NeuRizer

2023
Annual Report

NeuRizer Ltd
ACN 31 107 531 822

NeuRizer

We acknowledge the Traditional Owners of the land where we work and live, and pay our respects to Elders past and present. We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islander people of all communities who also work and live on this land.

Contents

Chairman's letter

It is important to acknowledge the significant developments in the global economy and markets over the past year. The urea market has experienced supply chain disruptions and increased costs due to various geopolitical conflicts. The changing dynamics and rising gas prices have further emphasized the need for self-reliance and domestic manufacturing capabilities. NeuRizer is well-positioned to address these challenges and contribute to Australia's sovereign manufacturing capability.

It is with great pleasure that I address you after another significant year for NeuRizer Ltd (NeuRizer). Our commitment to becoming the world's first fully integrated urea fertilizer producer and securing domestic supply has driven us to achieve significant milestones and forge strategic partnerships. I want to express my gratitude for your unwavering support and endorsement of our rebranding to NeuRizer, which has set us on a path of success.

I would like to extend my heartfelt appreciation to the Board members, executives, employees, contractors, and suppliers of NeuRizer for their unwavering dedication and hard work. Their tireless efforts have positioned us as a strong and capable team, propelling us toward our goal of producing urea in Australia. Together, we have built a foundation for success, and I am incredibly proud of our achievements thus far.

The past year has been a tumultuous one, with the global urea market facing numerous challenges and uncertainties. The geopolitical conflicts, rising gas prices, limited gas exploration, and supply chain disruptions have underscored the importance of addressing supply chain issues and reducing reliance on imports. As these issues continue to impact the global market, NeuRizer remains steadfast in its commitment to being part of the solution for Australian farmers. With Incitec Pivot's Gibson Island manufacturing plant closing in December 2022, the urgency for domestic capability has never been greater. NeuRizer is proud to be part of the solution, ensuring the security of urea supply.

Despite these challenges, we have had many significant milestones and achievements that have shaped the past year and positioned us for continued success. In July 2022, we signed a binding, long-term take-or-pay offtake agreement with Daelim Co Ltd for 500,000 tonnes of granular urea per year. This major milestone secured 50% of our initial annual production target and strengthens our partnership with the Daelim organisation, our long-term strategic partner and significant shareholder. This agreement not only underpins future revenue but also provides us with a revenue stream to support project financing. To further enhance our team, we welcomed Mr Jaehyung Yoo as a Non-Executive Director in August 2022. Mr Yoo was replaced by Mr Sunghun Ryu on 31 July 2023. Both have extensive experience in senior leadership roles within DL E&C Co., Ltd. (DL E&C), one of the world's largest EPC companies. During Mr Yoo's short tenure he brought invaluable construction expertise to our Board, while Mr Ryu is currently in charge of strategy and planning, new business development and investment projects with DL E&C. While Mr Yoo's contribution will be missed, Mr Ryu's appointment complements the existing mix of skills and experience on our Board.

During the year, the South Australian Government declared our NeuRizer Urea Project an Impact Assessed Development, recognizing its social, economic, and environmental significance. This declaration provides us with additional support, coordination, and information services from government agencies, strengthening our engagement with stakeholders and reinforcing the importance of our project.

We were also thrilled to announce our partnership with Meijin Energy Investments (MEI), part of the Meijin Group, the largest integrated hydrogen company in China. We have signed a binding contract with MEI, involving site assessments and intellectual property licensing at two Meijin-owned sites. This partnership opens doors to China's rapidly developing hydrogen market, expanding our reach and impact on a global scale.

NeuRizer is well-positioned to address future challenges and contribute to Australia's sovereign manufacturing capability. The past year has been a testament to NeuRizer's resilience and ability to overcome obstacles. We are determined to secure the urea supply for Australian farmers and contribute to the nation's agricultural success. Our dedicated team, strategic partnerships, and commitment will propel us towards our ultimate goal.

I extend my deepest gratitude to our valued shareholders for their continuous support throughout this journey. Together, we are driving positive change and making a lasting impact on the global food supply chain, as well as assisting in the development of hydrogen production as an energy source in China.

Mr Daniel Justyn Peters
Executive Chairman

Managing Director's Report

We do not have to transport gas to a production site, and as a result we aim to manufacture urea at the lowest global cost quartile. This significantly reduces production risks minimizing exposure to price fluctuation for the supply of gas, and risks associated with transportation costs, exchange rate movements, and import logistical problems.

2023 has been another challenging year for NeuRizer, but one of significant progress towards achieving commercialization.

In the past year, DL E&C Co., Ltd (DL), continued to work on the front-end engineering and design (FEED) for the urea production plant and continued their progress towards completing the Bankable Feasibility Study (BFS). DL are also supported by licensors Kellogg Brown and Root (ammonia), Stamicarbon (urea), and Merichem (sulphur removal), providing critical technological inputs for the NeuRizer Urea Project (NRUP).

Throughout this process, we have remained committed to sustainability and transparency. NeuRizer is currently working on finalising the Task Force on Climate-Related Financial Disclosures (TCFD) report for FY2022/23. This report will aim to provide valuable information about our ongoing efforts to establish a lasting positive impact on climate change through our comprehensive CO_2 business strategy. We are committed to releasing our TCFD report annually, reinforcing our dedication to sustainable practices.

In September 2022, the South Australian Government granted us a period of exclusivity to prepare a business case for accessing the railway corridor assets between Leigh Creek and Port Augusta. This opportunity aligns with our goal of enhancing logistical capabilities, reducing road traffic, promoting safety, and minimizing government expenditure on road maintenance. We are grateful for the support of the South Australian Government and anticipate further collaboration in delivering this important project.

We were proud to announce that AusIndustry awarded us a "Certificate for Advance Finding" for certain activities under Stage 1 of our NeuRizer Urea Project. This finding provides us with certainty regarding the eligibility of planned activities under the R&D Tax Incentive program, and highlights our commitment to innovation and research.

NeuRizer has a unique competitive advantage in urea manufacturing in that we have our own on-site gas supply. We do not have to transport gas to a production site, and as a result we aim to manufacture urea at the lowest global cost quartile. This significantly reduces production risks minimizing exposure to price fluctuation for the supply of gas, and risks associated with transportation costs, exchange rate movements, and import logistical problems.

Looking ahead, we are committed to delivering on our final key milestones of the NeuRizer Urea Project. The Front-End Engineering and Design (FEED), Bank Feasibility Study (BFS), and final investment decision (FID) will pave the way for the construction of our urea plant. We eagerly anticipate sharing the progress and achievements with you as we move forward.

The management team and the Board are proud of the progress made this financial year and recognise that this was achieved as a result of the hard work of our dedicated team, contractors and other stakeholders who have consistently supported our vision of developing Australia's first fully integrated, in situ gas powered, urea manufacturing project.

Mr Phil Staveley
Managing Director

About NeuRizer

NeuRizer Urea Project (NRUP)

The future of fertiliser

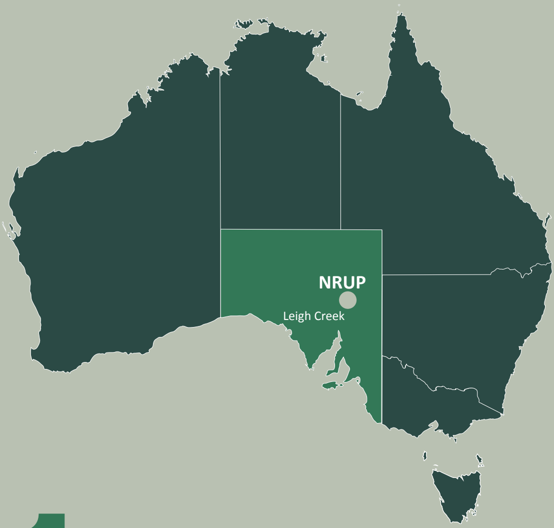
NeuRizer is the Company responsible for progressing the NeuRizer Urea Project (NRUP). NRUP is a nationally significant project that once operating will deliver low-cost, high-quality nitrogen-based fertiliser ensuring a secure supply for local and export agriculture markets. Located in South Australia, 550 kilometres north of Adelaide, the NRUP will initially produce 1Mtpa of urea fertiliser with potential to increase to 2Mtpa.

NeuRizer is a certified carbon neutral organisation having been awarded Climate Active certification and is a signatory to the United Nations Global Compact. The NRUP is intended to be carbon neutral by design, and the decarbonisation pathway for the NRUP is embedded in the Front-End Engineering and Design (FEED) process aimed at the NRUP achieving carbon neutrality once operational.

The NRUP will be Australia's only sovereign manufacturing capability for urea fertiliser supporting Australian agricultural food production. The NRUP will strengthen supply chain resilience that will benefit Australian farmers and, to a lesser extent, the industrial sector where urea is used as a supply input (eg. diesel additive (AdBlue), industrial resins, etc.).

The NRUP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities (2,250+ construction jobs plus 1,200+ ongoing positions) for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia.

The NRUP will be the only fully integrated urea production facility in Australia, with all inputs (gas, power and CO_2) on-site for low carbon production of urea, meaning NeuRizer will control both supply and price of these major cost inputs, regardless of prevailing market conditions and supply chain dynamics.



1 Million tonnes

Urea annual production

Competitive price

Carbon Neutral

Australian jobs

Target markets for NRUP urea are domestic users, plus international fertiliser traders and distributors

Rail lines accessible from Leigh Creek are central to the main Australian urea markets

It's cheaper, faster and less risky for distributors to buy NeuRizer urea for sale to Australian farmers than to ship it from the Middle East or Asia

The NRUP PFS indicated a nominal operating cost of A$109 per tonne ex-plant

2023 Achievements

2023 Achievements

The Company and its Engineering, Procurement, Construction and Commissioning (EPCC) Contractor DL E&C continued to progress their activities associated with the NeuRizer Urea Project.

Notable achievements include:

NRUP Stage 1

- Silver City Drilling, an experienced Australian provider of professional drilling services completed drilling the wells for subsurface investigation and groundwater monitoring. Velseis completed a 3D seismic survey over the Stage 1 area to allow the final position of the Stage 1 gasifiers to be determined.
- The Siemens Energy gas engine generators for Stage 1 operations were delivered in late 2022 and have been stored and preserved onsite in readiness for installation.
- Stage 1 engineering design has progressed with a focus on long lead packages. ATSYS, a control systems and electrical engineering consultant were awarded the engineering design work for the Stage 1 project and undertook a radio path survey, developed an environmental monitoring well RTU skid design and developed the Stage 1 control system architecture and control system specifications. GLP were selected for the design of the Acid Gas Removal package and have completed engineering and registered the pressure vessel design, in readiness for fabrication. JORD were awarded the engineering for the fin fan cooler and have completed design in readiness for fabrication. Promech progressed design for the initiation module, completing a HAZOP (Hazard and Operability Study) for the design, and developing a Safe Operating Procedure. InGauge participated in initiation module and tool development and attended the HAZOP and have finalized the subsurface tool concept. Prudentia Process Consulting were also engaged to progress the Stage 1 Electrical System Study and develop the design and completed pressure vessel design in readiness for registration and fabrication.
- Condition assessments of Precommercial-Demonstration Plant equipment were undertaken to determine if equipment was suitable to reuse for the Stage 1 project. The various condition assessments undertaken identified that the Thermal Oxidiser and supply skid can be reused.
- NeuRizer undertook a self-assessment of the Stage 1 proposal against the criteria provided for in the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) to determine if a referral may be required because of the presence of a controlled action. The assessment showed no significant impacts on matters of national environmental significance (MNES) and NeuRizer engaged a contractor to assess potential direct and indirect impacts associated with the proposed project, and likelihood of significant impact to the EPBC listed species. The assessment confirmed that the Stage 1 Project is unlikely to have a significant impact on any individuals or important populations of EPBC Threatened or Migratory species, nor result in significant degradation of “preferred” habitat for MNES. Yet, NeuRizer decided to refer the Stage 1 Project pursuant to section 68 of the EPBC Act to enable the formal assessment of the project by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and provide opportunity for public comment and consultation. On 02 May 2023, NeuRizer successfully submitted the referral application (EPBC 2023/09538 - Stage 1 Commercial Development) to DCCEEW, commencing the validation and assessment process. Moving forward, the Minister will consider the received information and make a referral decision.

2023 Achievements

NRUP Stage 2

- EMM Consulting Pty Ltd (EMM) supported planning processes with the State Planning Commission, resulting in the release of the Impact Assessment Requirements for the Urea Production Plant (UPP). EMM continued to assist with development of the Environmental Impact Statement (EIS) and various related technical studies.
- The NeuRizer team organized meetings with various government agencies for discussion of project assessment requirements. Planning and Land Use Services (PLUS), Department of Energy and Mining (DEM), Department for Infrastructure and Transport (DIT), and the Environment Protection Authority (EPA) attended a site visit to see the proposed location of NRUP facilities and gained additional perspective to develop project assessment requirements. NeuRizer held preliminary meetings with some government agencies and will continue to liaise with various agencies during the development of the NRUP Stage 2 Environment Impact Statement (EIS).
- NeuRizer's Chief Operations Officer, Site Manager, Community Liaison Coordinator and Environmental Scientists conducted Community Consultation Meetings with the regional communities surrounding the Project area, including Leigh Creek, Copley, Iga Warta and Nepabunna, every two months. These meetings provided NeuRizer with an opportunity to update the community on the progress of the NRUP, whilst also providing community members an opportunity to ask questions. Feedback is increasingly positive, with community members advising that they appreciate NeuRizer's efforts to keep them informed, answer any queries, and discuss any concerns. NeuRizer's Community Liaison Coordinator is a long-term resident of Leigh Creek and was, and will continue to be, available on a full-time basis to discuss any concerns or to answer any questions community members may have regarding the NRUP.
- An additional ecological assessment was undertaken by a consultant in Q4 2022 to determine any potential impacts to flora and fauna within the Stage 2 project areas, including the proposed UPP site, camp, access roads and construction support areas.

