Energy Metals Limited

2023 ANNUAL REPORT

A.B.N. 63 111 306 533

For personal use only

CORPORATE DETAILS

For personal use only

DIRECTORS

Deqiang Tian (Non-Executive Chairman)
Shubiao Tao (Managing Director)
Lindsay George Dudfield (Non-Executive Director)
Jan Macpherson (Non-Executive Director)
Zhe Xu (Non-Executive Director)
Jun Zhou (Non-Executive Director)
Wei Wang (Non-Executive Director)

COMPANY SECRETARY

Xuekun Li

REGISTERED OFFICE

Level 2
5 Ord Street
WEST PERTH WA 6005
Telephone: +61 8 9322 6904
Facsimile: +61 8 9321 5240
Email: enquiry@energymetals.net
Web: www.energymetals.net

AUDITOR

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

SHARE REGISTRY

Automic Pty Ltd
Level 5
126 Phillip Street
SYDNEY NSW 2000
Telephone: +61 1300 288 664

STOCK EXCHANGE LISTING

The Company's shares are listed by the Australian Securities Exchange Limited ("ASX") - Code EME.
The home exchange is Perth.

BANKERS

National Australia Bank Limited
100 St Georges Terrace
PERTH WA 6000

SOLICITORS

Minter Ellison
Allendale Square
77 St Georges Terrace
PERTH WA 6000

CONTENTS

CHAIRMAN'S STATEMENT	1
REVIEW OF ACTIVITES	2
DIRECTORS' REPORT	15
REMUNERATION REPORT	25
FINANCIAL STATEMENTS	34
DIRECTORS' DECLARATION	63
AUDITOR'S INDEPENDENCE DECLARATION	64
AUDITOR'S REPORT	65
ADDITIONAL INFORMATION	69

CHAIRMAN'S STATEMENT

Dear Shareholders

2023 was an exciting year for uranium. Promotional efforts and initiatives aimed at reducing carbon emissions exerted profound effects on the global energy environment. The transition from traditional fuels to renewable and clean energy is fully underway around the world. Nuclear power, as a cost effective 'green' energy, is entering into a new era. At the 28th United Nations Climate Conference (COP28), twenty- two countries, including the US, Canada, United Kingdom, and Japan, signed a pledge to triple global nuclear production by 2050 compared to the 2020 baseline. At the end of 2023, nuclear energy accounted for approximately 10% of the total global electricity generation, with 442 nuclear reactors in operation and additional 52 reactors under construction. Strong demand and government support doubled the uranium price over the past year, reaching USD91/lb U_3O_8 at the end of 2023, and even surpassing USD100/lb U_3O_8 in January 2024.

Energy Metals has made a strategic decision to re-start significant drilling programs on its flagship Bigrlyi project and surrounding areas. The programs are moving forward steadily. Extensive preparation, including securing exploration services, upgrading equipment, and building an effective team, has been completed. We are confident that the re-start programs will advance in accordance with our strategy. Meanwhile, the company continues to maintain a strong financial position, providing crucial support for its ongoing development.

The Board believes nuclear power will continue to play a critical role in achieving a low carbon future. The growing global support of nuclear power will drive the underlying demand of natural uranium while supply is unlikely to match in the short to mid-term. Energy Metals is well-positioned to be part of a sustainable future.

I would like to extend my thanks to all shareholders for your continued support and trust in Energy Metals. On behalf of the Board, I would also like to extend my appreciation to the management and all employees for their hard work and achievements over the past year.

Deqiang Tian
Chairman

For personal use only

REVIEW OF ACTIVITIES

REVIEW OF ACTIVITIES

Energy Metals Ltd (EME) is a dedicated uranium company with seven projects located in the Northern Territory (NT) and Western Australia (Figure 1) covering tenement areas around 2,400 km² in size. Most of the projects contain uranium mineralisation discovered by major companies in the 1970s, including the advanced Bigrlyi Project (NT), which is characterised by relatively high uranium grades (with vanadium credits) and excellent metallurgical recoveries.

Figure 1 - Energy Metals' Project Location Map

Australia has significant uranium endowment with the continent containing approximately 29% of the world's low-cost uranium resources. With the improving political and public sentiment to uranium mining in Australia and nuclear power playing an increasing role in reducing global carbon emissions, Energy Metals is well placed to take advantage of the favourable outlook for the metal. Following uncertainties over future uranium supplies, significant market interest returned to the uranium exploration and mining sector during the year with the share price of junior explorers, including Energy Metals, all showing substantial gains by year's end.

Energy Metals' largest shareholder (with 66.45% of issued capital) is China Uranium Development Company Limited, a wholly owned subsidiary of major Chinese utility China General Nuclear Power Group (CGN). At 31 December 2023, the installed capacity of CGN's operating nuclear generating plants was 30,568MWe from 27 nuclear power units with 11 other power units of 13,246MWe capacity under construction in various locations across China. CGN is one of only three companies authorised by the Chinese Government to import and export uranium. This unique relationship with CGN gives Energy Metals direct exposure to the uranium market as well as access to significant capital and places the Company in a very strong position going forward.

NORTHERN TERRITORY

Bigrlyi Joint Venture (EME 72.39%)

The Bigrlyi deposit is a tabular, sandstone-hosted uranium-vanadium deposit located on the northern margin of the Ngalia Basin, 350 km northwest of Alice Springs. It is comprised of various sub-deposits over 11 km of strike length including Anomalies 2, 4 and 15 (A2, A4 and A15 in Figure 2). The Bigrlyi Joint Venture (BJV) project comprises an exploration licence in retention (ELR32552), that covers the Bigrlyi deposit, as well as one ELR over the Sundberg deposit, one granted exploration licence (EL) over the Dingos Rest historical prospect, and a historical application covering the Karins deposit (Figure 3). The BJV is a joint venture between Energy Metals Ltd, Northern Territory Uranium Pty Ltd (NTU) and Noble Investments Pty Ltd (NIPL). NTU is a wholly-owned subsidiary of ASX-listed Elevate Uranium Ltd (EL8).

For personal use only

REVIEW OF ACTIVITIES

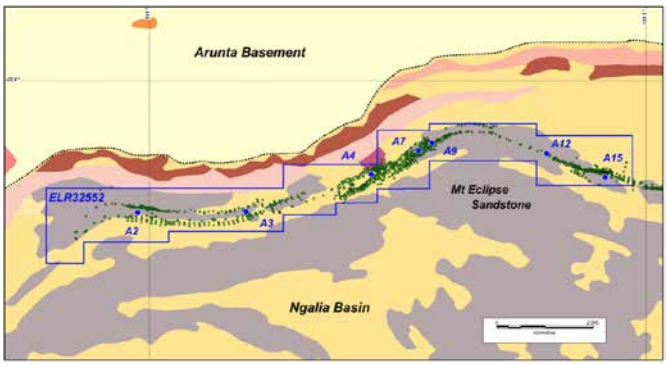

Figure 2 - Bigrlyi Joint Venture project area showing simplified geology (grey = Mt Eclipse Sandstone) and new amalgamated ELR32552 tenement outline (blue polygons); Anomaly-2 to Anomaly-15 (A2 to A15) sub-deposit locations (blue dots) and exploration drill-hole collars (green dots) are shown.

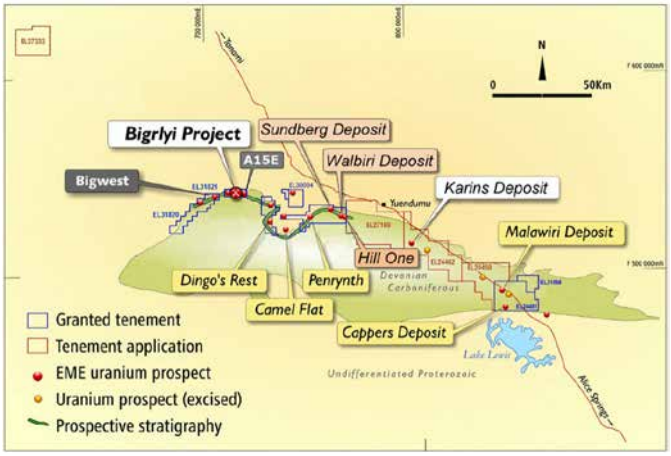

Figure 3 - EME's Ngalia Basin projects showing tenements, uranium deposits & prospects

Work Completed 2005 to 2022

Historically, significant exploration activity occurred at Bigrlyi in the period 1974 to 1982, including over 400 drill holes, resource estimations and metallurgical test-work programs. Energy Metals, as manager of the Bigrlyi Joint Venture (BJV), recommenced field activities in November 2005 after a 23-year hiatus. Several drilling programs, concentrating mostly on the A4 and A15 deposits, were completed at Bigrlyi in the period from 2005 to 2011 with most holes intersecting significant uranium mineralisation. Uranium and vanadium resource estimates were successively modelled to incorporate the drilling results with the latest resource estimate, under the JORC (2004) code, released in 2011.

Metallurgical and mineralogical studies have confirmed that the major uranium-bearing minerals are uraninite and coffinite, and the major vanadium-bearing minerals are vanadian illite and clays and various oxide-hydroxide minerals. This work also confirmed the excellent uranium extraction characteristics of Bigrlyi ore.

A Pre-Feasibility Study (PFS), completed in mid-2011, confirmed that mining of the A2, A4 and A15 deposits using a combination of open pit and underground mining, and processing ore through a conventional acid leach circuit could produce around 10Mlb U_3O_8 and positive cash flow over a mine life of approximately 8 years. More recently, various aspects of the PFS have been the subject of updated studies including metallurgical work to optimise the conditions for dual extraction of uranium and vanadium, and mining studies to improve the mineable ore tonnage and hence increase mine life. A program to investigate the vanadium potential of EME's various deposits led to estimation of an expanded Exploration Target for vanadium at Bigrlyi of between 40.5 and 47.6 kilo tonnes contained V_2O_5 at the 100 ppm V_2O_5 cut-off level (refer to EME's ASX release of 4 December 2019 and the caveats mentioned therein).

Since 2012, EME's exploration activities have focussed on the discovery and definition of additional resources on 100% owned ground within the prospective Ngalia Basin. These programs have been aided by the application of geophysical techniques to locate undercover mineralisation. As a result, JORC Mineral Resource Estimates totalling over 20M lbs U_3O_8 have been announced (refer to Mineral Resource Statement), and a number of priority exploration targets have been identified.

For personal use only

REVIEW OF ACTIVITIES

A review of the uranium potential in the deeper, poorly-tested part of the Bigrlyi deposit, below about 300m depth, was conducted in 2021 with identification of a number of deep, higher grade target areas, including the western end of the A4 deposit, where high-grade mineralisation including 2.3m at 1.3% U_3O_8 was previously intersected at a vertical depth of 458m below surface. Energy Metals believes there is significant potential for further discoveries down plunge of the main ore lenses (Figure 4).

