL $144,304 which had been spent on approved exploration expenditure as part of the earn-in obligation. A further $59,897 had been advanced to TME SL, for the sole purpose of funding further exploration expenditure. (for the year ended 31 December 2021 Nil).

Mark Saxon is engaged through Kinetic Raw Materials Consulting Pty Ltd, a company controlled by Mark Saxon. Payments to Kinetic Raw Materials Consulting Pty Ltd are for services provided by Mark Saxon as non-executive director, consulting fees and substantiated expense reimbursement, there were no other transactions with Kinetic Raw Materials Consulting Pty Ltd. For the year ended 31 December 2022 a total of $28,765 was paid and an of $8,557 is payable to Kinetic Raw Materials Consulting Pty Ltd (year ended 31 December 2021 Nil).

Simon Cato is a Non-executive Director and Chairman of Advanced Share Registry Limited. Advanced Share Registry Limited provides share registry services to Energy Transition Minerals Ltd. These services are supplied on normal commercial terms and Mr Cato does not receive any remuneration from Advanced Share Registry Limited based on the supply of share registry services to the Consolidated Group. For the year ended 31 December 2022 $68,212, including $6,947 up to 19 April 2022, the date of Simon Cato's resignation as a director was paid to Advance Share Registry Limited for services provided (Dec 2021: $73,139).

Following on from his resignation as a non-executive director, Simon Cato was engaged as a consultant for a six month period period, commencing 20 April 2022, For the year ended 31 December 2022 $23,810 was paid to Simon Cato for consulting services (Dec 2021: Nil).

Anthony Ho, following on from his resignation as non-executive chairman, was engaged as a consultant for a six month period, commencing 1 September 2022, For the year ended 31 December 2022 $36,833 was paid to Anthony Ho for consulting services (Dec 2021: Nil).

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

John Mair, following on from his resignation as managing director on 6 December 2021, was engaged as a consultant for a period from 1 January 2022 to 6 February 2022. For the year ended 31 December 2022 $23,413 was paid to John Mair for consulting services (Dec 2021: $23,413).

Consolidated Group performance, shareholder wealth and director and senior management remuneration

The remuneration policy is designed to align the interests of shareholders, directors and senior management. To achieve this aim, the entity may issue options and/or rights to directors and senior management. Any issue of options is based on the performance of the Consolidated Group and or individual and is limited to the achievement of clearly defined benchmarks and milestones. These benchmarks and milestones may include:

- Share price and or the market capitalisation of the Company exceeding pre-determined levels.
- Completion of specific projects or pre-determined stages of projects.
- Periods of service with the Company.
- Accretion of shareholder value.

The following table shows the gross revenue and profits for the period from 31 December 2016 to 31 December 2022 for the listed entity, as well as the share price at the end of each financial period.

Remuneration Report	12 month period ended 31 Dec 2022	12 Month period ended 31 Dec 2021	12 Month period ended 31 Dec 2020	12 Month period ended 31 Dec 2019	12 Month period ended 31 Dec 2018
Revenue	$484,423	$161,631	$158,341	$63,920	$132,661
Net loss before and after tax	($6,122,774)	($93,135,348)	($3,075,973)	($2,851,390)	($2,829,697)
Share price at beginning of period	$0.08	$0.27	$0.13	$0.07	$0.10
Share price at end of period	$0.06	$0.08	$0.27	$0.13	$0.07
Dividend	-	-	-	-	-
Basic loss per share	$0.04	$0.69	$0.03	$0.03	$0.03
Diluted loss per share	$0.04	$0.69	$0.03	$0.03	$0.03

Key terms of employment contracts

Directors

Edward Mason, *Non-executive Chairman* – appointed 19 April 2022

- Director fee of $120,000 per annum, Edward Mason is engaged through his private company JE Capital Pty Ltd.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, accommodation, meals and telephone.
- No fixed term.

Remuneration Report – Audited (cont'd)

Daniel Mamadou Blanco, *Managing Director*, - appointed 6 December 2022

- Term and type of agreement – Consultancy service agreement with Daniel Mamadou and his private company, DMB Capital Solutions Pte Ltd for no fixed term, subject to annual review.
- Consultancy fee – total cost of SG$400,000 per annum paid in arrears monthly.
- Subject to annual remuneration review.
- Either the Company or the employee may terminate his engagement without cause by giving the other party six months written notice, there are no other specific payout clauses.
- Entitled to be reimbursed for all out-of-pocket expenses necessarily incurred in the performance of services including reasonable expenses relating to accommodation, meals, telephone and travelling.

Xiaolei Guo, *Non-Executive Director*

- Director fee of $40,000 per annum.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, accommodation, meals and telephone.
- No fixed term.

Mark Saxon, *Non-Executive Director* – appointed 24 August 2022

- Director fee of $50,000 per annum, Mark Saxon is engaged through his private company Kinetic Raw Materials Consulting Pty Ltd.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, accommodation, meals and telephone.
- No fixed term.

Anthony Ho, *Non-executive Chairman* – resigned 31 August 2022

- Director fee of $100,000 per annum.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Superannuation at 10.5% (10% up to 30 June 2022) is payable on the base director's fee.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, accommodation, meals and telephone.
- No fixed term.
- Engaged on the same terms for a 6 month period as a consultant following the resignation as a director

Simon Cato, *Non-Executive Director* – resigned 19 April 2022

- Director fee of $50,000 per annum.
- A consultant's fee of $1,500 per day for pre-approved work undertaken in addition to the Director's duties.
- Superannuation at 10% is payable on the base director's fee.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, accommodation, meals and telephone.
- No fixed term.
- Engaged on the same terms for a 6 month period as a consultant following the resignation as a director.

DIRECTORS' REPORT

Remuneration Report – Audited (cont'd)

Senior Management

Miles Guy, *Chief Financial Officer, Chief Operation Officer and Company Secretary*

- Term and type of contract – service agreement subject to annual review.
- Base salary, of $220,000 per annum and is paid monthly two weeks in advance and two weeks in arrears.
- Superannuation at 10.5% (10% up to 30 June 2022) is payable on the base salary.
- Entitled to be reimbursed for all out of pocket expenses necessarily incurred in the performance of his duties including relating to travel, entertainment, accommodation, meals and telephone.
- Either the Company or the employee may terminate his engagement without cause by giving the other party three months written notice, payment may be made in lieu of notice period, there are no other specific payout clauses
- Remuneration will be reviewed every 12 months or as otherwise agreed between the parties.

Remuneration Report – Audited - END

Meetings of Directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors Meetings	
Director	Number of meetings eligible to attend	Number attended
E Mason	12	12
D Mamadou Blanco	16	16
X Gou	16	15
M Saxon	5	5
A Ho	11	11
S Cato	4	4

Audit and Risk Committee

The audit and risk committee members are Simon Cato (Chairman) and Anthony Ho. The audit and risk committee is to meet at least twice a year and must have a quorum of two members. There were 2 audit and risk committee meetings held during the current financial year, as follows:

	Audit Committee Meetings	
Member	Number of meetings eligible to attend	Number Attended
Meeting held – 28 March 2022		
A Ho	1	1
S Cato	1	1
Meeting held – 12 September 2022		
E Mason	1	1
M Saxon	1	1

Indemnifying Officers

During or since the end of the financial period the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premium to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the director of the Consolidated Group, other than conduct involving a willful breach of duty in relation to the Consolidated Group.

Proceedings on Behalf of Consolidated Group
No person has applied for leave of court to bring proceedings on behalf of the Consolidated Group or intervene in any proceedings to which the Consolidated Group is a party for the purpose of taking responsibility on behalf of the Consolidated Group for all or any part of those proceedings.

The Consolidated Group was not a party to any such proceedings during the period.

Non-audit Services
Details of amounts paid to the auditors of the Company, Deloitte Touche Tohmatsu and its related practices for audit and any non audit services for the year, are set out in note 32.

Auditor's Independence Declaration
The auditor's independence declaration for the year ended 31 December 2022 has been received and is included on page 31 the financial report.

Corporate governance statement
The Board of Directors of Energy Transition Minerals Ltd is responsible for the corporate governance of the Consolidated Group. The Company's board and the executives of the Consolidated Group recognise the need to formulate corporate governance policies that establish and maintain the highest standards of ethical behaviour and accountability and for the policies to meet the requirements of the market regulators and the expectations of members and other stakeholders.
The corporate governance policies are regularly reviewed to ensure they are appropriate as the Company and corporate governance expectations evolve. The Company's corporate governance policy has been structured taking into consideration the fourth edition of the ASX Corporate Governance Council Principles and Recommendations. The policy was approved by the board on 28 March 2023 and is available on the Company's website: https://etransmin.com/corporate-governance/

Rounding off of amounts
The Consolidated Group is a Consolidated Group of the kind referred to in ASIC Instrument 2016/191, dated 28 March 2016. In accordance with that Instrument amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors, made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors.

