2020 Annual Report

ABN 51 108 230 995 www.elixirenergy.net.au

Contents

Corporate Directory

Directors

Mr Richard Cottee	Non-Executive Chairman
Mr Neil Young	Managing Director
Mr Stephen Kelemen	Non-Executive Director

Company Secretary
Ms Victoria Allinson

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50 Pirie Street,
Adelaide SA 5000
South Australia

Bankers
National Australia Bank Limited
Ground Floor,
100 St George Terrace
Perth 6000
Western Australia

Share Registry
Automic Pty Ltd
Level 5 126 Phillip Street
Sydney 2000
New South Wales

Auditors - Australia
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco 6008
Western Australia

Auditors - Mongolia
SGMD Audit LLC
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Stock Exchange Listing
Australian Securities Exchange code: EXR

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Chairman's Letter

Dear Fellow Shareholder,

Last year (my first letter as Chairman) I foreshadowed what your company would be embarking on in the then coming year and that your company would be undertaking a program to substantially de-risk its not inconsiderable acreage in Mongolia. As promised, the drilling began with the first core-hole which was Ugtaal-1. Ugtaal-1 showed considerable promise though ultimately its complex geology caused your company to move to the Nomgon sub-basin.

It was Nomgon-1, our second core-hole completed in trying winter conditions, that marked the first coal seam gas discovery in Mongolia. The discovery has fortified your Board's belief in our acreage.

It was not only your Board's belief, but also the company's shareholders, as was shown in our recent fundraising efforts. The Share Purchase Plan ("SPP") was heavily over-subscribed – so much so the Board was forced to scale back the SPP by 43%. Even so it raised $1.65 million. The SPP was preceded by a placement which again exceeded expectations and was also scaled back, to raise a net $1.7 million. Subsequently the Australian dollar has strengthened considerably which will allow your company to more aggressively pursue the next program.

The pandemic struck the world in the first quarter which has resulted in the curtailment of travel. Mongolia itself has fared reasonably well during the pandemic as a result of quick action by the Mongolian Government in closing its borders. Luckily for Elixir, most of the equipment, expertise and personnel required for the next phase already exists in country, and that which is not can be remotely accessed by the wonders of modern technology.

As mentioned in last year's letter, the marketing of any gas produced remains as having many local off-takers available, and if that is not enough, the insatiable Chinese market is only 400 kilometres away to that country's main gas trunk line, through sparsely populated regions.

During the year the company benefitted greatly from Stephen Kelemen's technical expertise as well as Mr B Byambasaikhan's local knowledge. Mr Byambasaikhan saw a local political career beckoning and so, unfortunately for the company, has resigned from the Board for personal reasons. We thank him for his assistance during the year.

Lastly all of those involved with the company salute the indefatigable efforts of our Managing Director, Mr Neil Young. Neil is a total and true believer in the company's prospects and continues to work tirelessly to create shareholder value.

Yours sincerely

Mr Richard Cottee
Non-Executive Chairman

Managing Director's Report

Overview

The 2020 financial year saw Elixir undertake its first year's exploration program in the Nomgon IX PSC. This very large 30,000 km^2 asset is currently the sole focus for the Group.

This campaign culminated in our announcement of 26 February 2020 that the Nomgon-1 well had made Mongolia's first coal seam gas discovery.

Shortly thereafter, we saw the dramatic impact of COVID-19 on numerous fronts, including the world economy, commodity prices and international travel.

Fortunately for Elixir, the virus has not interrupted its gas exploration business in Mongolia, given the foundations of its strong longstanding team in the country, the experience and relationships gained in its first year's exploration efforts, in-country expatriate experts and a tested capability to oversee well testing, etc, online.

We raised funds in May, largely from our existing supportive shareholders, to fund the second year field campaign under the PSC. This now includes an appraisal as well as exploration aspect. As at the date of this report, drilling and the acquisition of 2D seismic are underway and will continue for some months to come.

Elixir's other historical assets are non-core and their current position is described below.

Nomgon IX CSG PSC

The Nomgon IX CSG PSC is located in the South Gobi region of Mongolia – just north of the Chinese border. At around 30,000 km^2, the licence area is an exceptionally large one. Inside its borders (but excluded from the agreement) is the Government owned Tavan Tolgoi coal mine – considered to be one of the largest coal deposits in the world. Also within the PSC is the Rio Tinto operated Oyu Tolgoi copper/gold mine, which is the largest user of power in Mongolia.

The Nomgon IX PSC located just North of the Mongolia/China border

The PSC was executed in September 2018 with a 10 year (extendable) exploration period and a 30 year (also extendable) production period. It requires the contractor to spend a minimum amount on exploration over this period, pay various annual rents and bonuses and establishes a fiscal regime for the production phase.

Fiscal year 2020 Exploration Program

Elixir commenced the first year's exploration program under the Nomgon IX PSC in the second half of 2019, after a successful process of obtaining multiple regulatory approvals and permits.

The program involved acquiring 132 kilometres of 2D seismic in various locations across the PSC and drilling 4 wells, culminating in the Nomgon-1 coal seam gas discovery.

Prior to this well, Elixir drilled the Ugtaal-1 core-hole and two nearby chip-holes, but the coals in that area were of lesser quality than in the Nomgon sub-basin.

An ongoing program of collecting additional technical data has been forthcoming in producing deliverables such as locating new coal outcrops.

The second year's campaign includes follow up appraisal drilling in the Nomgon sub-basin, as well as exploration orientated seismic and drilling elsewhere in the PSC area.

Non-core Assets

Elixir's non-core assets continued to be reduced during the financial year. Old leases in Colorado ran their term and the US holding company was de-registered.

The legal status of the company's long-time asset in France – the Moselle permit – became clear in the year as French authorities advised the Group that this asset had expired. The UK based holding company for this is now in the process of de-registration.

The one remaining legacy asset is a matching cash bond and abandonment liability held in connection with an old Texas based joint venture of Elixir.

Looking Ahead

Our current campaign has multiple objectives. These are to expand upon the Nomgon-1 discovery with a nearby appraisal exercise involving another fully tested core-hole and a couple of strat-holes. If successful, the information obtained from these will be collated, analysed and corroborated with a view to seeking an independently verified contingent resource for the Nomgon sub-basin.

The rest of the field work is focused on opening up new sub-basins in a number of locations across the PSC. Strat-holes will be drilled in locations identified by both the 2019 and 2020 seismic programs – with a large degree of flexibility built into the final well selection process as results come through.

An asset of the size of the Nomgon IX PSC provides opportunities to bring in one or more partners. The de-risking that the appraisal process is intended to demonstrate should provide comfort to such parties in subsequent farm-out negotiations with Elixir.

CSG exploration is much less capital intensive than other forms of petroleum exploration and at this stage Elixir is merely creating options over a farm-out campaign rather than foreseeing a requirement that it has to do so.

Forming partnerships does not need to only happen at the field level – and we have demonstrated that this year with the announcement of the execution of a Memorandum of Understanding with Mongolia's MT Group (one of the country's largest fuel retailers) over the possible development of a small scale LNG plant.

Neil Young
Managing Director

Directors' Report

DIRECTORS

The names of the Directors of Elixir Energy Limited in office during the financial year and at the date of this report are:

Director	Position	Date appointed	Date resigned
Richard Cottee	Non-Executive Chairman	29 April 2019	-
Neil Young(1)	Managing Director	14 December 2018	-
Stephen Kelemen	Non-Executive Director	6 May 2019	-
Mr Bayanjargal Byambasaikhan	Non-Executive Director	1 October 2019	14 July 2020
Dougal Ferguson(2)	Non-Executive Director	15 April 2019	31 August 2019

(1)Mr Young was appointed Chief Executive Officer and Executive Director effective 14 December 2018 and became Managing Director on 15 April 2019.

(2) Mr Ferguson was Managing Director until 15 April 2019 when he became a Non-Executive Director.

Other than as stated above, each Director held office from 1 July 2019 until the date of this report.

INFORMATION ON DIRECTORS

Richard Cottee – Independent Non-Executive Chairman
Qualifications: BA/LLB (Hons)

Board Committees: Chair of the Remuneration Committee and a member of the Audit Committee

Mr Cottee was the Managing Director of coal seam gas (CSG) focused Queensland Gas Company (QGC) during its growth from a $20 million market capitalisation junior explorer through to its acquisition by BG Group for $5.7 billion. QGC's CSG assets are now operated by Shell and produce gas that is sold to China and other LNG markets.

Originally a lawyer, Mr Cottee has spent the vast majority of his career in senior executive roles in the energy industry, including acting as CEO at CS Energy, NRG Europe, Central Petroleum and Nexus Energy.

A 33-year veteran of the industry, Mr Cottee is a strong business development professional and a graduate from The University of Queensland.

Other current Directorships of Australian listed public companies:
- State Gas Limited (ASX code: GAS) - Executive Chairman

Former Directorships of Australian listed public companies in the last three years:
- Central Petroleum Limited (ASX code: CTP) resigned 31 January 2019

Interests in securities in Group at the date of this report:
- 7,937,500 fully paid ordinary shares
- 7,500,000 Listed Options exercisable at $0.0679 and expiring on 31 December 2020
- 7,500,000 Performance Rights Class C expiring 29 September 2024

Neil Young – Managing Director
Qualifications: MA (Hons)

Mr Young has more than twenty years' experience in senior management positions in the upstream and downstream sectors of the energy sector, focusing on business development, new ventures, gas marketing and general commercial functions.

He has worked for a range of companies in the UK and Australia including EY, Tarong Energy and Santos. Mr Young founded Golden Horde Ltd (now a wholly owned subsidiary of Elixir) in 2011 with a view to exploring for gas on the Chinese border in Mongolia. He has also developed various new ventures in multiple countries including Kazakhstan, Japan and the USA.

Other current Directorships of Australian listed public companies:
- Nil

Former Directorships of Australian listed public companies in last three years:
- Nil

Interests in securities in Group at the date of this report:
- 31,260,809 fully paid ordinary shares
- 7,500,000 Performance Rights Class C expiring 14 December 2023

Stephen Kelemen – Independent Non-Executive Director
Qualifications: B.Eng

Board Committees: Chair of the Audit Committee and a member of the Remuneration Committee

Mr Kelemen has a diverse petroleum industry experience across reservoir, development, operations and exploration activities in conventional petroleum, CSG and other unconventional resources, developed through his ~40 years in the industry. Mr Kelemen led Santos' CSG team from its inception in 2004 and drove the growth in this area that allowed Santos to become one of Australia's leading CSG companies. An engineering graduate from Adelaide University, Stephen served Santos for 38 years in multiple technical and leadership roles.

Mr Kelemen is currently an Adjunct Professor at University of Queensland's Centre for Coal Seam Gas and Deputy Chair – Petroleum for Queensland Exploration Council.

Other current Directorships of Australian listed public companies:
- Galilee Energy Ltd (ASX: GLL)

Former directorships of Australian listed public companies in last three years:
- Nil

Interests in securities in Group at the date of this report:
- 290,000 fully paid ordinary Shares
- 5,000,000 Incentive Options exercisable at $0.10 and expiring 29 September 2023

Bayanjargal Byambasaikhan – Non-Executive Director (appointed 1 October 2019, resigned 14 July 2020)

Board Committees: Audit Committee member

Mr Byambasaikhan chairs the Business Council of Mongolia (BCM), the country's leading business association and he is also a co-founder of NovaTerra, an investment advisory firm based in Ulaanbaatar. In 2015-2016, Mr. Byambasaikhan was the chief executive of Mongolia's sovereign investment company, Erdenes Mongol, where he served as board director of Oyu Tolgoi LLC, and other subsidiaries.

He has managed and closed financing for high-profile energy transactions in Asia, including Mongolia's first independent power project (IPP) and wind farm in 2012. He was also the chief executive of Newcom, a Mongolian technology investor, and chaired the boards of its several telecom and energy joint-ventures with American, Japanese and European investors. Prior to that, he was an energy banker at the Asian Development Bank, developing and financing power generation, transmission and distribution projects in emerging Central Asian markets.

He is currently a Trustee of the National University of Mongolia, Zorig Foundation USA, Arts Council of Mongolia, Mongolian Archery Federation and is an Honorary Consul of South Africa in Mongolia.

Mr. Byambasaikhan is a graduate of the National University of Mongolia and the George Washington University. In 2014, he was recognised as a Young Global Leader by the World Economic Forum.

Other current Directorships of Australian listed public companies:

- Nil

Former directorships of Australian listed public companies in last three years:

- Nil

Interests in securities in Group at the date of this report:

- 5,000,000 Incentive Options exercisable at $0.10 and expiring 24 November 2023

Dougal Ferguson – Non-Executive Director (resigned 31 August 2019)
Qualifications: B.Bus, GAICD

Mr Ferguson has over 25 years of experience in senior management positions in listed upstream oil and gas for both domestic and international companies. Mr Ferguson has held senior positions with Salinas Energy Limited, ARC Energy Limited, Adelphi Energy Limited and Discovery Petroleum Limited, whilst also spending seven years in London with Premier Oil plc and Hess Corporation.

Mr Ferguson was Company Secretary until 31 July 2019.

Other current Directorships of Australian listed public companies:

- XCD Energy Limited (ASX: XCD) Managing Director appointed 15 April 2019)

Former Directorships of Australian listed public companies in last three years:

- Nil

Interests in securities at the date of his resignation:

- 16,592,666 fully paid ordinary Shares
- 1,000,000 Listed Options exercisable at $0.0679 and expiring 31 December 2020
- 1,000,000 Unlisted Options exercisable at $0.0329 and expiring 30 September 2019

COMPANY SECRETARY

Victoria Allinson (appointed 1 August 2019)
Qualifications: FCCA, AGIA

Ms Allinson is a Fellow of The Association of Certified Chartered Accountants, a Fellow of the Governance Institute of Australia and an NSX Nominated Advisor. She has over 30 years' accounting and auditing experience, including senior accounting positions in a number of listed companies and was an audit manager for Deloitte Touche Tohmatsu. In addition, Ms Allinson has gained professional experience while living and working in both Australia and the United Kingdom.