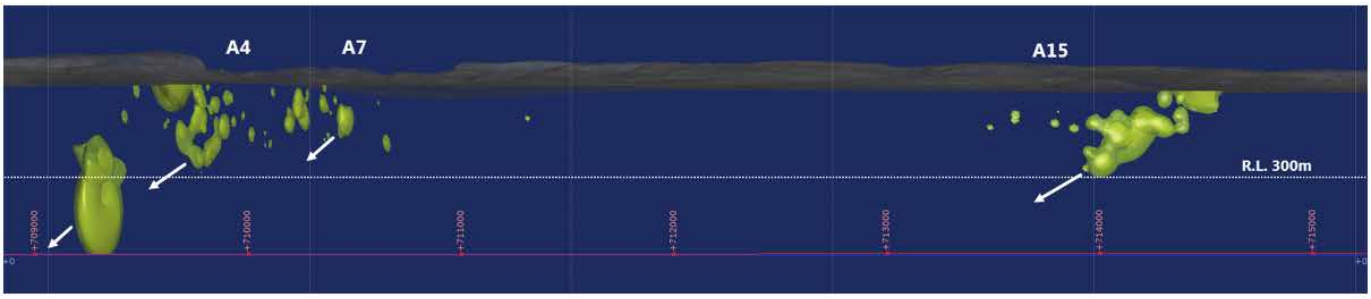

Figure 4 - Long section through Anomalies 4 to 15 looking northeast. Leapfrog modelled mineralisation shells shown for a 500ppm U_3O_8 cut-off. There is potential for discovery of further, high-grade mineralisation at depth and down plunge (i.e. to the southwest) of modelled shells (white arrows).

During 2022, EME's field exploration and camp maintenance programs resumed and results from metallurgical studies were received. The metallurgical testwork program consisted of two test-work studies: one involving initial evaluation of 'state-of-the-art' ore sorting methods with the aim of enhancing run-of-mine uranium and vanadium grades; and a second study involving evaluation of a reverse flotation method for rejection of carbonate gangue from the ore feed; the aim being to reduce the high acid consumption required in processing Bigrlyi ore. The ore-sorting study involved a combination of X-Ray transmission and 3D-laser sorting technologies, and successfully showed that Bigrlyi ore is amenable to upgrading through use of an ore-sorter. The results suggest a pre-processing ore sorting circuit would have a positive impact on processing costs in a future mining operation through generation of higher-grade uranium-vanadium feed and reduced plant throughput. The carbonate rejection test-work was carried out at ANSTO using an industry-standard reverse flotation method with sodium oleate collector. This study was successful in demonstrating that large proportions of carbonate gangue can be floated off with minimal loss of uranium and vanadium, leading to very significant reductions in acid consumption during processing.

For personal use only

REVIEW OF ACTIVITIES

For personal use only

Work Completed During 2023

Mineral Resource Estimate

During the second quarter, EME undertook a review of the Bigrlyi Mineral Resource Estimate (MRE), which was last released under JORC 2004 guidelines in 2011. The review considered both uranium and vanadium resources. The review was positive and a plan was formulated to update the Bigrlyi MRE to compliance with JORC 2012 guidelines. During the third quarter, the Company began the process of selecting a resource consultancy firm to carry out the MRE update. H & S Consultants Pty Ltd of Sydney were chosen, and work commenced during the fourth quarter with the aim of completing the MRE update by early 2024.

Bigrlyi Site Care & Maintenance

Over the course of the year, various maintenance activities were carried out at the Bigrlyi field camp and surrounding exploration areas. These activities included reinstatement of the camp firebreak, maintenance and upgrading of existing access tracks, clearing of a new track to the camp water supply bore, and refurbishing facilities and services at camp in preparation for increased volumes of field work in 2024.

Field Season 2024 Planning

With the recovery in the uranium market, planning commenced during late CY2023 for an operational re-start in 2024, with a resource expansion drilling program at Bigrlyi being a priority for the 2024 field season.

Future Activities

Exploration activities during 2024 will focus on a resource expansion drilling program at Bigrlyi. The Company has begun the process of logistical planning and contractor selection. Drilling is expected to commence in July and continue through Q3 2024, with approximately 12,000m of RC and 3,500m of diamond drilling expected.

Walbiri Joint Venture (EME 77.12%)

Approximately 46% of the historic Walbiri deposit and part of the Hill One satellite deposit are located on joint venture tenement ELR45 (the remainder is located on 100% EME ground, Figure 3). The project is a joint venture with NTU, with EME as the operator. Energy Metals holds a 77.12% interest in the JV and NTU, a subsidiary of Elevate Uranium Ltd (ASX: EL8), holds a 22.88% interest. A JORC (2012) Mineral Resource Estimate was announced for the Walbiri deposit in 2015 confirming Walbiri as the second largest sandstone-hosted deposit in the Ngalia Basin after Bigrlyi (refer to Mineral Resource Statement below). Due to the proximity of the Walbiri and Bigrlyi deposits, EME considers that a combined future mining development would have a positive impact on project economics through both shared capital costs and increased project mine life. No significant exploration works were conducted during the year.

Malawiri Joint Venture (EME 76.03%)

The historic Malawiri deposit is located on joint venture tenement ELR41. The project is a joint venture with NTU with EME as the operator. Energy Metals holds a 76.03% interest in the JV and NTU, a subsidiary of Elevate Uranium Ltd (ASX: EL8), holds a 23.97% interest. The Malawiri project was advanced to JORC-compliant resource status with release of a Mineral Resource Estimate on 14 December 2017 (refer to Mineral Resource Statement below). No significant exploration works were conducted during the year.

REVIEW OF ACTIVITIES

For personal use only

Ngalia Regional Project (EME 100%)

The Ngalia Regional project comprises ten 100% owned exploration licences and three retention licences (total area approx. 2,400 km²) located in the Ngalia Basin (Figure 3). Some of the tenements border the Bigrlyi JV project. Nine of the 13 Ngalia Regional Exploration and Retention Licences have been granted by the Northern Territory Department of Industry, Tourism and Trade (NT DITT). The remaining four applications (ELAs 24450, 24462, 27169 and 33116) are located on Aboriginal freehold (ALRA) land and the consent of the Traditional Owners is required before the tenements can be granted.

A number of high priority uranium targets have been identified on the Ngalia Regional tenements. Most of these prospects are of a similar style to the Bigrlyi deposit and are hosted in the Carboniferous-age Mt Eclipse Sandstone; however, some prospects, mainly in the eastern Ngalia Basin, are associated with surficial calcrete deposits and buried palaeochannels. JORC mineral resource estimates for the Bigwest, Anomaly-15 East, Camel Flat, Walbiri, Sundberg and Hill One deposits have previously been announced (see Mineral Resource Statement below). Follow-up drill-testing and resource evaluation studies of the Ngalia Regional deposits and prospects is dependent on further improvement in the uranium market, which is expected in the medium term.

Work programs this year focussed on regolith-hosted uranium exploration at Dingo's Rest on EL30144, and regolith-hosted rare earth element (REE) exploration at the Crystal Creek prospect on EL30004.

Dingo's Rest South Drilling. A small aircore drilling program comprising 6 holes for a total of 190 metres was completed in August 2023. The aim of the program was to test concealed geophysical targets at the Dingos Rest South prospect. However, no significant uranium intersections were reported and the targets previously identified by geophysical methods appear to be intervals of pale, reduced, barren sandstone.

Crystal Creek REE Project. Remote sensing and geochemical surface sampling work in previous years had defined an anomalous REE footprint at Crystal Creek which had potential to host an ionic adsorption on clay (IAC) style REE deposit. First-pass metallurgical test-work to characterise the REE mineralisation and determine the extractability of the REEs from the host material using mild leachates was carried out by ANSTO. This metallurgical work was carried out using previously acquired surface samples from the centre of the area of interest. Results showed the REE's were hosted in monazite, florencite, xenotime and churchite, mainly as sub 40-micron sized particles. Recovery rates were low under standard conditions at pH4 and pH1, with results in the range of 1 to 3% total rare earths indicating that the soils contain low levels of exchangeable REEs absorbed on clays. It was considered that these levels may be due to near surface leaching of REEs and higher concentrations of leachable REEs could be present at depth, hence any subsequent metallurgical testing will be done using subsurface drilling samples.

REVIEW OF ACTIVITIES

Aircore drilling was carried out at Crystal Creek during 2023 to test the tenor and extent of mineralisation, with a total of 32 drillholes for 541 metres completed during August. Thick intervals of prospective kaolinitic clays were encountered in many holes, and assay data were received from the laboratory during Q4 2023, with significant assay results summarised in the quarterly report released to the ASX on 31 January 2024.

At the 500ppm cut-off level, significant thicknesses of REE mineralisation were encountered with 40% of the holes having intervals with TREO grade x thickness values exceeding 10,000 ppm.m for an average TREO grade of 823 ppm. In addition, seven of the holes had intervals in which over 3% of the TREO were present as the valuable Dy and Tb oxides for an average DyTbO grade of 42.3 ppm. The best 3m interval was 2,390ppm TREO in hole CCA30, which included 538 ppm NdPrO and 96ppm DyTbO. Metallurgical leach testing work on drill samples is pending.

For personal use only

Figure 4: Aircore drilling at the Dingos Rest South prospect August 2023

REVIEW OF ACTIVITIES

For personal use only

Macallan Project (EME 100%)

The Macallan project comprises a single exploration licence application (ELA27333) located 130 km northwest of the Bigrlyi Project. The tenement covers a radiometric anomaly that most likely represents a surficial accumulation of uranium minerals associated with calcrete within a known palaeodrainage system (the Wildcat palaeovalley). ELA27333 lies on land under Aboriginal Freehold title and negotiations with the Central Land Council and Traditional Owners to gain access to the ground for exploration are on-going. A program to interpret recently available regional electromagnetic (EM) survey data flown by Geoscience Australia as part of the Exploring for the Future program is currently in progress with Energy Metals' geophysical consultants.

WESTERN AUSTRALIA

Under current uranium market conditions Energy Metals' Western Australian projects cannot be developed economically and the Western Australian Government instituted an indefinite ban on uranium mining in 2017, which is expected to continue until at least 2025. As a result of these circumstances, EME placed its WA projects on hold and undertook a program to convert its WA tenure to retention licences; this has allowed the Company to retain project areas with minimum expenditure while awaiting improved market and political conditions.

Manyingee (EME 100%)

The Manyingee project comprises Retention Licence application R08/2 and Exploration Licence application E08/2856, which are located 85 km south of Onslow in the West Pilbara. The project is located adjacent to mining leases containing Paladin Energy's Manyingee deposit, a stacked series of buried, palaeochannel-hosted, roll front uranium deposits of Cretaceous age; EME's Manyingee East deposit on R08/2 is the up-channel extension of this deposit. A Mineral Resource of 1,291 tonnes U_3O_8 was estimated for the Manyingee East deposit in 2016 (refer to ASX announcement of 7 November 2016), and EME believes there is considerable potential to expand the resource with further exploration.