2023 Achievements

- NeuRizer organised and facilitated a cultural heritage clearance survey of the proposed UPP project areas with Australian Cultural Heritage Management (ACHM) archaeologists and representatives of the Adnyamathanha Traditional Lands Association (ATLA) to establish a Work Area Clearance for future works. A report was provided by ACHM, as approved by ATLA, which outline cleared areas for future works, the results of which NeuRizer consider favourable.
- The NeuRizer team progressed development of project specific environment management plans, and a draft Environmental Impact Statement, with additional input from EMM required to finalise and include various technical studies.
- The State Government granted NeuRizer the exclusive right to negotiate for access to the Leigh Creek Rail (LCR). The NeuRizer team submitted a business case for the refurbishment and use of the LCR and discussion with DIT and Department of Treasury and Finance is ongoing.
- A Logistics Route Survey was undertaken to identify preferred routes for Over Size Over Mass (OSOM) modules and equipment. The NeuRizer team, with DL E&C and NMT logistics consulted various stakeholders for the identification and understanding of logistics constraints such as roads, bridges, overhead powerlines, and buried pipelines. A module and equipment transport envelope was developed for OSOM module transport. A preliminary Traffic Management Plan was submitted to DIT and discussions with various stakeholders progressed.
- NeuRizer engineering management attended in country Licensor Process Design Package (PDP) reviews with KBR, Merichem and Stamicarbon.
- The NeuRizer engineering team participated in a month-long HAZOP Workshop at the DL E&C Office in Seoul, which was led by DL E&C engineering and facilitators from Australian risk and engineering consultancies Planager and Phronis. A separate Hazard Identification Study (HAZID) workshop was undertaken over a week with Phronis and DL E&C. A Quantitative Risk Analysis (QRA) was also undertaken by Phronis and Arriscar under direction from NeuRizer and DL E&C.
- DL E&C prepared a 3D Model for FEED, and this was reviewed during a 3D model review workshop. A separate Constructibility Review workshop was undertaken and considered crane access and module assembly requirements during construction.
- DL E&C undertook Early Contractor Involvement (ECI) with various Australian Construction companies, including UGL, Aerison, McMahon, and SIMPEC for the development of the onshore construction cost. The Australian Construction companies provided valuable input to DL E&C on Australian construction resources and methodologies.
- The NeuRizer and DL E&C teams undertook value engineering and design optimization of FEED to identify CAPEX reductions. NeuRizer commenced investigations of various build own operate options for the urea storage building package, the LPG supply package, and the cooling water refrigeration package.
- DL E&C and NeuRizer continued the development of the Bankable Feasibility Study and financial model with NexantECA, the Energy and Chemicals Advisory company.
- NeuRizer and DL E&C continued development of deliverables for the EPC proposal including the Project Execution Plan, Project Schedule for the Works and the Inspection and Testing Schedule.
- Negotiations on the Licence Agreements with Technology Licensors, KBR, Stamicarbon and Merichem were progressed in readiness for signing.

Petroleum Tenement Schedule

Tenement	Percentage Interest	Grant Date	Location
Petroleum Exploration Licence 650	100%	18 November 2014	Leigh Creek, SA
Petroleum Production Licence 269	100%	24 November 2020	Leigh Creek, SA
Associated Activities Licence 292	100%	24 November 2020	Leigh Creek, SA
Petroleum Retention Licence 247	100%	5 June 2020	Leigh Creek, SA
Gas Storage Exploration Licence 662	100%	5 February 2016	Leigh Creek, SA
Petroleum Exploration Licence Application 647	100%	Application Approved	Leigh Creek, SA

In August 2022, NeuRizer completed a drilling campaign within PPL 269 and AAL 292. The purpose of this drilling program was to collect geological and hydrological information within the eastern portion of the Telford Basin. A 3D seismic survey was completed within PPL 269, in September 2022. The purpose of the 3D seismic was to collect geological information and fault location data within PPL 269. NeuRizer is currently awaiting the interpretation results of this 3D seismic survey.

The following tenements are not listed on the NeuRizer tenement register, as of June 30, 2023, as they were sold off to another company in April 2023. More information on their sale can be found in note 14 of the Financial report;

- *Petroleum Exploration Licence Application 582*
- *Petroleum Exploration Licence Application 643*
- *Petroleum Exploration Licence Application 644*
- *Petroleum Exploration Licence Application 649*
- *Petroleum Exploration Licence Application 675*
- *Petroleum Exploration Licence 676 (previously PELA 676)*
- *Authority To Prospect 2023*
- *Authority To Prospect 2024*

Coal and Gas Resources

PEL 650 and PPL 269 ISG Suitable Coal Resource Analysis

Seam	Working Section	Resource Category	Tonnage (mt)	Thickness (m)	Relative Density (g/cc ad)	Raw Ash (%ad)	Total Moisture (%ad)
FGH	FG	Indicated	9.1	10.74	1.62	37.68	22.99
	FH	Indicated	28.9	20.86	1.69	43.00	22.53
	G	Indicated	7.7	5.29	1.65	40.74	23.37
I	I	Indicated	22.7	5.78	1.67	40.94	23.37
	I1	Indicated	1.0	2.36	1.43	17.66	29.05
K	K	Indicated	14.8	7.01	1.69	42.50	22.56
	K12	Indicated	4.6	5.78	1.66	40.00	22.22
	K2	Indicated	4.8	3.15	1.60	36.36	24.29
Q	Q	Indicated	93.0	12.08	1.45	18.11	26.88
	Q	Inferred	73.4	9.24	1.44	17.88	26.82
V	V	Inferred	34.0	5.29	1.67	40.75	22.67
	V1	Inferred	1.0	2.41	1.48	22.23	23.55
W	W	Inferred	6.2	7.37	1.76	49.80	21.06
ISG Project Total			**301.2**	**8.41**	**1.54**	**28.73**	**24.94**

Coal and Gas Resources

The Company's total Coal Resource and equivalent Syngas Reserves/Resource as at 30 June 2023, reported in accordance with 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) guidelines and the 2018 Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS) guidelines (respectively), remain unchanged since 2019. The total Coal Resources and total Syngas Reserves/Resources are divided between PEL 650 and PPL 269. This has not changed from last year and the total Coal and Syngas Resources/Reserves are outlined below:

Tenement	Location	Coal Resource Category	Coal Resources (mt) 2022	Coal Resources (Mt) 2023	Syngas Resource Classification *	Syngas Energy (PJ) 2022	Syngas Energy (PJ) 2023
Petroleum Exploration Licence 650	Leigh Creek	Indicated	81.2	81.2	1P Reserves	–	–
		Inferred	45.6	45.6	2P Reserves	499.4	499.4
					3P Reserves	890.7	890.7
					1C Resources	-	-
					2C Resources	1,187.9	1,187.9
					3C Resources	1,615.7	1,615.7
Petroleum Production Licence 269	Leigh Creek	Indicated	105.4	105.4	1P Reserves	-	-
		Inferred	69	69	2P Reserves	653.8	653.8
					3P Reserves	717.6	717.6
					1C Resources	-	-
					2C Resources	281.1	281.1
					3C Resources	510.9	510.9

** All NRZ's petroleum reserves are classified as undeveloped and unconventional.*

Coal and Gas Resources

Governance and Disclosures

Mineral Resources are estimated in accordance with the requirements of the JORC Code, by qualified competent persons who are consultants to NeuRizer. Syngas Resources are estimated in accordance with the requirements of the Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers, by a qualified petroleum reserves and resources evaluator who is a consultant to NeuRizer.

The Minerals Resources in the 2023 Annual Report is compiled and reviewed by a qualified competent person, as detailed below. The Syngas Resource Statement in the 2023 Sustainability & Annual Report is reviewed by a qualified consultant, who is a qualified petroleum reserves and resource evaluator. NRZ's policy for preparing its Reserves and Resources estimates is to do so on receipt of new material information that is sufficient to inform a new estimate or a material change to a previously certified estimate. As NRZ moves into production, NRZ intends to adopt a more formal reserves policy regulating the periodic and scope of reserve estimate reviews and audits.

Notes on Coal Resources

For the purposes of ASX Listing Rule 5.23, NeuRizer confirms that it is not aware of any new information or data that materially affects the information included in the 18 March 2019 Resources Statement and that all material assumptions and technical parameters underpinning the estimates in the Resources Statement continue to apply and have not materially changed.

The coal resources reported herein, insofar as they relate to mineralisation, are based on information compiled from the 18 March 2019 Resource Statement, by Mr John Centofanti. Mr Centofanti is a competent person and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Centofanti is a full- time employee of NeuRizer and has 19 years' relevant experience in coal, which includes 9 years' experience as a competent person for estimating and reporting coal resources. Mr Centofanti consents to the inclusion in the report, of coal resource estimates, based on his compiled information in the form and context in which it appears.

The coal resource is based on, and fairly represents, information and supporting documentation prepared for the 18 March 2019 Resources Statement, which was estimated by Warwick Smyth & Lynne Banwell of GeoConsult Pty Ltd.

Mr Smyth is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, who has more than 25 years' experience in the field of activity being reported.

Lynne Banwell is a member of the Australasian Institute of Mining and Metallurgy and the Geological Society of Australia and has over 30 years' experience in this style of mineralisation.

Both Mr Smyth and Mrs Banwell have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves".

Notes on Gas Resources

For the purposes of ASX Listing Rule 5.43, NeuRizer confirms that it is not aware of any new information or data that materially affects the information included in the 29 March 2019 PRMS ISG Gas Reserve and Resources Certification and that all material assumptions and technical parameters underpinning the estimates in the PRMS certification continue to apply and have not materially changed.

The Gas Resource estimates stated herein are based on, and fairly represent, information and supporting documentation prepared by Timothy Hower of Sproule International, Denver USA. Mr Hower is a member of the Society of Petroleum Engineers and has consented to the use of the Resource estimates and supporting information contained herein in the form and context in which it appears. All estimates are based on the deterministic method for estimation of petroleum resources.

ESG: *Environment, Social, Governance*

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Climate Active Carbon Neutral ORGANISATION

"Climate Active certification provides transparent evidence to our external shareholders that what we have committed to is real."

Climate Active Certification

At NeuRizer, we recognize the urgent need for environmental stewardship and the role that businesses play in addressing climate change. NeuRizer is committed to reducing its carbon footprint and aims to become the first large scale urea fertiliser project in the world to achieve carbon neutral status for its operations. This commitment aligns with our core values of responsible business practices and sustainable growth.

Following NeuRizer's announcement of successfully having been awarded Carbon Neutral certification for the 2022 financial year through Climate Active, a partnership between the Australian Government and Australian businesses to drive voluntary climate action, an independent expert was engaged to undertake a Type 1 third party validation (verification) of compliance with the carbon neutral claim by NeuRizer.

The verification was done in accordance with the National Greenhouse and Energy Reporting (Audit) Determination 2009 (NGER Audit Determination). The certification process assessed NeuRizer's carbon neutral position for Scope 1, 2 and controllable scope 3 emissions to ensure it met the requirements of the climate active Carbon Neutral Standard for Organisations.

A carbon inventory and Climate Active Public Disclosure was lodged in November 2022, providing more information about NeuRizer's emissions boundary and emissions reductions. NeuRizer is in the process of preparing and finalising its next carbon inventory and Public Disclosure Statement related to the 2023 financial year.

NeuRizer is committed to maintaining this status, which is assessed on an annual basis, through to commissioning and operation.

Carbon Offset projects

NeuRizer has previously chosen carbon projects that not only offset its carbon emissions but also align with its sustainable development goals and internal company values.

The Climate Active Public Disclosure, lodged on November 2022, highlights each of the projects chosen and the co-benefits that each project will provide to the communities that they impact.

Since the actual emissions recorded for the 2022 financial year were significantly lower than the projected emissions, a total of 8,581 tCO_2-e of total eligible offsets banked can be used towards meeting the Carbon Neutral Standard for Organisations for the 2023 financial year.

NeuRizer's achievement of carbon neutrality is a testament to our commitment to sustainability, and NeuRizer looks forward to continuing our journey towards a more sustainable and resilient future.

Carbon Neutral

Task Force on Climate Related Disclosures (TCFD)

As part of our 2021/2022 carbon neutral program, NeuRizer became a member of TCFD (August 2021) through its support arm and Climate Active. These processes allowed us to commence voluntary programs to achieve independently verified carbon neutral status that would be annually audit-able for the foreseeable future.

TCFD alignment to assurance status commenced in March 2022. NeuRizer's commitment to the TCFD process is in addition to our continued commitments as a Climate Active certified carbon neutral organisation.

Each of the TCFD four pillars (Governance, Strategy, Risk management, and Metrics and targets) were aligned against all internal processes and procedures with a gap analysis undertaken and identified items closed out.

The TCFD report published in August 2022 outlines the steps NeuRizer has undertaken to ensure its operations contribute to creating a long-lasting positive impact on the global issue of climate change, as well as next steps moving forward.

Additional ESG Achievements/Commitments

Sustainable Development Goals (SDGs) Ambition Accelerator

NeuRizer has successfully completed the United Nations Global Compact SDG Ambition Accelerator program. Participating in this programme, NeuRizer has gained a deep understanding of the SDGs and how they align with NeuRizer's vision and mission. The program has equipped NeuRizer with valuable tools, knowledge, and strategies to drive sustainable change within our workplace and beyond.

