



**Energy Transition Minerals Ltd**

**ACN 118 463 004**

**Consolidated Financial Report**

**For the half-year ended 30 June 2023**



## Corporate Directory

---

### Directors

Sara Kelly	Non-Executive Chair
Daniel Mamadou Blanco	Managing Director
Mark Saxon	Non-Executive Director
Xiaolei Guo	Non-Executive Director

### Company Secretary

Miles Guy

### Registered and head office

Unit 7, 100 Railway Road  
Subiaco WA 6008

### Greenland Office

Nuugaarmiunt B-847  
3921 Narsaq, Greenland

### Singapore

Suntec Tower 2  
9 Temasek Boulevard  
Singapore 038989

### Home Stock Exchange

Australian Securities Exchange, Perth  
Code: ETM

### Auditors

Deloitte Touche Tohmatsu

### Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands WA 6009

### Company Website

[www.etransmin.com](http://www.etransmin.com)



---

## Contents

Directors' report	2
Auditor's independence declaration	8
Independent Auditor's Review report	9
Directors' declaration	11
Condensed consolidated statement of profit or loss and other comprehensive income	12
Condensed consolidated statement of financial position	13
Condensed consolidated statement of changes in equity	14
Condensed consolidated statement of cash flows	15
Notes to the condensed consolidated financial statements	16



## Review of operations

The directors of Energy Transition Minerals Ltd (“the **Company**”) herewith submit the consolidated financial report of Energy Transition Minerals Ltd and its subsidiaries (“the **Consolidated Group** or **ETM**”), for the half-year ended 30 June 2023.

The names of directors of the Company during or since the end of the half-year are:

Sara Kelly, **Non-Executive Chair** – appointed 14 August 2023  
Daniel Mamadou Blanco, **Managing Director**  
Mark Saxon – **Non-Executive Director**  
Xiaolei Guo, **Non-Executive Director**  
Edward Mason, **Non-Executive Chair** – resigned 14 August 2023

## Principal Activity

The principal activity of the Consolidated Group during the period was mineral exploration, project evaluation and progressing exploration licence permitting. The progressing of the permitting has included the commencement of arbitration aimed at protecting the Consolidated Group’s rights. The Consolidated Group has in addition been focused on assessing potential additional investments in the technology metals sector.

## Review of operations

The net loss of the Consolidated Group after providing for income tax was \$2,488,222 compared to a net loss of \$2,589,123 for the previous corresponding period.

Since 2007 the company has focused on the development of the 100%-owned Kvanefjeld project in Greenland. ETM is currently focused on enforcing the Company’s rights, either through a negotiated outcome or formal arbitration in relation to its dispute with the Greenland & Danish government over the Kvanefjeld Rare Earth Project (‘the Project’) in Southern Greenland that has arisen from the Greenland Government's decision to change legislation applicable to the Project. Specifically, the passage of Greenland Parliament Act No. 20 to ban uranium prospecting, exploration and exploitation, etc (‘**Act No. 20**’). The Company filed a Statement of Claim with the arbitral tribunal seated in Copenhagen on 19 July 2023.

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

## Villasrubias

The Villasrubias project is secured by research permit (Permiso de Investigación) Villasrubias number 6914, granted in 2019 to the Sociedad de Investigación Minera y Explotación de Castilla y León SA (SIMECALSA), an entity sponsored by the regional government of Castilla y León. The research permit covers an area of 11.4 km<sup>2</sup> within the province of Salamanca and authorises exploration for lithium, tin, tantalum, and niobium.



## Review of operations (cont'd)

Exploration activity at Villasrubias by ETM has included a drone aeromagnetic and electromagnetic survey, a very low frequency (VLF) electromagnetic tomography survey, along with geological mapping, sampling, and trenching to identify the extension of pegmatite bodies. This work enabled targeting of the maiden program of 12 drillholes for a total of 1,133.2 meters.

The drilling campaign commenced in early March, this year and was completed in June. The aim of the campaign was to test targets that were identified in previous geophysics and soil sampling campaigns, which were conducted in December 2022. This work, alongside mapping, identified the probable subsurface trend of the lithium-bearing pegmatite.