Law firm Gilbert+Tobin were appointed in 2019 to assist Energy Metals with landholder objections to the grant of the Manyingee title applications. The objections are awaiting progress through the Wardens Court, pending judgements in related cases which require resolution.

Other WA Projects - Mopoke Well, Lakeside, Anketell, Lake Mason (all EME 100%)

These four projects are surficial uranium deposits associated with calcrete or calcretised sediments related to ancient drainage and/or lacustrine systems. All projects are located on granted retention licences and mineral resource estimates under the JORC 2004 or 2012 codes have previously been announced for each deposit. While the projects are currently on hold, EME will continue to monitor the situation with a view to re-starting exploration and development activities in line with market improvements. There was no activity during the period.

REVIEW OF ACTIVITIES

CORPORATE

At 31 December 2023 Energy Metals had 209,683,312 shares on issue and held approximately $13 million in cash and bank deposits, providing a strong base to fund ongoing exploration and project development in the coming period.

About CGN

Established in September 1994, China General Nuclear Power Group (CGN) (formerly known as China Guangdong Nuclear Power Holding Co., Ltd) is a large clean energy corporation with current total assets of approximately over RMB 1,000 billion by the end of 2023. At the end of 2023 CGN had 27 operating nuclear power units with a generation capacity of 30,568 MWe and 13,246 MWe of capacity under construction in eleven other nuclear power units across various locations in China.

CGN is one of only three Chinese companies that has been granted the right to import and export uranium. CGN has also invested in a portfolio of wind, solar energy and hydro power units with total current generating capacity of approximately 58,000 MWe with further clean energy generating capacity under construction. CGN aims to become the world's leading clean energy producer.

MINERAL RESOURCES GOVERNANCE STATEMENT

Energy Metals Ltd ensures that the Mineral Resource estimates for its Western Australia and Northern Territory projects are subject to appropriate levels of governance and internal controls. The mineral resource estimation procedures are well established and are subject to annual internal review by the Company and external review by the Company's professional resource estimation consultants. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the expansion and development of its business.

Energy Metals Ltd reports its Mineral Resources on an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code) 2012 Edition.

The Competent Persons named by the Company are Members or Fellows of the Australia Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify and competent persons as defined in the JORC Code.

In accordance with listing rules 5.21.2 and 5.21.4, the tables below set out the Company's Mineral Resources for 2023.

For personal use only

REVIEW OF ACTIVITIES

MINERAL RESOURCE STATEMENT*

Bigrlyi Deposit - Mineral Resource Estimate (JORC 2004) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Grade V_2O_5 (ppm)	Contained U_3O_8 (tonnes)	Contained V_2O_5 (tonnes)	Contained U_3O_8 (Mlb)	Contained V_2O_5 (Mlb)
Bigrlyi	Indicated	500	4.65	1,366	1,303	6,360	6,060	14.0	13.4
Bigrlyi	Inferred	500	2.81	1,144	1,022	3,210	2,870	7.1	6.3
Bigrlyi	Total	500	7.46	1,283	1,197	9,570	8,930	21.1	19.7

There have been no changes in the mineral resources at the Bigrlyi deposit from the previous financial year. Note that contained metal was originally reported in units of kilotonnes (thousands of tonnes) rounded to one significant figure. For consistency, contained metal is listed here in tonnes at the same level of accuracy as originally reported.

Bigrlyi Satellite Deposits - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade eU_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Anomaly15 East	Inferred	100	0.14	1,320	187	0.41
Bigwest	Inferred	100	0.41	362	147	0.32

There have been no changes in the mineral resources at the Bigrlyi Satellite Deposits from the previous financial year.

Walbiri Deposit - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Walbiri	Inferred	200	10.98	641	7,037	15.5

There have been no changes in the mineral resources at the Walbiri Deposit from the previous financial year.

Walbiri Satellite Deposits - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade eU_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Hill One	Inferred	200	0.49	321	159	0.35
Sundberg	Inferred	200	1.01	259	260	0.57

There have been no changes in the mineral resources at the Walbiri Satellite Deposits from the previous financial year.

For personal use only

REVIEW OF ACTIVITIES

Camel Flat Deposit - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Camel Flat	Inferred	100	0.21	1,384	292	0.64

There have been no changes in the mineral resources at the Camel Flat Deposit from the previous financial year.

Cappers Deposit - Mineral Resource Estimate (JORC 2004) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U3O8 (Mlb)
Cappers	Inferred	100	22.0	145	3,200	7.0

There have been no changes in the mineral resources at the Cappers Deposit from the previous financial year.

Karins Deposit - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Karins	Inferred	200	1.24	556	691	1.52

There have been no changes in the mineral resources at the Karins Deposit from the previous financial year.

Lakeside Deposit - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Cate-gory	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Lakeside	Inferred	200	2.74	350	960	2.12

There have been no changes in the mineral resources at the Lakeside Deposit from the previous financial year.

Peninsula Deposit - Mineral Resource Estimate (JORC 2004) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade eU_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Peninsula	Inferred	100	9.75	165	1,613	3.56

There have been no changes in the mineral resources at the Peninsula Deposit from the previous financial year.

For personal use only

REVIEW OF ACTIVITIES

Anketell Deposit - Mineral Resource Estimate (JORC 2004) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade eU_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Anketell	Inferred	100	16.3	167	2,720	6.0

There have been no changes in the mineral resources at the Anketell Deposit from the previous financial year.

Lake Mason Deposit - Mineral Resource Estimate (JORC 2004) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade U_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Lake Mason	Indicated	100	5.1	204	1,049	2.3
Lake Mason	Inferred	100	4.0	160	640	1.4
Lake Mason	Total	100	9.1	185	1,689	3.7

There have been no changes in the mineral resources at the Lake Mason Deposit from the previous financial year.

Manyingee East Deposit - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade (m*ppm eU_3O_8)	Tonnes (millions)	Grade eU_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Manyingee East	Inferred	250	2.84	455	1,291	2.85

There have been no changes in the mineral resources at the Manyingee East Deposit from the previous financial year.

Malawiri Deposit - Mineral Resource Estimate (JORC 2012) – as at 31 December 2023

Deposit	Resource Category	Cut-off Grade	Tonnes (millions)	Grade eU_3O_8 (ppm)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
Malawiri	Inferred	100	0.42	1,288	542	1.20

There have been no changes in the mineral resources at the Malawiri Deposit from the previous financial year.

*Totals may not sum exactly or may not convert exactly between alternative units due to rounding.

For personal use only

REVIEW OF ACTIVITIES

Note: The information in this report relating to mineral resource estimates at Bigrlyi and Anketell is based on information compiled by Arnold van der Heyden BSc, who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr van der Heyden has more than five years relevant experience in estimation of mineral resources and the mineral commodity uranium. Mr van der Heyden is a full time employee of Hellman & Schofield and takes responsibility for the resource estimation. Mr van der Heyden has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2004)". Mr van der Heyden 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 this report that relates mineral resource estimation for Lake Mason is based on work completed by Mr Jonathon Abbott whilst a full-time employee of Hellman and Schofield Pty Ltd. Mr Abbott is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott 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 this report that relates mineral resource estimation for the Peninsula (Mopoke Well), Lakeside, Camel Flat, Anomaly 15 East and Bigwest Deposits is based on work completed by Mr Dmitry Pertel whilst an employee of CSA Global Ltd. Mr Pertel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pertel 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 this report that relates mineral resource estimation for the Karins, Walbiri, Sundberg, and Hill One Deposits is based on work completed by Mr Dmitry Pertel and Dr Maxim Seredkin whilst full time employees of CSA Global Ltd. Mr Pertel and Dr Seredkin are a member and fellow, respectively, of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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'. Mr Pertel and Dr Seredkin consent 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 this report that relates mineral resource estimation for the Manyingee East and Malawiri Deposits is based on work completed by Dr Maxim Seredkin who is a full-time employee of CSA Global Ltd and is a fellow of the Australasian Institute of Mining and Metallurgy. Dr Seredkin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Dr Seredkin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For personal use only

REVIEW OF ACTIVITIES

Information in this report relating to exploration results, data and cut-off grades is based on information compiled by Dr Wayne Taylor, MAIG. Dr Taylor is a consultant to Energy Metals and has sufficient experience which 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Taylor consents to the inclusion of the information in the report in the form and context in which it appears.

Each of the above-named persons consents to the inclusion of the information in the report in the form and context in which it appears. The Mineral Resource estimates for Anketell, Lake Mason and Peninsula Deposits were originally compiled and announced utilising parameters from the 2004 JORC Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Uranium mineralisation grades throughout this report may be annotated with a sub-prefix 'e' because they have been reported as uranium equivalent grades derived from down-hole gamma ray logging results. Gamma logging or "total count gamma logging" (the method used by Energy Metals) is a common method used to estimate uranium grade where the radiation contribution from thorium and potassium is very small as in most sandstone and calcrete-hosted deposits. Gamma logging does not account for the signal derived from thorium and potassium, nor does it account for possible parent-daughter disequilibrium in the uranium-series decay chain, thus the result is expressed as an equivalent value or eU_3O_8.

Energy Metals uses downhole gamma probes which were initially calibrated at PIRSA (now DEW), South Australia test pits and then subjected to annual recalibration to ensure the integrity of measurements. Information in this report relating to the determination of gamma probe results and related geophysical work is based on information compiled by Mr David Wilson. Mr Wilson is a member of the AusIMM and the AIG. Mr Wilson is a consultant to Energy Metals. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Wilson consents to the inclusion of the information in the report in the form and context in which it appears.

For personal use only

DIRECTORS' REPORT

The Directors of Energy Metals Limited herewith submit the financial report for the year ended 31 December 2023. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The following persons were directors of Energy Metals Limited during the whole of the financial year (or as disclosed) and up to the date of this report:

Deqiang Tian (Non-Executive Chairman, appointed 24 August 2023)
Shubiao Tao (Managing Director, appointed 24 August 2023)
Lindsay George Dudfield (Non-Executive Director)
Jan Macpherson (Non-Executive Director)
Zhe Xu (Non-Executive Director)
Jun Zhou (Non-Executive Director)
Wei Wang (Non-Executive Director, appointed 24 August 2023)

Yunsheng Cai (Non-Executive Chairman, resigned 24 August 2023)
Shuqing Xiao (Non-Executive Director, retired as Managing Director 12 June 2023, resigned 24 Aug 2023)
Zhe Gao (Non-Executive Director, resigned 24 August 2023)

PRINCIPAL ACTIVITIES

During the year the principal continuing activity of the Company was uranium exploration.

DIVIDENDS

No dividends have been paid or declared and no dividends have been recommended by the Directors.

REVIEW OF OPERATIONS

Ngalia Regional Project – Work focused on Energy Metals' Dingo Rest uranium project and the Crystal Creek rare-earth-element project with initial aircore drilling programs completed mid-year.