Daniel Mamadou
Managing Director
30 March 2023

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Energy Transition Minerals Ltd
Unit 7, 100 Railway Road,
Subiaco WA 6008

30 March 2023

Dear Board Members

Energy Transition Minerals Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Energy Transition Minerals Ltd.

As lead audit partner for the audit of the financial report of Energy Transition Minerals Ltd for the 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 audit; and

(ii)any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

PG v Nieuwenhuizen

PG Janse van Nieuwenhuizen
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of Energy Transition Minerals Ltd (formerly known as Greenland Minerals Ltd)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Energy Transition Minerals Ltd (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 for 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.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of Exploration and Evaluation Assets As at 31 December 2022, the carrying value of Exploration and evaluation assets was $0.14 million, net of an allowance for impairment on Kvanefjeld ('the project') of $91.0 million (31 December 2021: $90.4 million), refer Note 13 for further details. The Group's accounting policy in respect of exploration and evaluation assets is disclosed in Note 2. The Group had to apply significant judgement in reassessing the impairment allowance for the project, including consideration of the Greenland Government's application of Act no. 20 (the "Uranium Act ") on the ability of the Group to obtain an exploitation license to develop the project or successful settlement of the dispute with the Greenland Government.	Our procedures included, but were not limited to: • Discussing the status of the arbitration process with external legal counsel, management and the directors; • Assessing announcements, correspondence and submissions in relation to the exploitation licence application for the project, including the amended exploitation license application for an alternative development scenario; • Confirming whether the rights to tenure of the project remained current at balance sheet date; • Reviewing minutes of Board meetings held; • Reviewing legal counsel briefings to the Board of directors, outlining legal counsels' interpretation of the Group's rights under the Mineral Resources Act; and • Assessing the facts and circumstances surrounding the current lack of ability of the Group to obtain the exploitation licence and in turn, the on-going appropriateness of the allowance for impairment recorded by the Group. We also assessed the adequacy of the disclosures in Note 13 to the financial statements.

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 31 December 2022, 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among 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.

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, actions taken to eliminate threats or safeguards applied.

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 these 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 communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 29 of the Directors' Report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Energy Transition Minerals Ltd, for the year ended 31 December 2022, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P G v Nieuwenhuizen

Pieter Janse van Nieuwenhuizen
Partner
Chartered Accountants
Perth 30 March 2023

Directors' declaration

The directors declare that:

(a) 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;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position, as at 31 December 2022 and performance of the Consolidated Group for the financial year ended on that date;

(c) the attached financial statements and notes thereto, are in compliance with International Financial Reporting Standards as stated in note 2 of the financial statements; and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Daniel Mamdou
Managing Director
Subiaco, 30 March 2023

energy transition minerals

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Note	Dec 2022 $' 000	Dec 2021 $' 000
Other income	5	484	161
Expenditure			
Director and employee benefits	6(a)	(3,028)	(981)
Professional fees	6(b)	(732)	(803)
Listing costs	6(c)	(142)	(195)
Finance costs	6(d)	(32)	(28)
Exploration & evaluation expenditure		(1,714)	-
Allowance against recovery of exploration & evaluation expenditure	6(e)	-	(90,482)
Other expenses	6(f)	(959)	(808)
Loss before tax		(6,123)	(93,136)
Income tax expense	7	-	-
Loss for year		(6,123)	(93,136)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign operations		17	(1,978)
Income tax relating to components of comprehensive income	7	-	-
Other comprehensive income for the year		17	(1,978)
Total comprehensive (loss)/gain for the year		(6,106)	(95,114)
(Loss) attributable to:			
Owners of the parent		(6,123)	(93,136)
		(6,123)	(93,136)
Total comprehensive (loss)/gain attributable to:			
Owners of the parent		(6,106)	(95,114)
		(6,106)	(95,114)
Basic loss per share – cents per share	21	0.45	6.90
Diluted loss per share – cents per share		0.45	6.90

Notes to the financial statements are included on pages 41 to 77

Consolidated statement of financial position as at 31 December 2022

Current Assets	Note	Dec 2022 $' 000	Dec 2021 $' 000
Cash and cash equivalents	8	24,951	30,309
Trade and other receivables	9	460	29
Other assets	10	2,102	73
Total Current Assets		27,513	30,412
Non-Current Assets			
Property, plant and equipment	11	650	684
Right of use assets	12	1,005	685
Capitalised exploration and evaluation expenditure	13	144	-
Total Non-Current Assets		1,799	1,369
Total Assets		29,312	31,781
Current Liabilities			
Trade and other payables	14	2,483	661
Lease liability	15(a)	377	148
Provisions	16(a)	410	463
Total Current Liabilities		3,270	1,272
Non-Current Liabilities			
Lease liability	15(b)	706	603
Provisions	16(b)	7	24
Total Non-Current Liabilities		713	627
Total Liabilities		3,983	1,899
Net Assets		**25,329**	**29,881**
Equity			
Issued Capital	17	406,260	405,560
Reserves	18	(32,831)	(33,702)
Accumulated Losses	20	(348,100)	(341,977)
Total Equity		**25,329**	**29,881**

Notes to the financial statements are included on pages 41 to 77

energy transition minerals

Consolidated statement of changes in equity for the year ended 31 December 2022

	Issued capital	Option reserve	Foreign currency translation reserve	Non - Controlling interest acquisition reserve	Accumulated losses	Total
	$' 000	$' 000	$' 000	$'000	$' 000	$' 000
Balance at 1 January 2021	404,688	1,022	7,575	(39,672)	(248,841)	124,772
Net loss for the year	-	-	-	-	(93,136)	(93,136)
Other Comprehensive income	-	-	(1,978)	-	-	(1,978)
Total comprehensive for the year	-	-	(1,978)	-	(93,136)	(95,114)
Issue of shares- exercise of options	511	(139)	-	-	-	372
Issue of shares- vesting of employee rights	361	(361)	-	-	-	-
Recognition of share based payments - employees	-	(149)	-	-	-	(149)
Balance at 31 December 2021	405,560	373	5,597	(39,672)	(341,977)	29,881
Balance at 1 January 2022	405,560	373	5,597	(39,672)	(341,977)	29,881
Net loss for the year	-	-	-	-	(6,123)	(6,123)
Other Comprehensive income	-	-	17	-	-	17
Total comprehensive for the year	-	-	17	-	(6,123)	(6,106)
Issue of shares- vesting of employee rights	700	(700)	-	-	-	-
Recognition of share based payments - employees	-	1,554	-	-	-	1,554
Balance at 31 December 2022	406,260	1,227	5,614	(39,672)	(348,100)	25,329

Notes to the financial statements are included on pages 41 to 77

Consolidated statement of cash flows
for the year ended 31 December 2022

	Note	31 Dec 2022 $' 000	31 Dec 2021 $' 000
Cash flows from operating activities			
Receipts from customers		159	55
Payments to suppliers and employees		(5,387)	(3,343)
Payments for exploration and evaluation		(1,713)	-
Proceeds from litigation funding	28	1,645	-
Receipt of R&D refund		230	-
Interest – leased assets		(32)	(29)
Net cash used in operating activities	24	(5,098)	(3,317)
Cash flows from investing activities			
Interest received		112	90
Payments for exploration and development	13	(144)	(3,354)
Proceeds from R&D refund		-	257
Payments for plant and equipment		(28)	(14)
Net cash used in investing activities		(60)	(3,021)
Cash flows from financing activities			
Proceeds from issue of shares/options, net of capital raising costs		-	372
Payments on lease liabilities		(200)	(163)
Net cash from financing activities		(200)	209
Net increase/(decrease) in cash and equivalents		(5,358)	(6,129)
Cash and equivalents at the beginning of the financial year		30,309	36,438
Cash and equivalents at the end of the Financial year	8	24,951	30,309

Notes to the financial statements are included on pages 41 to 77

Notes to the accounts

1. General information

Energy Transition Minerals Ltd (formerly Greenland Minerals Limited) is a public Company listed on the Australian Securities Exchange, incorporated in Australia and operating in Greenland with its head office in Perth.

Energy Transition Minerals Ltd's registered office and its principal place of business are as follows:

Registered office	Principal place of business
Unit 7, 100 Railway Road Subiaco WA	Unit 7, 100 Railway Road Subiaco WA

The Company's principal activities are mineral exploration and evaluation.

2. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the consolidated financial statements of the group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Consolidated Group comply with International Financial Reporting Standards ('IFRS'). The Consolidated Group is a for-profit entity for the purpose of preparing the financial statements.
The financial statements were authorised for issue by the directors on 30 March 2023.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.
The Company is a company of the kind referred to in ASIC Corporations instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Consolidated Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgements in applying the entity's accounting policies, and key sources of estimation uncertainty.

