



ABN 63 111 306 533

HALF-YEAR FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2021

CORPORATE DIRECTORY

DIRECTORS

Fei He	(Non-executive Chairman)
Shuqing Xiao	(Managing Director)
Lindsay Dudfield	(Non-executive Director)
Jan Macpherson	(Non-executive Director)
Zhe Xu	(Non-executive Director)
Jun Zhou	(Non-executive Director)
Zhe Gao	(Non-executive Director)

CONTACT DETAILS

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REGISTERED OFFICE

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WEST PERTH WA 6005

COMPANY SECRETARY

Xuekun Li

POSTAL ADDRESS

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WEST PERTH WA 6872

STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: **EME**

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SOLICITORS

Minter Ellison
Allendale Square
77 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

Automatic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000
Telephone: + 61 1300 288 664

BANKERS

National Australia Bank
100 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your Directors present the financial statements of Energy Metals Limited (“the company”) and its controlled entity (“the group”) for the half-year ended 30 June 2021.

DIRECTORS

The names of the Directors in office during the half-year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Fei He (Non-executive Chairman)
Shuqing Xiao (Managing Director)
Lindsay George Dudfield (Non-executive Director)
Jan Macpherson (Non-executive Director)
Zhe Xu (Non-executive Director)
Zhe Gao (Non-executive Director)
Jun Zhou (Non-executive Director, appointed 26 March 2021)
Junmei Xu (Non-executive Director, resigned 26 March 2021)

REVIEW OF OPERATIONS

The group reported a consolidated loss of \$382,076 for the half-year ended 30 June 2021 (2020: a consolidated loss of \$394,758).

Energy Metals is a dedicated uranium exploration company with eight projects located in the Northern Territory (NT) and Western Australia covering over 2,400 km². Most of the projects contain uranium mineralisation discovered by major companies in the 1970's, including the advanced Bigrlyi project, located in the prospective Ngalia Basin (NT). Bigrlyi is characterised by relatively high uranium grades (with vanadium credits) and excellent metallurgical recoveries.

The company's exploration activities were affected by COVID-19-related travel and access restrictions, however, they were of a sufficient level to maintain the company's tenements in good standing given the expenditure covenant relief measures provided by the NT Government during the period.

Bigrlyi Joint Venture (EME 72.39%)

The Bigrlyi exploration camp remained on a care and maintenance footing during the period and only minimum exploration activities were undertaken. Energy Metals' focus this period was on the optimisation of various aspects of the pre-feasibility study including an update of the mineralisation model, and geotechnical and mining design reviews in order to improve the economics of Bigrlyi project.

Ngalia Regional Project (EME 100%)

During the half-year only minimum exploration activities were conducted due to the COVID-19-related suspension of fieldwork programs. Exploration work was limited to desk-top studies including a geological review and completion of an exploration database update.

Malawiri Joint Venture (EME 76.03%)

Minimum exploration activities were undertaken in the current half-year to ensure the tenements remained in good standing.

Walbiri Joint Venture (EME 77.12%)

Minimum exploration activities were undertaken in the current half-year to ensure the tenements remained in good standing.

Western Australia

The company's strategy is to maintain tenure over its Western Australian uranium deposits with minimum expenditure until economic conditions improve and WA Government restrictions on uranium mining are lifted. Four projects are covered by granted Retention Licences and one, the Manyingee East project, by a Retention Licence application. Landholder objections to the grant of the Manyingee East application is progressing through the Warden's Court process. Energy Metals continues to monitor the situation with a view to recommencing exploration and development activities in the future.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page 13 of this half-year financial report.

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



Shuqing Xiao
Managing Director
9 September 2021

DIRECTORS' DECLARATION

In the Directors' opinion:

The financial statements, and notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*, including:

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

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the *Corporations Act 2001*.