Bigrlyi Joint Venture (BJV) – Energy Metals' exploration work in the last several years has focused on studies aimed at re-optimising various aspects of the Bigrlyi JV Project prefeasibility study. During the year an update to the Bigrlyi uranium-vanadium deposit mineral resource estimate commenced, and upgrades to the Bigrlyi exploration camp and associated infrastructure were undertaken in preparation for a re-start of exploration operations in the 2024 season.

Malawiri Joint Venture (MJV) and Walbiri Joint Venture (WJV) – No on-ground exploration activities this year.

For personal use only

DIRECTORS' REPORT

For other tenement holdings in Western Australia, the Company's strategy is to maintain tenure over its uranium deposits with minimum expenditure until economic and regulatory conditions improve. Four projects are covered by granted Retention Licences and one, the Manyingee East project, by Retention and Exploration Licence applications. Objections to the grant of the Manyingee East applications are awaiting court rulings before they can progress further.

Full details of the Company's operations during the year are included within the Review of Activities section of the Annual Report.

MATERIAL BUSINESS RISKS

The Company has exposure to a number of material economic, environmental and social sustainability risks, as is typical for a mineral exploration company. Some of these risks are mitigated by the use of safeguards and appropriate controls, however, some of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this section are not an exhaustive list of all the risks faced by the Company. The risks described below could in the future materially affect the financial performance and position of the Company.

Security of Tenure

The exploration tenements comprising the Company's projects are subject to the Mining Act and Mining Regulations (or equivalent) in the relevant State or Territory jurisdictions. Exploration tenements are subject to periodic renewal, which is subject to the discretion of the relevant authority and may be subject to conditions. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Although the Company has no reason to think that the Company's tenements will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the relevant State or Territory jurisdictions and the ongoing expenditure budgeted by the Company.

Exploration and Development Risks

Resource exploration and development involves significant risks which only occasionally provide high rewards. In addition to the normal competition for prospective ground and the high costs of discovery and development of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing, and technical problems all affect the ability of a company to profit from a discovery.

There is no assurance that the Company's exploration operations will result in the discovery of an economic resources. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and/or possible relinquishment of its projects.

For personal use only

For personal use only

Resource Estimates

Resource estimate risk is managed by compliance with the JORC code, which is a professional code of practice administered by a Competent Person that sets minimum standards for the public reporting of Mineral Resources and Ore Reserves. However, mineral resource estimates are expressions of judgement by the Competent Person who assesses a range of technical and economic factors. Estimates which are valid when made but may change when new information becomes available.

The actual quality and characteristics of uranium resources may not be fully known until mining takes place and may differ from the assumptions used to define the original resources and reserves. Further, mineral resources are valued based on future cost and price estimates and consequently, actual valuations may differ from those estimated, which may result in either a positive or negative effect on operations.

Environmental Risk

The Company's projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements.

Additional approvals may be required to undertake activities that are likely to impact the environment. Delays in obtaining such approvals can result in the delay to anticipated exploration programs. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. There is a risk that environmental laws and regulations become more onerous with time making the Company's activities more expensive.

Results of Studies

Subject to the results of any future exploration and testing programs, the Company may progressively undertake various feasibility studies in respect to the Company's projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There is no guarantee that such studies will confirm the economic viability of the Company's projects.

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

Drilling Risks

The Company's future drilling operations may be impacted by a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of equipment and manpower, cost overruns and compliance with governmental requirements. While drilling may result in the definition of mineral resource, there can be no guarantee that such resources will be sufficient to justify commercial development.

DIRECTORS' REPORT

Uranium Prices and Market

The uranium market is sensitive to a range of external economic and political factors beyond the Company's control, which have the potential to impact uranium demand and pricing. These factors include global uranium supply and demand trends, nuclear and other technology developments, political developments in uranium producing and nuclear power generating countries, unanticipated destabilising global events or industry-related events, general economic conditions and other factors.

Nuclear energy is in competition with other sources of energy and may be the subject of negative public opinion due to political, technological and environmental factors.

Political Risks, Government Actions

The Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary in different jurisdictions. Changes in mining or investment policies or shifts in political attitude may adversely affect the Company's operations or profitability. Operations may be affected to varying degrees by government regulations with respect to, but not limited to, restrictions on mining, price controls, export controls, environmental legislation, and land use. These various factors add uncertainties which cannot be accurately predicted and could have an adverse effect on the operations of the Company.

Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced personnel, given the current high demand in the industry and small size of the Company, relative to other industry participants. The Company's future also depends on the continued contributions of its key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Native Title and Heritage

The *Native Title Act 1993* (Cth) (Native Title Act) recognizes and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is uncertainty associated with the determination of native title in Australia, which may impact on the Company's operations and future plans. Native title coexists with other land use activities including pastoral operations and mining. Native title is not extinguished by the grant of mining leases, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

The Company must also comply with Aboriginal heritage legislative requirements, which may require certain due diligence investigations to be undertaken, such as Aboriginal heritage surveys, prior to the commencement of exploration and mining operations. The risks may also including the following:

i) The Company may have to seek permits or licences to access the land the subject of an Aboriginal heritage or land rights claim. There is no guarantee that any such permit or licence will be granted;

ii) The Company may have to comply with restrictions or conditions on accessing land the subject of an Aboriginal heritage or land right claim. This may result in the Company facing unplanned expenditure or delays. Failure to comply with any conditions on the permits may result in the Company losing its title to its tenements or forfeiting its permits;

For personal use only

iii) The Company may have to pay compensation in order to settle native title claims. It is not possible to quantify the amount of compensation which may have to be paid; and

iv) In the event the Company discovers evidence of an Aboriginal heritage site or sites on land accessed by the Company, the Company must comply with regulations prohibiting the disturbance of such sites. Accordingly, delays or additional costs in the Company's business may be experienced. Further, the disturbance of any such sites may expose the Company to additional fines or other penalties.

Occupational health and Safety Risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company. Companies engaged in uranium exploration have additional responsibilities and obligations as regards the management of naturally occurring radioactive materials and associated radiation.

Additional Requirement for Funding

The Company's funding requirements depend on numerous factors including the Company's future exploration and work programs. Furthermore, the Company may require further capital in addition to current cash reserves to fund future exploration activities. If required funding cannot be sourced, then this may limit the capacity of the Company to execute its business strategy and exploration programs.

Additional equity funding, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt funding, if available, may involve restrictions on financing and operating activities and be subject to risks relating to movements in interest rates. Increases in interest rates may make it more expensive for the Company to fund its operations.

OPERATING RESULTS FOR THE YEAR

The loss of the Company for the year ended 31 December 2023 was $385,508 (2022: loss of $672,318).

REVIEW OF FINANCIAL CONDITIONS

The net assets of the Company were $49,616,992 at 31 December 2023 (31 December 2022: $50,002,500).

The Directors believe the Company is in a sound financial position to continue its exploration endeavours.

Use of cash and assets by the Company for the year ended 31 December 2023 was consistent with the Company's business objectives since listing on the Australian Securities Exchange on 9 September 2005.

For personal use only

DIRECTORS' REPORT

CHANGES IN STATE OF AFFAIRS

During the financial year there were no significant changes in the state of affairs of the Company during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has been no matter or circumstance which has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Due to significant improvement in uranium market conditions over the past year, the Company intends to restart exploration and development operations at its Bigrlyi project in the 2024 field season with emphasis on resource expansion. The recommencement of feasibility studies is planned for 2025 subject to market conditions and operational requirements.

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years that are not already disclosed in this report.

ENVIRONMENTAL REGULATION

The Company is subject to significant environmental regulations in respect of its exploration activities. Tenements in the Northern Territory and Western Australia are granted subject to adherence to environmental conditions with strict controls on vegetation clearance, ground-disturbing works or other development without the approval of the relevant government agencies and with rehabilitation required on completion of exploration activities.

Energy Metals Limited conducts its exploration activities in an environmentally sensitive manner and the Company is not aware of any breach of statutory environmental conditions or obligations.

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. For the measurement year 1 January 2023 to 31 December 2023 the Directors have assessed that there is no current reporting required, but there may be a requirement in the future.

For personal use only

For personal use only

INFORMATION ON DIRECTORS

Name	Director's Experience	Special Responsibilities
Mr Deqiang Tian	Mr Tian holds a Bachelor of Engineering with a major in equipment engineering and management. Commencing his career as a plumbing engineer in 2000, Mr Tian has over 20 years' experience in project construction and management. Mr Tian joined China General Nuclear Power Group ("CGNPC") in 2004 as senior engineer and became a project manager in 2010. He was promoted as a senior manager in 2020 and has been serving as senior executive in CGNPC. Currently, Mr Tian is the Assistant of Chief Executive Officer of CGNPC Uranium Resources Co., Ltd ("CGNPC–URC"). Mr Tian was appointed to the Board on 24 August 2023. Directorship of other listed companies: None.	Non-Executive Chairman
Mr Shubiao Tao	Mr Tao has rich knowledge and more than 20 years' experience in the energy industry. He holds a Bachelor degree of Arts and specialises in supply chain management and investment management. He started his career as a procurement engineer in China Petroleum Pipeline Material & Equipment Corporation in 2003, a subsidiary of China National Petroleum Corporation. Mr Tao joined CGNPC-URC in 2010 as a procurement manager and was promoted to senior manager in 2011. In the past four years, Mr Tao was the vice director of Capital Operation Department in CGNPC-URC. Mr Tao was appointed to the Board on 24 August 2023. Directorship of other listed companies: None.	Managing Director
Mr Lindsay Dudfield	Mr Dudfield is a qualified geologist with over 40 years' experience exploring for gold and base metals in Australia and overseas, including close involvement with a number of greenfields discoveries. Member of the AusIMM, SEG, AIG and GSA. He is currently an Executive Director of Jindalee Lithium Limited. Mr Dudfield was appointed to the Board as Executive Director in October 2004 and as Non-Executive Director on 1 January 2011. Directorship of other listed companies: Jindalee Lithium Limited – current; Alchemy Resources Limited – current; Dynamic Metals Limited – current.	Non-Executive Director
Ms Jan Macpherson	Ms Macpherson is a practising Lawyer and holds a Master's degree in Business. She has extensive experience in executive management, legal, commercial and corporate governance having worked as a senior executive for various exploration and energy companies over 30 years. Ms Macpherson is a fellow of the AICD and the Australian Governance Institute. Ms Macpherson was appointed to the Board on 1 March 2017. Directorship of other listed companies: None.	Non-Executive Director