Adoption of new and revised Accounting Standards

The Consolidated Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to the Consolidated Group's operations and effective for the year end.
The adoption of these standards and interpretations did not have a material impact on the Consolidated Group.

Notes to the accounts

2. Significant accounting policies (cont'd)

Effective for the first time at 31 December 2022

Date issued	Pronouncement	Effective for annual reporting periods beginning on or after
June 2020	AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
December 2021	AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2022
May 2022	AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 11	Ending 30 June 2022

Pronouncements not yet effective The table below summarises the amended reporting requirements that are not effective for financial years ending 31 December 2022.

Date issued	Pronouncement	Effective for annual reporting periods beginning on or after
July 2017	AASB 17 Insurance Contracts (as amended) (summary, illustrative disclosure)	1 January 2023
Various	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2023 and 1 January 2025
March 2020 / August 2020 / (October 2022)	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and IASB amendment Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
March 2021	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
March 2021	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
June 2021	AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	I January 2023

The Consolidated Group has not elected to early adopt any new standards or amendments and do not expect the adoption of these standards/interpretations to have a material impact on the financial statements in future periods.

Notes to the accounts

2. Significant accounting policies (cont'd)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Consolidated Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in
equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Consolidated Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Consolidated Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Energy Transition Minerals Ltd and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Consolidated Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Consolidated Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

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

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

(d) Revenue

Revenue is recognised when control of a good or service transfers to a customer.

Interest income

Interest income is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income

Revenue from operating sub-leases is recognised as income at the commencement of the relevant rental period.

Government assistance

Government assistance is not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the assistance will be received.

The assistance amounts are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the assistances are intended to compensate. Amounts that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(e) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of an appropriate valuation method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions are in note 25.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Group's estimate of equity instruments that will eventually vest.

Notes to the accounts

2. Significant accounting policies (cont'd)

At each reporting date, the Consolidated Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The expense recognised associated with share based payments required judgement in respect of the likelihood of achievement of non-market conditions and the expected timing of that achievement.

(f) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures except where the Consolidated Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to the accounts

2. Significant accounting policies (cont'd)

(g) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

(h) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Consolidated Group's business model for managing

them. The Consolidated Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through the profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised costs or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to the SPPI test and is performed at an instrument level.

The Consolidated Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flow, selling the financial assets or both.

Financial assets are recognised at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Upon initial recognition, the Consolidated Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit and loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Consolidated Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded to OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit and loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit and 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.

<u>Impairment of financial assets</u>

The Consolidated Group recognises an allowance for expected credit losses ("ECL") for any debt instrument not held at fair value through profit and loss. All ECLs are based on the difference between the contractual cash flows due in accordance with the contract and cash flows that the Consolidated Group expects to receive, discounted at an approximation of the original interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposure for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Notes to the accounts

2. Significant accounting policies (cont'd)

At each reporting date, the Consolidated Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Consolidated Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its expected recoverable cash flows the asset is considered impaired and written down to its recoverable amount.

(i) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation on plant and equipment is calculated on a diminishing value basis so as to write off the net cost or other devalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Right of use assets are depreciated on a straight line method, over the period of the lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Leasehold improvements	10 – 15 years
Plant and equipment	4 – 10 years
Buildings	20 years
Right-of-use assets	1-4 years

(j) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise :

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

2. Significant accounting policies (cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of long-lived assets excluding goodwill' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

(k) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits, are measured as the present value of the estimated future cash outflows to be made by the Consolidated Group in respect of services provided by employees up to reporting date.

(l) Financial instruments issued by the Consolidated Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either 'other financial liabilities' or are irrevocably designated as 'fair value through profit or loss'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(m) Impairment of long-lived assets excluding goodwill

At each reporting date, the Consolidated Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating

units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Capitalisation of exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

2. Significant accounting policies (cont'd)

(b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where research and development ("R&D") rebates are claimed on eligible expenditure, these are offset against the capitalised exploration and evaluation expenditure asset to the extent that the associated expenditure was also capitalised as such. Where the associated expenditure has been expensed, the R&D rebate is also recognised within the Statement of Profit or Loss.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Exploration and evaluation expenditure incurred by the company as part of the earn-in right to acquire a 51% interest in the Villasrubias project, has been capitalised as exploration and valuation expenditure, on the basis that the arrangement represents a farm-in.

(o) Provisions

Provisions are recognised when the Consolidated Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Consolidated 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Litigation funding

The Consolidated Group has entered into a litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. The funding agreement will underwrite the entire budgeted legal and associated costs of the arbitration case in the dispute with the Government of Greenland and the Government of the Kingdom of Denmark.

Amounts payable or receivable in respect of the arbitration costs are shown on a gross basis within the Statement of Financial Position, and amounts paid by and reimbursed to the company in respect of the arbitration costs are shown on a gross basis in the Statement of Cash Flows.

Notes to the accounts

3: Critical accounting estimates and judgments

In preparing this Financial Report the Consolidated Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

a) Significant accounting judgments

In the process of applying the Consolidated Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

<u>Carrying value of exploration and evaluation expenditure</u>

The Consolidated Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the Areas of Interest. If ultimately the area of interest is abandoned or is not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would be written down to its recoverable amount. As at 31 December 2021, an allowance against the recovery of the carrying value of the exploration and evaluation expenditure for the Kvanfejeld project was recognised see Note b) below.

Exploration and evaluation expenditure incurred by the company as part of the earn-in right to acquire a 51% interest in the Villasrubias project, has been capitalised as exploration and valuation expenditure, on the basis that the arrangement represents a farm-in.

<u>Deferred tax assets</u>

The Consolidated Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable at this point in time, that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

<u>Carrying value of capitalised exploration and evaluation expenditure</u>

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Consolidated Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset expenditures through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal and political changes, (including obtaining the right to mine and changes to environmental restoration obligations) and changes to commodity prices.

As at 31 December 2022, the carrying value of capitalised exploration expenditure for Kvanefjeld is $90,986,236 (2021: $90,482,189), an allowance equal to the carrying value of the capitalised exploration and evaluation expenditure was recognised at 31 December 2021 due to the ongoing discussions with the Greenland Government and the uncertainty regarding obtaining the right to mine, refer to note 13 (a).

As at 31 December 2022 the capitalised exploration expenditure for Villasrubias is $144,304 (2021: nil), refer to note 13 (b).

Notes to the accounts

3: Critical accounting estimates and judgments (cont'd)

Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of an appropriate valuation method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions. The expense recognised associated with share based payments required judgement in respect of the likelihood of achievement of non-market conditions and the expected timing of that achievement.

4: Segment information

AASB8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the managing director (chief operating decision maker) in order to allocate resources to the segment and assess performance.

The Consolidated Group has one reporting segment, mineral exploration and evaluation for technology metals and operates in a number of jurisdictions. The year ended 31 December 2021, there were two jurisdictions, Australia and Greenland.

	Australia $'000	Greenland $'000	Other $'000	Total $'000
31 December 2022				
Other income	484	-	-	484
	484	-	-	484
Non-current assets	915	533	351	1,799
	915	533	351	1,799

	Australia $'000	Greenland $'000	Total $'000
31 December 2021			
Other income	161	-	161
	161	-	161
Non-current assets	810	559	1,369
	810	559	1,369

5: Other income

	31 Dec 2022 $' 000	31 Dec 2021 $' 000
Interest - Bank deposits	112	89
Other revenue	142	72
R&D refund	230	-
	484	161

Notes to the accounts

6: Expenditure

	31 Dec 2022 $' 000	31 Dec 2021 $' 000
(a) Director and employee benefits		
Directors' fees	(224)	(199)
Directors' and employee salary and wage expense	(1,209)	(673)
Directors' and employee share based payments	(1,554)	149
Directors' and employee post-employment benefits	(41)	(258)
	(3,028)	(981)
(b) Professional fees:		
Audit, accounting and taxation expense	(212)	(218)
Legal fees (refer to note 28)	(83)	(303)
Marketing and public relations	(242)	(282)
Corporate advisory	(195)	-
	(732)	(803)
(c) Listing costs:		
Stock exchange fees	(72)	(122)
Share registry fees	(70)	(73)
	(142)	(195)
(d) Finance Costs		
Interest expense – lease assets	(32)	(28)
	(32)	(28)
(e) Allowance against recovery of exploration and evaluation recovery		
Allowance against recovery of exploration and evaluation recovery (refer to note 13)	-	(90,482)
	-	(90,482)
(f) Other		
Depreciation expense – property, plant & equipment	(56)	(64)
Depreciation expense – leased assets	(212)	(187)
Insurance	(66)	(67)
Travel	(244)	(24)
Other expenses	(381)	(466)
	(959)	(808)

Notes to the accounts

7: Income tax

		31 Dec 2022 $' 000	31 Dec 2021 $' 000
(a)	Tax expense	-	-
	Current tax	-	-
	Deferred tax	-	-
		-	-
b)	The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expenses in the financial statements as follows:		
	Loss for period	(6,123)	(93,135)
	Prima facie tax benefit on loss at 30% (2021: 30%)	(1,837)	(27,941)
	Add/(Deduct)		
	Tax effect of:		
	Non-assessable, non-exempt (NANE) expenditure	100	262
	Share based payments	466	(45)
	Movement in deferred tax balance not recognised	1,180	579
	Other non-deducible expenditure	91	(27,145)
	Income tax expense	-	-
	The following deferred tax balances have not been recognised:		
	Deferred tax assets:		
	Australian tax losses	10,605	10,053
	Greenland tax losses (at 25% (2021: 25%))	22,637	21,978
	Other accruals and provisions	412	406
		33,654	32,437
	Less: offset against deferred tax liability	(23,357)	(23,365)
		10,297	9,072

The above deferred tax assets will only be recognised when:

(i) The Consolidated Group derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised,

(ii) The Consolidated Group continues to comply with the conditions of deductibility imposed by law, and

(iii) No change in income tax legislation adversely affects the Consolidated Group's ability to utilise the benefits.