Climate Ambition Accelerator

NeuRizer is proud to be building on what was learnt in the SDG Ambition Accelerator by participating in the UN Global Compact Climate Ambition Accelerator program. This program will help to equip NeuRizer with the knowledge and skills required to accelerate progress towards setting science-based emissions reductions targets aligned with the 1.5°C pathway.

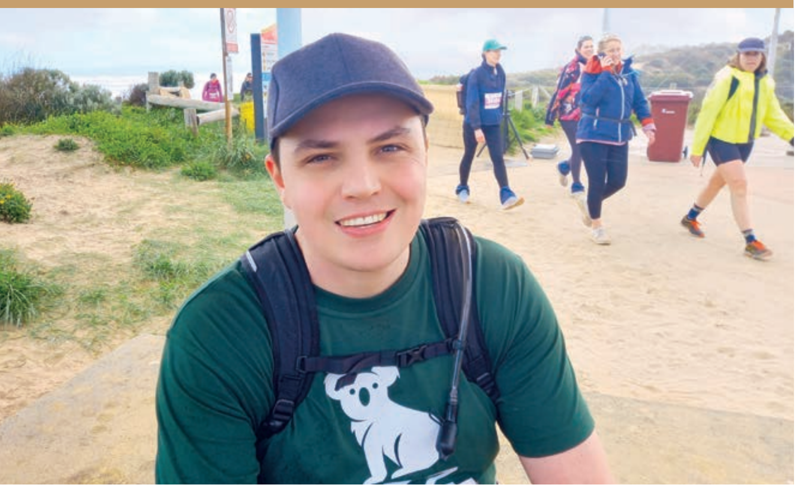
ESG: *Social*

At NeuRizer, we aspire for our people to stand by the values of our business, with inclusion and respect at the core. We recruit and reward employees based on capability and performance — regardless of gender, race, ethnicity, disability, age, sexual orientation, or other differences. We value inclusion and diversity to guide how we do business – to ensure every voice is heard, every idea is encouraged, and everybody is supported to perform at their best.

In 2023, NeuRizer's vibrant ethos of community engagement showcased not just our dedication to external contributions but, more fundamentally, our conviction in driving holistic societal advancement and supporting events that encourage the coming together of rural communities. Each initiative NeuRizer embraced this year speaks to its core values, its belief in the interconnectedness of human experiences, and the immense significance NeuRizer attaches to the well-being and growth of every individual.

Birthing Kit Foundation Australia
NeuRizer's collaboration was more than just an assembly exercise. Each of the 400 birthing kits represented our commitment to maternal health, safety, and the universal right to dignified childbirth. At NeuRizer, we comprehend that the health and safety of women, particularly during childbirth, is the bedrock of prosperous communities. NeuRizer's team's participation fostered a profound sense of global interconnectedness, illuminating the stark contrasts in basic rights and privileges.

Far North Flinders State Netball Carnival
By sponsoring the A grade netball players in Copley, NeuRizer celebrated the harmony of diverse cultures and backgrounds coming together in the spirit of sportsmanship. The carnival's ethos, which promotes unity and camaraderie, deeply resonates with NeuRizer's vision of an inclusive society where everyone thrives.



SA Junior Nunga Netball Carnival

NeuRizer's support here wasn't merely corporate sponsorship; it was an investment in the dreams and aspirations of young talents. At NeuRizer, we understand the empowerment sports can provide, bridging social divides and fostering community resilience.

Coastrek Beyond Blue & R U OK?

NeuRizer's commitment to mental health is unwavering. Whether it's through a physical trek or a dedicated day of reflection and conversation, NeuRizer has consistently championed the importance of mental health. These initiatives symbolize NeuRizer's recognition that the well-being of its workforce is inextricably linked to their mental health. Every step taken and word spoken on these days was a testament to NeuRizer's advocacy for holistic health.

National Breast Cancer Foundation

NeuRizer's breakfast fundraiser underscored our commitment to health and the fight against pervasive illnesses. NeuRizer is not just a corporate entity; it is a collection of individuals with families and loved ones. Our effort here was personal and collective, embodying our shared resolve to support the continued advancement of world-class breast cancer research.

Additional Endeavors

Each partnership and sponsorship, from the Christies Beach Football Club to Dr Clive Hume's Leigh Creek Medical Service, was a deliberate act to reinforce community infrastructure, support local talent, and promote well-being.

At NeuRizer, community activities are not mere events on our annual calendar. They are vital expressions of our core values, our dedication to meaningful change, and our understanding that businesses thrive when communities do. This past year was not just about contributing but about connecting, not just about giving but growing together. We move forward with an even deeper commitment to creating ripples of positive change.

Directors' report 2023

Directors' report

NeuRizer Ltd is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX). The directors present their report together with the financial statements of the consolidated entity, being NeuRizer Ltd ("the Company" or "NeuRizer" or "NRZ") and its controlled entities ("the Group") for the year ended 30 June 2023.

Directors

The names and details of the qualifications and experience of Directors of the Company during the year ended 30 June 2023, and up to the date of this report, are set out on the following pages.

Daniel Justyn Peters BA (Hons) LLB, GDLP, GDPSM

Executive Chairman, Audit Committee & Risk Committee member

Appointed as Director - 28 November 2014

Experience & expertise

Mr Peters began his career as a Police Prosecutor in the South Australian Police Force and then in the Australian Federal Police before moving to environmental management at both the state and federal level. Mr Peter's extensive ecological management experience in the government and private sectors has proven invaluable in developing NeuRizer.

Mr Peters was a legal and training officer with the National Parks and Wildlife and a lecturer in environmental law at both TAFE and University level. He was then Head of Investigation and Compliance and acting Director of Central and Northern Regions with the Queensland Environmental Protection Agency (EPA). He managed the integration of environmental regulation at the Queensland EPA and the Queensland Mining Industry into the EPA. He was the Environment Advisor for the Queensland Mining Council and then National Property and Environment Manager for the federal government at Airservices Australia.

Mr Peter's commercial experience is also extensive. After being the Head of Business Nth Asia (Japan, Korea, and China) for Airservices Australia, he joined Linc Energy. In his six years at Linc Energy, he held the positions of General Manager Environment and Government Relations, General Manager Business Development, Executive General Manager North Asia, Executive General Manager of Investor Relations and CEO of Linc Global. Mr Peters has been CEO and a Director of several other ASX and private companies.

During the past three years, Mr Peters has not been a Director of any other listed companies.

Phillip Staveley CPA, BA (Acc)(Hons), Dipl Btr, MAICD

Managing Director

Appointed as Director – 5 December 2017

Experience & expertise

Mr Staveley is a qualified accountant with 30 years of experience in the resources sector. He started his career in the oil and gas sector, working for Schlumberger in London, followed by several years with SAGASCO and SAOG (South Australian Oil and Gas Company). He spent almost ten years with Normandy Mining Ltd, fulfilling many planning, finance, M&A and commercial roles, including establishing a Group Supply Function and three years based in Rio de Janeiro as the CFO of TVX Normandy Americas.

Since 1998 he has been involved in mining and contracting companies in the position of CFO and, more latterly, CEO roles with an emphasis on strategy and corporate finance.

During the past three years, Mr Staveley has not been a Director of any other listed companies.

Murray K Chatfield BCom (Ag/Economics and Marketing), MBA, ACT, MAICD

Non-Executive Director, Audit Committee and Risk Committee Chair

Appointed as Director – 30 June 2016

Experience & expertise

Mr Chatfield has extensive experience within finance with nearly 30 years of experience in investment banking, hedge funds and corporate finance both in Australia and internationally. He was a Senior Economist with the New Zealand government before joining Bankers Trust in London. He then moved into Hedge Funds, initially as European Treasurer and then as a Partner and COO in a Relative Value Hedge Fund. He was the COO and Partner in an Australian-based fund focused on Global Macro events. He has been and is still actively involved as a Director of several unlisted companies in the Commodity and Marketing areas. Mr Chatfield's career covers finance, treasury, accounting, operational efficiency, risk management (business, market, tax and regulatory), legal and regulatory compliance and direct financial market interaction.

During the past three years, Mr Chatfield has not been a Director of any other listed companies.

Jaehyung Yoo BSc, MBA

Non-Executive Director

Appointed as Director – 6 August 2022, resigned effective 31 July 2023

Experience & expertise

Mr Yoo has over 20 years of experience in senior leadership roles within DL E&C Co., Ltd, bringing extensive knowledge of EPC business. Among Mr Yoo's significant experience, he is the Head of CCUS. He has previously held the roles of Head of Sales for EPC cost estimation, Chief Executive of Sales and Marketing, and Managing Director of the Tehran Office, all whilst at Daelim.

During the past three years, Mr Yoo has not been a Director of any other listed companies.

Zheng Xiaojiang BCom

Non-Executive Director

Appointed as Director – 5 December 2017

Experience & expertise

Zheng is a senior finance executive with vast experience in the finance sector in Australia and China. His experience includes being a senior official for The People's Bank of China in Australia and New Zealand. Zheng was responsible for facilitating the investment in NeuRizer by China New Energy, NeuRizer's largest shareholder.

During the past three years, Mr Xiaojiang has not been a Director of any other listed companies.

Zhe Wang BSc (Thermal Dynamics), MEng (Energy Engineering and Thermal Physics)

Non-Executive Director

Appointed as Director – 1 July 2017

Experience & expertise

Zhe is a Chinese-based Energy and Thermal Physics Engineer and nominee of China New Energy Group Limited (NeuRizer's largest shareholder). He has over eight years of Executive Management experience. Zhe also sits on the Board of Beijing Raise Mind Technology Ltd. Zhe's key areas of expertise include Coal Combustion, Renewable Energy Applications, and Steel Sinter. Zhe has a Bachelor of Thermo Dynamics, Renewable Energy Applications, and a Master's in Energy Engineering and Thermal Physics, Coal Combustion.

During the past three years, Mr Wang has not been a Director of any other listed companies.

Jordan Mehrtens LLB/LP, BCom (Fin), GDip (Planning)

Company Secretary *since 2015*

Experience & expertise

Jordan Mehrtens is a lawyer with qualifications in finance and urban and regional planning. Jordan is a member of the Governance Institute of Australia and performs the secretarial role in the Company. Since its commencement in 2015, she has worked with NeuRizer, providing regulatory, compliance, and other analytical advice.

The principal activity of the Group during the year was advancing the development of its NeuRizer Urea Project (NRUP). There have been no significant changes in the nature of these activities during the year. The Company continues to progress with its commercialisation plans.

Operating Activities

A detailed review of the operations of the Group during the financial year is set out on pages 10 –13 of the report.

Finance and Corporate

The consolidated operating loss of the financial year to 30 June 2023 was $16,262,136 (2022: $20,398,157). This includes non-cash share-based payment expenses of $3,802,954 (2022: $4,510,828). Expenditure capitalised as Exploration expenditure was $72,318,254 (2022: $19,287,419), before any R&D refund for 2023.

In July 2022, DL E&C Co. Ltd made a 9.1% strategic investment in the company, resulting in the receipt of $14,645,577 (US$10,000,000). In September 2022, the company received the third tranche of $3,600,000 under its Institutional Share Placement agreement with Energy Exploration Capital Partners, LLC (EECP). During the year, the company undertook several private share placements, receiving $3,760,000 before costs in October 2022, $1,345,000 before costs in March 2023, and $1,000,000 in May 2023.

In April 2023, the company received $5,532,711 from the ATO upon lodgement of its FY2022 Tax Return in relation to Research and Development expenditure incurred on the NeuRizer Urea Project. The company also received $2,100,000 in secured debt funding from a third party for expenditure incurred in FY2023 ahead of the lodgment of that Tax Return.

Risk Management

NRZ engages in strong risk management practices, which enables the Board and Management to make strategic choices on risk while enhancing and preserving the opportunity for enterprise value.

The NRZ Risk Management Policy operates through its Risk Management Framework (which is aligned to the International Standard for risk management, ISO 31000). The Framework provides a whole of business approach to the management of risks. It sets out the process for identifying, evaluating, monitoring, reviewing, and reporting risk to facilitate achieving the Company's plans and objectives.

Risks are managed in the context of the Board approved Risk Policy, providing high-level risk tolerance guidance across a range of core business and strategic priority areas. Management reports to the Board on those risks which could have a material impact on the business and/or could result in a breach of approved risk tolerance thresholds. The Risk Committee assists the Board with oversight of the Company's risk management practices and undertakes an annual review of its Risk Management Framework considering business priorities and industry practices.

Health and Safety

NRZ's focus on health, hygiene, safety and wellbeing centres on creating a culture where all employees are role models in promoting a safe (both physically and psychologically) working environment. NRZ works to identify, assess and control risks, reduce the potential for occupational illness (including psychological) and injury, and promote healthy lifestyles. This approach is supported by NRZ's Health, Safety, Environment and Community Management System, comprising Group Standards that define minimum performance requirements across critical areas. These include risk and hazard (both physical and psychological) management; contractor management; leadership and training; emergency and crisis preparedness; and audit and assurance.

Group Standards require NRZ's workforce to be proficient in the requirements for a physically and psychologically safe and healthy workplace for employees and contractors. Employees are empowered to actively make the workplace safe through task risk assessments and participation in safety visits that consider the hidden risks of tasks. Contract partners are selected, engaged and managed to ensure they meet NRZ's performance requirements through prequalification and ongoing management and support during their contract period.

Environmental Risks

NRZ is committed to leading practice in environmental management as outlined in the NRZ Environment Policy, based upon current community expectations, applicable legislation, and regulatory standards, all of which change over time. NRZ has a strong environmental record of which we are proud, and we continue to seek to manage our impact on the environment and use resources efficiently.