DIRECTORS' REPORT

Name	Director's Experience	Special Responsibilities
Mr Zhe Xu	Mr Xu is an experienced engineer and a senior manager in the nuclear power industry. He holds a Master degree of Business Administration of Nankai University of China and a Bachelor degree of Mechatronic Engineering from the University of Jinan of China. He has worked as a senior manager for CGNPC-URC since 2011. He is currently the Director of Resources Business Department of CGNPC-URC. Mr Xu was appointed to the Board on 3 April 2020. Directorship of other listed companies: None.	Non-Executive Director
Mr Jun Zhou	Mr Zhou is a qualified accountant with more than 20 years' experience in finance and corporate management. He earned a Master of Economics in 1999 and has worked as a senior financial manager for CGNPC-URC since 2008. Mr Zhou is a Certified Public Accountant. He is currently the Chief Executive Officer of China Uranium Development Company Limited. Mr Zhou was appointed to the Board on 26 March 2021. Directorship of other listed companies: None.	Non-Executive Director
Mr Wei Wang	Mr Wang has extensive knowledge and over 10 years of experience in investing in new materials and high-end manufacturing industries. He graduated from Beihang University with a major in Computer Science and Technology. He founded Weisheng Growth (Beijing) Investment Management Co., Ltd in 2009 and has been serving as general manager since then. In 2017 when Ningbo Weisheng Dingxuan Equity Inv Cap Partnership ('Ningbo Weisheng") was established, Mr Wang was appointed as the representative of the fund's General Partner. He is also a founder and general manager of Beijing Weisheng Composite Materials Co., Ltd. Currently Ningbo Weisheng is EME's second largest shareholder. Mr Wang was appointed to the Board on 24 August 2023. Directorship of other listed companies: None.	Non-Executive Director
Mr Yusheng Cai	Mr Cai is a senior engineer with over 20 years' experience in the engineering industry. He holds a Master of Engineering degree in Civil Engineering from University of Tokyo, Japan. Before he joined CGNPC-URC, he worked as project manager for Taisei Corporation and Bechtel Group. Mr Cai was a senior executive of CGNPC-URC from 2006 to 2023. Mr Cai was appointed to the Board on 25 January 2022 and resigned on 24 August 2023. Directorship of other listed companies: None.	Non-Executive Chairman (resigned 24 August 2023)

For personal use only

Name	Director's Experience	Special Responsibilities
Mr Shuqing Xiao	Mr Xiao is a geologist with over 15 years' experience in earth science and mineral exploration, predominantly in the uranium industry. He holds a Master degree of Science and has worked for a number of mineral research institute and companies. He has extensive experience in mineral analysis, exploration, mining and project management and worked for Energy Metals from March 2013 to February 2016 as a project geologist. Mr Xiao was appointed to the Board on 23 October 2018, retired as Managing Director on 12 June 2023, and resigned on 24 August 2023. Directorship of other listed companies: None.	Non-Executive Director (retired as Managing Director 12 June 2023, resigned 24 August 2023)
Mr Zhe Gao	Mr Gao is a senior corporate manager with over 20 years' experience in finance and investment. He graduated from the University of New South Wales and holds a Master degree of Commerce. Before he joined the KangDe Group (a previous shareholder of EME) in 2015, Mr Gao had worked for a number of large corporations, such as CITIC Logistics Co Ltd and HINA Investment Group & Maple Valley Investment CITIC Co, participating in various projects of capital raising, management consulting and fund management. In his early career, he worked as an auditor in a Big-Four international accounting firm. He has extensive experience in finance, fund raising, commercial negotiation and corporate management. Mr Gao was appointed to the Board on 27 August 2019 and resigned on 24 August 2023. Directorship of other listed companies: None.	Non-Executive Director (resigned 24 August 2023)

For personal use only

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 31 December 2023 and the numbers of meetings attended by each Director.

	Number Held Whilst in Office	Number Attended
Deqiang Tian	0	0
Shubiao Tao	0	0
Lindsay G Dudfield	2	1
Jan Macpherson	2	2
Zhe Xu	2	0
Jun Zhou	2	1
Wei Wang	0	0
Yusheng Cai (resigned 24 August 2023)	2	0
Shuqing Xiao (resigned 24 August 2023)	2	2
Zhe Gao (resigned 24 August 2023)	2	1

As at the date of this report, the Company did not have an Audit Committee. The Board considers that due to the Company's size, an audit committee's functions and responsibilities can be adequately and efficiently discharged by the Board as a whole, operating in accordance with the Company's mechanisms designed to ensure independent judgement in decision making.

Retirement, election and continuation in office of directors

Mr Lindsay G Dudfield and Mr Zhe Xu are directors retiring by rotation who, being eligible, may offer themselves for re-election at the Annual General Meeting.

COMPANY SECRETARY INFORMATION

Ms Xuekun Li, ACCA, ACIS, was appointed the Company Secretary on 15 June 2010. Ms Li has completed a degree of Bachelor of Management. She has over 20 years' experience in finance and corporate governance. She previously worked for a Big-Four international accounting firm where she was involved in audits and other assurance engagements. Ms Li is currently an executive of a boutique accounting and corporate business providing professional services to various companies.

For personal use only

For personal use only

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's key management personnel for the financial year ended 31 December 2023. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- remuneration policy
- key management personnel emoluments
- service agreements
- options granted as part of remuneration
- share-based compensation
- securities policy

Directors and Key Management Personnel ("KMP")

D. Tian	Non-Executive Chairman
S. Tao	Managing Director
L. Dudfield	Non-Executive Director
J. Macpherson	Non-Executive Director
Z. Xu	Non-Executive Director
J. Zhou	Non-Executive Director
W. Wang	Non-Executive Director
Y. Cai	Non-Executive Chairman (resigned 24 August 2023)
S. Xiao	Non-Executive Director (retired as Managing Director 12 June 2023, resigned 24 August 2023)
Z. Gao	Non-Executive Director (resigned 24 August 2023)

DIRECTORS' REPORT

Remuneration Policy

The remuneration policy of the Company has been designed to align directors' objectives with shareholders and business objectives. The Board of Energy Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders. The Board's policy for determining the nature and amount of remuneration for Board members of the Company is as follows:

All executives receive either consulting fees or a salary, part of which may be taken as superannuation. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation. All remuneration paid to directors and specified executives is valued at the cost to the Company and expensed.

The Board's policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently set at $200,000 per annum. Fees for non-executive directors are not linked to the performance of the Company. Non-executive directors' remuneration may also include an incentive portion consisting of options, subject to approval by Shareholders.

The policy, setting the terms and conditions for the executive directors and specified executives, was developed and approved by the Board and is considered appropriate for the current exploration phase of the Company's development. Emoluments of directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of directors. Fees paid to directors are not linked to the performance of the Company. This policy may change once the exploration phase is complete. At present the existing remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders).

The following table shows the share price and the market capitalisation of the Company at the end of each period in the past five financial years. No dividends have been paid during the year.

	At 31 December 2019	At 31 December 2020	At 31 December 2021	At 31 December 2022	At 31 December 2023
Share Price	$0.087	$0.14	$0.27	$0.125	$0.12
Market Capitalisation	$18.2M	$29.4M	$56.6M	$26.2M	$25.16M
Dividend	-	-	-	-	-

For personal use only

For personal use only

Directors and Executives (Key Management Personnel) Emoluments

The Company's policy for determining the nature and amount of emoluments of key management personnel is that directors are to be paid by salaries or consulting fees at commercial rates for professional services performed.

Details of the nature and amount of each element of the emoluments of each director of Energy Metals Limited are set out in the following tables.

		Short-Term Benefits			Post-Employment	Share-Based Payment		Perfor-mance related
Non-Executive Directors		Directors' Fees $	Cash Salary, Consulting Fees $	Annual leave $	Super-annuation $	Options $	Total $	%
D. Tian	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
L. Dudfield	2023	-	24,000	-	-	-	24,000	-
	2022	-	24,000	-	-	-	24,000	-
J. Macpherson	2023	-	25,000	-	-	-	25,000	-
	2022	-	25,000	-	-	-	25,000	-
Z. Xu	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
J. Zhou	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
W. Wang	2023	8,846	-	-	-	-	8,846	-
	2022	-	-	-	-	-	-	-
Y. Cai*	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
Z. Gao*	2023	16,154	-	-	-	-	16,154	-
	2022	25,000	-	-	-	-	25,000	-
Executive Directors								
S. Tao	2023	-	96,923	7,456	-	-	104,379	-
	2022	-	-	-	-	-	-	-
S. Xiao**	2023	-	115,481	-	-	-	115,481	-
	2022	-	180,000	13,846	-	-	193,846	-
Total	**2023**	**25,000**	**261,404**	**7,456**	-	-	**293,860**	-
	2022	**25,000**	**229,000**	**13,846**	-	-	**267,846**	-

*resigned 24 August 2023
**retired as Executive Director 12 June 2023, resigned 24 August 2023

DIRECTORS' REPORT

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation relevant to the office of director. Remuneration and other terms of employment for the Executive Director and other senior management are also formalised in service agreements as summarised below.

Deqiang Tian

Mr Tian was appointed a Non-Executive Chairman on 24 August 2023. According to a letter of appointment, Mr Tian is entitled to a director's fee of $25,000 per annum. Mr Tian consented to forgo his remuneration for the year ended 31 December 2023.

Shubiao Tao

Mr Tao was appointed the Managing Director on 24 August 2023. According to the terms and conditions of his employment contract with the Company, his salary is $180,000 per annum. The employment contract may be terminated by either party on one month's written notice.

Lindsay Dudfield

Mr Dudfield, as a Non-executive Director, is contracted via a Consultancy Agreement between the Company and Jopan Management Pty Ltd trading as Western Geological Services. The Company pays Western Geological Services at a rate of $750/day (2022: $750/day) or a minimum charge of $2,200 per month (inc GST) in return for Mr Dudfield's service. The agreement may be terminated by either party on one month's written notice.

Jan Macpherson

Ms Jan Macpherson was appointed a Non-Executive Director on 1 March 2017. The Company entered into an agreement with Blairgowrie Pty Ltd trading as "ResourceAus" and pays $25,000 per annum in return of Ms Macpherson's service.

Zhe Xu

Mr Xu was appointed a Non-Executive Director on 3 April 2020. According to a letter of appointment, Mr Xu is entitled to a director's fee of $25,000 per annum. Mr Xu consented to forgo his remuneration for the year ended 31 December 2023.

Jun Zhou

Mr Zhou was appointed a Non-Executive Director on 26 March 2021. According to a letter of appointment, Mr Zhou is entitled to a director's fee of $25,000 per annum. Mr Zhou consented to forgo his remuneration for the year ended 31 December 2023.

Wei Wang

Mr Wang was appointed a Non-Executive Director on 24 August 2023. According to a letter of appointment, Mr Wang is entitled to a director's fee of $25,000 per annum.

For personal use only

For personal use only

Yusheng Cai (resigned 24 August 2023)

Mr Cai was appointed a Non-Executive Chairman on 25 January 2022 and resigned on 24 August 2023. According to a letter of appointment, Mr Cai was entitled to a director's fee of $25,000 per annum. Mr Cai consented to forgo his remuneration for the year ended 31 December 2023.