This first exploration drilling program at Villasrubias intersected pegmatite containing the lithium mineral lepidolite in 11 out of 12 drill holes. It is interpreted that multiple dykes were intersected, all of which remain open at depth and along strike. Analytical results have been received from VR-01 and VR-02, both returning shallow depth lithium mineralization including **1.63m @ 1.23% Li<sub>2</sub>O** associated with tin, tantalum, and rubidium. In addition, numerous quartz veins were intersected with cassiterite (tin mineral) identified.

Assays from VR-01 demonstrate the relationship between the lithium and tin mineralization. This encouraging result will focus additional exploration on the areas of high magnetic anomalism detected to the N and NE of the Canalita mine, associated with anomalous tin.



Figure 1: Location of the Villasrubias project, Spain



---

## Review of operations (cont'd)

The maiden drill program was carried out by the Company's local team with the support of the Villasrubias community. The remaining assays of the remaining drill holes were completed in early September. The knowledge already gained of the area, in conjunction with the final assays will be used to plan additional exploration work to be carried out later in the year.

### Kvanefjeld

A primary focus of the Company during the first half of 2023 has been the preparation of the Statement of Claim, which pertains to its dispute with the Governments of Greenland and Denmark regarding the Company's rights under its current exploration licence for the Kvanefjeld project. The claimant in the dispute is Greenland Minerals A/S ("**GM**"), a 100% subsidiary of ETM and the holder of the exploration licence for the Kvanefjeld rare earths project in southern Greenland. The Statement of Claim and associated documents were finalised and filed on 19<sup>th</sup> July 2023, with the arbitral tribunal seated in Copenhagen.

On 22 March 2022, after unsuccessful attempts to engage on the issue with the Government of Greenland, the Company filed a Request for Arbitration. The respondents in the arbitration are the Government of Greenland and the Government of the Kingdom of Denmark. Through the arbitration process the Company is seeking to have the rights that it has acquired over the last 14 years clarified in the face of Act No. 20, by which the Government of Greenland has sought to stop the Kvanefjeld project.

ETM's objective remains to secure an exploitation license for the project. Were the project to be developed, it would deliver direct and substantial economic benefit to Greenland in taxes and royalties. The value of this has been estimated by valuation experts, Secretariat Advisors (Canada) Limited as part of the independent expert's project valuation prepared as part of the Statement of Claim.

The central issue that the Tribunal will consider in the arbitration is GM's legal right to be granted an exploitation licence for the Kvanefjeld project. GM is asking the Tribunal to determine whether the Governments of Greenland and Denmark have breached that right or other rights of GM under the terms of its Exploration Licence and the applicable law.

Key points in GM's Statement of Claim include:

- GM worked in good faith for over a decade, cooperating closely with the Greenlandic and Danish governments. The two governments used GM to promote Greenland to the world as a destination supportive of mining investors.
- GM met the conditions required under Greenland law in order to become entitled to an exploitation licence for Kvanefjeld. From that point, as a matter of Greenlandic and Danish law, the Government of Greenland had no discretion as to whether to issue GM's exploitation licence. The Government of Greenland confirmed this in writing in April 2020 and from that point GM was **entitled** to receive an exploitation license.
- It was established that Kvanefjeld could be safely developed without harm to human health, a point that was accepted by specialist agencies engaged by the Government of Greenland to review GM's Environmental Impact Assessment ("**EIA**") and the reports prepared to support its conclusions.