Shuqing Xiao, Managing Director
9 September 2021

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

	Notes	30/06/2021 \$	30/06/2020 \$
Revenue from continuing operations	4	51,083	148,593
Employee benefits expense	4	(182,794)	(217,179)
Exploration expense		(40,324)	(120,000)
Corporate and regulatory expense		(93,117)	(85,717)
Depreciation expense	4	(26,341)	(39,273)
Administration expense	4	(88,930)	(77,742)
Finance costs		(1,653)	(3,440)
Loss before income tax		(382,076)	(394,758)
Income tax expense		-	-
Loss for the period		(382,076)	(394,758)
Total comprehensive expense for the period		(382,076)	(394,758)
Loss attributable to owners of the company		(382,076)	(394,758)
Total comprehensive expense attributable to owners of the company		(382,076)	(394,758)
Basic loss per share (cents)		(0.18)	(0.19)
Diluted loss per share (cents)		(0.18)	(0.19)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30/06/2021 \$	31/12/2020 \$
Current assets			
Cash and cash equivalents		493,705	540,662
Term deposits	6	15,211,517	15,724,509
Trade and other receivables		53,814	71,139
Other financial asset		160,332	161,704
Total current assets		15,919,368	16,498,014
Non-current assets			
Plant and equipment	7	126,357	260,849
Exploration and evaluation expenditure	8	35,185,291	35,033,878
Total non-current assets		35,311,648	35,294,727
Total assets		51,231,016	51,792,741
Current liabilities			
Trade and other payables		48,117	89,301
Lease payable due within one year		-	54,127
Provisions		69,564	77,369
Total current liabilities		117,681	220,797
Non-current liabilities			
Lease payable		-	76,533
Total non-current liabilities		-	76,533
Total liabilities		117,681	297,330
Net assets		51,113,335	51,495,411
Contributed equity	9	59,051,644	59,051,644
Accumulated losses		(7,938,309)	(7,556,233)
Total equity		51,113,335	51,495,411

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2021**

	Attributable to Owners of the Company		
	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
At 1 January 2020	59,051,644	(6,729,277)	52,322,367
Loss for the period	-	(394,758)	(394,758)
Total comprehensive expense for the period	-	(394,758)	(394,758)
At 30 June 2020	59,051,644	(7,124,035)	51,927,609
At 1 January 2021	59,051,644	(7,556,233)	51,495,411
Loss for the period	-	(382,076)	(382,076)
Total comprehensive expense for the period	-	(382,076)	(382,076)
At 30 June 2021	59,051,644	(7,938,309)	51,113,335

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

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2021

	30/06/2021	30/06/2020
	\$	\$
Cash flows from operating activities		
Interest received	51,242	157,250
Joint Venture management fee received	1,961	3,096
Payments to suppliers and employees	(406,789)	(317,749)
Payments to exploration operation	(40,324)	(120,000)
Net cash used in operating activities	<u>(393,910)</u>	<u>(277,403)</u>
Cash flows from investing activities		
Payments for plant and equipment	-	54,029
Payments for exploration and expenditure	(149,608)	(139,295)
Proceeds from term deposits	15,886,214	16,931,906
Investments in term deposits	(15,371,850)	(16,359,859)
Net cash provided by investing activities	<u>364,756</u>	<u>486,781</u>
Cash flows from financing activities		
Payments of lease liabilities	(17,803)	(79,773)
Net cash used in financing activities	<u>(17,803)</u>	<u>(79,773)</u>
Net increase in cash and cash equivalents	(46,957)	129,605
Cash and cash equivalents at the beginning of the period	<u>540,662</u>	<u>454,549</u>
Cash and cash equivalents at the end of the period	<u>493,705</u>	<u>584,154</u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2020 annual financial report for the year ended 31 December 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Coronavirus (COVID-19) pandemic

The Directors have considered the impact of the COVID19 pandemic on the position of the group at 30 June 2021 and its operations in future periods.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on known information. This consideration extends to the nature of business, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

For the half-year ended 30 June 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New and revised Accounting Standards in issue not yet adopted

At the date of authorisation of the Financial Statements, the Standards applicable to the group's business listed below were in issue but not yet effective. The potential effect of the revised Standards on the group's financial statements has not yet been determined.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB2017-5 Amendments to Australian Accounting Standards-Effective Date of Amendments to AASB10 and AASB128 and Editorial Corrections, effective for annual reporting periods beginning on or after 1 January 2022;

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, effective for annual reporting periods beginning on or after 1 January 2022;

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments, effective for annual reporting periods beginning on or after 1 January 2022;

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates, effective for annual reporting periods beginning on or after 1 January 2023.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

NOTE 3: SEGMENT INFORMATION

Management has determined that the group has only one reportable segment as uranium exploration. As the group are focused on uranium exploration, the Board periodically monitors the group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is most relevant to assist the Board with making decisions regarding the ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date. The segment information provided to the board for the reportable segments for the half-year ended 30 June 2020 and 30 June 2021 is as follows:

30 June 2021	Uranium Exploration \$	Unallocated \$	Total \$
Total segment revenue	2,360	48,723	51,083
Segment result	(45,384)	(336,692)	(382,076)
Depreciation expense, included in the segment result	(8,208)	(18,133)	(26,341)
Total segment assets	35,306,825	15,924,191	51,231,016
Total segment assets include:			
Additions to plant and equipment	-	-	-
Additions to exploration and evaluation expenditure	151,413	-	151,413
Total segment liabilities	24,148	93,533	117,681
30 June 2020			
Total segment revenue	3,096	145,497	148,593
Segment result	(127,085)	(267,673)	(394,758)
Depreciation expense, included in the segment result	(10,181)	(29,092)	(39,273)
Total segment assets	35,091,052	17,216,359	52,307,411
Total segment assets include:			
Additions to plant and equipment	-	-	-
Additions to exploration and evaluation expenditure	303,063	-	303,063
Total segment liabilities	87,706	292,096	379,802