Shuqing Xiao (retired as Managing Director 12 June 2023, resigned 24 August 2023)

Mr Xiao was appointed the Managing Director on 23 October 2018, retired as the Managing Director on 12 June 2023 and resigned on 24 August 2023. According to the terms and conditions of his employment contract with the Company, his salary was $180,000 per annum.

Zhe Gao (resigned 24 August 2023)

Mr Gao was appointed a Non-Executive Director on 27 August 2019 and resigned on 24 August 2023. According to a letter of appointment, Mr Gao was entitled to a director's fee of $25,000 per annum.

Share-based compensation

No shares in the Company were provided as remuneration to directors of Energy Metals Limited and key management of the Company during the year (2022: nil). No options were vested during the year (2022: nil).

Equity instruments held by key management personnel

The following table details the number of fully paid ordinary shares and options over ordinary shares in the Company that were held as at the date of this report by key management personnel and their associated related parties.

	Ordinary Shares	Options
Deqiang Tian	-	-
Shubiao Tao	-	-
Lindsay G Dudfield	3,255,165	-
Jan Macpherson	-	-
Zhe Xu	-	-
Jun Zhou	-	-
Wei Wang	-	-

DIRECTORS' REPORT

For personal use only

Securities Policy

The Company has implemented a policy on trading in the Company's securities designed to ensure that all directors, senior management and employees of the Company act ethically and do not use confidential inside information for personal gain. The policy states acceptable and unacceptable times for trading in Company securities and outlines the responsibility of directors, senior management and employees to ensure that trading complies with the *Corporations Act 2001*, the Australian Securities Exchange (ASX) Listing Rules and Company Policy.

Any transaction conducted by Directors with regard to shares of the Company requires notification to the ASX. Each Director has entered into an agreement to provide any such information with regard to Company dealings directly to the Company Secretary promptly to allow the Company to notify the ASX within the required reporting timeframes.

Shares provided on exercise of options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options to directors of Energy Metals Limited and key management of the Company during the year (2022: nil). No related party transaction occurred during the year (2022: nil).

Voting and comments made at the Company's 2023 Annual General Meeting

The Company received 99.99% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Loans to key management personnel

There were no loans to individuals or members of key management personnel during the financial year or the previous financial year.

End of Remuneration Report (Audited).

For personal use only

SHARES UNDER OPTION

At 31 December 2023, there were no shares under option (2022: nil).

SHARES ISSUED ON EXERCISE OF OPTIONS

There were no shares issued on exercise of options during the financial year and up to the date of this report.

DIRECTORS AND OFFICERS INSURANCE

The Company has paid a premium to insure the directors and officers of the Company for the period 1 January 2023 to 31 December 2023 against those liabilities for which insurance is permitted under section 199B of the *Corporations Act 2001*. Details of the nature of the liabilities insured for and the amount of the premium are subject to a confidentiality clause under the contract of insurance.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 64 of this report.

DIRECTORS' REPORT

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence, based on advice received from the Board of Directors, for the following reasons:

- no non-audit services have been occurred during the year; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *'Code of Ethics for Professional Accountants'* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

19 February 2024, at Perth, Western Australia

Shubiao Tao
Managing Director

For personal use only

CONTENTS

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	34
Statement of Financial Position	35
Statement of Changes in Equity	36
Statement of Cash flows	37
Notes to the Financial Statements	38

For personal use only

These financial statements cover the financial statements of Energy Metals Limited and its joint operations. The financial statements are presented in the Australian currency.

Energy Metals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Energy Metals Limited
Level 2, 5 Ord Street
West Perth WA 6005

A description of the nature of the entity's operations and its principal activities included in the directors' report on pages 15 to 32 are not part of these financial statements.

The financial statements were authorised for issue by the directors on 19 February 2024. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Investor Information on our website: www.energymetals.net.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Other revenue	3a	603,776	223,458
Depreciation expense	3b	(107,492)	(67,399)
Exploration expense		(121,357)	(82,992)
Employee benefits expense	3c	(409,936)	(394,354)
Corporate and regulatory expenses		(211,055)	(207,612)
Other administrative expense		(133,758)	(138,032)
Finance costs	3b	(5,686)	(5,387)
Loss before income tax		(385,508)	(672,318)
Income tax expense	4	-	-
Loss for the year		(385,508)	(672,318)
Total comprehensive loss for the year		(385,508)	(672,318)
Loss attributable to owners of Energy Metals Limited		(385,508)	(672,318)
Total comprehensive loss attributable to owners of Energy Metals Limited		(385,508)	(672,318)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	6	(0.18)	(0.32)
Diluted loss per share (cents per share)	6	(0.18)	(0.32)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

For personal use only

STATEMENT OF FINANICAL POSITION AS AT 31 DECEMBER 2023

	Notes	31 December 2023 $	31 December 2022 $
Current Assets			
Cash and cash equivalents	8	410,833	704,982
Term deposits	8	12,776,993	13,375,071
Other receivables		362,175	195,743
Other financial asset		106,543	102,989
Total Current Assets		13,656,544	14,378,785
Non-Current Assets			
Plant and equipment	9,10	154,890	245,027
Exploration and evaluation expenditure	11	35,994,542	35,626,420
Total Non-Current Assets		36,149,432	35,871,447
Total Assets		49,805,976	50,250,232
Current Liabilities			
Trade and other payables		70,785	58,833
Lease liabilities	10	56,516	51,541
Provisions		27,146	50,305
Total Current Liabilities		154,447	160,679
Non-current Liabilities			
Lease liabilities	10	34,537	87,053
Total Non-current Liabilities		34,537	87,053
Total Liabilities		188,984	247,732
Net Assets		**49,616,992**	**50,002,500**
Equity			
Contributed equity	12	59,051,644	59,051,644
Accumulated losses		(9,434,652)	(9,049,144)
Total Equity		**49,616,992**	**50,002,500**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

For personal use only

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

	Attributable to owners of Energy Metals Limited		
	Contributed equity $	Accumulated losses $	Total $
Balance at 1 January 2022	59,051,644	(8,376,826)	50,674,818
Total comprehensive loss for the year	-	(672,318)	(672,318)
Balance at 31 December 2022	59,051,644	(9,049,144)	50,002,500
Total comprehensive loss for the year	-	(385,508)	(385,508)
Balance at 31 December 2023	59,051,644	(9,434,652)	49,616,992

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For personal use only

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		(750,639)	(761,948)
Payments for exploration operation		(121,357)	(82,644)
Income received from joint operations		5,374	3,231
Other income received		20,583	3,514
Interest income received		392,956	48,942
Net cash used in operating activities	5	(453,083)	(788,905)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(372,879)	(345,693)
Payments for acquisition of plant and equipment		(9,816)	(1,447)
Payments for term deposits		(13,818,420)	(13,478,061)
Withdrawal of term deposits		14,412,945	14,890,175
Net cash received from investing activities		211,830	1,064,974
Cash flows from financing activities			
Lease payments for right of use assets		(52,896)	(52,297)
Net cash used in financing activities		(52,896)	(52,297)
Net (decrease)/increase in cash and cash equivalents		(294,149)	223,772
Cash and cash equivalents at the beginning of the year		704,982	481,210
Cash and cash equivalents at the end of the year	8	410,833	704,982

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

For personal use only

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

These financial statements are for Energy Metals Limited as an individual entity. For the purposes of preparing the financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ("IFRS"). The financial statements were authorised for issue by the directors on 19 February 2024.

Basis of Preparation

These financial statements have been prepared under the historical cost convention.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(s).

(b) Joint Operations

The Company has interests in joint arrangements that are Joint Operations. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company recognises its interest in the joint operations by recognising the assets that it controls and the liabilities that it incurs. The Company also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operations. Details of the joint operations are set out in note 19.

(c) Segment Reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the board (Chief Operating Decision Makers). The board is responsible for the allocation of resources to operating segments and assessing their performance.

The board has determined that there is one operating segment being mineral exploration in Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Other Income

The Company recognises other income from the following major source:

Management Fee

The management fee from joint operation activities is measured at fair value of the consideration received or receivable and it is recognised over time when joint operation activities are performed to the joint operations. Amounts disclosed as other income are net of returns, allowances, rebates and amounts collected on behalf of third parties.

(e) Income Tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income Tax (Continued)

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

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

(f) Right of use asset

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. Its carrying amount is included in the Plant and Equipment. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments are split into a principal and interest portion which will presented as financing and operating cashflows respectively.

(g) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels of which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and Cash Equivalents

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

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Other Receivables

Other receivables are recognised initially at fair value, less any allowance for expected credit losses. The settlement terms vary depending on business transactions.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Allowance for expected credit loss is established, using the expected credit loss model under AASB9 when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the receivable is impaired. The amount of the allowance is for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the expected credit loss is recognised in the profit or loss and other comprehensive income. When a receivable for which an allowance for expected credit losses had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(j) Investments and Other Financial Assets

Classification

There are three principle classification categories for financial assets: measured at amortised cost, at fair value through other comprehensive income (FVTOCI) and at fair value through profit and loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies its financial assets in the following category: financial assets at amortised cost.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Investments and Other Financial Assets (Continued)

Subsequent Measurement

Loans and receivables and other financial assets measured at amortised cost are carried at amortised cost using the effective interest method.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

Impairment

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the perspective financial instrument.

(k) Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced, all other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all property, plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

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

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

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

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Exploration and Evaluation Expenditure

The Company's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

i) Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs.

ii) Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
- such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

The application of the Company's policy in regard to the recognition and measurement of capitalised exploration and evaluation expenditure requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. The Company reviews the carrying value of exploration and evaluation expenditure at each reporting date. This requires judgement as to the status of the individual projects and their future economic value. The factors impacting on economic value include the size of the total available resource, the grade of the resource, expected costs of developing the project, technical feasibility of the project, expected costs of mining production and future commodity prices.

If, after having capitalised exploration and evaluation expenditure, the area of interest is disposed or surrendered or management concludes that the capitalised expenditure is unlikely to be recovered by future sale or successful development and exploitation of the area, then the relevant capitalised amount will be written off through the Profit or Loss and Other Comprehensive Income. Expenditure that is not deemed fit for capitalisation is costed directly through the Profit or Loss and Other Comprehensive Income.

At times, the Company may place an area of interest into retention status for strategic reasons. Expenditure during the retention period is expensed when it is incurred.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee Benefits

Short-term and Long-term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and personal leave in the period the related service is rendered.

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 Company in respect of services provided by employees up to reporting date.

(o) Contributed Equity

Ordinary shares are classified as equity.