NRZ has a comprehensive approach to managing risk associated with the environment under its ESG policies which are a core part of NRZ's approach to health, safety, environment and community. This approach includes asset reliability and integrity standards, technical and operational competency, and emergency response preparedness. The Board actively monitors compliance with regulations and operational obligations and, at the date of this report, is unaware of any material breaches in respect of these regulations and obligations. During the year, the Company did not receive notification of any violation of any environmental obligation applicable to its exploration activities.

Community/Social Risks

NRZ operates in areas with varying communities, heritage, social laws and cultural practices. Community expectations are continually evolving and are managed by developing robust strategies, maintaining strong relationships with communities, and delivering on their commitments.

Climate Change Risk

NRZ is committed to managing its climate change risks and optimising associated business opportunities by supplying critical products to contribute to a low-carbon economy. The Company is committed to the Paris Agreement objectives and has proactively accepted the Intergovernmental Panel on Climate Change (IPCC) assessment of climate change science.

NRZ continues to take steps to align the Company's approach to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations to a level where it has released its independent climate-related report to the market.

The NRUP is carbon-neutral by design, and the decarbonisation pathway for the NRUP is being planned and embedded in the Front-End Engineering and Design (FEED) process to ensure that the NRUP achieves carbon-neutral operations.

Sustaining Operations Risks

NRZ has a dedicated geotechnical resources team which draws on external experts to improve designs and monitoring activities to reflect best practice. Extensive reviews are conducted of the Company's resources and reserves, asset integrity, short- and long-term planning and geotechnical and hydrogeological modelling.

Attracting and Retaining Talent

Attracting and retaining key personnel remains a high priority and has been increasingly challenging because of the volatile external environment exacerbated by COVID-19. However, despite the challenging external environment, NRZ has continued to attract and retain talent successfully.

Cyber Risks

NRZ takes a risk-based approach to managing cyber security, focusing on ensuring good practice across standard processes. NRZ leverages leading frameworks such as NIST and guidance from Australian Government's Cyber Security Centre. NRZ has a heightened focus on managing its cyber risks noting the increasing level of threats from the external environment.

Financial Risks

NRZ endeavours to ensure the best source of funding is obtained to maximise shareholder value, having regard to prudent risk management supported by economic and commercial analysis of all business undertakings. NRZ will continue to undertake significant capital expenditure to conduct its development appraisal, feasibility and exploration activities. Limitations on access to adequate funding could have a material adverse effect on the business. Additional information on the Financial Risks can be found in Note 2 to the Financial Statements, on page 46, under Going Concern.

Growth Risks

NRZ regularly assesses its ability to enhance its planned production profile or extend the economic life of deposits by developing new projects within its portfolio. NRZ seeks to generate growth options through exploration, innovation, project development and appropriate external growth opportunities. Evaluating growth opportunities requires prudent risk-taking as part of a disciplined process of project selection and evaluation to maximise the opportunity, achieve the desired outcomes, and manage the associated risks to the Company. Risks to development projects include the ability to acquire and obtain appropriate access to the property, regulatory approvals, supply chain risks, construction, commissioning risks, and funding risks.

Regulatory and Compliance Risk

New or evolving regulations and international standards are outside the Company's control and are often complex and difficult to predict. Changes to fiscal or regulatory regimes can jeopardise the potential development of international opportunities, adverse changes to tax laws, difficulties in interpreting or complying with local laws, material differences in sustainability standards and practices, changes to existing political, judicial, or administrative policies and changing community expectations. NRZ fosters a culture of vigilance in regulatory and compliance risks.

Business Risk and Mitigation, Anti-Bribery and Corruption Risk

NRZ's business activities and operations are in areas with varying degrees of political and judicial stability, including some countries with a relatively high inherent risk concerning bribery and corruption. This may expose NRZ to the risk of unauthorised payments or offers of payments to or by employees, agents or distributors that could violate applicable anti-corruption laws. NRZ has a clear Anti-bribery and Corruption Policy and internal controls and procedures to protect against such risks, including training and compliance programmes for its employees, agents, and distributors.

However, there is no assurance that such controls, policies, procedures, or programmes will protect NRZ from potentially improper or criminal acts.

Business Interruption Risk

Circumstances may arise which preclude sites from operating, including natural disasters, material disruption to NRZ's logistics chain, critical plant failure or industrial action. The Company undertakes regular reviews for the mitigation of property and business continuity risks. NRZ used the Company's Crisis and Emergency Management Processes to manage the risks associated with COVID-19 to minimise the health, safety, and business impacts.

Dividends

The Directors do not recommend a dividend payment, and no amount has been paid or declared since the end of the previous financial year.

Matters subsequent to the end of the year

Mr Sunghun Ryu was appointed as a Non-Executive Director of the Company, effective 31 July 2023, following the resignation of Mr Jaehyung from the Board of NRZ, also effective 31 July 2023.

On the 4th of September, the Company entered into a private share placement agreement, raising $1,000,000.

Meetings of Directors

During the financial year, the number of meetings held at which a director was eligible to attend and the number attended by each director was:

Director	Board Meetings		Audit & Risk Committee	
	Meetings held	Meetings attended	Meetings held	Meetings attended
D J Peters	11	11	3	3
P J Staveley	11	11	-	-
M K Chatfield	11	11	3	3
J Yoo	10	1	-	-
Z Wang	11	10	-	-
Z Xiaojiang	11	11	-	-

Directors' Interests in shares and options

The relevant interest of each director at the date of this report is:

Name	Shares	Options
D J Peters	13,139,703	268,728
P J Staveley	6,514,659	433,400
M K Chatfield	1,861,154	2,000,000
Z Wang	-	185,853
Z Xiaojiang	8,476,964	613,312
J Yoo	-	-

Unissued shares under option

Unissued ordinary shares of NeuRizer Ltd under option at the date of this report are:

Grant date	Date of expiry	Exercise price	Number under option
13-December-2019	12-December-2023	$0.228	5,200,000
15-January-2021	14-January-2024	$0.23	9,800,000
4-November-2020	14-April-2024	$0.00	799,165
18-August-2020	18-August-2024	$0.12	5,300,000
10-May-2020	1-May-2025	$0.20-$0.26	6,000,000
4-November-2021	2-December-2025	$0.00	702,128
2-May-2023	29-May-2028	$0.00	10,244,721
11-August-2022	16-February-2026	$0.221	2,000,000
6-March-2023	6-March-2026	$0.12	4,359,375
15-November-2021	17-August-2026	$0.00	155,000
26-July-2022	25-July-2027	$0.23	800,000

Indemnities given to, and insurance premiums paid for, officers

During the year, the company paid a premium to insure officers of the Group, including all Directors. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

Details of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred by an officer as such.

Indemnity of auditors

The Group has agreed to indemnify its auditors, Ernst & Young, to the extent permitted by law against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2023 can be found on page 36 and forms part of the Directors' Report.

Proceedings on behalf of the company

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

Remuneration in brief (unaudited)

The following table is a summary of remuneration actually paid or payable to executive KMP for FY23 (non-IFRS and unaudited).

Name	Directors Fees $	Salary & Wages $	Other $	Super $	Total Cash $
D J Peters	-	565,780	-	27,500	593,280
P J Staveley	-	1,182,121	-	27,500	1,209,621
M Chatfield	120,939	-	-	22,324	143,263
Z Wang	67,667	-	-	-	67,667
Z Xiaojiang	69,985	-	153,333[1]	11,023	234,341
J Yoo	58,000	-	-	-	58,000
Total	316,591	1,747,901	153,333	88,347	2,306,172

[1] *This remuneration relates to consulting services provided by Mr. Xiaojiang during the year.*

Disclosures required in the remuneration report by the Corporations Act, particularly the inclusion of accounting values for LTI performance rights awarded but not vested, can vary significantly from the remuneration actually paid to senior executives. This is because the Accounting Standards require a value to be placed on a right at the time it is granted and then reported as remuneration even if ultimately the executive does not receive any actual value, for example because performance conditions are not met, and the rights do not vest.

A summary of the audited cost to the Company of key management personnel (KMP) remuneration is provided in the audited Remuneration Report, commencing on the following page.

Remuneration Report (Audited)

The Directors of the Group present the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2023. This report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001. The Report details the remuneration arrangements for NeuRizer's key management personnel (KMP). KMPs are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

The table below outlines the KMP of the Group:

Name	Position	Term as KMP
D J Peters	Executive Chairman	Full financial year
P J Staveley	Managing Director	Full financial year
M K Chatfield	Non-Executive Director	Full financial year
J Yoo	Non-Executive Director	Appointed 6 August 2022, resigned 31 July 2023.
Z Wang	Non-Executive Director	Full financial year
Z Xiaojiang	Non-Executive Director	Full financial year

Principles used to determine the nature and amount of remuneration

The remuneration policy is designed to align the objectives of the KMP with shareholder and business objectives. The Board of NeuRizer believes the policy is appropriate and effective in attracting and retaining the best Directors and Executives to manage and direct the Group and create goal congruence between Directors, Executives, and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members is as follows:

The Company's Constitution specifies that the total remuneration of non-executive Directors shall be fixed from time to time by a general meeting. The maximum aggregate remuneration of non-executive Directors has been set at $750,000 per annum. Directors may apportion any amount up to this maximum among the non-executive Directors as they determine. Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for the remuneration of executives. However, they may receive options or bonus payments subject to shareholder approval. They are not provided with retirement benefits besides salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on several factors, including the individual's experience and performance in meeting the company's key objectives. The Board is responsible for assessing relevant employment market conditions and achieving the long-term aim of maximising shareholder benefits by retaining high-quality personnel.

The Board may approve the payment of cash bonuses from time to time to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan, approved by shareholders, enabling the Board to offer eligible employees options to acquire ordinary fully paid shares. Under the terms of the Plan, options to acquire ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board per the terms and conditions of the Plan. The Plan's objective is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success for the Company and to maximise the company's long-term performance.

As the Company is developing an energy asset that is not yet in production, in the opinion of the Board, the Company's earnings and the consequences of the Company's performance on shareholder wealth are not related to the Company's remuneration policy.

Voting at the 2022 AGM

Of the total valid available votes lodged, NeuRizer received 97.38% "yes" votes on its remuneration report for the 2022 financial year. The motion was carried unanimously on a show of hands as an ordinary resolution. The Company did not receive any specific feedback at the AGM on its remuneration practices.

KMP employment agreements

Remuneration and other terms of employment for Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreement relating to remuneration are set out below:

Name	Fixed remuneration[1]	Term of agreement	Notice period	Termination payments[2]
D J Peters	576,000	Ongoing	Twelve months	Nil
P J Staveley	677,000	Ongoing	Twelve months	Nil

Notes

(1) Service agreements are presented as at 30 June 2023 and are inclusive of Superannuation. On 30 June 2023, D J Peters and P J Staveley agreed to a reduction in Fixed Remuneration to $576,000 and $677,000, respectively, inclusive of statutory superannuation. Service agreements are presented as at 30 June 2023 and are inclusive of superannuation. On 1 July 2022, Fixed Remuneration for J Peters and P Staveley was $576,000 and $677,000 respectively, excluding superannuation. On 1 August 2022, Fixed Remuneration for P Staveley increased to $1,500,000. However, from February 2023 to June 2023, both were paid reduced rates due to financial constraints, and will not receive any options in lieu of pay pertaining to those reductions. On 30 June 2023, D J Peters and P J Staveley agreed to a reduction in Fixed Remuneration to $576,000 and $677,000, respectively, inclusive of statutory superannuation, and continue to receive reduced cash remuneration of 30% and 40%, respectively, to the date of this report. By agreement with the Board, P Staveley and J Peters have retained their long service leave and annual leave earned to 30 June 2023 based on the prior salary entitlement, and this is reflected in the remuneration of KMP table below.

(2) KMP terms of employment is ongoing until terminated by either NRZ or the individual upon twelve months' notice. NRZ must pay any amount owing but unpaid to the employee whose services have been terminated at the date of termination, such as accrued leave entitlement.

Details of remuneration

From February 2023 to June 2023, all KMPs took reduced remuneration due to cash constraints of the Company. Any issue of options in compensation for the reduction in cash remuneration is subject to shareholder approval.

Details of the nature and amount of each element of the remuneration of each KMP of the Group are shown in the table below:

		Short-term benefits				Long term benefits	Post-employment	Share-based payments	Total remuneration	Performance -related
		Director fees $	Salary & wages $	Other $	Non-monetary [1] $	Long service leave $	Superannuation $	Share Options[2] $	$	%
D J Peters	2023	-	565,780	-	-	56,700	27,500	488,898	1,138,878	43
	2022	-	401,090	-	-	35,126	27,500	1,629,318	2,093,034	78
P J Staveley	2023	-	1,182,121	-	13,184	268,234	27,500	488,898	1,979,937	25
	2022	-	434,570	-	21,858	34,072	27,500	1,660,325	2,178,325	76
M Chatfield	2023	120,939	-	-	-	-	22,324	106,677	249,940	-
	2022	68,493	-	-	-	-	6,849	-	75,342	-
Z Wang	2023	67,667	-	-	-	-	-	-	67,667	-
	2022	60,274	-	-	-	-	-	-	60,274	-
Z Xiaojiang	2023	69,985	-	153,333[3]	-	-	11,023	-	234,341	-
	2022	54,795	-	230,000	-	-	5,479	-	290,274	-
J Yoo	2023	58,000	-	-	-	-	-	-	58,000	-
	2022	-	-	-	-	-	-	-	-	-
Total	2023	316,590	1,747,901	153,333	13,184	324,934	88,347	1,084,473	3,728,763	
	2022	183,562	835,660	230,000	21,858	69,198	67,328	3,289,642	4,697,249	

Notes

(1) Non-monetary benefits include benefits provided on which Fringe Benefits tax is paid.