She is current Chief Financial Officer ("CFO"), NSX Nominated Advisor and Company Secretary of listed company, Asset Resolution Limited (NSX: ASS); and CFO and Company Secretary of listed company, Kangaroo Island Plantation Timbers Limited (ASX: KPT). Her previous experience has included being Company Secretary and CFO for a number of ASX listed companies, including: Safety Medical Products Ltd, Marmota Limited, Centrex Metals Ltd, Adelaide Energy Ltd, Enterprise Energy NL, and Island Sky Australia Ltd as well as a number of unlisted companies. In her role as Company Secretary, Vicky has assisted a number of companies to list on the ASX and NSX.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Elixir's Directors held during the year ended 30 June 2020, and the number of meetings attended by each Director.

Director	Directors' Meeting		Audit Committee		Remuneration Committee(4)	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
R. Cottee	8	8	2	2	-	-
N. Young(1)	8	8	-	-	-	-
S. Kelemen	8	8	2	2	-	-
B. Byambasaikhan(2)	6	5	-	-	-	-
D. Ferguson(3)	1	1	-	-	-	-

(1) Attended both Audit Committee meetings during the year by invitation
(2) Appointed to the Board on 1 October 2019 and appointed to the Audit Committee on 11 March 2020
(3) Resigned on 31 August 2019
(4) No Remuneration Committee meetings were held during the financial year as there were not any matters to consider that were not agreed by the Board.

PRINCIPAL ACTIVITIES

Elixir Energy Limited ("Company") and its subsidiaries ("Group") is an exploration company focussed on coal bed methane ("CBM") exploration and development in Mongolia. The Group holds a Production Sharing Contract in southern Mongolia, which was awarded in late 2018 and covers an area of approximately 30,000 square kilometres. Further details are contained in the Managing Director's Report provided earlier in the 2020 Annual Report and in the Review of Operations below.

REVIEW OF OPERATIONS

Operating Results

For the financial year ended 30 June 2020, the Group recorded a net loss from continuing operations after tax of $1.5m (2019: loss of $2.5 million). After excluding the $0.4 million loss in the prior year on sale of the Alaskan project and foreign currency items, the current year loss is similar to the prior year reflecting a largely unchanged corporate cost structure with all costs related to the Mongolian CBM project capitalised. It is noted that the current year loss includes approximately $0.7 million (net) of non-cash items, primarily the issue of shares in return for services ($0.3m), share based payments relating to performance rights and options issued to directors and employees ($0.8m), and a $0.4 million foreign currency translation gain. The 'cash loss' for the year of approximately $0.8 million reflects the Group's operating/administrative costs of approximately $70,000 per month.

At 30 June 2020, the Group held cash of just under $3.3m (2019: $4.4 million), with the majority of that representing funds raised in May 2020 from a Share placement and Share Purchase Plan of $3.3 million ($3.1 million after costs). During the year, the Group spent approximately $3.7 million on the CBM project in Mongolia, described in more detail below.

Operations Review

During the financial year, the Group's primary focus was conducting its first exploration program in the Nomgon IX PSC.

Following receipt of all required regulatory approvals and permits, 131 kilometres of 2D seismic was acquired and subsequently processed and interpreted. The drilling campaign in the first year included 2 fully tested core-holes and 2 cheaper strat-holes.

This series of 4 wells were drilled in late 2019 and early 2020, culminating in the Group's announcement of 26 February 2020 that its Nomgon-1 well was Mongolia's first coal seam gas discovery.

As at the end of the financial year, Elixir was poised to commence its 2020 appraisal and exploration campaign, which again centred around the acquisition of 2D seismic and the drilling of core-hole and strat-hole wells.

Group subsidiary companies that had previously held assets in France and the USA were progressively de-registered during the year. The only remaining legacy asset is a wholly owned subsidiary, Cottesloe Oil & Gas LLC, which held a joint venture interest in an asset in Texas.

Changes in Capital Structure

In May 2020, the Group raised $3.3 million (before costs) via the issue of 165 million shares at 2.0 cents per share under a placement to sophisticated and professional investors (82,475,000 shares) and Share Purchase Plan (82,528,171 shares). A further 2,500,000 shares will be issued to directors participating in the placement if approved by shareholders at the Group's Annual General Meeting in September 2020.

On 5 June 2020, the Group issued a total of 10,000,000 ordinary shares to its Managing Director Neil Young, and 7,500,000 ordinary shares to its Chairman Richard Cottee, upon the vesting of Class D Performance Rights (see Remuneration Report for details). Mr Cottee's Class D Performance Rights had been issued earlier in the financial year.

Also on 5 June 2020, 1,000,000 ordinary shares and 1,000,000 Class C Performance Rights expiring 5 June 2025 were issued to a consultant in return for services. A further 9,266,667 ordinary shares were issued to a marketing consultant in return for services valued at $306,000.

Total ordinary shares on issue at 30 June 2020 were 687,973,877.

Other securities issued during the year:

- 8,000,000 unlisted options were exercised and an equivalent number of ordinary shares were issued, raising $263,200.
- 12,630,000 unlisted Incentive Options were issued, all expiring 4 years after the date of issue and with an exercise price of $0.10:
  - 5,000,000 to Non-Executive Director Stephen Kelemen, issued 30 September 2019
  - 5,000,000 to Non-Executive Director Bayanjargal Byambasaikhan, 25 November 2019
  - 2,630,000 to staff in Mongolia, 5 June 2020
- 25,104,080 Listed Options were issued, each with an exercise price of $0.0679 and expiry date of 31 December 2020:
  - 7,500,000 to Chairman Richard Cottee
  - 9,744,080 to professional advisors related to a capital raising concluded in May 2019
  - 7,860,000 to the Lead Managers of the May 2020 capital raising noted above

There were no other significant changes to the issued capital structure during the year.

Since the year end 1,350,000 ordinary fully paid shares were issued in payment of consulting fees, therefore 689,323,877 are on issue at the date of this report.

SHARE OPTIONS

At the date of this report the following Options over unissued ordinary shares are on issue.

Issue date	Number	Exercise price	Expiry	Vesting
Listed Options				
29 January 2019	17,210,055	$0.0679	31 December 2020	Vested
1 March 2019	76,252,482	$0.0679	31 December 2020	Vested
30 September 2019	7,500,000	$0.0679	31 December 2020	Vested
30 September 2019	9,744,080	$0.0679	31 December 2020	Vested
30 September 2019	7,860,000	$0.0679	31 December 2020	Vested
Unlisted Incentive Options				
30 September 2019	5,000,000	$0.10	29 September 2023	Not vested
25 November 2019	5,000,000	$0.10	24 November 2023	Not vested
5 June 2020	2,630,000	$0.10	4 June 2024	Not vested
Total	**131,196,617**			

PERFORMANCE RIGHTS

At the date of this report the following Performance Rights are on issue.

Grant date	Number	Exercise price	Expiry	Vesting
Class C				
17 December 2018	7,500,000	$nil	16 December 2023	(a)
30 September 2019	7,500,000	$nil	29 September 2024	(a)
22 November 2019	1,000,000	$nil	21 November 2024	(a)
Total	**16,000,000**			

Performance Rights Milestones and terms:

a. Class C – Final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue. No voting or dividend rights

During the year 17,500,000 Class D Performance Rights vested and an equivalent number of shares were issued. These Performance Rights had a vesting condition requiring the drilling and testing of two Coal Bed Methane wells within 18 months of date of issue, which was achieved during the year.

In the prior year, 15,000,000 Performance Rights were converted into ordinary shares during the year (Classes A, B, E and F) following the satisfaction of vesting conditions.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2020 (2019: Nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than those events noted above, there were no other significant changes in the state of affairs of the Group during the year that requires separate disclosure.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 14 July 2020, director Bayanjargal Byambasaikhan resigned from the Board. Also subsequent to year end, the Group issued 1,350,000 ordinary shares to settle $27,000 of corporate consulting fees.

The Board does not believe the COVID-19 pandemic will have any impact on the Group's ability to continue as a going concern nor on its current ability to explore in Mongolia.

There were no other events occurring subsequent to 30 June 2020 that have significantly affected, or may affect in the future, the operations or state of affairs of the Group.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Refer to Review of Operations on likely developments and future prospects of the Group.

ENVIRONMENTAL REGULATIONS

The Group's operations are subject to significant environmental regulation in relation to exploration and production activities conducted by the Group in the countries in which it operates. The Group has a policy of exceeding or at least complying with its environmental performance obligations. During the financial year, the Group was not aware of any material breach of any particular environmental law or any other particular regulation in respect to its operating activities.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year, the Company paid a premium of $21,641 (2019: $13,187) in respect of a contract insuring the Directors and Officers of Elixir against liabilities incurred as such a Director or Officer of the Company to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the insured liabilities and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or auditor of the Company or of any related body corporate against a liability incurred as such an Officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or to intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.
The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may deploy the Group's auditor BDO Audit (WA) Pty Ltd for non-audit services. The auditor was not engaged to provide any services other than audit and tax services during the 30 June 2020 financial year (refer Note 18). The Directors are satisfied that the auditor has complied with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 21 of the financial report.

REMUNERATION REPORT (Audited)

This remuneration report outlines the Director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company..

Director	Position	Date appointed	Date resigned
Richard Cottee	Non-Executive Chairman	29 April 2019	-
Neil Young(1)	Managing Director	14 December 2018	-
Stephen Kelemen	Non-Executive Director	6 May 2019	-
Dougal Ferguson(2)	Non-Executive Director	15 April 2019	31 August 2019
Bayanjargal Byambasaikhan	Non-Executive Director	1 October 2019	14 July 2020

Other KMP	Position	Date appointed	Date resigned
Dougal Ferguson	Company Secretary	15 April 2019	31 July 2019
Victoria Allinson	Company Secretary	1 August 2019	-

(1) Mr Neil Young was appointed Chief Executive Officer and Executive Director effective 14 December 2018 and Managing Director effective 15 April 2019.

(2) Mr Ferguson was Managing Director until 15 April 2019 when he became a Non-Executive Director.

(a) Remuneration governance

The remuneration committee of the board of Directors of the Company is responsible for determining and reviewing remuneration arrangements for the Directors and key management personnel. The remuneration committee assesses the appropriateness of the nature and amount of remuneration of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of Directors and key management personnel.

(b) Remuneration philosophy

The performance of the Company, among other things, depends upon the quality of its Directors and management. To prosper, the Company must attract, motivate and retain industry skilled Directors and key management personnel. To this end, the charter adopted by the remuneration committee aims to align rewards with achievement of strategic objectives. The remuneration framework applied provides for a mixture of fixed and variable pay and a blend of short and long term incentives as appropriate.

Currently no remuneration consultants are used by the Group in formulating remuneration policies.

(c) Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and key management personnel remuneration is separate and distinct.

Non-Executive Directors

Non-executive Directors Fees

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders in a general meeting. At the Company's Annual General Meeting held on 29 November 2011, the shareholders of the Company approved that the aggregate amount of Director fees payable to Non-Executive Directors of the Company be set at $500,000 per annum in total. Currently, the Non-Executive Chairman fees are $72,000 per annum (2019: $72,000) and Non-Executive director fees are $45,000 per annum (2019: $36,000).

The Group's policy is to remunerate Non-Executive Directors at market rates (for comparable companies) for time, commitment and responsibilities. Cash fees for Non-Executive Directors are not linked to the performance of the Group. However to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company.

Retirement benefits and allowances

No retirement benefits or allowances are paid or payable to Directors of the Company (other than statutory or mandatory superannuation contributions, where applicable).

Key Management Personnel

Base pay

KMP receive a competitive level of base pay that comprises the fixed (unrisked) component of their pay and rewards. Base pay for senior KMP is reviewed annually to ensure market competitiveness. There is no guaranteed base pay increases included in any senior KMP contracts.

Short-term incentives

Payment of short-term incentives is at the sole and absolute discretion of the remuneration committee. The remuneration committee assesses the achievement of key performance milestones to determine bonus payments. These milestones require performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods.

Short-term bonus payments may be adjusted up or down in line with under or over achievement relative to target performance levels at the discretion of the remuneration committee. No short-term bonuses were paid during the year ended 30 June 2020. In the prior year, the previous Managing Director (Mr Dougal Ferguson) was paid a short-term incentive payment of $78,000.

There have been no forfeitures of bonuses by KMP during the current or prior periods and no cash bonuses remained unvested at year end.

Long term Incentive - Share-based compensation

Options over shares in the Company and Performance Rights may be granted from time to time and are required to be approved by shareholders where option over shares or Performance Rights are issued to Directors. The Group's Employee Incentive Securities Plan ("Plan") was last approved by shareholders at the 2019 Annual General Meeting. Participation in any incentive scheme is at the board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. Options or Performance Rights granted under the Plan carry no dividend or voting rights. The Plan includes rules to prevent participants entering into transactions to remove the "at risk" aspect of the unvested Options or Performance Rights without the approval of the board.

Refer to section (e) of this report for detail of the contractual arrangements in place for the Managing Director and Company Secretary.

Group performance

At present, no remuneration for KMP is directly linked to common financial measures of the Group's performance.