---

## Review of operations (cont'd)

- The radiological reports prepared by GM's expert consultants to inform the EIA complied with the relevant Greenlandic guidelines and met international standards and best practices regarding the assessment and mitigation of radiation risk.
- The Government of Greenland introduced Act No. 20 motivated by ideology and specifically targeted GM. The explanatory notes to the law record that the Government had "*a political wish to stop uranium extraction in Greenland*", and that it was "*not the aim of this Bill to lay down rules on health and safety, the environment, resource utilisation, etc., as these considerations are covered by the Mineral Resources Act*".
- On its terms, Act No. 20 does *not apply* where its application would result in an expropriation, including an expropriation of legal rights or legitimate expectations. GM has a right to receive an exploitation licence for the Kvanefjeld project. In particular, under the terms of its Exploration Licence, GM has an entitlement to receive a license for the exploitation of rare earths and uranium at Kvanefjeld. The denial of this right, based upon Act No. 20, would amount to an expropriation and therefore Act No. 20 should not apply.
- Since the enactment of Act No. 20, the Greenland Government and its representatives have consistently stated to GM that it had no rights to an exploitation licence, despite having previously provided GM with written confirmation that GM had met the requirements to be entitled to an exploitation licence.
- The Statement of Claim includes a provisional quantification of the losses, based on the independent expert's valuation of the project prepared by Secretariat Advisors (Canada) Limited.

Details of the financial benefit to Greenland from royalties and taxes, if the Kvanefjeld project was to proceed to production and the provisional quantification of the losses are contained in the summary of the Statement of Claim, attached to the ASX announcement made on 20 July 2023.

## Exploration licence decision

The Company received notification from the Government of Greenland advising that, "the Government of Greenland refuses the application dated 17 June 2019 for an exploitation licence for the Kuannersuit project."

The rejection of the exploitation licence application follows on from the Government of Greenland's previous draft decision to refuse an exploitation licence for Kvanefjeld. The decision is focused on the application of Act No. 20 (the Uranium Act) as opposed to consideration whether granting the licence would be in accordance with the rules of the Mineral Resources Act or environmental requirements.

The Greenland Government's decision expressly stated that this was not a decision on the Company's amended exploitation licence application dated 16 December 2022, in which the Company only proposed to exploit rare earths, zinc and fluorspar and to treat uranium as an impurity to be safely removed and stored as tailings. The Government's decision states that the amended application will be the subject of a separate decision after having conducted a clarification of the matter and a prior consultation.

Our goal is not only to promote economic development but also to sustainably manage and protect natural resources, creating a win-win scenario for all parties involved.





---

## Review of operations (cont'd)

### Greenland visit

During June, a week-long visit to Greenland took place, engaging with key stakeholders to discuss the Kvanefjeld project.

Meetings with influential Greenland figures, including the Minister of Natural Resources, Justice, and Equality, Mrs Naaja Nathanielsen, Deputy Minister for Mines and Natural Resources, Mr Jørgen T. Hammeken-Holm.

During discussions, Minister Nathanielsen reaffirmed the Government of Greenland's stance that Act No. 20 prohibits Greenland Minerals A/S from obtaining an exploitation license. Additionally, the minister conveyed that a response to ETM's application for an amended processing flowsheet, omitting uranium exploitation, would be delivered in the coming weeks. Taking this opportunity, ETM affirmed its intention to file the Statement of Claim in July.

The opportunity also used to exchange insights on the Kvanefjeld project with senior representatives from other political parties, the chairman of Greenland's largest labour union, SIK and leading Greenland business participants.

### Subsequent events to balance date

#### Draft exploitation licence decision – amended exploitation licence application

In an ASX announcement on 3<sup>rd</sup> August 2023, the Company advised that a draft decision on the amended exploitation application has been received from Greenland's Ministry of Mineral Resources and Justice. The draft decision states "The Government of Greenland refuses the application of 16 December 2022 for the alternative exploitation licence for the Kuannersuit project".

In reaching the draft decision, the Government of Greenland has relied solely on the application of Act No. 20, which is the subject of the arbitration process. The Government of Greenland has not taken into consideration whether granting the licence would be in accordance with the rules of the Mineral Resources Act.

The Company is disappointed the Government of Greenland has made a draft decision to reject this alternative development proposal and strongly disagrees with the Government's conclusions. Amongst other shortcomings, the draft decision appears to be little more than a reproduction of the Government of Greenland's previous decision to reject the Company's original exploitation licence application, without any meaningful consideration of the merits of the Company's alternative development proposal or the Company's legal rights and legitimate expectations.