(2) In accordance with the Accounting Standards, remuneration includes a proportion of the fair value of the options granted. The fair value of options is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not indicative of the benefit (if any) that the employee may ultimately realise should the options vest. The fair value of the options as of the grant date has been determined in accordance with the accounting policy in Reserves note 13. The allocation in 2022 and 2023 includes a proportionate allocation of all share based payment awards issued in the current and prior year, for which an amortisation charge is applicable in the given year. In respect of D J Peters and P J Staveley the share based payment charge for the year includes the impact of truing up the fair value of the third tranche of LTIs (with an expiry date of 30 June 2025) to the revised fair value at 30 June 2023, given these awards have not yet been approved by shareholders and consequently grant date has not passed. In the current period the valuation under accounting standards has decreased, with the impact reflected within the total share based payment charge to each individual in the year.

(3) Mr Xiaojiang provided consulting services during the year, consistent with the prior year services.

Share-based remuneration

Unlisted options are granted to Directors and Key Management Personnel as part of their remuneration. Most of the options are subject to performance criteria, as outlined below. They are issued to the relevant directors and Key Management Personnel of the Group to increase goal congruence between executives, directors, and shareholders. All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

Share based remuneration has been issued to Key Management Personnel in the form of LTIs and STIs in prior periods. No options have been issued in the current period in respect of STIs or LTIs to either the Executive Chairman or Managing Director. Following the ratification by shareholders on 11 August 2022, M Chatfield was issued 2,000,000 immediately vesting options with an expiry date of 16 February 2026 and exercise price 22.1 cents. No other KMP have been awarded options in the period.

Short-Term Incentive (STI)

Short-Term Incentive (STI) options were granted on the 4th of November 2021 to the Executive Chairman (EC) and the Managing Director (MD) all with a grant date value per option of 11.5 cents, zero exercise price, and expiry date of 2nd December 2025. The Fair Value of the STIs was determined using a Black Scholes model, and $168,358 was expensed for these STIs in the twelve months to 30 June 2022. These options were issued without a service period and vested on the achievement of the certain targets set out in the 2022 Remuneration Report. Of the 597,176 options issued to the Executive Chairman, 268,728 options vested and of the 866,804 options issued to the Managing Director, 433,400 options vested.

Long Term Incentives (LTIs)

Long-Term Incentives (LTIs) were also granted to each of the Executive Chairman and Managing Director during the 2022 financial year. The LTI's granted have progressive service periods as detailed in the table below with the share based payment expense being amortised over one, two or three years according to the vesting date.

The Fair Value of the LTIs was determined using a Monte Carlo valuation using the inputs set out in the table below, and $3,070,806 was expensed for these LTIs in the twelve months to 30 June 2023. The amount expensed is not indicative of the benefit (if any) that the employee may ultimately realise should the LTIs be awarded, as the actual award of options is subject to achieving the share price targets as below.

Other information

The number of options to acquire ordinary shares in the Company, held during the 2023 reporting period by each of the Group's KMP, including their related parties, as set out below:

Rating period	Vesting date	Grant date	Number of Options (zero exercise price)	Share price target based on 30 trading day VWAP as at 30 June of the rating period year	Maximum number to be awarded to each of the EC and MD if the share price hits the targets for the period	Fair Value per option at grant date
FY22/23	30 June 2023[1]	4 November 2021	1.5million	$0.50	3.5 million	11.5 cents
			2 million	$0.65		
FY24	30 June 2024	4 November 2021	2 million	$0.65	15 million (less any issued in previous year relating to the equivalent targets)	11.3 cents
			2.5 million	$0.80		
			3 million	$0.95		
			3.5 million	$1.10		
			4 million	$1.25		
FY25	30 June 2025	24 June 2021 [2]	3 million	$0.95	36 million (less any issued in the two previous years relating to equivalent targets)	14 cents
			3.5 million	$1.10		
			4 million	$1.25		
			4.5 million	$1.55		
			5 million	$1.70		
			7 million	$1.85		
			9 million	$2.15		

The Company chose these LTI targets to align senior executive remuneration with increased shareholder wealth.

Notes:

1 *These options lapsed and did not vest at 30 June 2023 as the associated share price targets were not achieved.*

2 *As per the Notice of AGM for the 2021 meeting, it is the intention of the Board to award up to an additional 36,000,000 options each to of DJ Peters and PJ Staveley that will vest on 30 June 2025, if the award criteria are met. While these awards have been approved by the Board, they have not yet been approved by the shareholders on the basis that the 2021 AGM was more than 3 years from the final rating period. These awards will be subject to shareholder approval at a future AGM.*

As the awards have been approved by the Board, the requirements of the share based payment accounting standard apply, they have been fair valued and the share based payment charge amortised in line with accounting standards and included within the KMP remuneration table on page 33. As grant date has not yet passed, the options are remeasured at their current fair value at 30 June 2023 and the amortisation charge for the year reflected in the remuneration table adjusted to take account of the revised fair value and the cumulative share based payment charge that should be recognised to 30 June 2023.

Name	Balance at the start of the year	Granted as remuneration[2]	Exercised	Other changes[1]	Closing balance	Date vest and become exercisable
D J Peters	19,268,728	-	-	4,000,000	15,268,728	-
P J Staveley	19,433,400	-	-	4,000,000	15,433,400	-
M Chatfield	-	2,000,000	-	-	2,000,000	9 September 2022
Z Wang	2,185,853	-	-	2,000,000	185,853	4 November 2020
Z Xiaojiang	2,613,312	-	-	2,000,000	613,312	4 November 2020
J Yoo	-	-	-	-	-	-
Total	43,501,293	2,000,000	-	12,000,000	33,501,293	-

Notes:

1 *Options lapsed during the period. These included 2,500,000 options for D J Peters, 2,500,000 options for P J Staveley, 2,000,000 options for Z Wang and 2,000,000 options for Z Xiaojiang, which were initially awarded in FY19, an were unexercised at the expiry date. There were also 328,448 options for D J Peters, and 433,404 options for P J Staveley, forfeited for prior year STIs that did not vest, as the vesting conditions were not met. There were also 1,500,000 options for D J Peters, and 1,500,000 options for P J Staveley, forfeited for LTIs not met at 30 June 2023.*

2 *The 25,500,000 (36,000,000 less any able to be issued in the two previous years relating to equivalent targets) LTI options to D J Peters and P J Staveley with a vesting date of 30 June 2025, set out in the table above, have been approved for issue by the Board and therefore have been fair valued and the share based payment charge amortised in line with accounting standards and included within the KMP remuneration table on page 33. However, these options have not been approved by shareholders as the LTI scheme was put to the 2021 AGM, and at that time the options vesting in 2025 would be issued more than 3 years from AGM date and consequently approval of the grant by shareholders was deferred. As these options have not been granted, they are not included in the table above on the basis that they have not legally been issued to the individuals and are therefore not held or listed on the Company's register of options. As grant date has not yet passed, the options are remeasured at their current fair value at 30 June 2023 and the amortisation charge for the year reflected in the remuneration table adjusted to take account of the revised fair value and the cumulative share based payment charge that should be recognised to 30 June 2023.*

Included in the opening balance of options for D J Peters and P J Staveley are 16,500,000 options each which have been granted as an LTI in accordance with the details in the LTI incentives table. While granted for accounting purposes, the legal process of issuing the options has not been undertaken on the basis that they will only be issued if they become exercisable. Accordingly they are not included on the company's options register and are not included in the options table within the Directors Report. Of the 16,500,000 options granted and on foot at the start of the year for each of D J Peters and P J Staveley, 1,500,000 options for each lapsed on 30 June 2023 as the share price target was not met. These are disclosed within the Other movements column above. The remaining 15,000,000 options remain on foot subject to the share price target being met when tested at 30 June 2024.

The number of ordinary shares in the Company held to 30 June 2023 by each of the Group's KMP, including their related parties, as set out below:

Name	Balance at the start of the year	Granted as remuneration	Received on exercise	Other changes[1]	Held at the end of the reporting period
D J Peters	13,545,229	-	-	(405,526)	13,139,703
P J Staveley	8,514,659	-	-	(2,000,000)	6,514,659
M Chatfield	1,861,154	-	-	-	1,861,154
Z Wang	-	-	-	-	-
Z Xiaojiang	29,501,347	-	-	(21,024,383)	8,476,964
Total	53,422,389	-	-	(23,429,909)	29,992,480

Notes:

1 *Other changes include purchases or sales during the financial year.*

Overview of company performance

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year:

	Units	FY19	FY20	FY21	FY22	FY23
Net loss after tax	$ million	(9.5)	(7.2)	(13.6)	(20.4)	(18.4)
Earnings per share	Cents per share	(2.20)	(1.26)	(2.06)	(2.48)	(1.78)
Cash outflow from operating activities	$ million	(3.3)	(6.0)	(4.6)	(10.2)	(9.0)
Net assets	$ million	29.7	34.2	51.3	56.5	73.8
Dividends declared	Cents	0	0	0	0	0
Shares on issue	Million	548	655	813	954	1,246

Loans to Key Management Personnel

The Group has no outstanding receivables relating to employee loans or Key Management Personnel at the date of this report.

Related party transactions

During the reporting period:

Zheng Xiaojiang provided investor relations services for $153,333 (2022: $265,477). There was $10,370 due for payment at the end of the reporting period. Mr Xiaojiang is a Non-Executive Director of the Company.

END OF AUDITED REMUNERATION REPORT

Auditor's independence

Ernst & Young continues in office in accordance with Section 327 of the Corporations Act 2001.

The auditor has not been engaged during the year for any non-audit services which may have impaired the auditor's independence. The auditor's independence declaration for the year ended 30 June 2023 has been received and is included in this report.

Signed in accordance with a resolution of the Board.

D J Peters
Executive Chairman

Dated this 29th day of September 2023

Corporate governance statement

The Board of Directors (the Board) of NeuRizer Ltd (the Company) is committed to achieving and demonstrating the highest standard of Corporate Governance.

The Board guides the Company's affairs on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board has responsibility for the overall Corporate Governance of the Company, including its strategic direction, establishment of goals for its management and monitoring of the achievement of those goals.

The Directors recognise that their primary responsibility is to the Company as a whole while having regard to the interests of the broader community.

The statement outlines the Company's corporate governance practices during the financial year. The Company's statement is based on the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations (4th Edition).

Although the ASX Corporate Governance Council's Recommendations are not mandatory, under listing rule 4.10.3, companies must provide a statement disclosing the extent to which they have followed the recommendations in the reporting period, identifying any principles that have not been followed with reasons for not having done so.

The statement of revised principles and the Company's compliance with each principle are set out on the Company's website www.neurizer.com.au/esg/governance/.

Directors' declaration

1. In the opinion of the Directors of NeuRizer Ltd:
   a. The consolidated financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
      i. Giving a true and fair view of the financial position as at 30 June 2023 and of the performance of the Group for the year ended on that date; and
      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, subject to the outcomes required as set out in the Notes to the Financial Statements (see Note 2).
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ending 30 June 2023.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

D J Peters
Executive Chairman

Dated this 29th day of September 2023

Auditor's independence declaration

Ernst & Young
121 King William Street
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Auditor's independence declaration to the directors of NeuRizer Ltd

As lead auditor for the audit of the financial report of NeuRizer Ltd for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NeuRizer Ltd and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

L A Carr
Partner
29 September 2023

Financial report 2023

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Notes	2023 $	2022 $
Other income	3(a)	983,756	-
Other expenses	3(b)	(5,104,112)	(4,064,622)
Depreciation of property, plant and equipment		(45,386)	(158,525)
Employee benefits expense	11	(8,433,558)	(8,227,986)
Operating loss		**(12,599,300)**	**(12,451,133)**
Finance income	4(a)	7,160	1,763
Finance costs	4(b)	(3,669,996)	(7,948,787)
Loss before income tax		**(16,262,136)**	**(20,398,157)**
Income tax	5(a)	-	-
Loss for the year after income tax		**(16,262,136)**	**(20,398,157)**
Total other comprehensive income		-	-
Total comprehensive (loss) for the year		**(16,262,136)**	**(20,398,157)**
Earnings per share		**Cents**	**Cents**
Basic (cents per share)	21	(1.58)	(2.48)
Diluted (cents per share)	21	(1.58)	(2.48)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 30 June 2023

	Notes	2023 $	2022 $
Assets			
Current assets			
Cash Assets	6	1,211,663	443,249
Trade and other receivables	23	19,720	14,653,011
Prepayments		200,897	339,847
Other financial assets	7	-	630,367
Total current assets		**1,432,280**	**16,066,474**
Non-current assets			
Other financial assets	7	664,806	565,339
Property, plant and equipment	8	3,846,413	3,870,102
Exploration and evaluation expenditure	9	122,429,070	50,110,816
Other assets	22	-	20,756,365
Right-of-use Asset		294,721	237,154
Total non-current assets		**127,235,010**	**75,539,776**
Total assets		**128,667,290**	**91,606,250**
Liabilities			
Current liabilities			
Trade and other payables	10	49,244,175	14,252,848
Borrowings	16	2,196,185	76,704
Employee entitlements	11	1,975,505	1,047,387
Lease liabilities	16	111,072	52,454
Other financial liabilities	23	1,545,556	18,840,228
Total current liabilities		**55,072,493**	**34,269,621**
Non-current liabilities			
Employee entitlements	11	110,601	61,377
Lease Liabilities	16	135,386	192,610
Provision for restoration and make good	7	595,000	595,000
Total non-current liabilities		**840,987**	**848,987**
Total liabilities		**55,913,480**	**35,118,608**
Net assets		**72,753,810**	**56,487,642**
Issued Capital	12	157,405,054	128,679,704
Share option reserve	13	16,574,201	12,771,247
Retained losses		(101,225,445)	(84,963,309)
Total equity		**72,753,810**	**56,487,642**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2023