The table below shows various commonly used measures of performance for the 2016 to 2020 financial years:

	Year ended 30 June				
	2016	**2017**	**2018**	**2019**	**2020**
	$	**$**	**$**	**$**	**$**
Revenues and finance income	5,167	17,692	33,809	28,235	41,142
(Loss) after tax	(735,704)	(3,417,538)	(899,137)	(2,454,263)	(1,532,337)
Share price at start of year	0.05	0.03	0.03	0.06	0.040
Share price at end of year	0.03	0.03	0.06	0.04	0.036
Total Shareholder Return (TSR)	(0.03)	(0.02)	0.03	(0.02)	(0.004)
Loss per share	(0.013)	(0.022)	(0.004)	(0.007)	(0.003)

(d) Remuneration of directors and Key Management Personnel ("KMP") of the group for the current and previous financial year

The following tables show details of the remuneration received by the Group's KMP for the current and previous years:

2020	Short-term benefits			Post-employment benefits	Share-based payments			
	Cash salary and fees	Bonus	Accrued Annual Leave	Super-annuation	Options	Perform-ance Rights	**Total**	Perfor-mance Related
	$	$	$	$	$	$	$	%
Non-Executive Directors								
Richard Cottee	65,753	-	-	6,247	-	313,122	385,122	81.3%
Stephen Kelemen	42,750	-	-	-	119,597	-	162,347	73.5%
Bayanjargal Byambasaikhan [1]	33,750	-	-	-	80,183	-	113,933	70.2%
Dougal Ferguson[8]	6,000	-	-	-	-	-	6,000	-
Subtotal - NED	**148,253**	**-**	**-**	**6,247**	**199,780**	**313,122**	**667,402**	**47.3%**
Executive Directors								
Neil Young	251,264	-	20,286	23,806	-	260,355	555,711	46.8%
Other KMP								
Victoria Allinson[2]	43,203	-	-	-	-	-	43,203	0%
Total All KMP	**442,720**	**-**	**20,286**	**30,053**	**199,780**	**573,477**	**1,266,316**	**45.5%**

Sections (e) and (f) below provide further detail on service contracts and share-based payment remuneration.

2019	Short-term benefits			Post-employment benefits	Share-based payments			
	Cash salary and fees	Bonus	Accrued annual leave	Super-annuation	Options	Perform-ance rights	**Total**	Perfor-mance Related
	$	$	$	$	$	$	$	%
Non-Executive Directors								
Richard Cottee[3]	10,959	-	-	1,041	142,500	31,878	186,378	93.56%
Stephen Kelemen[4]	5,516	-	-	-	679	-	6,195	-
Ray Barnes[5]	37,500	-	-	-	-	-	37,500	-
Scott Patrizi[6]	27,000	-	-	-	-	-	27,000	-
Subtotal Non-Executive Directors	**80,975**	**-**	**-**	**1,041**	**143,179**	**31,878**	**257,073**	**12.40%**
Executive Directors					-			
Neil Young[7]	122,785	-	11,196	12,481	-	159,645	306,107	52.15%
Dougal Ferguson[8]	196,427	78,000	70,187	17,968	-	389,211	751,793	62.15%
Subtotal other executives	**319,212**	**78,000**	**81,383**	**30,449**	**-**	**548,856**	**1,057,900**	**51.88%**
Total KMP	400,187	78,000	81,383	31,490	143,179	580,734	1,314,973	44.16%

(1) Mr Byambasaikhan was appointed on 1 October 2019 and resigned subsequent to year end.
(2) Ms Allinson was appointed as Company Secretary and Chief Financial Officer on 1 August 2019. Services are provided via her company Allinson Accounting Solutions Pty Ltd, which also provides administration and accounting services to the Group (latter being $59,704 during the year). Total fees exclusive of GST billed to the Group during the year were therefore $102,907.
(3) Mr Cottee was appointed as Non-Executive Chairman on 29 April 2019.
(4) Mr Kelemen was appointed as a Non-Executive Director on 6 May 2019.
(5) Mr Barnes resigned as Non-Executive Director on 26 April 2019.
(6) Mr Patrizi resigned as a Non-Executive Director on 6 May 2019.

(7) Mr Young was appointed as Chief Executive Officer on 14 December 2018 and then as Managing Director on 15 April 2019.

(8) Mr Ferguson ceased the role of Managing Director on 15 April 2019 and received $26,854 annual leave and $43,333 termination payout on 30 April 2019 (total $70,187). On 15 April 2019, Mr Ferguson was appointed a Non-Executive Director and subsequently resigned on 31 August 2019. Prior to his resignation, he received Non-Executive fees of $6,000 and CFO and Company Secretary fees of $16,000 invoiced by Shenton James Pty Ltd of which Dougal Ferguson was a Director.

(e) Service agreements

Remuneration and other terms of employment for the executives are formalised in service agreements. These agreements specify the components of remuneration, benefits and notice periods. The material terms of service agreements with key management personnel are noted as follows:

Name	Term of agreement and notice period	Base salary including superannuation	Termination payment
Mr Neil Young (1)	No fixed term; 3 months	$270,000	6 months(2)
Ms Victoria Allinson(3)	No fixed term; 3 months	n/a	n/a

(1) Under Mr Young's service agreement he receives a salary of $270,000 inclusive of superannuation. Mr Young's service agreement was amended on 15 April 2019 upon taking the role of Managing Director; his previous service agreement, which commenced on 17 December 2018, had a salary of $250,000 inclusive of superannuation.

(2) Notice period or termination benefit in lieu of notice (on behalf of the employer), other than for gross misconduct.

(3) Ms Allinson commenced as Company Secretary and Chief Financial Officer on 1 August 2019. Her services are billed through Allinson Accounting Solutions Pty Ltd (trading as My Virtual HQ), a company controlled by Ms Allinson. Fees are billed monthly based on time-incurred.

(f) Options and performance rights granted as part of remuneration

Details of Options or Performance Rights over ordinary shares in the Company provided as remuneration to each Director and each of the KMP of the Group in the current year are set out below.

Performance Rights

There following Rights were issued or approved by Shareholders as remuneration during the current and prior year.

Grant date(1)	Number	Vesting Conditions	Exercise Price	Expiry date	Value per security at grant date
20 August 2019(2)	7,500,000	Class C Milestone achieved	n/a	29 September 2024	$0.046
20 August 2019(2)	7,500,000	Class D Milestone achieved	n/a	Converted on 5 June 2020	$0.046
Prior Year					
14 December 2018	7,500,000	Class C Milestone achieved	n/a	13 December 2023	$0.042
14 December 2018	10,000,000	Class D Milestone achieved	n/a	Converted on 5 June 2020	$0.042
14 December 2018	2,500,000	Class E Milestone achieved	n/a	Converted in prior year	$0.042
14 December 2018	2,500,000	Class F Milestone achieved	n/a	Converted in prior year	$0.042

The Performance Right vesting conditions are set out on page 19.

Listed Options

There following Listed Options were issued or approved by Shareholders as remuneration during the current year (prior year nil).

Grant date[(1)]	Number	Vesting Conditions	Exercise Price	Expiry date	Value per security at grant date
20 August 2019[(2)]	7,500,000	Vested	$0.0679	31 December 2020	$0.019

Incentive Options

There following Incentive Options were issued or approved by Shareholders as remuneration during the current year (prior year nil).

Grant date[(1)]	Number	Vesting Conditions	Exercise Price	Expiry date	Value per security at grant date
25 November 2019[(3)]	5,000,000	25 Nov 2020	$0.10	24 Nov 2024	$0.027
20 August 2019[(2)]	5,000,000	30 Sept 2020	$0.10	29 Sept 2024	$0.030

[(1)]Grant date is the earlier of commitment date or date approved by shareholders (if necessary).

[(2)]On 20 August 2019, Shareholders approved the issue of the following securities:

- 7,500,000 Class C Performance Rights to Mr Cottee, issued on 30 September 2019;
- 7,500,000 Class D Performance Rights to Mr Cottee (vested and converted to shares on 5 June 2020);
- 7,500,000 Listed Option to Mr Cottee, issued on 30 September 2019 (vested immediately); and
- 5,000,000 Incentive Options to Mr Kelemen, issued on 30 September 2019, to vest one year after issue

[(3)]Mr Byambasaikhan was granted 5,000,000 incentive Options on 25 November 2019 subsequent to joining the Board as a Non-Executive director. Options are to vest one year after issue.

The value attributable to Mr Cottee's 7,500,000 listed options ($142,500) was recognised as remuneration in the year ended 30 June 2019, as was a portion ($31,878) of the value of his 5,000,000 incentive options.

Total share-based payments related to KMP remuneration during the year was $773,257 (performance rights $573,477 and options $199,780, as shown previously in the 2020 remuneration table).

The value of the Class D performance rights on the date of conversion to shares was 3.7 cents per share based on the Company's closing share price on the ASX on 5 June 2020. By comparison, the Company's closing share price on the ASX at the grant date (which determines the amount recognised as a share-based payment expense) was 4.6 cents per share for Mr Cottee's 7.5 million Performance Rights, and 4.2 cents per share for Mr Young's 10 million Performance Rights.

When exercisable, each Option and Performance Right is convertible into one ordinary share of the Company. Further information on the Options and Performance Rights, including the key assumptions underlying the grant date valuation methodology, is set out in Note 15 of the Financial Statements.

(g) Equity instruments held by Key Management Personnel

Options and Performance Rights

The number of Options over ordinary shares and Performance Rights held by KMP during the financial year are as follows:

Listed Options

Director	Balance at start of the year	Acquired	Other change(iv)	Balance at end of the year	Vested and exerciseable	Vested and unexercis-able
R. Cottee	-	7,500,000	-	7,500,000	7,500,000	-
N. Young	-	-	-	-	-	-
S. Kelemen	-	-	-	-	-	-
B. Byambasaikhan	-		-	-	-	-
D. Ferguson	1,000,000	-	(1,000,00)	-	-	-
V. Allinson	-	-	-	-	-	-
Total	**-**	**7,500,000**	**-**	**7,500,000**	**7,500,000**	**-**

Listed Options terms and conditions:

(i) Exercise price $0.0679.
(ii) Vesting date is 12 months after date of grant.
(iii) Expire on 31 December 2020.
(iv) Mr Ferguson resigned as a director on 31 August 2019.

Unlisted Incentive Options

Director	Balance at start of the year	Granted as compens-ation	Other change(1)	Balance at end of the year	Vested and exercisable	Vested and unexercis-able
R. Cottee	-	-	-	-	-	-
N. Young	-	-	-	-	-	-
S. Kelemen(2)	-	5,000,000	-	5,000,000	-	-
B. Byambasaikhan(3)	-	5,000,000	-	5,000,000	-	-
D. Ferguson	1,000,000	-	(1,000,000)	-	-	-
V. Allinson	-	-	-	-	-	-
Total	**-**	**10,000,000**	-	**10,000,000**	**-**	**-**

Unlisted Options terms and conditions:

(i) Exercise price $0.10.
(ii) Vest 1 year after date of issue.
(iii) Expire 4 years after date of issue. The Board resolved under its discretion to vest these options subsequent to year end.

(1) Mr Ferguson resigned as a director on 31 August 2019.
(2) Total share based payment expense recognised during the year in relation to Mr Kelemen's 5,000,000 Incentive Options was $150,427 (2019: $nil).
(3) Total share based payment expense recognised during the year in relation to Mr Byambasaikhan's 5,000,000 Incentive Options was $134,620 (2019: $nil).

Performance Rights

Director	Balance at start of the year	Granted as compensation	Vested and Converted	Balance at end of the year	Vesting Milestone Condition
R. Cottee(1)	-	15,000,000	(7,500,000)	7,500,000	C and D
N. Young(2)	17,500,000	-	(10,000,000)	7,500,000	C and D
S. Kelemen	-	-	-	-	-
B. Byambasaikhan	-	-	-	-	-
D. Ferguson	-	-	-	-	-
V. Allinson	-	-	-	-	-
Total	**17,500,000**	**15,000,000**	**(17,500,000)**	**15,000,000**	**-**

(1) Mr Cottee received 15,000,000 Performance Rights during the year following Shareholders approval on 20 August 2019. 7,500,000 of the Performance Rights (Class D) vested during the year and an equivalent number of shares were issued on 5 June 2020. Total share based payment expense recognised during the year in relation to these rights was $313,122 (2019: $31,848).

(2) 10,000,000 Performance Rights held by Mr Young vested during the year (Class D) and an equivalent number of shares were issued on 5 June 2020. Total share based payment expense recognised during the year in relation to these rights was $260,355 (2019: $159,645).

Milestones and terms:

- Class C – Final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue (not yet vested).
- Class D – Drilling and testing of two Coal Bed Methane wells within 18 months of date of issue (vested and shares were issued).
- No voting or dividend rights.

(h) Shareholdings

The number of ordinary shares in Elixir Energy Limited held by each member of KMP during the financial year is as follows:

Director	Balance at start of the year	Conversion of Performance Rights[1]	Other Changes[2-5]	Balance at end of the year
R. Cottee	250,000	7,500,000	187,500	7,937,500
N. Young	19,760,809	10,00,000	1,500,000	31,260,809
S. Kelemen	-	-	290,000	290,000
B. Byambasaikhan	-	-	-	-
D. Ferguson	16,592,666	-	(16,592,666)	-
V. Allinson	-	-	-	-
Total	**20,010,809**	**17,500,000**	**1,977,500**	**39,488,309**

(1) Shares issued on vesting and conversion of Class D Performance Rights.

(2) Mr Cottee acquired 187,500 shares under the Share Purchase Plan that closed in May 2020.

(3) Mr Young acquired 1,500,000 shares under the Share Purchase Plan that closed in May 2020.

(4) Mr Kelemen acquired 290,000 shares on market during the year.

(5) Mr Ferguson resigned on 31 August 2020.

During the May 2020 capital raising, directors Young, Cottee and Kelemen committed to acquiring a total of 2,500,000 shares at 2.0 cents per share ($50,000). These shares will be issued if approved by shareholders at the Company's AGM in September 2020.

Loans to Key Management Personnel

No loans were provided to the KMP or to any of their associates.

(i) Other transactions with Key Management Personnel

Ms Victoria Allinson provides Company Secretary and Chief Financial Officer services to the Group via her company, Allinson Accounting Solutions Pty Ltd. Total fees during the year for Victoria Allinson's services amounted to $43,203 (refer to above KMP remuneration table) . The Allinson Accounting Solutions Pty Ltd team also provides administration and accounting services, which totalled $59,704 during the year. Total fees billed to the Group during the year were therefore $102,907, of which $21,403 (including GST) was payable at year end. Victoria Allinson was not a member of KMP in the prior year.