Notes to the accounts

7: Income tax (cont'd)

	31 Dec 2022 $' 000	31 Dec 2021 $' 000
Deferred tax liabilities:		
Exploration, evaluation and development expenditure (at 25%/30% (2021: 25%/30%))	23,168	23,168
Other	189	197
	23,357	23,365
less offset against deferred tax assets	(23,357)	(23,365)
	-	-

8: Cash and equivalents

	Dec 2022 $' 000	Dec 2021 $' 000
Cash at bank	601	406
Cash on deposit at call	24,317	29,511
Cash on deposit	33	392
	24,951	30,309

The Consolidated Group's financial risk management objectives and policies are discussed further at note 26.

9: Trade and other receivables

	Dec 2022 $' 000	Dec 2021 $' 000
Trade debtors	2	17
GST refundable	458	12
	460	29

10: Other assets

	Dec 2022 $' 000	Dec 2022 $' 000
Deposit bonds	64	9
Villasrubias cash advance (i)	60	-
Litigation expense funding (ii)	1,889	-
Prepayments	89	64
	2,102	73

(i) The balance of funds advanced to Technology Metals Europe SL for the sole purpose of funding further exploration activity on the Villasrubias project but not incurred at 31 December 2022.

(ii) Litigation expenses accrued at 31 December 2022 that will be paid directly to the relevant law firms by Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital under the litigation funding agreement. Refer to note 14 and 28 for further details.

11: Property, plant and equipment

	Dec 2022 $' 000	Dec 2021 $' 000
Plant and Equipment (cost)	1,226	1,212
Accumulated depreciation	(1,056)	(1,030)
Buildings (cost)	921	915
Accumulated depreciation	(441)	(413)
	650	684

(a) Movements in the carrying amounts

Movement in the carrying values for each class of property, plant and equipment between the beginning and the end of the period.

	Dec 2022 $' 000	Dec 2021 $' 000
Plant and Equipment		
Carrying value at beginning of year	182	220
Acquisitions	28	14
Disposals	(8)	(10)
Effects of currency translation	-	(4)
Depreciation expense	(32)	(38)
Carrying value at end of year	170	182
Buildings		
Carrying value at the beginning of year	502	541
Effects of currency translation	2	(13)
Depreciation	(24)	(29)
Carrying value at end of year	480	502
Total property, plant and equipment carrying value at end of period	650	684

12: Right-of-use assets

	Dec 2022 $' 000	Dec 2021 $' 000
Balance at beginning of year	685	448
Additions	531	424
Depreciation	(212)	(187)
Balance at end of year	1,004	685

(iii) Recognition of property leases in accordance with AASB 16.

Notes to the accounts

13: Capitalised exploration and evaluation expenditure

(a) Kvanefjeld

	Dec 2022 $' 000	Dec 2021 $' 000
Balance at beginning of year	90,482	89,343
Exploration and/or evaluation phase in current period:		
Capitalised expenses (i)	-	3,355
Effects of currency translation (i)	504	(1,595)
Refundable research & development rebate	-	(257)
Balance at end of year	90,986	90,482
Less:		
Allowance against recovery of capitalised expenditure (ii)	(90,482)	(90,482)
Effects of currency translation (i)	(504)	-
Balance at end of year	(90,986)	(90,482)
Balance of capitalised exploration and evaluation expenditure at the end of year	-	-

(i) Expenses for the year ended 31 December 2022 are recgonised in the statement of profit and loss as the expenses do not meet the criteria for capitalisation under the Group's accounting policy.

(ii) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals A/S, the 100% owned Greenlandic subsidiary. All capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.

(iii) As a result of the political developments in Greenland during 2021, including the passing of the Act No. 20 to prohibit mineral activity where the uranium content in an ore body exceeds 100ppm, there is uncertainty surrounding the recovery of the capitalised exploration and evaluation expenditure. As required by Australian Accounting Standards, an allowance against the recoverability of the expenditure was recognised in the prior year, that results in a nil carrying value at 31 December 2022.

(iv) EL 2010/02 licence renewal was received on 16 March 2023 and has been renewed for a 3 year period up to 31 December 2025.

(v) The Consolidated Group disagrees with the Greenland Government's application of Act No. 20 and will protect its legal right to an exploitation licence. The Consolidated Group has referred the dispute to arbitration to establish what if any effect Act No.20 has on the Kvanefjeld project and on GMAS' entitlement to an exploitation licence under Section 14 of the exploration licence. The Consolidated Group will continue to work with the Greenland Government and other stakeholders to progress the mining license application to move to development in accordance with both Greenland Government and local community expectations.

13: Capitalised exploration and evaluation expenditure (cont'd)

(b) Villasrubias

	Dec 2022 $' 000	Dec 2021 $' 000
Balance at beginning of year	-	-
Earn-in exploration expenditure	144	-
Balance at end of year	144	-

(i) On 14th July 2022 the Company announced that it has entered into a binding head of agreement with Technology Metals Europe SL (TME SL) and its sole shareholder Welsbach Holdings Pte Ltd (Welsbach), for the right to earn-in a 51% interest in TME SL (the Transaction). TME SL is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project.

The Company can earn its interest in TME SL by spending AU$3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction. Shareholder approval of the Transaction was obtained on 28th October 2022.

14: Trade and other payables

	Dec 2022 $' 000	Dec 2021 $' 000
Accrued expenses (i)	300	187
Accrued litigation expenses (ii)	1,889	-
Trade creditors (iii)	237	146
Sundry creditors (iv)	57	328
	2,483	661

(i) Accrued expenses related to services and goods provided to the Consolidated Group prior to the period end, but the Consolidated Group was not charged or invoiced for these goods and services by the supplier at period end. The amounts are generally payable and paid within 30 days and are non-interest bearing.

(ii) Litigation expenditure accrued at 31 December 2022 that will be paid directly to the relevant law firms by Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital under the litigation funding agreement. Refer to note 10 and 28 for further details.

(iii) Trade and sundry creditors are non-interest bearing with the exception of amounts owed on corporate credit cards and after 30 days interest is charged at rates ranging between 15% and 18%. All trade and sundry creditors are generally payable on terms of 30 days.

(iv) The financial risk related to trade and other payables is managed by ensuring sufficient at call cash balances are maintained by the Consolidated Group to enable the settlement in full of all amounts as and when they become due for payment.

Notes to the accounts

15: Lease Liability

	Dec 2022 $' 000	Dec 2021 $' 000
(a) Current		
Balance at beginning of year	148	188
Interest on lease liabilities	29	29
Lease repayments	(200)	(192)
Lease additions	56	-
Transfer from Non-current to current	344	123
Balance at end of year	377	148
(b) Non-current		
Balance at beginning of year	603	302
Lease additions	447	424
Transfer from Non-current to current	(344)	(123)
Balance at end of year	706	603

The undiscounted maturity analysis of lease liabilities

	Within 1 year $' 000	1-2 Years $' 000	2-3 Years $' 000	3-4 Years $' 000	4-5 Years $' 000
31 December 2022					
Lease payments	414	375	203	165	
Finance charges	(37)	(22)	(11)	(4)	
Net present value	377	353	192	161	
31 December 2021					
Lease payments	174	140	157	165	192
Finance charges	(26)	(21)	(16)	(10)	(4)
Net present value	148	119	141	155	188

16: Provisions

	Dec 2022 $' 000	Dec 2021 $' 000
(a) Current		
Provision for annual leave	281	285
Provision for long service leave	129	178
	410	463
(b) Non-current		
Provision for long service leave	7	24
	7	24

17: Issued capital

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Consolidated Group does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Dec 2022		Dec 2021	
	No ' 000	$' 000	No ' 000	$' 000
Balance brought forward	1,344,077	405,560	1,339,071	404,688
$0.15 exercise price options	-	-	2,481	511
Vesting of employee performance rights	11,667	700	2,525	361
Balance at end of financial year	1,355,744	406,260	1,344,077	405,560

18: Reserves

a) Option reserve	Dec 2022 $' 000	Dec 2021 $' 000
Balance brought forward	373	1,022
Recognition of performance rights - employees	-	(149)
Recognition of performance rights - directors	1,554	-
Transfer of value of options exercised	-	(139)
Transfer of values of vested performance rights	(700)	(361)
Balance at end of financial year	1,227	373

(i) Refer to note 25 for further information.