	Share Capital $	Retained Losses $	Share Option Reserve $	Total Equity $
BALANCE 1 July 2022	**128,679,704**	**(84,963,309)**	**12,771,247**	**56,487,642**
Total comprehensive income				
Total profit or (loss)	-	(16,262,136)	-	(16,262,136)
Other comprehensive income	-	-	-	-
Total comprehensive loss	**-**	**(16,262,136)**	**-**	**(16,262,136)**
Transactions with members in their capacity as owners:				
Issue of share capital (net of costs)	28,725,350	-	-	29,725,350
Issue of share-based payments	-	-	3,802,954	3,802,954
Total transactions with owners	**28,725,350**	**-**	**3,802,954**	**32,528,304**
BALANCE AT 30 June 2023	**157,405,054**	**(101,225,445)**	**16,574,201**	**72,753,810**

	Share Capital $	Retained Losses $	Share Option Reserve $	Total Equity $
BALANCE 1 July 2021	**107,607,468**	**(64,565,152)**	**8,260,419**	**51,302,735**
Total comprehensive income				
Total profit or (loss)	-	(20,398,157)	-	(20,398,157)
Other comprehensive income	-	-	-	-
Total comprehensive loss	**-**	**(20,398,157)**	**-**	**(20,398,157)**
Transactions with members in their capacity as owners:				
Issue of share capital (net of costs)	21,072,236	-	-	21,072,236
Issue of share-based payments	-	-	4,510,828	4,510,828
Total transactions with owners	**21,072,236**	**-**	**4,510,828**	**25,583,064**
BALANCE AT 30 June 2022	**128,679,704**	**(84,963,309)**	**12,771,247**	**56,487,642**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 June 2023

	Notes	2023 $	2022 $
Operating activities			
Interest received	4(a)	7,160	1,763
Payments to suppliers and employees		(9,055,390)	(10,231,687)
Net cash flows used in operating activities	**17(b)**	**(9,048,230)**	**(10,229,924)**
Investing activities			
Purchase of property, plant & equipment		(161,723)	(170,656)
R&D rebates received		5,529,103	-
Capitalised exploration costs		(25,109,058)	(6,072,182)
Other assets	22	-	(20,756,366)
(Increase)/decrease in long-term bank deposits	7	530,900	(630,367)
Proceeds from sale of subsidiary		3,104,956	-
Net cash flows used in investing activities		**(16,105,822)**	**(27,629,571)**
Financing activities			
Issue of shares		19,782,304	12,288,450
Proceeds for unissued share capital		4,600,000	3,900,000
Proceeds from exercise of options		-	30,000
Share issue transaction costs		(303,898)	(227,413)
Proceeds from borrowings		6,560,345	-
Repayment of borrowings		(4,708,212)	(362,620)
Payment of principal of lease liabilities		(8,073)	(138,034)
Net cash flows from financing activities		**25,922,466**	**15,490,383**
Net change in cash and cash equivalents		768,414	(22,369,112)
Cash and cash equivalents, beginning of year	6	443,249	22,812,361
Cash and cash equivalents, end of year	**17(a)**	**1,211,663**	**443,249**

The accompanying notes form part of these financial statements.

Notes

1. Corporate Information

The consolidated financial statements of NeuRizer Ltd and its subsidiaries (the "Group") for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on xx September 2023. NeuRizer is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The registered office is located at Level 11, 19 Grenfell Street, Adelaide SA 5000.

The Groups principal activity is developing the NeuRizer Urea Project (NRUP).

2. Significant accounting policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Australian Accounting Standards (AAS) as issued by the Australian Accounting Standards Board (AASB). The statements have been prepared on an accruals basis and are based on historical costs and certain financial liabilities for which the fair value basis of accounting has been applied. The consolidated financial statements are presented in the functional currency of each Group entity, Australian dollars (AUD), and rounded to the nearest dollar, except where otherwise indicated.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2023, the Group incurred a loss of $16,262,136 (2022: $20,398,154) and had net operating and investing cash outflows of $25,154,052 (2022: $37,859,495). At 30 June 2023, the Group's current liabilities exceeded its current assets by $53,640,213 (2022: $18,203,147), and net assets were $72,753,810 (2022: $56,487,642).

Included in current liabilities is US$14,994,380 in relation to outstanding fees owed to Daelim (DL E&C) plus interest incurred of US$1,005,845 that is expected to be settled in cash. Additional interest will accrue at the rate of the Secured Overnight Financing Rate (SOFR) plus 3% from 1 October 2023 to the payment date (2022: nil). The Group also has $2,100,000 of borrowings due for repayment by 30 November 2023. NeuRizer raised $1,000,000 in May 2023 and another $1,000,000 in September 2023 via a Private Placement of shares.

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared a cash flow forecast through to September 2024, which considers the following factors are necessary for the Group to have sufficient cash to continue as a going concern:

- Short-term deferral of amounts owing to Daelim, with an executed agreement to defer payment of amounts outstanding on the NeuRizer Urea Project (NRUP) noted above until 30 January 2024.
- Success in securing a strategic partner for both the Group and the NRUP. At the date of this report, the Directors confirm that discussions are well advanced and continuing for securing a strategic partner, that due diligence with one of the parties has been completed, and the relevant approvals are being sought. While it is not expected that any significant delays in the process will occur, NeuRizer notes that discussions are confidential and incomplete, and there is no guarantee that negotiations will be successfully concluded.
- The ability and expectation that the Group can raise additional debt or equity of the quantum required to settle the NRUP amounts outstanding to Daelim, other amounts payable, and fund continued progression of the NRUP in the event the discussions with a potential strategic partner do not complete favourably.
- The Group has access to $5 million in funding via Tranche 4 of its agreement with Energy Exploration Capital Partners (EECP), which can be drawn upon at amounts as agreed between EECP and the Company.
- The Company expects to receive a Research and Development (R&D) tax rebate of at least $555,773 (being a minimum $2,655,773 R&D tax rebate, net of repayment of $2,100,000 debt previously drawn against this rebate and net of associated fees) after the processing of its FY23 Income Tax Return, to be lodged in October 2023. An Advanced Finding on the Eligible Expenditure, the subject of the R&D tax rebate, has previously been received.

The Directors consider there are reasonable grounds to believe that the Group will be able to achieve the matters set out above and that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and can affect those returns through its power over the subsidiary. All subsidiaries have a report date of 30 June. The controlled entities are disclosed in Note 18 to the financial statements. All inter-company balances, transactions and balances between Group companies are eliminated on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Changes in accounting policies and disclosures

The financial statements have been prepared under the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2022. The accounting policies included in the Group's previous annual financial statements for the year ended 30 June 2022 are the relevant policies for comparatives. There were no new standards adopted as at 1 July 2022 that had a significant impact. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Impairment of assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that assets have been impaired. If such an indication exists, the asset's recoverable amount, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where the asset does not generate cash inflows that are largely independent of those from other assets, impairment is assessed at a cash-generating unit (CGU) level.

Segment reporting

The Board has considered the requirements of AASB 8 Operating Segments and has concluded that there are no separately identifiable operating segments as per the accompanying Statements and Notes.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of GST unless the GST incurred is not recoverable from the Australian Tax Office. In these circumstances, GST is recognised as part of the cost of acquiring the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from the Australian Tax Office is included with other receivables in the statement of financial position. Cash flows are presented in the cash flow statement on a GST-inclusive basis.

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes several judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The areas involving significant estimates and assumptions are listed below:

- Exploration and Evaluation Expenditure – Note 9
  - Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future. From that time, the costs will be amortised in proportion to the depletion of the resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of operations, future legal changes, and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

2. Significant accounting policies continued

Significant management judgement in applying accounting policies continued

- Research and development tax incentive income is recognised at fair value when there is reasonable assurance that the income will be received, and that the Group will comply with the conditions attaching to them. Income from the R&D tax incentive is recognised against the capitalised exploration expenditure and is treated as a Government Grant under AASB 120

- Judgement is required to ensure that the carrying value of Exploration and Evaluation assets does not exceed the recoverable amount. Factors considered in this judgement are:

a) the period for which the entity has the right to explore in the specific area has expired or will expire in the near future;

b) substantive expenditure on further exploration for and evaluation of the resources in the specific area is neither budgeted nor planned;

c) exploration for and evaluation of resources in the specific area have not led to the discovery of commercially viable quantities of resources, and the entity has decided to discontinue such activities;

d) sufficient data indicates that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management has judged that, given these factors, the balance of Exploration and Evaluation assets is not impaired.

■ Share-based payments – Note 13

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life and volatility, and making assumptions about them. To measure the fair value of equity-settled transactions at the grant date, the Group uses a Black Scholes model or a Monte-Carlo simulation model. The assumptions and models used for estimating fair value or share-based payment transactions are disclosed in Note 13.

3. Other income and expenses

Accounting policy – income and expenses recognition

Other income is recognised on an accrual basis when the right to receive payment is established. Grant income is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them, and that they will be received. For grant income relating to Exploration and Evaluation expenditure, upon recognition, grant income is offset against the relevant Exploration and Evaluation asset.

Other expenses represent costs incurred for the administration of the business. Costs relating to the projects outlined in Note 9 have been capitalised to Exploration and Evaluation expenditure)

	2023 $	2022 $
a) Other income		
Sale of subsidiary - see Note 14	983,756	-
Total other income	**983,756**	**-**
b) Other expenses		
Accounting and audit	236,123	334,979
Communications costs	18,899	23,626
Corporate advisory	293,691	426,326
Software & other	98,937	109,210
Consulting and legal expense	1,096,710	1,316,518
Share-based payments to consultants and financiers	1,585,218[1]	89,339
Insurance	228,504	197,458
Investor relations	181,064	201,597
Listing & registry fees	268,009	354,661
Occupancy expense	188,876	61,670
Printing and office supplies	34,586	115,928
Travel and accommodation	392,728	387,651
Other expenses	480,767	445,659
Total other expenses	**5,104,112**	**4,064,622**

(1) This expense relates to options granted to three parties:

- *6,000,000 options issued for general corporate advice and guidance and strategic services, with an expense of 29,374.*
- *4,359,375 options issued as part of a private placement of ordinary shares, with an expense of 91,110.*
- *17,437,500 options issued, as part of an agreement to provide marketing and investor relations advice and services, with an expense of 1,464,734.*

Refer to plan 10 , plan 4 and plan 6 details set out in Note 13 Reserves - Share Based Payments for further details.

4. Finance Income and Finance Costs

Accounting policy – Finance income and finance costs

Finance income includes interest revenue recognised on an accruals basis taking into account the effective interest rates applicable. Finance costs include effective interest paid and amortised borrowing costs from financing arrangements. Income or costs incurred in relation to the arrangement are amortised using the effective interest method over the life of the arrangement.

	2023 $	2022 $
a) Finance income		
Interest earned	7,160	1,763
Total finance income	**7,160**	**1,763**
b) Finance costs		
Interest paid on lease liabilities	5,964	3,099
Other Borrowing Costs - Note 22	1,795,866	342,000
Energy Exploration Capital Partners FVTPL – Note 23	1,868,166	7,603,688
Total finance costs	**3,669,996**	**7,948,787**

5. Income Tax

Accounting policy – income taxes

Tax expense recognised in the profit or loss comprises current and deferred tax not recognised in other comprehensive income or equity. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This probability is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

5. Income Tax continued

Tax consolidation

Under Australian taxation law, NeuRizer Ltd and its wholly-owned Australian subsidiaries are a tax consolidated group.

	2023 $	2022 $
a) Numerical reconciliation of income tax expense to prima facie tax payable	(16,262,136)	(20,398,157)
Prima facie tax (benefit) on loss before income tax at 30% (2022: 25%)	(4,878,641)	(5,099,539)
Non-deductible expenses:		
Share-based payments	1,140,886	1,127,707
Fair value adjustments	548,751	1,900,922
Non-deductible entertainment	19,706	11,280
Disposal of sub	246,211	-
Other amounts not recognised	2,923,087	2,059,630
Income tax expense	0	0
b) Unused tax losses for which no deferred tax asset has been recognised		
Revenue losses	9,518,340	10,326,616
Capital losses	192,254	192,254
c) Recognised deferred tax assets		
Accruals	531,125	1,709,378
Provisions	625,832	338,457
Other	786,205	418,097
Losses	21,192,960	14,904,037
Total	23,136,121	17,369,969
Recognised deferred tax (liabilities)		
Exploration	(22,991,236)	(17,259,363)
Other	(144,886)	(110,606)
Total	(23,136,121)	(17,369,969)
Net recognised deferred tax asset / (liability)	-	-

The carried forward tax losses can only be utilised in the future when taxable income is generated, if the continuity of ownership test is passed, or if the same business test is passed.

6. Cash Assets

Accounting policy – Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less but exclude any cash held in deposit. Cash held in deposit is not available for use by the Group and therefore is not considered highly liquid.

	2023 $	2022 $
Bank balances	1,211,663	428,197
Term deposits[1]	-	15,052
Total Current cash and cash equivalents	**1,211,663**	**443,249**

(1) Term deposits comprise cash balances with an original maturity of less than three months.