There were no other transactions with KMP during the financial year.

Voting of Shareholders at Last Year's Annual General Meeting

The adoption of the remuneration report for the financial year ended 30 June 2019 was put to shareholders of the Company at the Annual General Meeting (AGM) held on 22 November 2019. The resolution was passed on a poll and the votes were 99% in favour. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of audited remuneration report

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001.*

Neil Young
Managing Director
Adelaide, South Australia

31 July 2020

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ELIXIR ENERGY LIMITED

As lead auditor of Elixir Energy Limited for the year ended 30 June 2020, 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.

This declaration is in respect of Elixir Energy Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 31 July 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Elixir Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elixir Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 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 Group 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.

Material uncertainty related to going concern

We draw attention to Note 28(r) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 7 to the Financial Report, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, 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 Australian Accounting Standard 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; • Recognition and valuation of purchase consideration for tenement acquisitions; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to the following: • Obtaining a schedule of the area of interest held by the Group and assessing whether the rights to tenure of this area of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the area of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 7 and Note 28(h) to the Financial Report.

Valuation of share-based payments

Key audit matter	How the matter was addressed in our audit
During the financial year ended 30 June 2020, the Group issued shares, performance rights and options to consultants and key management personnel, which have been accounted for as share-based payments as disclosed in notes 14 and 15. Refer to Note 28(l) of the financial report for a description of the accounting policy and Note 15 for the significant estimates and judgements applied to these arrangements. Share-based payments are a complex accounting area and due to the judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's calculation of the share-based payments to be a key audit matter.	Our procedures included, but were not limited to the following: • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management's calculation of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Assessing the allocation of the share-based payment expense over the expected vesting period; and • Assessing the adequacy of the related disclosures in Note 14, Note 15 and Note 28(l) to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 20 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Elixir Energy Limited, for the year ended 30 June 2020, 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

BDO

Dean Just

Director

Perth, 31 July 2020

Directors' Declaration

In the Directors' opinion:

- the financial statements and accompanying notes set out on pages 27 to 63 are in accordance with the Corporations Act 2001, including:
    - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    - giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date.
- the financial statements and accompanying notes are presented in compliance with IFRS and interpretations adopted by the International Accounting Standards Board.
- 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
- the remuneration disclosures set out in the Directors' report (as part of the audited remuneration report) for the year ended 30 June 2020 comply with section 300A of the Corporations Act 2001; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 21 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 21.

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

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors.

Neil Young
Managing Director
Adelaide, South Australia
31 July 2020

Corporate Governance Statement

Elixir Energy Limited and the Board of Directors are responsible for the corporate governance of the Group and are committed to achieving the highest standard of corporate governance, business integrity and professionalism with due regard to the interests of all stakeholders. The Board guides and monitors the business and affairs of the Group on behalf of shareholders by whom they are elected and to whom they are accountable.

As such, the Company has adopted the fourth edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council on 27 February 2019 and is effective for financial years beginning on or after 1 July 2020.

The Group's Corporate Governance Statement for the financial year ending 30 June 2020 was approved by the Board on 31 July 2020. The Corporate Governance Statement is available at www.elixirenergy.net.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Revenue from continuing operations			
Interest income	2	**11,700**	28,235
Other		**29,442**	-
Loss on sale of assets	9	**-**	(355,205)
Expenses			
Depreciation		**(360)**	(970)
Foreign exchange gain/(loss)	3	**352,632**	(15,965)
Share based remuneration	15	**(775,840)**	(978,715)
Corporate administration	3	**(1,149,911)**	(1,131,643)
		(1,573,479)	(2,127,293)
Loss before income tax		**(1,532,337)**	(2,454,263)
Income tax expense	4	**-**	-
Total loss attributable to equity holders of the parent		**(1,532,337)**	(2,454,263)
Other comprehensive income:			
Items that have been or may be reclassified to profit or loss:			
Realised foreign currency gain reclassified to profit and loss on dissolution of subsidiaries	3	**(352,801)**	-
Foreign currency translation differences		**(45,775)**	2,462
Other comprehensive income/(loss) for the year, net of tax		**(398,576)**	2,462
Total comprehensive loss - equity holders of the parent		**(1,930,913)**	(2,451,801)
Loss per share			
Basic and diluted (loss) per share (cents)	19	**(0.30)**	(0.74)

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

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Assets			
Current assets			
Cash and cash equivalents	5	**3,298,847**	4,354,678
Other receivables	6	**52,075**	69,783
Total current assets		**3,350,922**	4,424,461
Non-current assets			
Other receivables	6	**845,352**	828,178
Property, plant and equipment		**1,020**	1,380
Exploration and evaluation expenditure	7	**7,024,215**	3,444,364
Total non-current assets		**7,870,587**	4,273,922
Total Assets		**11,221,509**	8,698,383
Liabilities			
Current liabilities			
Trade and other payables	10	**138,165**	352,064
Employee benefits	11	**27,768**	11,196
Total current liabilities		**165,933**	363,260
Non-current liabilities			
Site Rehabilitation Provision	11	**845,352**	828,179
Total non-current liabilities		**845,352**	828,179
Total Liabilities		**1,011,285**	1,191,439
Net Assets		**10,210,224**	7,506,944
Equity			
Issued capital	12	**84,752,340**	79,232,841
Reserves	13	**1,148,325**	2,626,785
Accumulated Losses	13	**(75,690,441)**	(74,352,682)
Total Equity		**10,210,224**	7,506,944

The above consolidated financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Share Capital		Reserves			
	Ordinary Share Capital	Accumulated Losses	Share Based Payment Reserve	Listed Options	Foreign Currency Translation Reserve	Total
	$	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2018	73,658,419	(71,898,419)	470,291	-	101,068	2,331,359
Total Income/(loss) for the year	-	(2,454,263)	-	-	-	(2,454,263)
Exchange differences on translation of foreign operations	-	-	-	-	2,462	2,462
Total comprehensive income/(loss) for the year	-	(2,454,263)	-	-	2,462	(2,451,801)
Share based payments	-	-	978,715	-	-	978,715
Options issued	-	-	-	934,626	-	934,626
In-specie distribution	(1,665,000)	-	-	-	-	(1,665,000)
Shares issued	7,922,869	-	-	-	-	7,922,869
Security issue costs	(683,447)	-	185,138	(45,515)	-	(543,824)
Balance at 30 June 2019	**79,232,841**	**(74,352,682)**	**1,634,144**	**889,111**	**103,530**	**7,506,944**
Total Income/(loss) for the year	-	(1,532,337)	-	-	-	**(1,532,337)**
Realised foreign exchange gain on dissolution of subsidiaries	-	-	-	-	(352,801)	**(352,801)**
Exchange differences on translation of foreign operations	-	-	-	-	(45,775)	**45,775**
Total comprehensive income/(loss) for the year	-	(1,532,337)	-	-	(398,576)	**(1,930,913)**
Shares issued for services	343,000	-	-	-	-	**343,000**
Share based payments	-	-	775,840	-	-	**775,840**
Options exercised	263,200	-	-	-	-	**263,200**
Transfer from SBP reserve for securities converted/expired	1,684,726	194,578	(1,879,304)	-	-	**-**
Shares issued	3,300,063	-	-	-	-	**3,300,063**
Share based security issue costs	(23,580)		23,580			**-**
Security issue costs	(47,910)	-	-	-	-	**(47,910)**
Balance at 30 June 2020	**84,752,340**	**(75,690,441)**	**554,260**	**889,111**	**(295,046)**	**10,210,224**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Federal government funding received		**29,442**	-
Payments to suppliers and employees		**(836,800)**	(961,005)
Net cash (used in) operating activities	17	**(807,358)**	(961,005)
Cash flows from investing activities			
Payments for exploration and evaluation	7	**(3,667,990)**	(761,786)
Purchase of petroleum leases		**-**	(3,446,875)
Payment of exploration bonds		**-**	(423,031)
Sale of petroleum licences		**-**	1,179,291
Interest received		**11,700**	32,235
Purchase of property, plant and equipment		**-**	(969)
Net cash (used in) investing activities		**(3,656,290)**	(3,421,135)
Cash flows from financing activities			
Proceeds from issue of shares		**3,300,063**	5,157,869
Proceeds from exercise of options		**263,200**	-
Proceeds from issue of listed options		**-**	934,626
Payments for security issue costs		**(155,096)**	(447,824)
Proceeds from borrowings		**-**	700,000
Repayment of borrowing		**-**	(48,993)
Net cash provided by financing activities		**3,408,167**	6,295,678
Net increase/(decrease) in cash held		**(1,055,481)**	1,913,538
Cash at beginning of financial year	5	4,354,678	2,484,234
Effect of exchange rates on cash holdings in foreign currencies		(350)	(43,094)
Cash at end of financial year	5	**3,298,847**	4,354,678

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. General Information and Basis of Presentation

Elixir Energy Limited ('Company') is a for-profit Australian incorporated publicly listed company. The consolidated financial statements comprise the Company and its controlled entities ('Group') and is a general purpose report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. As outlined below under *Impact of COVID-19 pandemic* the pandemic has not impacted the Group's operations in any significant way to date, and it is not expected to have a significant impact on the Group's planned exploration activities and operations in Mongolia nor its administrative functions in Mongolia and Australia. Should the Group's near-term planned exploration activities be delayed due to Covid-19, the Board expects that its minimum expenditure commitments under the Production Sharing Contract in Mongolia for the 2020 calendar year will be reduced, and discussions with the Mongolian government in this regard have already commenced. The Board does not believe the pandemic will have any impact on the Group's ability to continue as a going concern.

New Accounting Standards

AASB 16 Leases came into effect 1 July 2019. The new standard eliminates the operating and finance lease classifications for lessees previously required under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet by recognising a lease liability and a right of use asset in its balance sheet. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117. There was no significant impact of the adoption of this new standard on the reported balances and transactions of the Group.

There are no issued but not yet effective accounting standards or interpretations that are expected to significantly impact the Group in future financial years. A summary of the Company's accounting policies is contained in Note 28.

Critical Accounting Judgements and Estimates
Estimates and judgments are incorporated into the financial statements based on historical knowledge, best available current information and expectations of future events that may have a financial impact on the Group. Areas that involved a high degree of judgement or complexity and items that are more likely to be materially adjusted are shown below:

(i) Estimation of fair value of capitalised exploration and evaluation expenditure – Note 7
(ii) Estimation of rehabilitation costs and exposure to contingent liabilities – Note 11
(iii) Estimation of fair value of share based payments – Note 15
(iv) Income taxes and recognition of deferred tax asset for carried forward tax losses – Note 4

Impact of COVID-19 pandemic - Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the operations of the Group and its financial position and results. At present it is not expected that the pandemic will have any significant impact on the Group's planned exploration activities and operations in Mongolia nor its administrative functions in Mongolia and Australia.

Notes to the Consolidated Financial Statements

Group personnel, key supply chains, and other important stakeholder relationships have remained largely unaffected by the pandemic. As at 30 June 2020 and the date of this report, there has been no significant impact upon the financial results and position of the Group reported on in these consolidated financial statements as a result of the COVID-19 pandemic. The Board and management will continue to monitor the impact of the pandemic on the Group's operations and state of affairs.

	Note	Consolidated Group	
		2020	2019
		$	$
2. Interest and Other Income			
Interest received		**11,700**	28,235
Federal Government Covid-19 Funding		**29,442**	-
Total		**41,142**	28,235
3. Expenses			
Loss before income tax includes the following specific items:			
Corporate administration			
Corporate compliance		**222,294**	204,535
Corporate management		**156,358**	431,528
Rental of office space		**19,842**	27,500
Audit fees (Note 18)		**34,866**	36,342
Non-executive director fees		**154,500**	82,016
General administration		**562,051**	267,575
Corporate development		**-**	82,147
Total		**1,149,911**	1,131,643
Foreign Exchange			
Reclassification of foreign exchange losses carried in other comprehensive income/loss to profit and loss:			
Loss on dissolution of Elixir Petroleum (Colorado) Inc.		**214,799**	-
Gain on dissolution of Elixir Petroleum (Moselle) Ltd		**(567,600)**	-
		(352,801)	-
Other foreign exchange loss		**169**	15,965
Total foreign exchange (gain)/loss		**(352,632)**	15,965

Notes to the Consolidated Financial Statements

		Consolidated Group	
		2020	2019
		$	$
4.	**Taxation**		
(a)	Income Tax Expense		
	Current	**-**	-
	Deferred	**-**	-
	Total	**-**	-
(b)	Reconciliation of income tax expense to prima facie tax payable		
	(Loss) before income tax	**(1,532,337)**	(2,454,263)
	Income tax benefit at 27.50%	**421,393**	674,922
	Tax effects of amounts which are not deductible (taxable) in calculating taxable income		
	- Permanent differences arising from non-assessable/deductible items – share based payments options and rights	**(213,356)**	(187,948)
	- Permanent - foreign currency translation net gain on dissolution of subsidiaries not taxable	**97,020**	-
	- Tax losses and other temporary differences for which no deferred tax asset has been recognised	**(305,057)**	(486,235)
	- Foreign tax rate differential	**-**	(739)
	Income tax attributable to Group	**-**	-

There are no recognised deferred tax liabilities in the Group at 30 June 2020, as all capitalised exploration expenditure is held in Elixir Energy Ltd's Mongolian subsidiary GOH LCC and that subsidiary is not subject to income tax under the terms of the Production Sharing Contract. Future income tax that may apply through a withholding tax on repatriated funds, if any, from GOH LLC has also not been recognised as any such distributions are very uncertain at 30 June 2020 and Elixir Energy Ltd as parent can control if and when any distributions are made.