#### Subsequent events to balance date (cont'd)

The Company submitted a detailed objection to the draft decision on 1 September 2023, following this the Company received from the Government of Greenland a final rejection of the amended exploitation licence application. The Government in making the rejection relied solely on the application of Act No 20 and not the application of the Minerals Resources Act or on environmental concerns.





### **Board changes**

On 14 August 2023, the Company appointed Ms. Sara Kelly a Non-Executive Chair and Mr. Ed Mason resigned as the Non-Executive Chair on the same day. Refer to ASX announcement 14 August 2023.

Other than the forementioned, there have not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

### **Auditor's Independence Declaration**

The Auditor's independence declaration is included on page 6 of the half-year financial report.

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

On behalf of Directors

A handwritten signature in black ink, appearing to read 'Daniel Mamadou Blanco', written over a horizontal line.

**Daniel Mamadou Blanco**

**Managing Director**

Perth, 13 September 2023

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

13 September 2023

Dear Board Members

### Auditor's Independence Declaration to Energy Transition Minerals Ltd

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

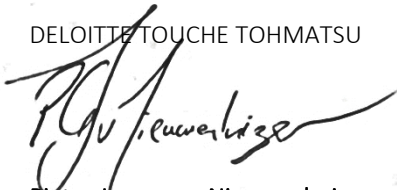
As lead audit partner for the review of the half year financial report of Energy Transition Minerals Ltd for the half year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



**Pieter Janse van Nieuwenhuizen**  
Partner  
Chartered Accountant

## Independent Auditor's Review Report to the members of Energy Transition Minerals Ltd

We have reviewed the half-year financial report of Energy Transition Minerals Ltd (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

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

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

### *Directors' Responsibilities for the Half-year Financial Report*

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

### *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Pieter Janse van Nieuwenhuizen*

**Pieter Janse van Nieuwenhuizen**

Partner

Chartered Accountants

Perth, 13 September 2023



## Directors' declaration

---

The directors declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Group.

Signed in accordance with a resolution of the directors made in pursuant to s303(5) of the Corporations Act 2001.

On the behalf of the Directors

A handwritten signature in black ink, appearing to read 'D. Mamadou Blanco', written over a horizontal line.

**Daniel Mamadou Blanco**  
Managing Director

Perth, 13 September 2023



**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2023**

	Note	30-Jun-23 \$' 000	30-Jun-22 \$' 000
<b>Revenue from continuing operations</b>			
Other income		149	151
<b>Expenditure</b>			
Directors' and employee benefits		(881)	(581)
Professional fees		(237)	(185)
Depreciation		(218)	(133)
Finance costs – lease liabilities		(21)	(15)
Share based payments		(19)	(809)
Exploration and evaluation expenditure		(907)	(643)
Other expenses		(354)	(374)
Loss before tax		(2,637)	(2,589)
Income tax expense		-	-
<b>Loss for period</b>		<b>(2,488)</b>	<b>(2,589)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss:</b>			
Exchange difference arising on translation of foreign operations		10	3
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income		10	3
<b>Total comprehensive income for the period</b>		<b>(2,478)</b>	<b>(2,586)</b>
Loss attributable to:			
Owners of the parent		(2,488)	(2,589)
		(2,488)	(2,589)
Total comprehensive income attributable to:			
Owners of the parent		(2,478)	(2,586)
		(2,478)	(2,586)
Basic loss per share – cents per share			
		0.18	0.19
Diluted loss per share – cents per share			
		0.18	0.19

The accompanying notes from part of this financial report on pages 16 to 21.