7. Other Financial Assets

	2023 $	2022 $
Other Financial Assets – Current	-	630,367
Other Financial Assets – Non-current	664,806	565,339
Total Other Financial Assets	**664,806**	**1,195,706**

There was a decrease in long-term bank deposits held during the period of $530,900. The Group has $595,000 in non-current financial assets held at local banks due to environmental monitoring and rehabilitation requirements under the Petroleum and Geothermal Act 2000 relating to its NRUP and has recognised a provision for restoration and make good relating to these obligations for $595,000 (FY22: $595,000), as an estimate of costs expected to be incurred. The Group also has $69,806 in non-current financial assets held under its lease contract as lessee to its corporate office in Adelaide. These reserves are not available to finance the Group's day-to-day operations and, therefore, have been excluded from cash and cash equivalents for the statement of cash flows. In the prior year, The Group had $630,367 in other assets held as security for the purchase of plant relating to the NRUP.

8. Property, Plant and Equipment

Accounting policy – Property, plant, and equipment

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

i) Plant and equipment

Plant and equipment are shown at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets.

If assessed that there are triggers for impairment, the carrying amount of plant and equipment is reviewed (on a CGU basis) to ensure it is not more than the recoverable amount from these assets.

ii) Depreciation

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Plant and equipment	5-33%
Office equipment & furniture	10-50%
Motor vehicles	15%

8. Property, Plant and Equipment continued

Accounting policy – Property, plant, and equipment continued

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposal of property, plant, and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets (including impairment provision). They are recognised in profit or loss with Other Income or Other Expenses.

	Office Furniture $	Office Equipment $	Plant & Equipment $	Motor Vehicles $	TOTAL $
Cost or valuation					
Balance at 1 July 2022	22,425	520,484	3,780,525	230,075	4,553,509
Additions	-	47,431	40,109	-	87,540
Disposals	-	-	-	-	-
Balance at 30 June 2023	**22,425**	**567,915**	**3,820,634**	**230,075**	**4,641,049**
Depreciation & impairment					
Balance at 1 July 2022	21,698	400,106	198,593	63,010	683,407
Depreciation	446	67,369	24,138	19,276	111,229
Disposals	-	-	-	-	-
Balance at 30 June 2023	**22,144**	**467,475**	**222,731**	**82,286**	**794,636**
Carrying amounts					
At 1 July 2022	727	120,378	3,581,932	167,065	3,870,102
At 30 June 2023	**281**	**100,440**	**3,597,903**	**147,789**	**3,846,413**

	Office Furniture $	Office Equipment $	Plant & Equipment $	Motor Vehicles $	TOTAL $
Cost or valuation					
Balance at 1 July 2021	22,425	485,442	274,647	203,742	986,256
Additions	-	35,042	3,505,878	26,333	3,567,253
Disposals	-	-	-	-	-
Balance at 30 June 2022	**22,425**	**520,484**	**3,780,525**	**230,075**	**4,553,509**
Depreciation & impairment					
Balance at 1 July 2021	20,543	329,273	177,137	46,328	573,281
Depreciation	1,155	70,833	21,456	16,682	110,126
Disposals	-	-	-	-	-
Balance at 30 June 2022	21,698	400,106	198,593	63,010	683,407
Carrying amounts					
At 1 July 2021	1,882	156,169	97,510	157,414	412,975
At 30 June 2022	**727**	**120,378**	**3,581,932**	**167,065**	**3,870,102**

9. Exploration and Evaluation Expenditure

Accounting policy – Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the right of tenure is current, and those costs are expected to be recouped through the successful development of the area of interest (or by its sale). These costs are also carried forward where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and evaluation of the area and associated projects to enable the technically and commercially feasible recovery of resources are continuing. When an FID on a project or area of interest is made, the amounts will be transferred to assets under development.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the project at the rate of depletion of the economically recoverable reserves. Accumulated costs concerning an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. See Note 2 for significant judgements in applying this accounting policy.

	2023 $	2022 $
Balance at opening	50,110,816	30,823,397
Licence fees	28,970	24,408
Costs capitalised for Joint Operation	1,190,728	307,558
Derecognition of costs capitalised for Joint Operation upon sale of subsidiary	(2,011,431)	-
Costs capitalised for NRUP	78,639,090	18,955,459
Less R&D tax concession rebates	(5,529,103)	(6)
Total exploration and evaluation expenditure	**122,429,070**	**50,110,816**

10. Trade and Other Payables

Accounting policy – Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company before the end of the reporting period that are unpaid and arise when the Company becomes obliged to make future payments regarding the purchase of these goods and services.

Trade and other payables consist of the following:

	2023 $	2022 $
Trade payables	24,386,985	9,212,532
Other payables	24,542	24,330
Accruals	24,832,648	5,015,986
Total Trade and other payables	**49,244,175**	**14,252,848**

11. Employee Remuneration

Employee Benefits

Accounting policy – Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the reporting date. These benefits include wages, salaries, annual, and long service leave. Where these benefits are expected to be settled within 12 months of the reporting date, they are measured at the amounts expected to be paid when the liabilities are settled, and the provision has been recognised at the undiscounted amount expected to be paid.

Long service leave payable later than one year has been measured at the present value of the estimated future cash outflows for those benefits, discounted using high-quality corporate bonds. In relation to employee benefits arising for employees directly involved in the exploration project, some of these costs have been capitalised to the project.

Employee Benefits Expense

	2023 $	2022 $
Wages, salaries (inc. on-costs)	4,907,256	3,084,988
Superannuation	331,224	277,134
Share-based payments[1]	2,217,736	4,421,490
Employee provisions[2]	977,342	444,374
Total employee benefit expense	**8,433,558**	**8,227,986**

(1) Included in this is an amount relating to share options issued and immediately exercisable during the 2023 year, to employees in lieu of salaries and wages in the period from February 2023 to June 2023 as the company sought to preserve cash. Over this time period a majority of employees forgave 30% of salary in cash, and received options in lieu of cash. Refer to Note 13 Reserves - share based payments for details of the awards under Plans 3, 5, 7, 8 and 9 issued in lieu of salaries and wages. The Executive Chairman and Managing Director forgave 30% and 40% of their salary in cash over this period, but did not receive share based payment awards in lieu of this. The share based payment charge for the year includes the impact of truing up the fair value of the third tranche of LTIs issued to KMPs (with an expiry date of 30 June 2025) to the revised fair value at 30 June 2023, given these awards have not yet been approved by shareholders and consequently grant date has not passed. In the current period the valuation under accounting standards has decreased, with the impact reflected within the total share based payment charge to each individual in the year.

(2) This is to recognise a provision for long service leave and annual leave.

	2023 $	2022 $
Liability for annual leave - current	1,450,544	786,525
Liability for long service leave – current	524,961	260,862
Liability for long service leave – non-current	110,601	61,377
Total employee benefit liability	**2,086,106**	**1,108,764**

12. Issued Capital

Accounting policy – Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up the parent entity in proportion to the number of shares held. At the shareholders' meeting, each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on a show of hands. All issued shares are fully paid. All unissued shares are ordinary shares of the Company. Issued capital below is net of any capital raising costs.

	2023 $	2022 $
Total issued capital – 1,245,920,575 Ordinary shares (2022: 954,414,716)	**158,405,054**	**128,679,704**

Additional shares were issued during the financial year relating to capital raising and other activities listed on the page opposite. Total share capital issued in the year was $28,725,350.

Detailed Table of Capital Issued During the Previous Financial Year

Type of share issue	Date of issue	**No. of ordinary shares on issue**	Issue price $	Share capital
Opening balance 1 July 2021		813,482,798		114,430,976
Options exercise	1/07/2021	14,029,850	-	-
Options exercise	17/11/2021	3,620,000	-	-
Options exercise	1/12/2021	125,000	-	-
Options exercise	2/12/2021	250,000	0.12	30,000
Energy Exploration Capital Partners	8/12/2021	15,619,048	0.18	2,733,333
Energy Exploration Capital Partners	21/12/2021	19,085,714	0.14	2,642,000
Options exercise	27/01/2022	475,000	-	-
Options exercise	7/02/2022	25,615	-	-
Energy Exploration Capital Partners	28/02/2022	11,627,907	0.15	1,686,047
Share Purchase Plan	4/03/2022	17,721,852	0.15	2,658,278
Subscription Agreement	7/03/2022	1,533,334	0.15	230,000
Brokerage Fee	10/03/2022	857,143	0.17	150,000
Energy Exploration Capital Partners	8/04/2022	27,777,778	0.20	5,555,556
Energy Exploration Capital Partners	21/04/2022	24,612,404	0.23	5,660,853
Options exercise	5/05/2022	125,000	-	-
Options exercise	11/05/2022	2,250,000	-	-
Brokerage Fee	12/05/2022	339,130	0.23	77,972
Options exercise	3/06/2022	857,143	-	-
Issued capital		**954,414,716**		**135,855,015**

12. Issued Capital

Detailed Table of Capital Issued During the Year

Type of share issue	Date of issue	No. of ordinary shares on issue	Issue price $	Share capital
Opening balance 1 July 2022		954,414,716		135,885,015
Private Share Placement	6/07/2022	97,551,458	0.15	14,645,577
Private Share Placement	31/10/2022	37,917,272	0.10	3,791,727
Options exercise	2/11/2022	840,000	-	-
Brokerage Fee	8/11/2022	514,286	0.14	72,000
Options exercise	9/11/2022	700,000	-	-
Options exercise	21/11/2022	480,000	-	-
Energy Exploration Capital Partners	21/11/2022	5,154,640	0.11	567,010
Options exercise	30/11/2022	775,000	-	-
Energy Exploration Capital Partners	1/12/2022	8,163,266	0.12	979,592
Options exercise	12/12/2022	50,000	-	-
Energy Exploration Capital Partners	5/01/2023	5,813,954	0.10	581,395
Options exercise	16/01/2023	10,000	-	-
Options exercise	24/01/2023	100,000	-	-
Energy Exploration Capital Partners	3/02/2023	8,433,735	0.09	716,867
Options exercise	10/02/2023	360,000	-	-
Options exercise	20/02/2023	250,000	-	-
Options exercise	7/03/2023	50,000	-	-
Energy Exploration Capital Partners	9/03/2023	7,462,687	0.08	597,015
Private Share Placement	17/03/2023	17,437,500	0.08	1,345,000
Energy Exploration Capital Partners	30/03/2023	7,936,508	0.09	746,031
Options exercise	6/04/2023	293,662	-	-
Options exercise	13/04/2023	482,502	-	-
Energy Exploration Capital Partners	21/04/2023	7,936,508	0.08	619,048
Options exercise	28/04/2023	16,247,556	-	-
Options exercise	8/05/2023	1,307,263	-	-
Options exercise	17/05/2023	901,340	-	-
Energy Exploration Capital Partners	23/05/2023	9,090,910	0.06	563,638
Options exercise	30/05/2023	108,974	-	-
Energy Exploration Capital Partners	6/06/2023	54,347,827	0.07	3,804,348
Options exercise	20/06/2023	141,875	-	-
Options exercise	30/06/2023	647,136	-	-
Private Share Placement – Pending Shareholder approval	11/05/2023	-	-	1,000,000
Issued capital		**1,245,920,575**		**165,914,263**

12. *Issued Capital continued*

Unlisted options

At 30 June 2023, unissued shares of the Group under unlisted option are:

Expiry date	Exercise price $	Number of shares on exercise
12-December-2023	$0.228	7,200,000
14-January-2024	$0.23	9,800,000
14-April-2024	$0.00	799,165
18-August-2024	$0.12	5,950,000
1-May-2025	$0.20 - $0.26	6,000,000
2-December-2025	$0.00	702,128
14-February-2026	$0.00	3,006,964
16-February-2026	$0.221	2,000,000
6-March-2026	$0.12	4,359,375
17-August-2026	$0.00	165,000
25-July-2027	$0.00	1,090,000
1-Dec-2025	$0.15	9,479,318
Total		**50,551,950**

Options granted under the Employee Share Option Plan will expire on the expiry date or at the cessation of employment. Other categories of holders who may be granted options are consultants of the company or financiers, whose options will not be subject to employment conditions but will be granted subject to the provision of services.

Listed Options

There were 108,775,478 listed options over shares of the Group at the end of the financial year, with an expiry date of 8 October 2024 and an exercise price of $0.28.

Capital Management

Management objectives when managing capital are to ensure the Group's ability to continue as a going concern. The Group manages the capital structure and adjusts it considering the forecast cash requirements of the development programme. Internal capital rationing is complemented by capital raising activities to ensure funding for development activities is in place. The Directors are aware that additional debt or equity will be required within 12 months to continue as a going concern. The Group's ability to raise equity will rely on investor confidence in the development of the NRUP (see note 2).

There are no externally imposed capital requirements.

13. Reserves

Accounting Policy - Reserves

The share option reserve is used to recognise the fair value of options granted to employees, consultants and financiers but not exercised. Upon exercise of the options, the proceeds are allocated to share capital.

	2023 $	2022 $
Share option reserve	16,574,201	12,771,247
Total reserves	**16,574,201**	**12,771,247**

A breakdown of the share option reserve is as follows:

	No. of Options 2023	2023 $
Directors	3,501,293	6,852,319
Employees	17,001,964	3,802,812
Former employees	410,000	480,303
Other consultants and financiers	20,159,375	5,428,767
Total	**50,551,950**	**16,574,201**

13. Reserves continued

Share Based Payments

Accounting policy – Share based payment plans

The Group operates equity-settled share-based remuneration plans for its employees and some consultants. The Group's plans are not cash-settled to minimise cash outflow. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees or consultants are rewarded using share-based payments, the fair value is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest.