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

NOTE 4: REVENUES AND EXPENSES

	30 June 2021 \$	30 June 2020 \$
(a) Revenue from continuing operations includes the following revenue items:		
Interest received from other parties	43,741	145,497
Joint Venture management fee received	2,360	3,096
Other income received	4,982	-
	<u>51,083</u>	<u>148,593</u>
(b) Loss includes the following specific expenses:		
Depreciation	<u>26,341</u>	<u>39,273</u>
(c) Employee benefit expense:		
Wages & superannuation	178,098	193,414
Annual leave expense	5,016	3,682
Long service leave expense	(12,820)	1,333
Directors' fee	12,500	18,750
	<u>182,794</u>	<u>217,179</u>
(d) Administration expense		
Office related	31,009	22,210
Others	57,921	55,532
	<u>88,930</u>	<u>77,742</u>

NOTE 5: DIVIDENDS

There were no dividends paid or declared by the company during the period.

NOTE 6: TERM DEPOSITS

As at 30 June 2021, the group had approximately \$15.2 million on deposit with maturities from 9 months to 12 months with various financial institutions earning interest at an average rate of 0.3% (2020: 1.3%).

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

NOTE 7: PLANT AND EQUIPMENT

	30 June 2021 \$	31 December 2020 \$
Plant and equipment - at cost	931,878	931,878
Less accumulated depreciation	(813,232)	(804,110)
	<u>118,646</u>	<u>127,768</u>
Motor vehicle – at cost	66,839	66,839
Less accumulated depreciation	(59,128)	(58,340)
	<u>7,711</u>	<u>8,499</u>
Right-of-use asset – at cost	-	232,640
Less accumulated depreciation	-	(108,058)
	<u>-</u>	<u>124,582</u>
Total	<u>126,357</u>	<u>260,849</u>

Reconciliation of the carrying amount of Plant and Equipment:	Plant and Equipment \$	Motor Vehicle \$	Right-of-use Asset \$	Total \$
Carrying amount at 1 January 2020	149,487	10,467	178,611	338,565
Depreciation expense	(11,283)	(976)	(27,014)	(39,273)
Carrying amount at 30 June 2020	<u>138,204</u>	<u>9,491</u>	<u>151,597</u>	<u>299,292</u>
Carrying amount at 1 January 2021	127,768	8,499	124,582	260,849
Disposals	-	-	(108,151)*	(108,151)
Depreciation expense	(9,122)	(788)	(16,431)	(26,341)
Carrying amount at 30 June 2021	<u>118,646</u>	<u>7,711</u>	<u>-</u>	<u>126,357</u>

*The group leased office space for its corporate office. The lease agreement had a fixed term of 3 years with an extension option of further 2 years. The extension option was not exercised and the lease was terminated in April 2021.

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2021 \$	31 December 2020 \$
Balance at the beginning of the half-year	35,033,878	34,751,061
Additions of exploration assets	151,413	334,202
Exploration assets taken to Profit or Loss	-	(51,385)
Balance at the end of the half-year	<u>35,185,291</u>	<u>35,033,878</u>

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

NOTE 9: CONTRIBUTED EQUITY

	<u>Number of Shares</u>	<u>\$</u>
As at 1 January 2021 and 30 June 2021	209,683,312	59,051,644

Ordinary Shares

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

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

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

NOTE 10: CONTINGENCIES

Claims of Native Title

The company has been notified by the Native Title Tribunal of native title claims which cover some of the company's licence holdings. Until further information arises in relation to the claims and its likelihood of success, the company is unable to assess the likely effect, if any, of the claims.

NOTE 11: COMMITMENTS

The group is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2021/2022. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

	30 June 2021	31 December 2020
	\$	\$
Estimated expenditure on mining, exploration and prospecting leases	337,006	402,385
	<u>337,006</u>	<u>402,385</u>

NOTE 12: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

NOTE 13: SUBSEQUENT EVENTS

NT Energy Pty Ltd, the wholly owned subsidiary of Energy Metals Limited, which had been dormant for years, applied for voluntary deregistration subsequent to the period end. ASIC confirmed deregistration on the company on 28 July 2021.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been no material impact on the group's financial position and operation up to 30 June 2021, 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.

There were no matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the group and the results of those operations or the state of the affairs of the group in the financial period subsequent to 30 June 2021.

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

As lead auditor for the review of Energy Metals Limited for the half-year ended 30 June 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd
Perth, 9 September 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Energy Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Energy Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, stylized 'BDO' logo.

Glyn O'Brien

Director

Perth, 9 September 2021