Condensed consolidated statement of financial position  
As at 30 June 2023

		Consolidated	
		30-Jun-23	31-Dec-22
		\$' 000	\$' 000
<b>Current Assets</b>	<b>Note</b>		
Cash and cash equivalents	3	21,560	24,951
Trade and other receivables		598	460
Other assets	4	2,753	2,102
<b>Total Current Assets</b>		<b>24,911</b>	<b>27,513</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		791	650
Right of use lease assets		826	1,005
Capitalised exploration and evaluation expenditure	5	777	144
<b>Total Non-Current Assets</b>		<b>2,394</b>	<b>1,799</b>
<b>Total Assets</b>		<b>27,305</b>	<b>29,312</b>
<b>Current Liabilities</b>			
Trade and other payables		3,052	2,483
Lease liability		321	377
Provisions		453	410
<b>Total Current Liabilities</b>		<b>3,826</b>	<b>3,270</b>
<b>Non-Current Liabilities</b>			
Lease liability		609	706
Provisions		-	7
<b>Total Non-Current liabilities</b>		<b>609</b>	<b>713</b>
<b>Total Liabilities</b>		<b>4,435</b>	<b>3,983</b>
<b>Net Assets</b>		<b>22,870</b>	<b>25,329</b>
<b>Equity</b>			
Issued capital		406,260	406,260
Reserves		(32,802)	(32,831)
Accumulated losses		(350,588)	(348,100)
<b>Total Equity</b>		<b>22,870</b>	<b>25,329</b>

The accompanying notes from part of this financial report on pages 16 to 21.





**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 30 June 2023**

	Share capital \$' 000	Option reserve \$' 000	Foreign currency translation reserve \$' 000	Non-controlling Interest Acquisition reserve \$' 000	Accumulated losses \$' 000	Total \$' 000
<b>Balance at 1 Jan 2022</b>	405,560	373	5,597	(39,672)	(341,977)	29,881
Net loss for the period	-	-	-	-	(2,589)	(2,589)
Other Comprehensive Income	-	-	3	-	-	3
Total Comprehensive income for the period	-	-	3	-	(2,589)	(2,586)
Recognition of share-based payments	-	809	-	-	-	809
<b>Balance at 30 June 2022</b>	405,560	1,182	5,600	(39,672)	(344,566)	28,104
<b>Balance at 1 Jan 2023</b>	406,260	1,227	5,614	(39,672)	(348,100)	25,329
Net loss for period	-	-	-	-	(2,488)	(2,488)
Other Comprehensive income	-	-	10	-	-	10
Total Comprehensive income for the period	-	-	10	-	(2,488)	(2,478)
Recognition of share-based payments	-	19	-	-	-	19
<b>Balance at 30 June 2023</b>	406,260	1,246	5,624	(39,672)	(350,588)	22,870

The accompanying notes from part of this financial report on pages 16 to 21.



**Condensed Consolidated Statement of Cash Flows**  
**For the half-year ended 30 June 2023**

	<b>Consolidated</b>	
	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	18	78
Payments to suppliers and employees	(2,550)	(3,270)
Interest - lease liabilities	(21)	(15)
Net cash from/(used) in operating activities	(2,553)	(3,207)
<b>Cash flows from investing activities</b>		
Interest received	126	17
Payments for exploration and development	(633)	-
Payments for plant & equipment	(170)	(1)
Net cash from/(used) in investing activities	(677)	16
<b>Cash flows from financing activities</b>		
Payments on lease liabilities	(161)	(94)
Net cash from/(used in) financing activities	(161)	(94)
<b>Net (decrease)/increase in cash and equivalents</b>	<b>(3,391)</b>	<b>(3,285)</b>
Cash and equivalents at the beginning of the financial period	24,951	30,309
<b>Cash and equivalents at the end of the financial period</b>	<b>21,560</b>	<b>27,024</b>

The accompanying notes from part of this financial report on pages 16 to 21.



**Notes to the condensed consolidated financial statements**  
**For the half-year ended 30 June 2023**

---

**Note 1: Statement of significant accounting policies**

**Statement of compliance**

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

**Basis of preparation**

The Consolidated Group is of a kind referred to in ASIC Instrument 2016/191, dated 24 March 2016 and in accordance with that Class Order, all financial information presented has been rounded to the nearest thousand dollars, unless otherwise stated. All amounts are presented in Australian dollars unless otherwise stated.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 31 December 2022, (except for the impact of the Standards and Interpretations described below). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Litigation Funding Agreement – reimbursable costs

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

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

**Adoption of new and revised accounting standards**

The Consolidated Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Consolidated Group's operations and effective for half year. The adoption of these Standards and Interpretations did not have any effect on the financial position of the Consolidated Group.