The option reserve arises from the grant of share options attached to shares issued under rights issues, and share options and performance rights to executives, employees and consultants. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to directors and senior management is made in note 25 to the financial statements.

b) Foreign currency translation reserve	Dec 2022 $' 000	Dec 2021 $' 000
Balance brought forward	5,597	7,575
Current period adjustment from currency translation of foreign controlled entities	17	(1,978)
Balance at end of year	5,614	5,597

The foreign currency translation reserve records the foreign currency differences arising from the translation of the foreign subsidiary's accounts from Danish Kroner, the functional currency of Greenland Minerals A/S, and Singapore dollars, the functional currency of Energy Transition Minerals International PTE LTD to Australian dollars.

c) Non-controlling interest acquisition reserve	Dec 2022 $' 000	Dec 2021 $' 000
Balance brought forward	(39,672)	(39,672)
Balance at end of year	(39,672)	(39,672)

Notes to the accounts

18: Reserves (con't)

The non-controlling interest acquisition reserve records the acquisition of the non-controlling interests in Greenland Minerals A/S.

d) Total reserves	Dec 2022 $' 000	Dec 2021 $' 000
Option reserve	1,227	373
Foreign currency translation reserve	5,614	7,597
Non-controlling interest acquisition reserve	(39,672)	(39,672)
	(32,831)	(33,702)

19: Dividends

No dividends have been proposed or paid during the year ended 31 December 2022 or the prior year ended 31 December 2021.

20: Accumulated losses

	Dec 2022 $' 000	Dec 2021 $' 000
Balance at beginning of financial year	(341,977)	(248,841)
Loss attributable to members of parent entity	(6,123)	(93,136)
Balance at end of financial year	(348,100)	(341,977)

21: Loss per share

	Dec 2022 Cents Per share	Dec 2021 Cents Per share
Basic loss per share		
From continuing operations	0.45	6.90
Diluted loss per share		
From continuing operations	0.45	6.90

Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted loss per share are as follows;

	Dec 2022	Dec 2021
Loss for year ($)	6,122,846	93,135,348
Weighted average number of shares used in the calculation of basic and diluted loss per share (Number)	1,347,465,474	1,342,481,651

(i) There were 71,833,333 potential ordinary shares on issue at 31 December 2022 (31 December 2021: 6,000,000) that are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

22: Commitments for expenditure

Exploration commitments:

EL 2010/02 is located in Greenland. The tenement expenditure incurred during the year ended 31 December 2022 and prior years exceeded the minimum expenditure required to maintain the tenement in good standing. The excess expenditure can be carried forward for 3 years. The amount carried forward is sufficient to meet the minimum expenditure requirements over this period.

Permit of Investigation 6.914 is located in Salamanca, Spain. The Permit is held by Technology Metals Europe SL ('TME'), Energy Transition Minerals Ltd can earn a 51% interest in TME by spending AU$3 Million on an agreed work program, within a 3 year period commencing 28 Oct 2022.

23: Subsidiaries

		Ownership interest	
Name of subsidiary	**Country of incorporation**	**Dec 2022 %**	**Dec 2021 %**
Chahood Capital Limited	Isle of Man	100	100
Greenland Minerals A/S	Greenland	100	100
Energy Transition Minerals International PTE LTD (ii)	Singapore	100	-

(i) Energy Transition Minerals Ltd directly owns 100% of the issued shares of Chahood Capital Limited. 61% of the issued shares of Greenland Minerals A/S are held by Chahood Capital Limited and 39% are held directly by Energy Transition Minerals Ltd.

(ii) Incorporated on 19 September 2022.

24: Notes to the statement of cash flows

Reconciliation of loss for the year to net cash flows from operating activities.

	Year ended 31 Dec 2022 $' 000	Year ended 31 Dec 2021 $' 000
Loss for the year	(6,123)	(93,135)
Depreciation- property, plant & equipment	56	64
Depreciation – leased assets	212	187
Equity-settled share-based payments	1,554	(149)
Interest income received and receivable	(112)	(89)
Allowance for recovery of exploration and evaluation expenditure	-	90,482
(Increase)/decrease in assets		
Trade and other receivables	(431)	156
Other current assets (litigation receivables)	(1,889)	-
Increase (decrease) in liabilities		
Trade and other payables	1,705	(573)
Provisions	(70)	(260)
Net cash used in operating activities	(5,098)	(3,317)

The Consolidated Group has entered into a non-recourse litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. The funding agreement included a backfill payment to the Consolidated Group of litigation expenses paid up to 30 June 2022, the backfill was netted off against the litigation expenses recognised in the profit and loss. Litigation expenses incurred post 30 June 2022 are to be paid by Woolridge Investments LLC directly to the relevant law firm. Refer to note 28 for further details.

The Consolidated Group has not entered into any other non-cash financing or investing activities.

Notes to the accounts

25: Share based payments

Except for share based payments discussed elsewhere within this note, there were no share-based payment arrangements entered into in the year ended 31 December 2022.

Equity Incentive Scheme
At the Company's annual general meeting on 30 May 2022, shareholders approved the issue of 70,000,000 performance rights to directors. The performance rights to be issued under the board approved Equity Incentive Plan, approved at the same meeting.

The performance rights were issued in four Classes and are subject to performance and share price vesting hurdles based vesting hurdles that align with increasing shareholder value. The performance rights vest into fully paid ordinary shares on satisfying the vesting hurdles the expiry date of the performance rights.

In addition:
- The performance rights, unless otherwise stated, are subject to the rules of the Company's Equity Incentive Plan;
- No amounts are payable by the recipient on receipt of the right or on the vesting of the rights;
- The rights do not carry the right to either dividends or voting;
- The rights are non-transferable and do not represent any monetary value to the recipient prior to vesting, and;
- Each right issued will be convertible into one fully paid ordinary share upon satisfying the clearly defined vesting hurdles.

Vesting Conditions
The Performance Rights, in addition to continued service will vest at any time prior to the expiry date as follows:

(v) **Class A**: the Company entering into a binding agreement with a third party to finance its litigation costs in respect of its arbitration or other proceedings against the governments of Greenland and Denmark in respect of the Kvanefjeld Project.

(vi) **Class B**: an increase of at least 20% in the size of the Mineral Resources in accordance with the JORC Code 2021 at the Kvanefjeld Project or any other Company project.

(vii) **Class C**: favourable completion of the arbitration against the governments of Greenland and Denmark resulting in either the award of an exploitation licence for the Kvanefjeld Project or of compensation to the Company.

(viii) **Class D**: the Volume Weighted Average Price over a period of 20 consecutive Trading Days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least $0.15.

The individual must remain a director or employee at the time of vesting, an Eligible Person as defined under the Equity Incentive Plan.

25: Share based payments (cont'd)

The fair value has been established based on the following inputs. The fair value will be recognised over the respective vesting periods.

	Class A	Class B	Class C	Class D
Grant Date	30/05/2022	30/05/2022	30/05/2022	30/05/2022
Underlying share price at grant date	$0.06	$0.06	$0.06	$0.06
Commencement of vesting period	24/06/2022	24/06/2022	24/06/2022	24/06/2022
Expiry date	24/06/2024	24/06/2024	24/06/2024	24/06/2025
Expected future volatility	100%	100%	100%	100%
Risk free rate	2.78%	2.78%	2.78%	2.78%
Hurdle price	-	-	-	$0.15

The fair value has been calculated using the Black and Scholes option pricing model for Classes A, B and C and the barrier up-and-in trinomial option pricing model with a Parisian barrier adjustment for Class D.

On 17 August 2022, the board agreed to issue incoming non-executive director, Mark Saxon 7,500,000 performance rights. Mark Saxon was appointed as a non-executive director on 24 August 2022.

Vesting Conditions
The Performance Rights, in addition to continued service will vest at any time prior to the expiry date as follows:

(iv) **Class B**: an increase of at least 20% in the size of the Mineral Resources in accordance with the JORC Code 2021 at the Kvanefjeld Project or any other Company project.