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

(p) Earnings Per Share

(i) *Basic Earnings Per Share*

Basic earnings per share is determined by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Earnings Per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Goods and Services Tax (GST)

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

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

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

(r) New Accounting Standards and Interpretations

The Company has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective:

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture (as amended), effective for annual reporting periods beginning on or after 1 January 2025;

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants, effective for annual reporting periods beginning on or after 1 January 2024;

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and leaseback, effective for annual reporting periods beginning on or after 1 January 2024;

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements, effective for annual reporting periods beginning on or after 1 January 2024;

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability, effective for annual reporting periods beginning on or after 1 January 2025.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Critical Accounting Judgement and Estimate

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

Accounting for capitalised exploration and evaluation expenditure

The Company's accounting policy is stated at Note 1 (l). There is some subjectivity involved in the carrying forward as capitalized or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carrying forward such expenditure fairly reflect the prevailing situation.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, cost of drilling and production, production rates and changes to commodity prices. As at 31 December 2023 the carrying value of capitalised exploration and evaluation expenditure was $35,994,542 (2022: $35,626,420).

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. SEGMENT INFORMATION

(a) DESCRIPTION OF SEGMENTS

Management has determined that the Company has one reportable segment of its business, being uranium exploration in Australia. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on one reportable segment of its business.

(b) SEGMENT REVENUE AND RESULTS

	2023 $	2022 $
Reconciliation of segment revenue to Company revenue		
Segment revenue - Uranium exploration	6,227	5,620
Unallocated revenue	597,549	217,838
Total revenue	603,776	223,458

	2023 $	2022 $
Reconciliation of segment result to Company loss		
Segment result - Uranium exploration	(159,965)	(91,170)
Unallocated result	(225,543)	(581,148)
Loss before tax	(385,508)	(672,318)

Segment revenue of uranium exploration represents revenue generated from service provided to joint operations. There were no inter-segment sales in the current year (2022: nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1. Segment result represents the profit/(loss) before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. SEGMENT INFORMATION (CONTINUED)

(c) SEGMENT ASSETS AND LIABILITIES

	31 December 2023 $	31 December 2022 $
Reconciliation of segment assets to Company assets		
Segment assets - Uranium exploration	36,044,027	35,735,264
Unallocated assets - Corporate	13,761,949	14,514,968
TOTAL ASSETS	49,805,976	50,250,232
Reconciliation of segment liabilities to Company assets		
Segment liabilities - Uranium exploration	14,051	18,792
Unallocated liabilities - Corporate	174,933	228,940
TOTAL LIABILITIES	188,984	247,732

INFORMATION ABOUT MAJOR CUSTOMERS

The Company does not have any external revenue at this stage. The Company is not reliant on any of its major customers.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3. REVENUES AND EXPENSES

	2023 $	2022 $
(a) Other Revenue includes the following revenue items:		
Interest income	576,966	214,324
Management fee from Joint Operations	6,227	5,620
Fuel rebate	5,452	2,773
Other income	15,131	741
	603,776	223,458
(b) Loss includes the following specific expenses:		
Depreciation	107,492	67,399
Finance cost	5,686	5,387
	113,178	72,786
(c) Employee benefit expenses:		
Wages & superannuation	390,616	360,897
- Including: Executive Director's salary	212,404	180,000
Non-Executive Directors' fees*	25,000	25,000
Others	(5,680)	8,457
	409,936	394,354

*The directors' fees paid to Mr. Lindsay Dudfield and Ms Jan Macpherson were not included in the employee benefit expenses. The payments were in exchange for services of Mr. Lindsay Dudfield and Ms Jan Macpherson and were reflected in the Corporate and Regulatory Expense in the profit or loss account.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

4. TAXATION

	2023 $	2022 $
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Loss before income tax	(385,508)	(672,318)
Income tax benefit @ 30%	(115,652)	(201,695)
Tax effect of amounts which are not deductible in calculating taxable income:		
Non-deductible expenses	167	5,640
Deferred tax relating to temporary timing differences not recognised	(98,326)	(99,266)
Deferred tax assets relating to tax losses not recognised	214,055	295,291
Prior year true up	(244)	30
Income tax expenses/(benefit) reported in the income statement	-	-

The franking account balance at period end was nil (2022: nil).

Deferred tax assets and liabilities not recognised relate to the following:		
Deferred tax assets		
Tax losses carried forward	13,086,351	12,855,030
Non-refundable R&D tax offsets carried forward	1,386,721	1,386,721
Other temporary differences	47,345	64,612
Deferred tax liabilities		
Exploration assets	(10,826,912)	(10,728,585)
Net deferred tax assets not recognised	3,693,505	3,577,778

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The use of losses is dependent on the Company satisfying the required criteria within the Income Tax Assessment Act 1936 & 1997 at the time the losses are incurred and used. The provisions of the Acts may change or the business may alter (past the change of ownership) and as a result the Company's loss may be lost in the future.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

For personal use only

5. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 $	2022 $
Loss after income tax	(385,508)	(672,318)
Depreciation	107,492	67,399
Write-off of capitalised exploration expenditure	-	348
Annual leave provision	(23,159)	(10,103)
Other income	(853)	(2,389)
Unrealised gain on lease modification	(2,184)	(4,290)
Other expense	16	18,801
Change in operating assets and liabilities during the financial period:		
Decrease/(increase) in other receivables	(165,580)	(169,337)
(Decrease)/increase in trade and other payables	16,693	(17,016)
Net cash outflow from operating activities	(453,083)	(788,905)

There were no significant non-cash transactions during the year.

6. LOSS PER SHARE

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

Reconciliation of loss used in calculation of loss per share:

	2023 $	2022 $
Loss attributable to owners of the Company	(385,508)	(672,318)

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings/(loss) per share.	209,683,312	209,683,312

7. DIVIDENDS

There were no dividends paid or declared by the Company during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. CASH AND CASH EQUIVALENTS

	31 December 2023 $	31 December 2022 $
Cash and cash equivalents	347,290	600,807
Share of Joint Operations' cash	63,543	104,175
	410,833	704,982
Term deposits classified separate to cash on face of Statement of Financial Position	12,776,993	13,375,071

As at 31 December 2023, the Company had approximately $12.8 million term deposits (2022: $13.4 million) with 12 months maturities in various financial institutions earning interest income at an average rate of 4.74% (2022: 2.87%).

The Company's exposure to interest rate risk is disclosed in Note 13.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	31 December 2023 $	31 December 2022 $
Plant and equipment - at cost	946,329	936,513
Less accumulated depreciation	(891,161)	(839,306)
	55,168	97,207
Motor vehicle – at cost	66,839	66,839
Less accumulated depreciation	(62,280)	(61,228)
	4,559	5,611
Right-of-use asset – at cost	114,196	159,985
Less accumulated depreciation	(19,033)	(17,776)
	95,163	142,209
Total	154,890	245,027

Reconciliation of the carrying amount of fixed assets:	Plant and equipment $	Motor vehicle $	Right-of-use Asset $	Total $
Carrying amount at 1 January 2022	112,119	6,906	127,879	246,904
Additions	1,447	-	159,985	161,432
Depreciation expense	(16,359)	(1,295)	(49,745)	(67,399)
Disposals/write off	-	-	(95,910)	(95,910)
Carrying amount at 31 December 2022	97,207	5,611	142,209	245,027
Carrying amount at 1 January 2023	97,207	5,611	142,209	245,027
Additions	9,816	-	114,196	124,012
Depreciation expense	(51,855)	(1,052)	(54,585)	(107,492)
Disposals/write off	-		(106,657)	(106,657)
Carrying amount at 31 December 2023	55,168	4,559	95,163	154,890

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

For personal use only

10. LEASE

The right of use assets are disclosed as plant and equipment in Note 9.

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to the lease of its corporate office:

Right-of use assets	31 December 2023 $	31 December 2022 $
Office	114,196	159,985

Lease Liabilities	31 December 2023 $	31 December 2022 $
Current	56,516	51,541
Non-current	34,537	87,053
	91,053	138,594

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amount relating to the lease of its corporate office:

	2023 $	2022 $
Depreciation expense of right-of-use assets	54,585	49,745
Interest expense on lease liabilities	5,686	5,387
Total amount recognised in profit or loss	60,271	55,132

The total cash outflow for lease in 2023 was $52,896 (2022: $52,297).

(c) The Company's leasing activity and how these are accounted for

The Company leases office space for its corporate office. The lease agreement has a fixed term of 2 years. The lease agreement does not impose any covenants.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Lease payments to be made under the extension option are also included in the measurement of liability.

The lease payments are discounted using the interest rate of a readily observable amortising loan rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Right-of-use assets are measured at cost comprising the following:

- the payment of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are depreciated over the lease term on a straight-line basis.

The Company does not have any short-term leases or low-value assets.

11. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2023 $	31 December 2022 $
Balance at beginning of the year	35,626,420	35,303,185
Additions of capitalised exploration expenditure	368,122	323,583
Write-off of exploration expenditure	-	(348)
Balance at the end of the year	35,994,542	35,626,420

The balance carried forward represents projects in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

	2023 $	2022 $
Employee benefits expense capitalised during the year		
Wages and superannuation	-	29,313

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. CONTRIBUTED EQUITY

The Company had 209,683,312 ordinary shares, fully paid at 31 December 2023 (31 December 2022: 209,683,312). There was no movement in contributed equity during the year.

	31 December 2023 $	31 December 2022 $
Contributed equity	59,051,644	59,051,644
	Number of shares	Number of shares
Balance at 31 December 2023 and 31 December 2022	209,683,312	209,683,312

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital Risk Management

The Company's objective when managing capital is to safeguard the ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to achieve this objective, the Company seeks to maintain a capital structure that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues, or the reduction of debt, the Company considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no other significant changes to the Company's capital management objectives, policies and processes in the year nor has there been any change in what the Company considers to be its capital.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not use any derivative financial instruments to hedge risk exposures. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and aging analysis for credit risk.

Risk management is carried out by the Board as a whole.

The Company holds the following financial instruments:

	31 December 2023 $	31 December 2022 $
Financial Assets		
Current		
Cash and cash equivalents	410,833	704,982
Term deposits	12,776,993	13,375,071
Trade and other receivables	362,175	195,743
Other financial assets	106,543	102,989
Total Current Financial Assets	13,656,544	14,378,785
Financial Liabilities		
Current		
Trade and other payables	70,785	58,833
Lease liabilities	56,516	51,541
Total Current Financial Liabilities	127,301	110,374
Non-Current		
Lease liabilities	34,537	87,053
Total Non-Current Financial Liabilities	34,537	87,053

(a) **Market Risk**

(i) *Foreign Exchange Risk*

The Company does not have significant foreign currency holding. No financial instruments have been entered into to manage this risk.

(ii) *Price Risk*

The Company is a junior explorer and commodity prices do not constitute a significant risk to the business. The Company may adjust its strategy on the progress of its projects to adapt to changes in the market environment.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. FINANCIAL RISK MANAGEMENT (Continued)

(iii) *Cash flow and fair value interest rate risk*

The Company's exposure to interest rate risk arises from assets bearing variable interest rates. The weighted average interest rate on cash holdings and term deposits was 4.74% at 31 December 2023 (31 December 2022: 2.87%). All other financial assets and liabilities are non-interest bearing.