Elixir Energy Ltd has not formed a tax consolidated group with its Australian subsidiaries as at 30 June 2020. Total Australian tax losses and deductible temporary differences at 30 June 2020 were approximately $24 million ($20 million operating, $4 million capital). The potential tax benefit of these losses of approximately $7.2 million (at 30% company tax rate in Australia on passive income) has not been recognised.

Significant accounting judgment
The $10.8 million ($2019: $10.5 million) of carried forward tax losses has not been recognised as a deferred tax asset as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the appropriate jurisdictions.

Tax losses related to historical operations in the United States and United Kingdom are assessed as sufficient to exceed any tax liability arising from the forgiveness of intercompany loans payable by those subsidiaries upon their dissolution (refer Note 21 regarding the legal status of foreign subsidiaries).

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
5. Cash and Cash Equivalents			
Cash at bank and on hand		**3,298,847**	4,354,678

Cash and cash equivalents include cash on hand, deposits available on demand with banks, and other short-term highly liquid investments. Refer to Note 26 for details of the Group's exposure to foreign exchange risk and interest rate risk in relation to cash and cash equivalents.

	Note	Consolidated Group 2020 $	2019 $
6. Other Receivables			
Current			
GST		**36,835**	44,963
Other		**862**	12,266
Prepaid insurances		**14,378**	12,554
		52,075	69,783
Non-Current			
Site rehabilitation performance bond		**845,352**	828,178

The cash-backed site rehabilitation performance bond has been provided in favour of the former owner of the Pompano oil and gas project in Texas, United States and is held in escrow by a US insurance company. The Group carries a site rehabilitation provision (refer Note 11) of an equivalent amount. The carrying value of the cash-backed bond reflects its fair value.

Credit risk

The US insurance company that holds the performance bond noted above has a AAA credit rating and therefore the credit risk associated with this entity is considered low. The Group has no other significant concentration of credit risk with respect to any single counterparty or group of counterparties.

	Note	Consolidated Group 2020 $	2019 $
7. Exploration & evaluation expenditure			
Mongolian Project			
Balance at 1 July		**3,444,364**	-
Acquisition of Golden Horde Limited	8	**-**	2,957,843
Expenditure capitalised during the year		**3,592,464**	534,561
Foreign Exchange Movements		**(12,613)**	(48,040)
Balance at 30 June		**7,024,215**	3,444,364

Expenditure during the year in Mongolia related primarily to a 2-hole drilling program, seismic surveying, associated test-work, Mongolian staff and office costs, and annual payments required under the Production Sharing Contract including annual licence costs.

Notes to the Consolidated Financial Statements

Significant accounting estimates and judgments

The future recoverability of exploration and evaluation assets in Mongolia through either exploitation or sale is dependent on a number of factors, including the level of reserves and resources, future technological changes which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. The project has not yet reached the stage where an assessment of economically recoverable resources or reserves can be made. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

As at 30 June 2020, there are no indicators of impairment over the Mongolian project assets and rights to tenure are current.

Note on recoverability of exploration and evaluation assets - Under the PSC, the Mongolian government is entitled to receive up to 40% of production profits as well as a production royalty of between 5 and 7%, once production commences. The Group is entitled to recover all of its qualifying exploration, development and production costs (at a maximum rate of 60% of revenue per year) before production profits are allocated. The Group is not subject to corporate income tax and the Mongolian government has no right to acquire any further interest in the project.

		Consolidated Group	
	Note	**2020**	2019
		$	$
8. Asset Acquisitions			
Details of the purchase consideration and the net assets acquired in the prior year are as follows:			
Mongolian Project - Nomgon IX CBN PSC			
Purchase consideration			
79 million ordinary shares issues at the market price of $0.035	12	-	2,765,000
Fair value			
Cash and other receivables		-	131
Exploration and Evaluation Expenditure	7	-	2,957,843
Accrued expenses		-	(4,017)
GOH Convertible Notes		-	(48,993)
Loan from GOH Director (Neil Young)		-	(53,048)
Other Payables		-	(86,916)
Net assets acquired		-	2,765,000

On 14 December 2018, Elixir acquired all the issued shares of Golden Horde Pty Ltd ("GOH"), which, via GOH's wholly owned subsidiary incorporated in Mongolia GOH LLC, owns a 100% working interest in the Nomgon IX CBM Production Sharing Contract in Mongolia. GOH had no other material assets, no full-time employees and no funding capability. Accordingly, the Group determined that GOH did not constitute a business at the date of completion of the acquisition and the transaction was accounted for as an asset acquisition.

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
Alaskan Project - Peregrine			
Purchase consideration			
Cash consideration for three leases		-	1,138,971

On 14 November 2018, Elixir completed the acquisition of three petroleum leases covering 35,423 acres in Alaska. The consideration for the acquisition was $1,138,971 (US$803,859), together with the assignment of an overriding royalty interest on the leases acquired. The Group determined that the acquisition of the three leases did not constitute a business acquisition and the transaction was accounted for as an asset acquisition. There were no other assets or liabilities associated with the acquisition of the leases.

The assets acquired as described above, coupled with an additional 10 leases acquired by the Company in late 2018, were subsequently sold in April 2019 (refer Note 9).

	Note	Consolidated Group 2020 $	2019 $
9. Sale of asset – prior year			
Alaskan Project - Peregrine			
Proceeds from the sale of Alaskan Project:			
Cash		-	1,179,291
Loan forgiven		-	700,000
185 million shares in Entek Energy Limited		-	1,665,000
Total proceeds		-	3,544,291
Less:			
Acquisition costs – Alaska Leases		-	1,138,971
Capitalised expenditure		-	2,305,978
Environmental Performance Bond		-	424,957
Foreign exchange		-	29,590
Total acquisition costs		-	3,899,496
Gain/(Loss) on sale of assets		-	(355,205)

On 29 November 2018, the Company entered into an Option Agreement with Entek Energy Limited (now XCD Energy Limited) in connection with its Alaskan assets (Project Peregrine). During the year Entek exercised its option and on 15 April 2019 acquired Project Peregrine via the purchase Elixir's wholly owned subsidiary Emerald House LLC (Emerald). Emerald held a 100% interest in 13 oil and gas leases within the National Petroleum Reserve - Alaska on the North Slope (refer Note 8).

The consideration for the purchase was 185 million Entek shares, $1,179,291 (USD$846,730) in cash and the forgiveness of a $700,000 (USD$500,000) bridging loan. Elixir distributed the Entek shares received its shareholders on a pro-rata basis on 29 April 2019, with each Elixir shareholder receiving approximately 0.475 Entek shares for each Elixir share.

Elixir's prior Managing Director, Mr Dougal Ferguson joined Entek as its Managing Director on 15 April 2019 at which time Mr Neil Young was appointed as Elixir's Managing Director.

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
10. Trade and Other Payables			
Current			
Trade payables and accrued expenses		**138,165**	352,064
Trade and other payables		**138,165**	352,064

Trade payables are unsecured and generally payable within 30 days. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	Note	Consolidated Group 2020 $	2019 $
11. Provisions			
Current			
Short-term Employee Benefits			
Opening balance at 1 July		**11,196**	74,973
Leave entitlements accrued/ (paid)		**16,572**	(63,777)
Balance at 30 June		**27,768**	11,196
Non-Current			
Site Rehabilitation Provision			
Opening balance at 1 July		**828,179**	783,735
Foreign currency movement		**17,173**	44,444
Balance at 30 June		**845,352**	828,179

The rehabilitation provision relates to the Pompano oil and gas project in Texas in which a subsidiary of the Company was involved in prior years. Estimated future decommissioning and site restoration costs of an oil production platform and associated infrastructure, should they be required, are not expected to exceed the environmental performance bond the Group has lodged (refer Note 6) and therefore the provision has been carried at the same amount as the bond. Refer to the Contingencies note for further detail on this matter.

Significant accounting estimates and judgments - rehabilitation provisions
The Group estimates its share of the future removal and remediation costs of oil and gas platforms, production facilities, wells and pipelines at the time of acquisition or installation of the assets. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding the restoration date, future environmental legislation, extent of remediation activities required, engineering methodology for estimating costs, future removal technologies in determining the removal cost, and asset specific discount rates to determine the present value of these cash flows.

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
12. Issued Capital			
687,973,877 fully paid ordinary shares (June 2019: 487,204,039 fully paid ordinary shares)		**84,752,340**	79,232,841

	Number of shares 2020	2019	Note	Consolidated Group 2020 $	2019 $
Balance at 1 July	**487,204,039**	221,446,872		**79,232,841**	73,658,419
In specie distribution April 2019	**-**	-	8	**-**	(1,665,000)
Asset acquisition Nov 2018	**-**	79,000,000	6	**-**	2,765,000
Placement May 2019 at 3.6c per share	**-**	97,440,807		**-**	3,507,869
1:6 bonus issue - 9 Nov 2018	**-**	41,316,360		**-**	-
Placement Sept 2018 at 5c per share	**-**	33,000,000		**-**	1,650,000
Conversion of Performance Rights	**17,500,000**	15,000,000	14	**-**	-
Exercise of 3.2c Options	**8,000,000**	-	14	**263,200**	-
Share Placement & Share Purchase Plan May 2020 at 2c per share	**165,003,171**	-		**3,300,063**	-
Issue of shares for services[1]	**10,266,667**	-		**343,000**	-
Reclass from SBP Reserve	**-**	-	13b	**1,684,726**	-
Share issue costs – options issued	**-**	-		**(23,580)**	-
Share issue costs - cash	**-**	-		**(47,910)**	(683,447)
Balance at 30 June 2020	**687,973,877**	487,204,039		**84,752,340**	79,232,841

[1]$37,000 geological consulting and $306k investor relations included in General Administration in Note 2

(i) Fully paid ordinary shares

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote on a show of hands or by proxy and upon a poll each share is entitled to one vote.

(ii) Options and Performance Rights convertible to ordinary shares

Refer to Note 14 for details of Options and Performance Rights on issue that are potentially convertible into fully paid ordinary shares, as well as the movement in Options and Performance Rights over the year. Note 15 contains further detail on Options and Performance Rights issued to Key Management Personnel during the financial year and the related share based payment expense recognised.

Notes to the Consolidated Financial Statements

(iii) Capital Risk Management

The majority of the Group's capital is equity-based. Capital is managed by the directors and management with a view to the Group's short and long-term financial risks as well as its operating and growth strategy. In particular, capital is sourced and managed to generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group is not subject to any externally imposed capital requirements.

	Note	Consolidated Group 2020 $	2019 $
13. Reserves and Accumulated Losses			
(a) Foreign currency translation reserve			
Opening Balance		103,530	101,068
Currency translation differences arising during the year		(45,775)	2,462
Foreign currency net gain on dissolution of subsidiaries transferred to profit and loss		(352,801)	-
Closing Balance		**(295,046)**	103,530
(b) Share-based payment reserve			
Opening Balance		1,634,144	470,291
Share issue costs paid in securities		23,580	185,138
Options expensed during the year		202,363	143,179
Performance Rights expensed during the year		573,477	835,536
Transfer to Accumulated Loss for expired options/rights		(194,578)	-
Transfer to Share Capital for options exercised and performance rights converted during the year		(1,684,726)	-
Closing Balance		**554,260**	1,634,144
(c) Listed Option reserve			
Opening Balance		889,111	-
Listed Options issued for cash during the year		-	934,625
Issue costs		-	(45,515)
Closing Balance		**889,111**	889,111
Total Reserves		**1,583,681**	2,626,785
Accumulated losses			
Opening balance		(74,352,682)	(71,898,419)
Transfer from Share based payment reserve for expired options		194,578	-
Net loss for the year		(1,532,337)	(2,454,263)
Closing balance		**(75,690,441)**	(74,352,682)

The foreign currency translation reserve is used to record exchange differences arising on consolidation of subsidiaries with non-Australian dollar functional currencies.

The share based payment reserve reflects the cumulative value of Options and Performance Rights issued to Group personnel and third parties in return for services that has been recognised as a share-based payment expense or a share-issue cost. If an Option is exercised, or a Performance Rights is converted, the corresponding balance in the share based payment reserve is reclassified to Share

Notes to the Consolidated Financial Statements

Capital. Upon expiry of an Option or Performance Right, the corresponding balance (if any) in the share based payment reserve is reclassified to Retained Earnings/Accumulated Losses. Refer to Note 15 for detail on share based payments during the year.

The Listed Option reserve reflects the cash proceeds, net of costs, from the issue of listed options.

No dividends were paid or declared during the current financial year. With respect to the payment of dividends (if any) by the Company in future financial years, no franking credits are currently available, or are likely to become available in the next 12 months.

	Note	Consolidated Group	
		2020	2019
		No.	No.
14. Options and Performance Rights			
Movement in Options and Rights over unissued ordinary shares during the year and balances at year end:			
Listed Options:			
Opening Listed Options		93,462,537	-
Options granted		25,104,080	93,462,537
Options expired		-	-
Options exercised		-	-
Closing Listed Options		**118,566,617**	93,462,537
Unlisted Options:			
Opening Unlisted Options		8,000,000	8,000,000
Incentive Options granted		12,630,000	-
Options expired		-	-
Options exercised		(8,000,000)	-
Closing Unlisted Options		**12,630,000**	8,000,000
Total Options		**131,196,617**	101,462,537
Weighted average exercise Price		**$0.071**	$0.065
Performance Rights:			
Opening Rights		17,500,000	5,000,000
Rights granted		16,000,000	27,500,000
Rights expired		-	-
Rights vested and converted		(17,500,000)	(15,000,000)
Closing Rights		**16,000,000**	17,500,000

Terms of Options on Issue

Listed

Issue date	Number	Exercise price	Expiry	Vesting
29 January 2019	17,210,055	$0.0679	31 December 2020	Vested
1 March 2019	76,252,482	$0.0679	31 December 2020	Vested
30 September 2019	17,244,080	$0.0679	31 December 2020	Vested
5 June 2020	7,860,000	$0.0679	31 December 2020	Vested
Total	**118,566,617**			

Notes to the Consolidated Financial Statements

Unlisted

Issue date	Number	Exercise price	Expiry	Vesting
30 September 2019	5,000,000	$0.10	29 September 2023	Not yet vested
25 November 2019	5,000,000	$0.10	24 November 2023	Not yet vested
5 June 2020	2,630,000	$0.10	4 June 2024	Not yet vested
Total	**12,630,000**			

All unlisted options vest after a one-year service period has been completed.