(v) **Class C**: favourable completion of the arbitration against the governments of Greenland and Denmark resulting in either the award of an exploitation licence for the Kvanefjeld Project or of compensation to the Company.

(vi) **Class D**: the Volume Weighted Average Price over a period of 20 consecutive Trading Days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least $0.15.

The individual must remain a director or employee at the time of vesting, an Eligible Person as defined under the Equity Incentive Plan.

The fair value has been established based on the following inputs. The fair value will be recognised over the respective vesting periods.

	Class B	Class C	Class D
Grant Date	19/08/2022	19/08/2022	19/08/2022
Underlying share price at grant date	$0.069	$0.069	$0.069
Commencement of vesting period	24/08/2022	24/08/2022	24/08/2022
Expiry date	24/06/2024	24/06/2024	24/06/2025
Expected future volatility	100%	100%	100%
Risk free rate	3.12%	3.12%	3.12%
Hurdle price	-	-	$0.15

The fair value has been calculated using the Black and Scholes option pricing model for Classes B and C and the barrier up-and-in trinomial option pricing model with a Parisian barrier adjustment for Class D.

Notes to the accounts

25: Share based payments (cont'd)

The following performance rights were issued during the current financial year ended 31 December 2022.

Director	Grant date	Number	Fair value @ grant date $	Expiry date
E Mason				
Class A	31/05/2022	2,333,333	140,000	24/06/2024
Class B	31/05/2022	2,333,333	140,000	24/06/2024
Class C	31/05/2022	2,333,334	140,000	24/06/2024
Class D	31/05/2022	7,000,000	322,000	24/06/2025
Total		**14,000,000**	**742,000**	

Director	Grant date	Number	Fair value @ grant date $	Expiry date
D Mamadou				
Class A	31/05/2022	6,333,333	380,000	24/06/2024
Class B	31/05/2022	6,333,333	380,000	24/06/2024
Class C	31/05/2022	6,333,334	380,000	24/06/2024
Class D	31/05/2022	19,000,000	874,000	24/06/2025
Total		**38,000,000**	**2,014,000**	
A Ho				
Class A	31/05/2022	1,500,000	90,000	24/06/2024
Class B	31/05/2022	1,500,000	90,000	24/06/2024
Class C	31/05/2022	1,500,000	90,000	24/06/2024
Class D	31/05/2022	4,500,000	207,000	24/06/2025
Total		**9,000,000**	**477,000**	
X Guo				
Class A	31/05/2022	1,500,000	90,000	24/06/2024
Class B	31/05/2022	1,500,000	90,000	24/06/2024
Class C	31/05/2022	1,500,000	90,000	24/06/2024
Class D	31/05/2022	4,500,000	207,000	24/06/2025
Total		**9,000,000**	**477,000**	
M Saxon				
Class B	19/08/2022	1,500,000	103,500	24/06/2024
Class C	19/08/2022	1,500,000	103,500	24/06/2024
Class D	19/08/2022	4,500,000	243,000	24/06/2025
Total		**7,500,000**	**450,000**	

25: Share based payments (cont'd)

The Class A performance rights vested during the year and as a result the full fair value of this class has been recognised during the year ended 31 December 2022. The fair value of classes B and C will be recognised over the respective vesting periods and the class D performance rights fair value will be recognised over the estimated vesting period, being 2 years.

Anthony Ho ceased to be an Eligible Person as defined under the Equity Incentive Plan on 28 February 2023 and as a result all unvested performance rights lapsed on this date. Based on this, the probability of achievement at 31 December 2022, is deemed to be nil for classes B, C and D issued to Anthony Ho.

No performance rights were issued during the prior year ended 31 December 2021.

Performance Rights – vested

During the year ended 31 December 2022, the following Class A performance rights satisfied the vesting conditions, each exercised performance right was converted to one fully paid ordinary share:

Director	Grant date	Class A Opening balance	Vested	Exercised	Fair value @ grant date $	Closing balance	Expiry date
E Mason	30/05/2022	2,333,333	2,333,333	2,333,333	140,000	Nil	24/06/2024
D Mamadou	30/05/2022	6,333,333	6,333,333	6,333,333	380,000	Nil	24/06/2024
T Ho	30/05/2022	1,500,000	1,500,000	1,500,000	90,000	Nil	24/06/2024
X Guo	30/05/2022	1,500,000	1,500,000	1,500,000	90,000	Nil	24/06/2024

(i) All rights vested were converted to an equal number of fully paid ordinary shares.
(ii) The weighted average share price at date of vesting was $0.066.

During the year ended 31 December 2021, the following performance rights satisfied the vesting conditions, and each exercised performance right was converted to one fully paid ordinary share:

	Grant date	Opening balance	Vested	Exercised	Fair value @ grant date $	Closing balance
Employees	10/07/2019	2,525,000	2,525,000	2,525,000	361,580	Nil
Total		**2,525,000**	**2,525,000**	**2,525,000**	**361,580**	**-**

(i) All rights vested were converted to an equal number of fully paid ordinary shares.
(ii) The weighted average share price at date of vesting was $0.09.

Rights lapsed
No performance rights lapsed during the year ended 31 December 2022.

25: Share based payments (cont'd)

The following performance rights lapsed during the year ended 31 December 2021:

KMP	Grant date	Number	Fair value @ grant date $	Date lapsed
Jorn Skov Nielsen				
Tranche 1	10/08/2021	2,000,000	469,200	31/10/2022
Tranche 2	10/08/2021	2,000,000	451,000	31/10/2022
Total		**4,000,000**	**920,200**	

The rights were issued in 2 tranches, tranche 1 was subject to a 24 month service period and tranche 2 was subject to a 36 month service period. In addition the tranches were subject to the following share price performance hurdle:

Tranche	20 Trading Day VWAP share price hurdle	Number
Tranche 1	$0.30	2,000,000
Tranche 2	$0.35	2,000,000

Jørn Skov Nielsen resigned prior to service periods being satisfied.

Rights cancelled
No rights were cancelled during the prior year ended 31 December 2022 or the prior year ended 31 December 2021.

Options exercised
No options were exercised during the current year ended 31 December 2022.

The following unlisted options were exercised during the current year ended 31 December 2021:

Options	Opening balance	Exercised	Expired	Closing Balance
$0.15 exercise price	3,680,800	2,480,800	1,200,000	-

(i) The weighted average share price at date of exercise was $0.20

The total options (quoted and unquoted) outstanding as at 31 December 2022 was 6,000,000 as shown below:

Options	Number	Exercise price	Expiry date	Exercisable @ 31 Dec 2022
Unlisted options	6,000,000	$0.35	31/01/2023	6,000,000

No options expired during the year ended 31 December 2022, 1,200,000 options expired during the prior year ended 31 December 2021.

26: Financial instruments

(a) Capital risk management

The Consolidated Group manages its capital in order to maintain sufficient funds are available for the Consolidated Group to meet its obligations and that the Group can fund its exploration and evaluation activities as a going concern.

The Consolidated Group's overall strategy remains unchanged from December 2021.

The capital structure of the Consolidated Group consists of fully paid shares and options as disclosed in notes 17 and 18 respectively. None of the Consolidated Group's entities are subject to externally imposed capital requirements.

(b) Categories of financial instruments

	Dec 2022 $' 000	Dec 2021 $' 000
Financial assets		
Cash and equivalents	24,951	30.309
Trade and other receivables - current	460	29
Financial liabilities		
Trade and other payables	2,483 (i)	661

(i) Inclusive of litigation expenditure accrued at 31 December 2022 that will be paid directly to the relevant law firms by Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital under the litigation funding agreement. Refer to note 28 for further details.

(c) Financial risk management objectives

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at low risk to the Consolidated Group. For the year under review, it is the Consolidated Group's policy not to trade in financial instruments.

The main risks arising from the Consolidated Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(i) **Interest Rate Risk**

The Consolidated Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Consolidated Group does not have short or long term debt, and therefore this risk is minimal.

There was no change in managing interest rate risk or the method of measuring risk from the prior year.

26: Financial instruments (cont'd)

(ii) **Credit Risk**
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.
The Consolidated Group has no significant credit risk exposure to any single counterparty or any Consolidated Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit – ratings assigned by international rating agencies.
The carrying amount of financial assets recorded in the financial statements, net of any allowance for credit losses, represents the Consolidated Group's maximum exposure to credit risk.
There was no change in managing credit risk or the method of measuring risk from the prior year.

(iii) **Liquidity Risk**
Liquidity risk refers to maintaining sufficient cash and cash equivalents to meet on going commitments, as and when they occur. The primary source of liquid funds for the Consolidated Group, are funds the Consolidated Group holds on deposit with varying maturity dates.
The Consolidated Group monitors its cash flow forecast and actual cash flow to ensure that present and future commitments are provided for. As well as matching the maturity date of funds invested with the timing of future commitments.
There was no change in managing credit risk or the method of measuring risk from the prior year.