(iv) *Company Sensitivity*

At 31 December 2023, if interest rates had increased by 100 or decreased by 100 basis points of the current weighted average interest rates with all other variables held constant, post-tax profit for the period would have been $127,770 higher/$127,770 lower (31 December 2022: $133,751 higher/$133,751 lower), mainly as a result of higher/lower interest income from cash, term deposits and other financial assets.

(b) Credit Risk

Credit risk arises from cash and deposits with banks and financial institutions, as well as outstanding receivables. The Company invests its surplus funds mainly with large banking financial institutions, namely National Australia Bank and Westpac Banking Corporation. All these banks have an A rating or above with Standard & Poors. The maximum credit risk of the Company is the exposure of its term deposits and trade and other receivables.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through the equity market to meet obligations when due. At the end of the reporting period the Company held deposits of $12.8 million (2022: $13.4 million) with 12 months maturities that are expected to readily generate cash inflows for managing liquidity risk and also fulfill the commitments disclosed in Note 15.

(d) Fair Value Measurements

The net fair value of the Company's financial assets and liabilities approximates their carrying value.

14. CONTINGENCIES

Contingent Liabilities

Claims/Determinations of Native Title

There are no current Native Title claims that affect the Company's licences. However, a number of Native Title determinations cover some of the Company's licence holdings. The Company manages its Native Title obligations through regular consultation with the appropriate Native Title representative bodies.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

15. COMMITMENTS

The Company's licence conditions require that certain minimum exploration expenditures are maintained on its licences. These commitments are subject to possible adjustments in the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations. Estimated expenditure on the Company's retention and exploration licences for 2024 is $532,384.

Capital Commitments

There are no capital expenditure commitments for the Company as at 31 December 2023.

16. KEY MANAGEMENT PERSONNEL

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company. The aggregate compensation made to directors and other key management personnel of the Company and the Company is set out below:

	2023 $	2022 $
Short-term benefits	293,860	267,846
Post-employment benefits	-	-
	293,860	267,846

Detailed remuneration disclosures are provided in the remuneration report on pages 25 to 30.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

For personal use only

17. RELATED PARTY TRANSACTIONS

(a) Parent entities

The ultimate parent entity is China General Nuclear Power Corporation (formerly known as China Guangdong Nuclear Power Holding Co. Ltd.) (incorporated in the P.R. China) ("CGNPC") which at 31 December 2023 owned 66.45% (31 December 2022: 66.45%) of the issued ordinary shares of Energy Metals Limited.

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in the Remuneration Report.

(c) Transactions with related parties

The Company earned $6,227 (2022: $5,620) in management and facility administration fees from the joint operations during the year.

(d) Guarantees

There were no guarantees provided to the related parties during the year.

18. REMUNERATION OF AUDITORS

Auditors of the Company– BDO Audit (WA) Pty Ltd

	2023 $	2022 $
Audit and review of the financial reports		
Company	44,000	39,000
Joint operations	-	-
Total audit and review of the financial reports	44,000	39,000
Other statutory assurance services	-	-
Other assurance services	-	-
Non-audit services	-	-
Total service provided by BDO Audit (WA) Pty Ltd	44,000	39,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19. INTEREST IN JOINT OPERATIONS

The Company has the following interest in unincorporated joint operations:

		% Interest	
Joint Operation	Principal Activity	31 December 2023	31 December 2022
Bigrlyi Joint Operation	Uranium Exploration	72.39	72.39
Malawiri Joint Operation	Uranium Exploration	76.03	76.03
Walbiri Joint Operation	Uranium Exploration	77.12	77.12

The joint operation is a contractual arrangement between participants for the sharing of costs and outputs and did not generate revenue and profit. The Company's share of exploration and evaluation expenditure is accounted for in accordance with the policy set out in Note 1.

The Company's share of assets employed in the joint operation is:

	31 December 2023 $	31 December 2022 $
Current Assets		
Cash and cash equivalents	63,543	104,174
Other financial asset	103,922	88,356
Total Current Assets	167,465	192,530
Non-Current Assets		
Exploration and evaluation expenditure	15,261,262	15,128,159
Total Non-Current Assets	15,261,262	15,128,159
Total Assets	15,428,727	15,320,689

a) Commitments

There are no capital expenditure commitments for the Joint Operation as at 31 December 2023.

The Company's share of estimated Year 2024 minimum expenditure commitments for the Joint Operation tenements is $196,954 which are included in the commitment disclosed in Note 15.

b) Contingent liabilities

Claims/Determinations of Native Title

Native Title determinations DCD2013/001 and DCD2013/002 cover the Company's Joint Venture Operation licence holdings. There are no current Native Title claims that affect the Joint Venture Operations.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20. EVENTS OCCURRING AFTER REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Company in future financial years.

For personal use only

DECLARATION BY DIRECTORS

ENERGY METALS LIMITED AND ITS CONTROLLED ENTITIES
ACN 111 306 533

DECLARATION BY DIRECTORS

The directors of the Company declare that:

1. The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash flows, Statement of Changes in Equity and accompanying notes are in accordance with the *Corporations Act 2001*, including:

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

   (b) giving a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the entity.

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

3. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the *Corporations Act 2001*.

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

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

Shubiao Tao
Managing Director

Perth, Western Australia
19 February 2024

For personal use only

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

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF ENERGY METALS LIMITED

As lead auditor of Energy Metals Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

19 February 2024

For personal use only

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

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

Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Energy Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Energy Metals Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

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

For personal use only

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

For personal use only

Recoverability of Exploration and Evaluation Expenditure

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2023, Energy Metals Limited held a significant carrying value of capitalised exploration and evaluation expenditure as disclosed in Note 11. As the carrying value of these exploration and evaluation assets represent a significant asset, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in respective areas of interest by holding discussions with management, and reviewing the exploration budget, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves exist; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 11.

For personal use only

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2023 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 Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

For personal use only

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Energy Metals Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth, 19 February 2024

ADDITIONAL INFORMATION

The following additional information not shown elsewhere in this report is required by the Australian Stock Exchange Ltd in respect of listed public companies only. This information is current as at 18 April 2024.

SUBSTANTIAL SHAREHOLDERS

There were three substantial shareholders as at 18 April 2024:

i. China Uranium Development Company Ltd holds 139,339,978 ordinary shares, or 66.45% of the voting rights in the Company;

ii. Ningbo Weisheng Dingxuan Equity Inv Cap Partnership holds 26,553,722 ordinary shares, or 12.66% of the voting rights in the Company;

ISSUED SECURITIES

Quoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
EME	697	Ordinary Fully Paid	209,683,312

VOTING RIGHTS

The voting rights of each class of share are as follows:

Ordinary Fully Paid Shares – one vote per share held.

DISTRIBUTION SCHEDULE

Spread of Holdings			Ordinary Shares (EME)	units	%
1	-	1,000	138	53,819	0.03
1,001	-	5,000	212	609,061	0.29
5,001	-	10,000	103	827,623	0.39
10,001	-	100,000	202	6,386,670	3.05
100,001	-	and over	42	201,806,139	96.24
		TOTAL HOLDERS	697	209,683,312	100%

UNMARKETABLE PARCELS

As at 18 April 2024 there were 297 shareholders holding less than a marketable parcel of shares.

BUY-BACK

There is no current on-market buy-back.

For personal use only

ADDITIONAL INFORMATION

20 LARGEST SHAREHOLDERS

The names of the twenty largest shareholders (ASX Code: EME) are listed below:

Name	% of Issued Securities	Number of Ordinary Shares
1. China Uranium Development Company Ltd	66.45	139,339,978
2. Ningbo Weisheng Dingxuan Equity Inv Cap Partnership	12.66	26,553,722
3. Jindalee Lithium Limited	4.86	10,183,894
4. Mr. Bin Cui	3.58	7,506,084
5. Kale Capital Corporation Ltd	1.43	3,000,000
6. Mr Lindsay George Dudfield	1.22	2,556,540
7. Evermind Pty Ltd	0.93	1,940,000
8. Central Pacific Minerals NL	0.57	1,200,000
9. Citicorp Nominees Pty Limited	0.42	880,934
10. BNP Paribas Nominees Pty Ltd	0.39	819,180
11. Lindsay George Dudfield and Yvonne Sheila Doling	0.33	698,625
12. Mr Thomas Preston Niquet Olden	0.26	555,338
13. Yandal Investments Pty Ltd	0.24	511,718
14. Mr David Stephen Moore	0.24	500,000
15. Redross Consultants Pty Ltd	0.22	468,900
16. Teck Australia Pty Ltd	0.21	438,141
17. Mr Nicholas James Carter & Mrs Susan Mary Carter	0.21	432,131
18. M & K Korkidas Pty Ltd	0.19	400,000
19. HSBC Custody Nominees (Australia) Limited	0.18	379,561
20. Mr Philip Edward Crampton	0.18	352,884

For personal use only

ADDITIONAL INFORMATION

For personal use only

INTERESTS IN MINING TENEMENTS as at 18 April 2024.

Western Australia

E08/1480	Manyingee	Granted	E08/2856	Manyingee	Granted
R21/1	Lakeside	Granted	E08/3647	Manyingee	Granted
R29/1	Mopoke Well	Granted	R08/3	Manyingee	Granted
R57/2	Lake Mason	Granted			
R58/2	Anketell	Granted			

Northern Territory

ELR32552*1	Bigrlyi Project	Granted	MLNA1952*1	Ngalia Regional	Application
EL30144*1	Bigrlyi Project	Granted	ELA24450	Ngalia Regional	Application
ELR31319*1	Bigrlyi Project	Granted	ELA24462	Ngalia Regional	Application
EL24451	Ngalia Regional	Granted	ELA27169	Ngalia Regional	Application
EL32113	Ngalia Regional	Granted	ELA33116	Ngalia Regional	Application
EL30004	Ngalia Regional	Granted	ELA27333	Macallan	Application
EL31098	Ngalia Regional	Granted			
EL31820	Ngalia Regional	Granted			
EL31821	Ngalia Regional	Granted			
ELR31754	Ngalia Regional	Granted			
ELR31755	Ngalia Regional	Granted			
ELR31756	Ngalia Regional	Granted			
ELR41*2	Malawiri Project	Granted			
ELR45*3	Walbiri Project	Granted			

All of the above tenements are beneficially owned by Energy Metals Limited and percentage interest is 100% unless otherwise stated.

ABBREVIATIONS

*1	=	72.39% interest
*2	=	76.03% interest
*3	=	77.12% interest

E	=	Exploration Licence (WA)
R	=	Retention Licence (WA)
EL	=	Exploration Licence (NT)
ELA	=	Exploration Licence Application (NT)
ELR	=	Exploration Licence in Retention (NT)
MLNA	=	Mineral Lease (Northern) Application (NT)

For personal use only