8,000,000 unlisted options were exercised during the year at an exercise price of 3.2 cents each. No listed options were exercised.

Terms of Performance Rights on Issue

Issue date	Number	Exercise price	Expiry	Vesting
Class C				
14 December 2018	7,500,000	$nil	13 December 2023	*
30 September 2019	7,500,000	$nil	29 September 2024	*
5 June 2020	1,000,000	$nil	4 June 2025	*
Total	**16,000,000**			

*Class C Performance Rights will vest upon a final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue.

A total of 8,500,000 Class C Performance Rights as well as 7,500,000 Class D Performance Rights were issued during the year, with the Class D Rights vesting subsequently in the year.

A total of 17,500,000 Class D Performance Rights held by two directors and a consultant vested during the year upon the satisfaction of the relevant Performance Condition/Milestone, which was the drilling and testing of two Coal Bed Methane wells within 18 months of date of issue of the Rights. Further detail of these Rights as they relate to directors is described in Note 15.

There are no voting or dividend rights attached to Performance Rights.

	Note	Consolidated Group	
		2020	2019
		$	$
15. Share Based Payments			
Security:			
Class A Performance Rights		**-**	81,760
Class B Performance Rights		**-**	142,253
Class C Performance Rights		**-**	-
Class D Performance Rights		573,477	191,523
Class E Performance Rights		-	210,000
Class F Performance Rights		-	210,000
Listed Options		23,580	327,638
Unlisted Options		202,363	679
Shares issued for services		343,000	-
Total Share Based Payments		**1,142,420**	1,163,853
Expensed – Performance Rights		573,477	835,536
Expensed - Options		202,363	143,179
Total expensed as Share based payments		**775,840**	978,715

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
Expensed as consulting and marketing		**343,000**	-
Reduction in equity - share issue costs		**23,580**	185,138
Total		**1,142,420**	1,163,853
Share based Payments by Recipient:			
Key management personnel - Richard Cottee			
Class C Performance Rights		-	-
Class D Performance Rights		313,122	31,878
Listed Options		-	142,500
Total: Director - Richard Cottee		**313,122**	174,378
Key management personnel - Stephen Kelemen			
Incentive Options		119,597	679
Total: Director - Stephen Kelemen		**119,597**	679
Key management personnel - Bayanjargal Byambasaikhan			
Incentive Options		80,183	-
Total: Director - Bayanjargal Byambasaikhan		**80,183**	-
Key management personnel - Neil Young			
Class D Performance Rights		260,355	159,645
Total: Director - Neil Young		**260,355**	159,645
Key management personnel - Dougal Ferguson(1)			
Class A Performance Rights		**-**	65,408
Class B Performance Rights		**-**	113,803
Class E Performance Rights		**-**	105,000
Class F Performance Rights		**-**	105,000
Total: Director - Dougal Ferguson		**-**	389,211
Total Key Management Personnel		**773,257**	723,913
Staff/Advisors			
Class A Performance Rights		**-**	16,352
Class B Performance Rights		**-**	28,451
Class E Performance Rights		**-**	105,000
Class F Performance Rights		**-**	105,000
Incentive Options - staff		2,582	-
Listed Options issued to settle advisor fees(2)		23,580	185,138
Shares issued to geological consultant		37,000	-
Shares issued to digital marketing consultancy		306,000	-
Total: Consultants		**369,162**	439,941
Total Share Based Payments		**1,142,420**	1,163,853

(1) Mr Ferguson resigned 31 August 2019

Notes to the Consolidated Financial Statements

(2) On 5 June 2020 7,860,000 listed options were issued to satisfy advisor fees in relation to the May 2020 capital raising (refer Note 12). The fair value of these options was determined to be $23,580 based on the price of the Company's listed options on the ASX at the time. In the prior year, the Company agreed to issue 9,744,080 listed options to settle advisor fees related to a capital raising and the fair value of these options was determined to be $185,138. The options were actually issued on 30 September 2019, part of the 25,104,080 figure shown in Note 14 for total unlisted options issued during the year.

Recognition of Share Based Payments: Options and Performance Rights

The fair value of options and performance rights is determined at the grant date and then recognised in profit and loss over the vesting period (with the exception of listed options issued to settle certain advisor fees related to capital raising, which is accounted for as a reduction in share capital). The vesting period for listed options is immediate, for unlisted options is typically four years, and for performance rights it is the period to expiry.

The fair value of listed options is determined with reference to the market value of the Company's listed options on the ASX (EXROA) at the issue date. The fair value of unlisted options is determined using an option pricing model such as the Black-Scholes model, with the key inputs being the current share price of the Company, option exercise price, term to expiry, and assumed future share price volatility. If any of the vesting conditions are 'market-based' (such as the achievement of a particular share price), these conditions are factored in to the grant date fair value assessment. The fair value of performance rights is determined based on the Company's share price at the grant date.

With respect to Performance Rights, the probability of achieving the relevant performance condition is re-assessed at each reporting date and this probability factor is applied to the grant date fair value in determining the amount to be recognised for the current reporting period. If and when the relevant performance condition is met and the rights convert to a corresponding number of shares, any remaining portion of the grant date fair value that has not previously been recognised is recognised.

Significant accounting estimates and judgments for share based payments

The determination of the fair value of at grant date of equity-settled Options and Performance Rights requires the use of estimates and judgement. In particular, the values and amounts recognised as share based payments expense are particularly sensitive to the share price volatility assumption in valuing Options and the probability assessment of achieving performance conditions with respect to Performance Rights.

Total share based payment payments expense recognised during the year was $775,840 (2019: $978,715). A further $23,580 (2019: $185,138) representing the value of listed options issued to the lead advisors of capital raisings was recognised as a reduction of share capital (share issue cost). In addition, 343,000 shares were issued in respect of General Administration costs totalling $343,000 (2019: $nil), refer to Note 12 for further information. Share based payments expense for the year consisted of:

- Class D Performance Rights $573,477
- Incentive Options $202,363

Detail regarding the underlying assumptions used to value and recognise as an expense the Performance Rights and Options that were issued to members of Key Management Personnel during the year is shown below.

Performance Rights

- 7,500,000 Class D Performance Rights were issued to the Company's Chairman Richard Cottee on 30 September 2019 with performance conditions as outlined in Note 14. The grant date was determined to be 29 April 2019 and the total fair value was determined to be $345,000 based on the share price at that time of $0.046. These Performance Rights vested following satisfaction of the performance condition and on 5 June 2020 7,500,000 fully paid ordinary shares were issued.

Notes to the Consolidated Financial Statements

Total share based payment expense recognised during the year in relation to these Rights was $313,122 (2019:$31,848).

- 10,000,000 Class D Performance Rights that had been issued to Managing Director Neil Young in 2018 vested during the year and on 5 June 2020 10,000,000 fully paid ordinary shares were issued. The grant date fair value determined in 2018 was $420,000. Total share based payment expense recognised during the year was $260,355 (2019:$159,645).
- No share based payment expense was recognised in relation to the Class C Performance Rights held by Richard Cottee (7,500,000 issued 30 September 2019 based on a grant date of 29 April 2019) and Neil Young (7,500,000 issued in 2018). Consistent with the prior year, the probability of achieving the performance condition is not considered likely at 30 June 2020 and therefore no portion of the grant date fair value ($345,000 in the case of Richard Cottee, and $315,000 in the case of Neil Young) has been recognised.
- 1,000,000 Class C Performance Rights were issued to a technical consultant on 5 June 2020 with performance conditions as outlined in Note 13. The grant date was determined to be 5 June 2020 and the total fair value was determined to be $37,000 based on the share price at grant date of $0.037. No share based payment expense was recognised during the year, consistent with and on the same basis as the other Class C Performance Rights noted previously.

Options

- 5,000,000 unlisted incentive options were issued to director Stephen Kelemen on 30 September 2019. The grant date was determined to be 24 June 2019 and the total fair value was assessed as $150,427 ($0.03 per option) utilising the Black-Scholes model with the following key inputs:
  - Share price at grant date: $0.046
  - Exercise price $0.10
  - Expiry: 29 September 2023
  - Risk-free rate: 2.93%
  - Share price volatility 110%

  Total share based payment recognised during the year in relation to these options was $119,597 (2019: $679).
- 5,000,000 unlisted incentive options were issued to director Bayanjargal Byambasaikhan on 25 November 2019. The grant date was determined to be 25 November 2019 and the total fair value was assessed as $134,620 ($0.027 per option) utilising the Black-Scholes model with the following key inputs:
  - Share price at grant date: $0.044
  - Exercise price $0.10
  - Expiry: 24 November 2023
  - Risk-free rate: 0.82%
  - Share price volatility 110%

  Total share based payment recognised during the year was $80,183 (2019:nil).
- 2,630,000 unlisted incentive options were issued to staff of the Group's Mongolian office on 5 June 2020. The grant date was determined to be 5 June 2020 and the total fair value was assessed as $36,253 ($0.014 per option) utilising the Black-Scholes model with the following key inputs:
  - Share price at grant date: $0.037
  - Exercise price $0.10
  - Expiry: 4 June 2024
  - Risk-free rate: 0.40%
  - Share price volatility 81%

  Total share based payment recognised during the year was $2,582 (2019: nil).

Notes to the Consolidated Financial Statements

16. Key Management Personnel Disclosures and Related Party Transactions

Key Management Personnel of the Group during the year were as follows:

- Richard Cottee (Non-executive Chairman)
- Neil Young (Managing Director)
- Stephen Kelemen (Non-executive Director)
- Bayanjargal Byambasaikhan (Non-executive Director – *appointed 1 October 2019, resigned 14 July 2020)*)
- Victoria Allinson (Company Secretary – *appointed 1 August 2019*)
- Dougal Ferguson (Non-executive Director– *resigned 31 August 2019* and Company Secretary – resigned 31 July 2019)

The totals of remuneration paid to KMP of the company and the Group during the year is shown in the table below. Refer to the Remuneration Report contained in the Directors' Report for details of remuneration for each member of KMP.

	Consolidated Group	
	2020	2019
	$	$
Short-term employee benefits	**463,006**	559,570
Post-employment benefits	**30,053**	31,490
Share-based payments (Note 15)	**773,257**	723,913
Total KMP compensation	**1,266,316**	1,314,973

Other Related Parties and Transactions

(i) Subsidiaries – refer to Note 21 for details of Elixir Energy Limited's controlled entities.

Elixir Energy Limited provides working capital to its controlled entities through intercompany loans, denominated in both Australian and foreign currency. Transactions between Elixir Energy Limited and other controlled entities in the Group during the year ended 30 June 2020 consisted of:

- Working capital advanced by Elixir Energy Limited
- Provision of services by Elixir Energy Limited.
- Expenses paid by Elixir Energy Limited on behalf of its controlled entities

The above transactions were made interest free with no fixed terms for the repayment of amounts advanced by Elixir Energy Limited.

(ii) Other related parties

Ms Victoria Allinson provides Company Secretary and Chief Financial Officer services to the Group via her company, Allinson Accounting Solutions Pty Ltd. Total fees during the year for Victoria Allinson's services amounted to $43,203. The Allinson Accounting Solutions Pty Ltd team also provides administration and accounting services, which totalled $59,704 during the year. Total fees billed to the Group during the year were therefore $102,907, of which $21,403 (including GST) was payable at year end. Victoria Allinson was not a member of KMP in the prior year.

Mr Ferguson provided CFO and Company Secretary fees to the Group via his company, Shenton James Pty Ltd, Total fees of $16,000 (2019: fees part of executive fees).

There were no other transactions with related parties during the year, and no other balances due from or to any related party at year end.

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
17. Cash Flow Information			
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax			
Loss after income tax		**(1,532,337)**	(2,454,263)
Non-operating cash flows			
Interest income		**(11,700)**	(28,235)
Loss on sale of asset		**-**	355,205
Non-cash flows in profit			
Foreign currency net gain on dissolution subsidiaries		**(352,801)**	-
Exploration and evaluation expenditure expensed		**-**	82,147
Depreciation, depletion & amortisation		**360**	970
Share-based payment - remuneration		**812,840**	978,715
Shares issued for services		**306,000**	-
Net exchange rate differences		**(32,814)**	15,966
(Increase)/decrease in current assets		**17,709**	(52,727)
(Increase)/decrease in non-current assets		**(17,173)**	-
Increase/(decrease) in current liabilities - operating		**(31,187)**	77,440
Increase/(decrease) in provisions		**33,745**	63,777
Cash flow used in operations		**(807,358)**	(961,005)

(b) Non-cash financing and investing activities

During the year ended 30 June 2020, the Company issued a total of 7,860,000 listed options in lieu of capital raising fees to the value of $23,580 (2019: $185,138 refer Note 15), and a total of 9,266,667 ordinary shares in lieu of investor relations/marketing fees of $306,000. There were no other non-cash financing and investing activities for the year ended 30 June 2020.