(iv) **Foreign Currency Risk**
The Consolidated Group's risk from movements in foreign currency exchange rates, relates to funds transferred by the Company to the Greenland and Singapore subsidiaries and the funds are held in Danish Krone (DKK) and Singapore Dollars (SGD) respectively. This risk exposure is minimised by only holding sufficient funds in DKK and SGD, to meet the immediate cash requirements of the subsidiary.
Once funds are converted to the functional currency of the subsidiary they are only used to pay expenses in that currency.

(d) Liquidity risk
The following table details the Consolidated Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company/Consolidated Group anticipates that the cash flow will occur in a different period.

	Weighted Average Effective interest rate %	< 6 Months $' 000	6 – 12 Months $' 000	1 - 5 Years $' 000	> 5 Years $' 000	Total $' 000
Dec 2022						
Cash and equivalents	0.4	24,919	32	-	-	24,951
Trade and receivables - current		260	-	-	-	260
		25,179	32	-	-	25,211

26: Financial instruments (cont'd)

	Weighted Average Effective interest rate %	< 6 Months $' 000	6 – 12 Months $' 000	1 - 5 Years $' 000	> 5 Years $' 000	Total $' 000
Dec 2021						
Cash and equivalents	0.3	30,021	288	-	-	30,309
Trade and receivables - current	-	29	-	-	-	29
		30,050	288	-	-	30.338

The following table details the Consolidated Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective interest rate %	< 6 Months $' 000	6 – 12 Months $' 000	1 – 5 Years $' 000	> 5 Years $' 000	Total $' 000
Dec 2022						
Trade and other payables	-	2,483 (ii)	-	-	-	2,483
Other liabilities	-	-	-	-	-	-
		2,483	-	-	-	2,483
Dec 2021						
Trade and other payables	-	661	-	-	-	661
Other liabilities	-	-	-	-	-	-
		661	-	-	-	661

(i) Refer to note 15 for maturity profile of lease liabilities.

(ii) Inclusive of litigation expenditure accrued at 31 December 2022 that will be paid directly to the relevant law firms by Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital under the litigation funding agreement. Refer to note 28 for further details.

(e) Interest rate risk
The Consolidated Group is exposed to interest rate risk because it places funds on deposit at variable rates. The risk is managed by the Consolidated Group by monitoring interest rates.

The Consolidated Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

26: Financial instruments (cont'd)

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity post tax which could result from a change in these risks. In the analysis a 1% or 100 basis points movement has been applied on the assumption that interest rates are unlikely to move up more than that and less likely to fall. This is taking into account the current interest rate levels and general state of the economy.

There has been no change in managing credit risk or the method of measuring risk from the prior year.

Interest Rate Sensitivity Analysis
At 31 December 2022, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Dec 2022 $' 000	Dec 2021 $' 000
Change in profit		
Increase in interest rate by 1% (100 basis points)	276	333
Decrease in interest rate by 1% (100 basis points)	(276)	(333)

A 1% or 100 basis points variable has been applied to the interest rate sensitivity analysis, after giving consideration to the current interest rate levels and general state economy.

Fair value of financial instruments
The carrying value of all financial instruments is the approximate fair value of the instruments. This is based on the fact that all financial instruments have either a short term date of maturity or are loans to subsidiaries.

27: Key management personnel compensation

The aggregate compensation made to key management personnel of the Consolidated Group is set out below:

	Year ended 31 Dec 2022 $	Year ended 31 Dec 2021 $
Short-term employee benefits	862,374	989,523
Other benefits (i)	35,229	10,642
Post-employment benefits	30,916	82,971
Payment in lieu of notice period	-	175,000
Other long-term benefits – provision for long service leave	4,580	13,864
Share-based payment	1,554,374	(149,044)
	2,487,473	1,112,956

(i) Consulting fees paid to non-executive directors in addition to their director fees and recognition of increase in annual leave provision resulting from the accrual of statutory annual leave being greater than the annual leave taken by the respective KMP.

26: Financial instruments (cont'd)

28: Contingent liability

On 30 June 2022, the Consolidated Group entered into a litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. The funding agreement will underwrite the entire budgeted legal and associated costs of the arbitration case in the dispute with the Government of Greenland and the Government of the Kingdom of Denmark. The funding agreement included an backfill payment to the Consolidated Group of litigation expenses paid up to 30 June 2022. Litigation expenses incurred post 30 June 2022 are to be paid by Woolridge Investments LLC directly to the relevant law firm.

The agreement is entered into on a non-recourse basis with funding being repayable out of proceeds or award from a successful outcome of the arbitration process. The amount payable to Woolridge, which is contingent on a favourable outcome, is variable and cannot be reliably estimated until a settlement is reached as the amount ultimately payable is dependent on a number of factors including: the amount of funding provided; the time taken to reach a successful outcome; and the value of any award or proceeds. If the successful outcome results in a non-cash award, the right to be granted an exploitation licence, the amount payable to Woolridge will be based on an independent valuation of the award. In the event that proceeds received through a successful outcome are less than the amount provided by Woolridge Investments LLC as funding, the cash outflow is capped at the amount awarded.

29: Key management personnel equity holdings

Fully paid ordinary shares of Energy Transition Minerals Ltd

	Balance at beginning of year	Granted as compensation	Received on vesting of performance rights	Net other change (i)	Balance at end of year	Balance held nominally
	No.	No.	No.	No.	No.	No.
Dec 2022						
E Mason	-	-	2,333,333	-	2,333,333	-
D Mamadou	-	-	6,333,333	1,000,000	7,333,333	-
M Saxon	-	-	-	500,0000	500,000	-
X Guo	-	-	1,500,000	-	1,500,000	-
A Ho (ii)	4,132,798	-	-	-	4,132,798	-
S Cato (iii)	6,389,594	-	-	-	6,389,594	-
M Guy	100,000	-	-	-	100,000	-
Dec 2021						
A Ho	4,032,798	-	-	100,000	4,132,798	-
D Mamadou	-	-	-	-	-	-
J Mair (ii)	8,364,062	-	-	-	8,364,062	-
S Cato	6,389,594	-	-	-	6,389,594	-
X Guo	-	-	-	-	-	-
M Guy	2,941,775	-	-	(2,841,775)	100,000	-
JS Nielsen	-	-	-	-	-	-

(i) Net other change relates to shares subscribed for though share placement, purchased or sold either on market through the ASX, or purchased or sold through third party off market transactions.
(ii) Shares held by A Ho at the date of resignation as a director, 31 August 2022.
(iii) Shares held by S Cato at the date of resignation as a director, 19 April 2022.

29: Key management personnel equity holdings (cont'd)

Employee Performance Rights of Energy Transition Minerals Ltd

	Balance at beginning of year No.	Granted as compensation No.	Converted No.	Lapsed No	Net other change No.	Balance at end of year No.	Balance vested at end of year No.	Vested and convertible No.	Rights vested during year No.
Dec 2022									
E Mason	-	14,000,000	2,333,333	-	-	11,666,667	-	-	2,333,333
D Mamadou	-	38,000,000	6,333,333	-	-	31,666,667	-	-	6,333,333
M Saxon	-	7,500,000	1,500,000	-	-	7,500,000	-	-	-
X Guo	-	9,000,000	1,500,000	-	-	7,500,000	-	-	1,500,000
A Ho(ii)		9,000,000	-			9,000,000			-
S Cato	-	-	-	-	-	-	-	-	-
M Guy					-	-	-	-	-
Dec 2021									
A Ho	-	-	-	-	-	-	-	-	-
J Mair	-	-	-	-	-	-	-	-	-
S Cato	-	-	-	-	-	-	-	-	-
X Guo	-	-	-	-	-	-	-	-	-
M Guy	-	-	-	-	-	-	-	-	-
JS Nielsen	4,000,000	-	-	4,000,000	-	-	-	-	-

(i) Under the terms of issue, the performance rights can not be bought sold or otherwise dealt with, therefore are not subject to other changes.
(ii) Performance Rights held at the date of resignation as a director, 31 August 2022.

Notes to the accounts

30: Transactions with related parties

Edward Mason is engaged through JE Capital Pty Ltd, a company controlled by Edward Mason. Payments to JE Capital Pty Ltd are for services provided by Edward Mason as non-executive chairman, and substantiated expense reimbursement. An additional $18,000 was paid to JE Capital Pty Ltd for services unrelated to Edward Mason, there were no other transactions with JE Capital Pty Ltd. For the year ended 31 December 2022 a total of $140,274 was paid and an amount of $3,870 is payable to JE Capital Pty Ltd (year ended 31 December 2021 Nil).