There currently no standards on issue, not yet effective that are expected to have a material impact on the Group.



**Notes to the condensed consolidated financial statements**  
**For the half-year ended 30 June 2023**

**Note 2: Segmented reporting**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment to assess its performance.

The Consolidated Group has one reporting segment, mineral exploration and evaluation for technology metals and operates in a number of jurisdictions. The Consolidated Group operates in three jurisdictions, Australia and Greenland

	Australia \$'000	Greenland \$'000	Other \$'000	Total \$'000
<b>30 June 2023</b>				
Other income	149	-	-	149
	149	-	-	149
Non-current assets	1,437	629	328	2,394
	1,437	629	328	2,394
<b>31 December 2022</b>				
Other income	484	-	-	484
	484	-	-	484
Non-current assets	915	533	351	1,799
	915	533	351	1,799

**Note 3: Cash and cash equivalents**

	Consolidated	
	30-Jun-23 \$' 000	31-Dec-22 \$' 000
Cash at bank	554	601
Cash on deposit at call	20,973	24,317
Cash on deposit	33	33
	21,560	24,951

**Note 4: Other assets**

	Consolidated	
	30-Jun-23 \$' 000	31-Dec-22 \$' 000
Deposit bonds	64	64
Villasrubias cash advance (i)	66	60
Litigation expense funding (ii)	2,566	1,889
Other	57	89
	2,753	2,102



**Notes to the condensed consolidated financial statements**  
**For the half-year ended 30 June 2023**

**Note 4: Other assets (cont'd)**

- (i) The balance of funds advanced to Technology Metals Europe SI for the sole purpose of funding further exploration activity on the Villasrubias project but not expenses at 30 June 2023.
- (ii) The Consolidated Group is entitled to reimbursement of legal costs incurred under the litigation funding agreement with Woolridge Investments LLC, a wholly owned subsidiary of Burford Capital. Refer to note 7 for further details.

**Note 5: Capitalised exploration and evaluation expenditure**

**(a) Kvanefjeld**

	Consolidated	
	30-Jun-23 \$' 000	31-Dec-22 \$' 000
Balance at beginning of period	90,986	90,482
Add:		
Effects of currency translation	3,244	504
Balance at end of period	94,230	90,986
Less:		
Balance at beginning of period	(90,986)	(90,482)
Effects of currency translation	(3,244)	(504)
Balance at end of period	(94,230)	(90,986)
Balance of capitalised exploration and evaluation expenditure at the end of period	-	-

- (i) Expenses for the half year ended 30 June 2023 are recognised in the statement of profit and loss as the expenses do not meet the criteria for capitalisation under the Group's accounting policy.
- (ii) The Kvanefjeld Project EL 2010/02 is held by Greenland Minerals A/S, the 100% owned Greenlandic subsidiary. All capitalised exploration and evaluation expenditure has been recognised in the Greenlandic subsidiary and at reporting date has been translated at the closing Australian dollar/Danish kroner exchange rate with the movement being recognised in the foreign currency translation reserve.
- (iii) As a result of the political developments in Greenland during 2021, including the passing of the Act No. 20 to prohibit mineral activity where the uranium content in an ore body exceeds 100ppm, there is uncertainty surrounding the recovery of the capitalised exploration and evaluation expenditure. As required by Australian Accounting Standards, an allowance against the recoverability of the expenditure was recognised in the prior year, that results in a nil carrying value at 30 June 2023.