	Note	Consolidated Group 2020 $	2019 $
18. Auditor's Remuneration			
BDO Audit (WA) Pty Ltd			
Remuneration of the auditor for auditing or reviewing the financial report		34,866	36,342
BDO Tax (WA) Pty Ltd – tax services		**-**	2,550
		34,866	38,892
Greenwich and Co. (previously KSI (WA) Pty Ltd)			
Remuneration of the auditor for auditing or reviewing the financial statement of subsidiaries		**-**	1,400

Notes to the Consolidated Financial Statements

	Note	Consolidated Group 2020 $	2019 $
19. Loss per Share			
(a) Reconciliation of earnings used in calculating earnings per share: Loss attributable to the ordinary equity holders of the company:		**(1,532,337)**	(2,454,263)
		Shares	Shares
(b) Weighted and diluted average number of ordinary shares outstanding during the year used in calculating basic EPS		**517,640,209**	331,360,881
		Cents	Cents
Basic and diluted loss per share		**(0.30)**	(0.74)

20. Joint Arrangements

At the reporting date, the Group had working interests in joint arrangements for the following projects:

Project	Blocks/ Leases	Activity	Location	Working Interest 2020	2019
Pompano Project[1]	446-L SE/4	Oil & Gas field, production project	USA	**25%**	25%
Petra Project[2]	Various	Oil & Gas field, exploration project	USA	**0%**	25%

[1] Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement with respect to the Pompano project. It is unclear whether Cottesloe has any rights or obligations remaining under this Agreement. Refer Note 24 for more information.

[2] In previous years Elixir, through its wholly owned subsidiary, Elixir Petroleum (Petra) LLC, owned a 25% working interest across all leases in approximately 18,744 net acres in Washington County, Colorado, USA.

21. Controlled Entities

Subsidiaries of Elixir Energy Limited:	Country of Incorporation	Percentage Owned 2020	2019
Golden Horde Pty Ltd	Australia	**100%**	100%
GOH LLC	Mongolia	**100%**	100%
Elixir Petroleum (Australia) Pty Ltd	Australia	**100%**	100%
Elixir Petroleum (Moselle) Ltd	United Kingdom	**100%**	100%
Elixir Petroleum (Colorado) Inc	USA	**0%**	100%
Elixir Petroleum (Petra) LLC	USA	**0%**	100%
Cottesloe Oil & Gas LLC	USA	**100%**	100%
Cottesloe Oil & Gas Inc	USA	**100%**	100%

During the year Elixir Petroleum (Colorado) Inc and Elixir Petroleum (Petra) LLC were dissolved and deregistered. Also during the year, application to dissolve Elixir Petroleum (Moselle) Ltd was made and is expected to occur in July or August 2020.

Notes to the Consolidated Financial Statements

Elixir Energy Limited and Elixir Petroleum (Australia) Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debtors of the other, and comprise an Extended Closed Group as defined by ASIC Class Order 2016/78). By entering into the deed, Elixir Petroleum (Australia) Pty Ltd has been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

Consolidated financial information of the Extended Closed Group, as required under ASIC Class Order 2016/785 is presented below.

		Note	Extended Closed Group	
			2020	2019
			$	$
(i)	**Statement of Profit or Loss and Other Comprehensive Income:**			
	Loss before income tax		(1,885,138)	(2,078,174)
	Income tax expense		**-**	**-**
	Loss after income tax attributable to members of the parent entity		**(1,885,138)**	(2,078,174)
(ii)	**Accumulated losses:**			
	Accumulated losses at the beginning of the year		(73,855,156)	(71,776,982)
	Transfer from SBP reserve to accumulated losses		194,578	-
	Loss after income tax		(1,885,138)	(2,078,174)
	Accumulated losses at the end of the year		**(75,545,716)**	(73,855,156)
(iii)	**Statement of Financial Position:**			
	Current Assets			
	Cash and cash equivalents		3,113,743	4,346,591
	Other receivables		50,515	69,099
	Total		**3,164,258**	4,415,690
	Non-current Assets			
	Intercompany loans		4,590,475	987,260
	Investment in subsidiaries		2,765,010	2,765,010
	Other receivables – performance bond		845,352	-
	Other plant and equipment		1,020	1,380
	Total		**8,201,857**	3,753,651
	Total assets		**11,366,115**	8,169,341
	Current Liabilities			
	Trade and other payables		138,046	259,030
	Provisions		873,120	11,196
	Total liabilities (all current)		**1,011,166**	270,226
	Net assets		**10,354,949**	7,899,115
	Equity			
	Issued Capital		84,752,340	79,232,841
	Reserves		1,148,325	2,521,430
	Accumulated Losses		(75,545,716)	(73,855,156)
	Total Equity		**10,354,949**	7,899,115

Notes to the Consolidated Financial Statements

22. Parent Entity Information

The following information as required by the Corporations Act 2001 Regulations has been extracted from the books and records of the Parent and has been prepared in accordance with Australian Accounting Standards.

	Parent Entity	
	2020	2019
	$	$
Statement of Financial Position		
Assets		
Current Assets	3,163,895	4,415,690
Non-current Assets	7,168,760	3,361,479
Total assets	**10,332,655**	7,777,169
Liabilities		
Current Liabilities	122,431	270,226
Total Liabilities	**122,431**	270,226
Net assets	**10,210,224**	7,506,944
Equity		
Issued Capital	84,752,340	79,232,841
Accumulated Losses	(75,985,487)	(74,247,328)
Share-based Payment and Listed Option Reserves	1,443,371	2,521,430
Total Equity	**10,210,224**	7,506,944
Statement of Profit or Loss and other Comprehensive Income		
Total loss and comprehensive loss	**(1,738,159)**	(2,470,346)

As at 30 June 2020 amounts receivable from controlled entities at cost totalled $4,670,827 (2019: $987,261). During the year there was an impairment recorded of $103,212(2019: $392,172) in relation to amounts receivable from controlled entities nor against the value of investments in controlled entities (2019: Nil).

Controlled Entities

Details of interests in wholly-owned controlled entities and a cross guarantee with one subsidiary are set out at Note 21. Elixir Energy Limited provides working capital to its controlled entities via intercompany loans, as disclosed in Note16.

23. Commitments

	Consolidated Group	
	2020	2019
	$	$
Expenditure by financial years:		
Expenditure under the PSC in Mongolia – 12	1,999,672	2,138,885
Expenditure under the PSC in Mongolia – 2-5	12,567,487	9,981,463
	14,567,159	12,120,348

The minimum exploration work obligations under the Production Sharing Contract in Mongolia which began in 2019 are measured in calendar years. In calendar 2020 (year 2) total required expenditure is US$2,000,000 while over calendar years 2021 to years 2025 expenditure commitments are US$8,500,000.

Notes to the Consolidated Financial Statements

The minimum work program expenditure obligations in the 2020 calendar year will be reduced by the actual expenditure in excess of prior year commitment of approximately USD $733,000 and the impact of the COVID-19 pandemic; however, the quantum of the pandemic reduction has yet to be agreed with the Mongolian petroleum regulator. Approximate expenditure commitment figures by financial year in the table above have been converted to Australian dollars at the year-end rate of $US0.69/AUD.

24. Contingent Liabilities

United States

Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement ("JOA") with amongst others, Buccaneer Resources LLC ("Buccaneer"), a wholly owned subsidiary of Buccaneer Energy Limited on the Pompano Project ("Pompano").

Cottesloe's only significant asset is a cash bond of US$580,566 (A$845,352) in favour of the previous owner (PetroQuest Energy Inc) of the Pompano platform and associated infrastructure which can be called upon in the event PetroQuest was to face a liability in connection with Cottesloe defaulting on its share of the abandonment costs of this infrastructure. A site restoration provision is carried by the Group (refer Note 11) equivalent to the bond amount, as future costs borne by the Group, if any, are not expected to exceed that amount. The cash backed bond provided by Cottesloe does not explicitly extend to any costs of abandoning the wells drilled in 2011.

During 2011, Cottesloe declined to participate in a drilling program at Pompano thus impacting its status and future rights and obligations under the JOA. The remaining JOA partners elected in 2012 to shut in the wells and relinquish the two associated leases with abandonment obligations remaining outstanding. The Company is now aware that Buccaneer has been liquidated and the status of the other 2 Pompano joint venture parties is unclear.

It is unclear whether Cottesloe is still a party to the JOA, but if so, there is the possibility that in the event of a default by the Operator and other joint venturers on their share of the abandonment cost of the platform, associated infrastructure and the wells, Cottesloe could be liable for its increased proportionate share of the cost.

There is no parent company guarantee in place between the Company and Cottesloe Oil and Gas LLC and therefore there is no formal recourse to the Company or any other subsidiary of the Group should a claim be made on Cottesloe for an amount in excess of its assets.

25. Operating Segments

General Information

Identification of reportable segments

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

The Group had two reportable segments during 2020 (2019: three) being oil and gas exploration in Mongolia and United States of America. The Group's management and administration office is located in Australia.

Notes to the Consolidated Financial Statements

Segment Performance

	Oil & Gas Exploration			Other Corporate Activities	Total
	Mongolia	USA	France		
	$	$	$	$	$
30 June 2020					
Revenue from external sources	-	-	-	41,142	**41,142**
Foreign exchange gain/(loss) on dissolution of subsidiary	-	-	-	352,801	**352,801**
Reportable segment (loss)	-	(43,767)	-	(1,488,570)	**(1,532,337)**
Reportable segment assets	7,210,180	846,414	-	3,164,915	**11,221,509**
Reportable segment liabilities	(119)	(856,790)	-	(154,376)	**(1,011,285)**
30 June 2019					
Revenue from external sources	-	-	-	28,235	28,235
Reportable segment (loss)	(906)	448,777	(103,662)	(2,798,472)	(2,454,263)
Reportable segment assets	3,452,093	829,211	-	4,417,079	8,698,383
Reportable segment liabilities	(73,180)	(828,179)	(20,906)	(269,174)	(1,191,439)

Operating segment results and balances are determined in accordance with the accounting policies applied in the annual financial statements of the Group. Intercompany loan balances are eliminated for the purposes of segment reporting.

Allocated and Unallocated Items

- In most instances, segment assets are clearly identifiable and allocable on the basis of their nature and physical location.
- Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment.
- The following items of revenue, expense, assets and liabilities are not allocated to operating segments and instead are reported as 'Other Corporate Activities' as they are not considered part of the core operations of any segment:
  - Interest and other income
  - Corporate administration and related payables
  - Share based payments
  - Gains/losses on disposal of assets

26. Financial Risk Management

The Group's financial instruments consist of deposits with banks, GST and other receivables, cash backed performance bond, and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policy notes to these financial statements, are as follows:

	Note	Consolidated Group 2020 $	2019 $
Financial Assets			
Cash and cash equivalents	5	**3,298,847**	4,354,678
Receivables at amortised cost	6	**897,427**	885,307
Total Financial Assets		**4,196,274**	5,252,639
Financial Liabilities			
Trade and other payables at amortised cost	10	**138,165**	352,064
Total Financial Liabilities		**138,165**	352,064

Notes to the Consolidated Financial Statements

Financial Risk Management Policies

Company Management and the Audit Committee have been delegated responsibility by the Board of Directors for, amongst other issues, managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to currency risk, commodity price risk, counterparty credit risk, liquidity risk and interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. Credit risk is managed through a delegated approval process, establishing and monitoring credit limits, ensuring to the extent possible that counterparties to transactions are credit worthy, and monitoring of the financial stability of significant counterparties. Credit risk is also minimised by only investing surplus funds in financial institutions that maintain a high credit rating.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 5.

The following table provides information regarding the credit risk relating to cash and liquid securities held with financial institutions by geographic area:

	Consolidated Group	
	2020	2019
Cash and cash equivalents	**$**	$
Cash held in Australia (AUD and USD)	**3,113,790**	4,349,337
Cash held in Mongolia (MNT and USD)	**185,057**	5,341
Total	**3,298,847**	4,354,678

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to its financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- only investing surplus cash with major financial institutions
- managing credit risk related to financial assets

The table below shows the contractual maturity profile of financial liabilities.

Notes to the Consolidated Financial Statements

Financial liability maturity timeframe

Consolidated Group	Within 1 Year 2020 $	2019 $	1 to 5 years 2020 $	2019 $	Over 5 years 2020 $	2019 $	Total 2020 $	2019 $
Financial liabilities - non-interest bearing								
Trade and other payables	**138,165**	352,064	-	-	-	-	**138,165**	352,064

(c) Market Risk

(i) *Interest rate risk*
During the year and as at the year-end reporting date, the Group had no significant interest-bearing assets or liabilities other than liquid funds on deposit. As such, the Group's income and operating cash flows (other than interest income from funds on deposit) are not significantly affected by movements in market interest rates.

(ii) *Foreign exchange risk*
Movement in the US dollar and Mongolian tugrik (MNT) exchange rates may result in fluctuations in the fair value of or future cash flows related to the Group's financial asset and liabilities.

The Board regularly monitors the Group's foreign exchange requirements and risk including the consideration of the use of foreign exchange contracts or instrument to hedge its foreign currency risk. No such arrangements were entered into during the year, although by holding US dollar bank accounts the Group can manage its exposure to movements in the USD/AUD exchange rate regarding its future USD expenditure (in Mongolia).

The Group's exposure (in Australian dollars) to foreign currency risk at the reporting date was as follows:

	2020		2019		
	MTN	**USD**	**MTN**	**USD**	**GBP**
Cash	**17,352**	**1,028,795**	5,341	1,033,159	-
Other receivables	**861**	**-**	-	357	-
Non-current receivables	**-**	**845,352**	207,164	828,864	-
Trade Payables	**(119)**	**(12,490)**	(73,183)	-	(20,906)
	18,094	**1,861,657**	139,322	1,862,380	(20,906)

(iii) Commodity price risk
The Group is currently not directly exposed to movements in the prices of natural gas and crude oil as the Group's Coal Bed Methane project in Mongolia still in the exploration and evaluation stage. The Group is indirectly affected by movements in petroleum commodity prices in terms of the impact of such movements on the Company's share price on the ASX and its consequential impact on the Group's ability to raise capital effectively.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on reported profit/loss and net equity values for changes in rates that management considers to be reasonably possible. This analysis assumes that the movement in each variable is independent of movement in the other variable and is prepared on the same basis as the prior year.