Daniel Mamadou is engaged through a Singapore registered company, DMB Capital Solutions Pte. Ltd., a company controlled by Daniel Mamadou. Payments to DMB Capital Solutions Pte. Ltd. are for services provided by Daniel Mamadou as managing director and substantiated expense reimbursement, there are no other transactions with DMB Capital Solutions Pte. Ltd. For the year ended 31 December 2022 $456,596 was paid to DMB Capital Solutions Pte. Ltd. (for the year ended 31 December 2021: $29,805).

On 14th July 2022 the Company announced that it has entered into a binding head of agreement with Technology Metals Europe SL (TME SL) and its sole shareholder Welsbach Holdings Pte Ltd (Welsbach), for the right to earn-in a 51% interest in TME SL (the Transaction). TME SL is the sole owner of an exploration permit in Spain prospective for lithium (Tenement), known as the Villasrubias project. Daniel Mamadou has a controlling shareholding interest in Welsbach.

The Company can earn its interest in TME SL by spending $3,000,000 on a jointly agreed work program in relation to the Tenement within 3 years from the date of satisfaction (or waiver, if permitted) of the conditions precedent to the Transaction. Shareholder approval of the Transaction was obtained on 28th October 2022. For the year ended 31 December 2022, the Company had advanced TME SL $144,304 which had been spent on approved exploration expenditure as part of the earn-in obligation. A further $59,897 had been advanced to TME SL, for the sole purpose of funding further exploration expenditure. (for the year ended 31 December 2021 Nil).

Mark Saxon is engaged through Kinetic Raw Materials Consulting Pty Ltd, a company controlled by Mark Saxon. Payments to Kinetic Raw Materials Consulting Pty Ltd are for services provided by Mark Saxon as non-executive director, consulting fees and substantiated expense reimbursement, there were no other transactions with Kinetic Raw Materials Consulting Pty Ltd. For the year ended 31 December 2022 a total of $28,765 was paid and an of $8,557 is payable to Kinetic Raw Materials Consulting Pty Ltd (year ended 31 December 2021 Nil).

Simon Cato is a Non-executive Director and Chairman of Advanced Share Registry Limited. Advanced Share Registry Limited provides share registry services to Energy Transition Minerals Ltd. These services are supplied on normal commercial terms and Mr Cato does not receive any remuneration from Advanced Share Registry Limited based on the supply of share registry services to the Consolidated Group. For the year ended 31 December 2022 $68,212, including $6,947 up to 19 April 2022, the date of Simon Cato's resignation as a director was paid to Advance Share Registry Limited for services provided (Dec 2021: $73,139).

Following on from his resignation as a non-executive director, Simon Cato was engaged as a consultant for a six month period period, commencing 20 April 2022, For the year ended 31 December 2022 $23,810 was paid to Simon Cato for consulting services (Dec 2021: Nil).

Anthony Ho, following on from his resignation as non-executive chairman, was engaged as a consultant for a six month period, commencing 1 September 2022, For the year ended 31 December 2022 $36,833 was paid to Anthony Ho for consulting services (Dec 2021: Nil).

John Mair, following on from his resignation as managing director on 6 December 2021, was engaged as a consultant for a period from 1 January 2022 to 6 February 2022. For the year ended 31 December 2022 $23,413 was paid to John Mair for consulting services (Dec 2021: $23,413).

31: Parent company information

	Parent Dec 2022 $' 000	Parent Dec 2021 $' 000
Financial position		
Total Current Assets	25,344	30,302
Total Non-Current Assets	915	809
Total Assets	26,259	31,112
Total Current Liabilities	2,771	705
Total non-current liabilities	716	1,063
Total Liabilities	3,487	1,768
Net Assets	22,772	29,344
Equity		
Issued Capital	406,260	405,560
Reserves	16,723	19,930
Accumulated Losses	(400,211)	(396,146)
Total Equity	22,772	29,344
Financial Performance		
Profit (Loss) for the year	(4,066)	(94,936)
Total comprehensive income	**(4,066)**	**(94,936)**

Contingent liabilities
Other than the litigation funding referred to in note 28, the parent company has no other contingent liabilities as at 31 December 2022 or 2021.

Guarantees
Energy Transition Minerals Ltd has guaranteed the provision of funding and support to the Company's 100% held subsidiary, Greenland Minerals A/S). This funding forms part of the Consolidated Group's approved budgeted expenditure.

A deposit of $32,604 is held as a bank guarantee on the Company's leased office in Perth.

32: Remuneration of auditors

Auditor of the parent entity	Dec 2022 $	Dec 2021 $
Audit or review of the financial report	121,485	96,500
Additional audit fees	6,000	6,500
Other assurance services	8,400	8,400
Taxation services	-	21,262
	135,885	132,662

32: Remuneration of auditors (cont'd)

Related practice of the parent entity auditor	Dec 2021 $	Dec 2019 $
Audit or review of the financial report	30,616	31,489
Additional audit fees	1,225	11,965
Non-audit services – taxation	1,837	1,889
Non-audit services – other	2,347	2,414
	36,025	47,745

The auditor of Energy Transition Minerals Ltd is Deloitte Touche Tohmatsu.

33: Subsequent Events

There have been no other matters or circumstances occurring subsequent to the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

Additional stock exchange information as at 21st February 2023

Consolidated Group secretary
Miles Guy

Registered office
Unit 7, 100 Railway Road, Subiaco
Western Australia, 6008

Principal administration office
Unit 7, 100 Railway Road, Subiaco
Western Australia, 6008

Share registry
Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia, 6009

Table of exploration licences

Exploration Licences	Location	Ownership
EL 2010/02	Southern Greenland	Held by Greenland Minerals A/S, a fully owned subsidiary of ETM.
Permit of Investigation 6.914	Salamanca, Spain	Held by Technology Metals Europe SL ('TME'), Energy Transition Minerals Ltd can earn a 51% interest in TME by spending AU$3 Million on an agreed work program, within a 3 year period commencing 28 Oct 2022.

Number of holders of equity securities
<u>Ordinary share capital</u>
1,355,744,012 fully paid ordinary shares are held by 7,027 individual registered shareholders.

Additional stock exchange information as at 21st February 2023

Substantial Shareholders

Shareholder		Number	Percentage
1.	HSBC Custody Nominees (Australia) Limited	176,450,841	13.1%
2.	Citicorp Nominees Pty Limited	132,110,321	9.8%
3.	BNP Paribas Nominees Pty Limited ACF Clearstream	127,218,321	9.5%
4.	Le Shan Shenghe Rare Earth Company Limited	125,000,000	9.3%

Distribution of holders of quoted shares

Share Spread	Holders	Units	Percentage
1 – 1,000	414	127,195	0.009%
1,001 – 5,000	1,190	3,971,194	0.293%
5,001 – 10,000	1,239	9,982,434	0.736%
10,001 – 100,000	3,243	124,460,829	9.180%
100,001 and over	941	1,217,202,360	89.781%
	7,027	**1,355,744,012**	**100%**

Twenty largest holders of quoted shares

		Fully paid ordinary shares	
Ordinary shareholders		Number	Percentage
1.	HSBC Custody Nominees (Australia) Limited	177,240,622	13.1%
2.	Citicorp Nominees Pty Limited	156,475,077	11.5%
3.	BNP Paribas Nominees Pty Limited ACF Clearstream	130,763,577	9.6%
4.	Le Shan Shenghe Rare Earth Company Limited	125,000,000	9.2%
5.	BNP Paribas Nominees Pty Limited	121,986,850	9.0%
6.	Peto Pty Ltd <1953 Super Fund A/C>	32,485,000	2.4%
7.	OCJ Investments (Australia) Pty Ltd	28,900,000	2.1%
8.	Treasury Services Group Pty Ltd	18,907,263	1.4%
9.	John Mair	8,383,125	0.6%
10.	HSBC Custody Nominees (Australia) Limited	7,865,453	0.6%
11.	Yung Wing Ho & Katherine Kam Ling Ho	7,525,000	0.5%
12.	Melda Super Fund Pty Ltd <Melda Super Fund A/C>	7,463,125	0.5%
13.	Daniel Mamadou Blanco	7,333,333	0.5%
14.	Red Eaight Pty ltd <Richardson Family A/C>	7,000,000	0.5%
15.	Harvey Stern	6,400,000	0.5%
16.	Simon Cato	6,389,594	0.5%
17.	Urmas Aavelaid	6,107,372	0.5%
18.	GEJJ Super Fund Pty ltd <GEJJ Super Fund A/C>	5,891,339	0.4%
19.	Anthony Ho	5,482,188	0.4%
20.	JP Morgan Nominees Australia Pty Limited	4,828,777	0.4%
		872,427,675	**64.4%**

energy transition minerals

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