Notes to the condensed consolidated financial statements

For the half-year ended 30 June 2023

**Note 5: Capitalised exploration and evaluation expenditure (cont'd)**

- (iv) EL 2010/02 licence renewal was received on 16 March 2023 and has been renewed for a 3 year period up to 31 December 2025.
- (v) The Consolidated Group disagrees with the Greenland Government's application of Act No. 20 and will protect its legal right to an exploitation licence. The Consolidated Group has referred the dispute to arbitration to establish what if any effect Act No.20 has on the Kvanefjeld project and on GMAS' entitlement to an exploitation licence under Section 14 of the exploration licence. The Consolidated Group will continue to work with the Greenland Government and other stakeholders to progress the mining license application to move to development in accordance with both Greenland Government and local community expectations.

**(b) Villasrubias**

	Consolidated	
	30-Jun-23	31-Dec-22
Balance at beginning of year	144	-
Earn-in exploration expenditure	633	144
Balance at end of year	777	144

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

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

**Table of exploration licenses held at 30 June 2023**

Exploration Licence	Location	Ownership
EL 2010/02	Southern Greenland	100% held by Greenland Minerals A/S
Permit Investigation 6.914	Salamanca, Spain	Held by Technology Metals Europe SL ('TME'), Energy Transition Minerals Ltd can earn a 51% interest in TME by spending AU\$3 Million on an agreed work program, within a 3 year period commencing 28 Oct 2022.

**Note 6: Dividends**

No Dividends have been paid or proposed during the half-year ended 30 June 2023.



**Notes to the condensed consolidated financial statements**  
**For the half-year ended 30 June 2023**

---

**Note 7: Contingent liability**

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

The agreement is entered into on a non-recourse basis with funding being repayable out of proceeds or award from a successful outcome of the arbitration process. The amount payable to Woolridge, which is contingent on a favourable outcome, is variable and cannot be reliably estimated until a settlement is reached as the amount ultimately payable is dependent on a number of factors including: the amount of funding provided; the time taken to reach a successful outcome; and the value of any award or proceeds.

If the successful outcome results in a non-cash award, the right to be granted an exploitation licence, the amount payable to Woolridge will be based on an independent valuation of the award. In the event that proceeds received through a successful outcome are less than the amount provided by Woolridge Investments LLC as funding, the cash outflow is capped at the amount awarded.

**Note 8: Subsequent events to balance date**

**Draft exploitation licence decision – amended exploitation licence application**

In an ASX announcement on 3<sup>rd</sup> August 2023, the Company advised that a draft decision on the amended exploitation application has been received from Greenland's Ministry of Mineral Resources and Justice. The draft decision states "The Government of Greenland refuses the application of 16 December 2022 for the alternative exploitation licence for the Kuannersuit project".

In reaching the draft decision, the Government of Greenland has relied solely on the application of Act No. 20, which is the subject of the arbitration process. The Government of Greenland has not taken into consideration whether granting the licence would be in accordance with the rules of the Mineral Resources Act.

The Company is disappointed the Government of Greenland has made a draft decision to reject this alternative development proposal and strongly disagrees with the Government's conclusions. Amongst other shortcomings, the draft decision appears to be little more than a reproduction of the Government of Greenland's previous decision to reject the Company's original exploitation licence application, without any meaningful consideration of the merits of the Company's alternative development proposal or the Company's legal rights and legitimate expectations.

The Company submitted a detailed objection to the draft decision on 1 September 2023, following this the Company received from the Government of Greenland a final rejection of the amended exploitation licence application. The Government in making the rejection relied solely on the application of Act No 20 and not the application of the Minerals Resources Act or on environmental concerns.





**Notes to the condensed consolidated financial statements**  
**For the half-year ended 30 June 2023**

---

**Note 8: Subsequent events to balance date (cont'd)**

**Board changes**

On 14 August 2023, the Company appointed Ms. Sara Kelly a Non-Executive Chair and Mr. Ed Mason resigned as the Non-Executive Chair on the same day. Refer to ASX announcement 14<sup>th</sup> August 2023.

Other than the forementioned, there have not been any other matter or circumstance occurring subsequent to the financial period that has significantly affected, or may significantly affect, the operations of the consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future years.

**Competent Person Statement**

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