Notes to the Consolidated Financial Statements

	Consolidated Group	
	Profit/Loss	Equity
Year ended 30 June 2020	**$**	**$**
+/- 1.0% in interest rates on interest bearing cash assets	**8,000**	**8,000**
+/- 20% in AUD relative to USD & MNT impact on foreign exchange gains/losses including FC translation reserve*	**286,000**	**286,000**
Year ended 30 June 2019		
+/- 0.9% in interest rates	37,253	37,253
+/- 20% in AUD relative to USD & GBP	368,295	368,295

*a weakening of the AUD results in P&L gains and vice-versa

(iv) **Fair values**

The carrying value of all financial assets and liabilities at balance date reflects their fair values. With the exception of the performance bond held in the United States (refer Note 5) on which the timing of settlement is uncertain, all financial instruments have a short (<12 months) time to maturity.

27. Subsequent Events

On 14 July 2020, director Bayanjargal Byambasaikhan resigned from the Board. Also subsequent to year end, the Group issued 1,350,000 ordinary shares to settle $27,000 of corporate consulting fees.

The Board does not believe the COVID-19 pandemic will have any impact on the Group's ability to continue as a going concern nor on its current ability to explore in Mongolia.

There were no other events occurring after year end impacting the operations, results of operations, or state of affairs of the Group requiring disclosure in the 30 June 2020 consolidated financial statements.

28. Summary of Accounting Policies

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the parent entity Elixir Energy Limited at the end of the reporting period. A controlled entity is any entity over which the parent has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 21 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full.

(b) Asset acquisitions

When an asset acquisition does not constitute a business combination, the assets and liabilities are recorded based on their relative fair values. No deferred tax balances will arise in relation to the acquired assets and assumed liabilities under the initial recognition exemption afforded by AASB 112 *Income Taxes*. No goodwill arises on an asset acquisition and transaction costs are included in the fair value of the assets and liabilities acquired.

(c) Revenue recognition

Interest revenue is recognised as the interest accrues using the effective interest method described in Note 28(i)).

(d) Income Tax

Income tax expense for the year comprises current and deferred tax expense.

Notes to the Consolidated Financial Statements

Current income tax expense/benefit is charged to profit or loss representing the tax payable/receivable on taxable income. Current tax liabilities/assets are measured at the amounts expected to be paid to/recovered from the relevant taxation authority. Deferred income tax expense/benefit reflects movements in deferred tax asset and deferred tax liability balances during the year as well the recognition, if any, of previously unrecognised tax losses.

Current and deferred income tax is charged or credited to other comprehensive income/loss when the tax relates to items that are recognised in equity.

Except for business combinations, no deferred income tax is recognised from temporary differences stemming from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled. Measurement of deferred tax balances reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and it is intended that net settlement or simultaneous settlement will occur in the future.

The Group does not consolidate any Australian entities for tax purposes.

(e) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST or value added tax (VAT), except where the amount of GST or VAT incurred is not recoverable from the taxation authority.

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

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Notes to the Consolidated Financial Statements

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 28(g)).

The cost of property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in profit or loss in the period in which they arise.

(g) Impairment of Assets

At the end of each reporting period, an assessment is made as to whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including market conditions and asset-specific matters. If such an indication exists, an impairment test is carried out on the asset by comparing the asset's carrying amount to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use. Value in use is determined on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal discounted to their present values.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives.

(h) Exploration & evaluation expenditure

Expenditure on exploration for and of evaluation of petroleum resources in relation to each separate area is recognised as an asset in the year the expenditure is incurred, provide rights to tenure are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or
- Exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Expenditure that is capitalised as an asset includes only those costs directly related to exploration and evaluation activities.

The carrying value of exploration and evaluation assets is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount of the asset (or the cash generating unit (CGU) to which the asset is allocated, being no larger than an area of interest) is based on the higher of value in use and fair values less costs to sell.

If the carrying amount exceeds the recoverable amount, the asset or cash-generating unit is then written down to its recoverable amount with a corresponding impairment loss recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount not to exceed the original pre-impairment carrying amount.

Once a decision has been made to proceed with development in a particular area of interest, the relevant asset/CGU is tested for impairment, reclassified to development properties and then amortised (once production commences) over the life of the petroleum reserves associated with the asset or CGU.

Notes to the Consolidated Financial Statements

(i) Financial Instruments

Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (trade date).

Financial assets are classified as those measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income. This classification is based on two criteria: the Group's business model for managing the assets; and whether the asset's contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. A financial asset can only be measured at amortised cost if both these tests are satisfied.

Trade and other receivables, and trade and other payables, are classified as amortised cost instruments. They are initially measured at fair value, which includes transaction costs and any expected credit losses, and then subsequently at amortised cost using the effective interest method.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method. The effective interest method is used to allocate interest income (financial asset) or interest expense (financial liability) over the term of the instrument and is equivalent to the rate that discounts estimated future cash payments or receipts over the expected life of the instrument to its to the net carrying amount. Revisions to expected future net cash flows that result in adjustment to the carrying amount, and any gains or losses from derecognition, are recognised in profit or loss.

Derecognition occurs in the case of a financial asset where the contractual rights to the receipt of cashflows expire or are transferred to a third party with no significant continuing involvement. For a financial liability, derecognition occurs when the related obligations are discharged, cancelled or have expired.

Impairment

At the end of each reporting period, an assessment is made as to the extent of any expected credit losses (ECLs) impacting on the estimated future cash flows of the financial asset. Expected credit losses may arise where there are indications that the counterparty is experiencing significant financial difficulty or might enter insolvency proceedings or other financial reorganisation, where there has been a default or delinquency in interest or principal payments, or where changes in economic conditions have occurred impacting on the likelihood of defaults.

Under AASB 9 *Financial Instruments,* a separate allowance account is used to record any expected credit losses on financial assets (including receivables). For financial assets held at fair value through profit or loss, any expected credit losses reduce the carrying amount of the asset directly.

(j) Interests in Joint Operations

The Group recognises its direct right to the assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been included in the appropriate line items of the consolidated financial statements.

(k) Share Capital and Reserves

Equity instruments issued by the Group are recorded at the fair value of consideration received. Incremental costs directly attributable to the issue of new equity instruments are shown in equity as a deduction from the proceeds.

Notes to the Consolidated Financial Statements

Separate reserves in shareholders' equity are utilised to record the consideration received for options issued, the fair value of options or performance rights issued for no consideration that has been recognised as a share based payments expense, and for the cumulative foreign exchange translation difference on controlled entities with a non-Australian dollar functional currency (refer Note 28(n)).

If the Company reacquires its own equity instruments, e.g. as the result of share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs is recognised directly in equity.

In the case of an in-specie distribution, where an asset of the Group other than cash is distributed to shareholders, the share capital of the Group is reduced by the fair value relevant asset.

(l) Share based payments

The Group has an Employee Incentive Securities Plan, whereby Shares, Options and Performance Rights may be issued in return for services. Share based payments to employees are measured at the fair value of the instruments issued and recognised in profit and loss as share-based payments expense over the relevant vesting periods. Share based payments to non-employees are measured at the fair value of goods or services received if they can be reliably measured, otherwise at the fair value of the equity instruments issued. The fair value is recognised when the goods or services are received. A corresponding amount to the share based payments expense or amount recognised for goods or services received is recorded in the share based payment reserve in equity.

When shares are issued following the exercise of an option, or the vesting of a performance right, a transfer is made from the share-based payment reserve to issued capital for the amount related to those particular options or rights. When an option or performance right expires or lapses, a transfer is made from the share-based payment reserve to retained earnings.

The fair value of unlisted options is determined using an option pricing model, such as the Black–Scholes model. Performance rights are valued with reference to the Company's share price at the grant date. Market-based vesting conditions are factored into the grant date fair value, typically using a probability assessment. The number of options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the cumulative amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vests.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares on issue during the financial year, adjusted for bonus elements in ordinary shares issued during the 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is based on the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Notes to the Consolidated Financial Statements

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(o) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

(p) Site Restoration and Environmental Rehabilitation Provision

Provisions are recognised when the Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable and the amount of the obligation can be reliably estimated.

Provision is made for the restoration and environmental rehabilitation of operating sites. The provision is based on the estimated future costs, determined on a discounted basis, which are re-assessed regularly and exclude any allowance for potential changes in technology or material changes in legislative requirements. The rate used to discount future estimated costs reflects a market assessment of the time value of money adjusted for risks specific to the obligation.

(q) Leases

A lease liability and a right of use asset is recognised in the balance sheet for all leases conveying a right to control the use of an underlying asset with the exception of leases with a period of 12 months or less and for low value leases. The asset and liability are initially recognised based on discounted future lease payments and the rate embedded in the lease.

(r) Going Concern

The Directors have prepared the financial report on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. For the year ended 30 June 2020, the Group recorded a loss of $1,532,337 and had net cash outflows from operating and investing activities of $4,463,648. As at 30 June 2020, the Group had a working capital surplus of $3,184,989.

Notes to the Consolidated Financial Statements

In addition to the above, the World Health Organisation announced that the Coronavirus (COVID-19) had become a pandemic on 11 March 2020. The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. The full impact of COVID-19 and timing of easing of restrictions continues to evolve. At the date of this report, it is uncertain what the effect will be on the group and potentially it will have a post balance date impact; the Company are currently able to explore locally as disclosed in Note 27 as a result of the strict Mongolian border controls.

In context of this operating environment, the ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity to continue to fund its operational and exploration activities in the long term. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities;
- The Group has the ability to reduce its expenditure to conserve cash;
- In the unlikely event that the Group's near-term planned exploration activities be delayed due to Covid-19, the Board expects that its minimum expenditure commitments under the Production Sharing Contract in Mongolia for the 2020 calendar year will be reduced, and discussions with the Mongolian government in this regard have already commenced;
- The Directors are continuing to explore alternative options in an effort to mitigate the possible impact of COVID-19; and
- The Board does not believe the pandemic will have any impact on the Group's ability to continue as a going concern.

Should the Group not be able to achieve any of the above, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(s) Comparative Figures

In certain cases, including when required by Australian Accounting Standards, comparative figures are adjusted to conform to the changes in recognition or presentation made in the current financial year.

Additional Shareholder Information

As at 30 July 2020

Shares on Issue, Unmarketable Parcels, and Escrowed Securities

As at 30 July 2020, there were a total of 689,323,877 shares on issue and 2,229 shareholders. Of these, a total of 136 shareholders held a less than a marketable parcel of securities.

There is one class of ordinary shares. Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Details of top 20 shareholders

The following is a list of the top 20 Shareholders of the Company:

Rank	Name	Number of Shares	% of Shares
1.	MR NEIL ALEXANDER INGLIS YOUNG	27,103,036	3.93%
2.	CBMP LLC	16,000,000	2.32%
3.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	14,866,722	2.16%
4.	CCGF HOLDING PTY LIMITED	11,001,307	1.60%
5.	MR DAVID JAMES WALL <THE RESERVE A/C>	10,219,028	1.48%
6.	MR ANDREW TROTT HOPKINS & MRS ADRIENNE JANET HOPKINS	10,060,000	1.46%
7.	GLADPEAK PROPRIETARY LIMITED <THE WILLOW A/C>	9,500,000	1.38%
8.	CITICORP NOMINEES PTY LIMITED	8,906,400	1.29%
9.	MR COLIN ROBERT GOODALL & MRS ROSE MARIE GOODALL <COLIN GOODALL SMSF A/C>	8,154,723	1.18%
10.	KYP CAPITAL PTY LTD <KYP CAPITAL A/C>	8,030,000	1.16%
11.	MAMDAL SUPERANNUATION PTY LTD <MAMDAL SUPER FUND A/C>	7,937,500	1.15%
12.	S3 CONSORTIUM PTY LTD	7,600,000	1.10%
13.	DRAGON TREE CAPITAL PTY LTD	7,350,000	1.07%
14.	MR BARRY FEICKERT	7,265,000	1.05%
15.	MR ANTHONY KILMARTIN	7,165,498	1.04%
16.	HONEYBALL HOLDINGS PTY LTD <HONEYBALL HOLDINGS A/C>	6,513,888	0.94%
17.	SUTTON NOMINEES PTY LTD <W M GATACRE FAMILY FUND A/C>	6,500,000	0.94%
18.	MR JIAHENG PAN <LPH FAMILY A/C>	5,783,958	0.84%
19.	SMC CAPITAL PTY LTD <SMC CAPITAL A/C>	5,400,000	0.78%
20.	HOLDREY PTY LTD <DON MATHIESON FAMILY A/C>	4,922,863	0.71%
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		**190,323,877**	**27.60%**
Total Remaining Holders Balance		**499,043,954**	**72.40%**
Total Holders		**689,323,877**	**100.00%**

Distribution of shareholder numbers

Range	Total holders	Number of Shares	% of Shares
1 - 1,000	71	18,989	0.003%
1,001 - 5,000	51	135,950	0.020%
5,001 - 10,000	105	914,656	0.133%
10,001 - 100,000	1,048	46,723,234	6.778%
100,001 and over	954	641,531,048	93.067%
TOTAL	2,229	689,323,877	100.000%

Additional Shareholder Information

As at 30 July 2020

Details of substantial shareholders

There are no substantial shareholders of Elixir Energy Limited.

Listed Options

As at 31 July 2020 there were 118,566,617 Listed Options (ASX: EXROA) on issue with 130 holders. Each option is exercisable at 6.79 cents and expires 31 December 2020.

Unlisted Options and Performance Rights

As at 31 July 2020 there are 12,630,000 Unlisted Options on issue with an exercise price of 10.0 cents each expiring in 2023 and 2024. There are 16,000,000 Performance Rights on issue, each convertible into one ordinary share if the relevant performance conditions are met.

Number and class of shares held in escrow

There are 58,313,036 ordinary quoted shares held in escrow that have a release date of 14 December 2020.

On-Market Buy Back

There is no on–market buy back at the date of this report.

List of exploration projects

- Mongolia Nomgon IX CSG PSC

Securities Exchange

The Company is listed on the Australian Securities Exchange under the stock symbol EXR.