Non-market conditions are included in assumptions about the number of options expected to vest. Estimates are revised if any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Grant date might occur after the employees or consultants to whom the equity instruments were granted have begun rendering services, such as grant of equity instruments to key management personnel, subject to shareholder approval. The company estimates the grant date fair value of the equity instruments (e.g., by estimating the fair value of the equity instruments at the end of the reporting period) to recognise the services received during the period between the service commencement date and grant date. Once the grant date has been established, the company revises the earlier estimate so that the amounts recognised for services received regarding the grant are ultimately based on the grant date fair value of the equity instruments.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital. For all plans, the fair value at grant date is calculated using the Black Scholes option pricing model that considers the share price at grant date, the exercise price, the term until expiry, and an implied volatility estimate. Long-Term Incentives (LTIs) were also granted to both the Executive Chairman and Managing Director each during the reporting period. The Fair Value of the LTIs was determined using a Monte Carlo valuation, and $3,070,806 was expensed for these LTIs in the twelve months to 30 June 2023 (FY22: $3,121,285). The amount expensed is not indicative of the benefit (if any) that the employee may ultimately realise should the LTIs be awarded, as the actual award of options is subject to achieving the share price targets as below:

Rating period	Vesting date	Grant date	Number of Options (zero exercise price)	Share price target based on 30 trading day VWAP as at 30 June of the rating period year	Maximum number to be awarded if the share price hits the targets for the period	Fair Value per option at grant date
FY22/23	30 June 2023[1]	4 November 2021	1.5million	$0.50	3.5 million	11.5 cents
			2 million	$0.65		
FY24	30 June 2024	4 November 2021	2 million	$0.65	15 million (less any issued in previous year relating to the equivalent targets)	11.3 cents
			2.5 million	$0.80		
			3 million	$0.95		
			3.5 million	$1.10		
			4 million	$1.25		
FY25	30 June 2025	24 June 2021 (not granted pending shareholder approval)	3 million	$0.95	36 million (less any issued in the two previous years relating to equivalent targets)	14 cents
			3.5 million	$1.10		
			4 million	$1.25		
			4.5 million	$1.55		
			5 million	$1.70		
			7 million	$1.85		
			9 million	$2.15		

(1) As per the Notice of AGM for the 2021 meeting, it is the intention of the Board to award up to an additional 36,000,000 options each to of DJ Peters and PJ Staveley that will vest on 30 June 2025, if the award criteria are met. While these awards have been approved by the Board, they have not yet been approved by the shareholders on the basis that the 2021 AGM was more than 3 years from the final rating period. These awards will be subject to shareholder approval at a future AGM.

As the awards have been approved by the Board, the requirements of the share based payment accounting standard apply, they have been fair valued and the share based payment charge amortised in line with accounting standards and included within the KMP remuneration table on page 33. As grant date has not yet passed, the options are remeasured at their current fair value at 30 June 2023 and the amortisation charge for the year reflected in the remuneration table adjusted to take account of the revised fair value and the cumulative share based payment charge that should be recognised to 30 June 2023.

(i) Number of options granted during the year

	2023 $	Weighted-average exercise price 2023
Outstanding at beginning of the year	167,585,433	$0.26
Forfeited	(650,000)	$0.12
Expired	(27,533,662)	$0.22
Granted	43,670,965	$0.25
Exercised	(23,745,308)	$0.00
Outstanding	**159,327,428**	**$0.24**

	2022 $	Weighted-average exercise price 2022
Outstanding at beginning of the year	75,283,640	$0.20
Forfeited	(1,800,000)	$0.22
Expired	(10,000,000)	$0.30
Granted	125,859,401	$0.25
Exercised	(21,757,608)	$0.00
Outstanding	**167,585,433**	**$0.26**

Note

The table above includes options issued and included on the Company's options register, but does not include options to KMP where the legal process of issuing the options has not been undertaken on the basis that they will only be issued if they become exercisable. Accordingly while 16,500,000 options each to D J Peters and P J Staveley have been treated granted and on foot at the start of the year for accounting purposes and 1,500,000 options for each have been treated as lapsed on 30 June 2023 as the share price target was not met, they are not reflected in the table above. The closing balance does not reflect the 15,000,000 options to each of D J Peters and P J Staveley that remain on foot subject to the share price target being met when tested at 30 June 2024.

13. Reserves continued

Share Based Payments continued

Set out below are the details for each option issuance for the financial year ended 30 June 2023. Details of the options issued during 2022 are included in the 2022 financial report. Plans 1, 3, 5, 7, 8, and 9 relate to awards issued to employees in lieu of salary. Plan 2 is in respect of awards issued to KMP M K Chatfield and Plans 4, 6, 10 and 11 are in respect of consultants.

(ii) Valuation assumptions

	Plan 1	Plan 2	Plan 3
Grant date	26 July 2022	11 August 2022	15 February 2023
Number issued	4,845,000	2,000,000	944,321
Share price at grant date	$0.155	$0.15	$0.084
Fair value at issue date	$0.155	$0.05	$0.084
Exercise price	$0.00	$0.221	$0.00
Exercisable from	25 October 2022	9 September 2022	2 April 2023
Exercisable to	25 July 2027	16 February 2026	14 February 2028

	Plan 4	Plan 5	Plan 6
Grant date	6 March 2023	28 March 2023	5 April 2023
Number issued	4,359,375	1,143,006	17,437,500
Share price at grant date	$0.72	$0.091	$0.084
Fair value at issue date	$0.02	$0.091	$0.084
Exercise price	$0.12	$0.00	$0.00
Exercisable from	27 March 2023	13 May 2023	6 April 2023
Exercisable to	6 March 2026	14 February 2028	25 July 2027

	Plan 7	Plan 8	Plan 9
Grant date	2 May 2023	30 May 2023	25 June 2023
Number issued	1,007,075	1,227,685	1,227,685
Share price at grant date	$0.072	$0.05	$0.053
Fair value at issue date	$0.072	$0.05	$0.053
Exercise price	$0.00	$0.00	$0.00
Exercisable from	17 June 2023	15 July 2023	10 August 2023
Exercisable to	14 February 2028	14 February 2028	14 February 2028

	Plan 10	Plan 11
Grant date	10 May 2022	24 October 2022
Number issued	6,000,000	9,479,318
Share price at grant date	$0.165	$0.11
Fair value at issue date	$0.02	$0.04
Exercise price	$0.20-$0.26	$0.15
Exercisable from	16 May 2022	7 November 2022
Exercisable to	1 May 2025	1 December 2025

14. Sale of subsidiary

In April 2023, the Company completed its obligations under a Share Sale Agreement for the sale of 100% of the shares of its Wholly Owned Subsidiary, Leigh Creek Oil & Gas Pty Ltd (LCOG). The sale was executed and ownership transferred to the buyer. The net consideration received by the Company for the sale was $2,995,187, and a gain on sale of $983,756.

15. Commitments for Expenditure

Accounting Policy – Capital Commitments

Capital commitments relate to expenditure commitments for the NRUP and other Oil & Gas assets:

	2023 **$**	2022 $
NRUP - not longer than one year	96,000	1,856,006
Interest in Joint Operation – Bridgeport – not longer than one year	-	1,800,000
Interest in Joint Operation – Bridgeport – longer than one year but less than five years	-	2,130,000
PEL 676 - not longer than one year	-	3,425,000
PEL 676 – longer than one year but less than five years	-	5,466,667

Under the terms of tenement registration and renewal, tenements have commitments to work requirements. The commitment to work requirements for the NRUP are included above. Commitments relating to our former interests in a Joint Operation and PEL 676 were transferred to another party upon sale of one of the Company's subsidiaries, completed April 2023 (see Note 14). Additionally, refer to Note 22 for information on the Group's obligations and commitments under its EPCC contract with DL E&C. There are no other commitments at balance date for expenditure by the Group.

16. Financial instruments

Accounting Policy – Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price per AASB 15, financial assets are initially measured at fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and other receivables fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade, and other payables. Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value reported in profit or loss are included within finance costs or finance income.

As the company's shares are traded on an active market, the ASX, the fair value of equity settled financial liabilities is calculated at the closing share price at the valuation date, with movements designated at FVTPL.

Categories of financial assets and liabilities

The carrying amount of financial assets and liabilities at amortised cost are as follows

Financial assets	Notes	Financial assets at amortised cost 2023	Financial assets at amortised cost 2022
Other financial assets	7	664,806	1,195,706
Trade and other receivables		19,720	210
Cash and cash equivalents	6	1,211,663	443,249
		1,896,189	**1,639,165**

Financial liabilities	Notes	Other liabilities (amortised cost) 2023	Other liabilities (amortised cost) 2022
Current borrowings[1]		2,196,185	76,704
Lease Liabilities – Non-current		135,386	192,610
Lease Liabilities – Current		111,072	52,454
Trade and other payables		24,411,527	14,252,848
		26,854,170	**14,574,616**

(1) The 2023 borrowings balance primarily comprises amounts advanced and owing in respect of R&D refunds. The company also received $2,100,000 in debt funding from a third party for expenditure incurred in FY2023 ahead of the lodgement of the FY23 Tax Return. The amount is secured over the R&D Tax refund, attracts interest at 15% p.a and is due for repayment on the earlier of the R&D refund being received and the 30th of November 2023. A further $1,000,000 relates to amounts advanced for the issuance of share capital, which had not been issued at 30 June 2023 pending refreshment of the Company's placement capacity.

The carrying amount of financial liabilities at fair value through profit or loss are as follows:

Financial liabilities	Notes	Other liabilities (FVTPL) 2023	Other liabilities (FVTPL) 2022
Other Financial Liability – Current	23	545,556	18,840,228
		545,556	**18,840,228**

16. Financial instruments continued

Risk Management

Treasury Risk Management

The risk management of treasury functions is managed by the Audit and Risk Committee.

Finance Risks

The Group's financial instruments are exposed to various financial risks, such as Market risk (Interest rate and Equity Price risk), Credit risk and Liquidity risk.

Equity price risk

The Group's exposure to price risk is the risk that equity settled financial liabilities (see note 23) value will fluctuate because of changes in the Company's share price.

Sensitivity: At June 30, 2023, if the Company's share price had changed by -/+ 10% from the year-end price with all other variables held constant, post-tax loss, and total equity would have been $54,555 (2022: $433,333) more/less because of lower/higher movements through FVTPL.

Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate because of changes in market interest rates on classes of financial assets and liabilities.

Sensitivity: At June 30, 2023 if interest rates on cash and term deposits had changed by -/+ 10 basis points from the year-end rates with all other variables held constant post-tax loss, and total equity would have been $33 (2022: $60) more/less because of lower/higher interest income.

At June 30, 2023, the Group did not have interest-sensitive borrowings as in the prior year.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligation that could lead to a financial loss to the Group. The Group manages its credit risk by depositing with reputable licenced banks and transacting with reputable business partners, such as our EPPC contractor, DL E&C (who hold a AA- corporate bond credit rating with Korea Investors Service). The Group's maximum exposure to credit risk is its cash and cash equivalents, receivables, deposits and guarantees, and payments for services not yet performed. Our financial assets are held with counterparties with an investment-grade credit rating.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funding sources are available.

Maturity: $27,728,784 of the Group's financial liabilities are expected to fall due within three months and one year (2022: $19,248,886), and $135,386 beyond one year (2022: $245,064). Of this amount $2,100,000 relates to borrowings in relation to an R&D refund due, $24,618,784 to trade and other payables, and $1,000,000 relates to amounts advanced for the issue of share capital. As set out in note 22 additional interest will accrue on at the rate of the Secured Overnight Financing Rate (SOFR) plus 3% from 1 October 2023 to the payment date on 31 January 2024 in respect of amounts owing to DL E&C (2022: nil). The $1,000,000 will be settled in equity not cash. In addition, the Group has $24,832,648 in accruals (see note 10), which are expected to fall due between three months and one year, primarily relating to the EPCC contract with Daelim (see note 22).

17. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the statement of financial position as follows:

	2023 $	2022 $
Bank balances and short-term deposits	1,211,663	443,249

The weighted average effective interest rate on bank deposits is 0.00% (2022: 0.00%). All deposits are for less than 12 months.

(b) Reconciliation of cash flow from operations with loss after tax

	2023 $	2022 $
Loss after income tax	(16,262,136)	(20,398,157)
Cash flows excluded from loss attributable to operating activities:		
Non-cash flows in operating loss		
Depreciation expense	45,387	158,525
Share-based payments	3,802,954	4,510,828
Borrowing Cost	3,346,280	7,606,787
Other expenses	(602,636)	394,121
Change in assets and liabilities		
Decrease/(Increase) in receivables/prepayments	375,451	(3,419,658)
Increase/(Decrease) in payables	(730,872)	473,257
Increase/(Decrease) in provisions	977,342	444,373
Net cash (used in) / provided by operating activities	**(9,048,230)**	**(10,229,924)**

17. Notes to the Statement of Cash Flows

(c) Reconciliation of liabilities arising from financing activities

	Cash/non-cash	Total loans and borrowings $	Total lease liability $
Opening balance 1 July 2022		76,704	245,064
Net cash inflows/(outflows)	Cash	2,119,481	9,298
Lease liability movement	Non-cash	-	(7,903)
Closing balance 30 June 2023		**2,196,185**	**246,459**

	Cash/non-cash	Total loans and borrowings $	Total lease liability $
Opening balance 1 July 2021		97,324	127,517
Net cash inflows/(outflows)	Cash	(20,620)	(138,034)
Lease liability movement	Non-cash	-	255,581[1]
Closing balance 30 June 2022		**76,704**	**245,064**

(1) These relate to Operating leases entered into during the year for four vehicles.

18. Parent entity disclosures

Investment in controlled entities

			Interest held	
Entity	Country of incorporation	Class of share	**2023**	2022
Leigh Creek Consulting Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Fertiliser Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Oil and Gas Pty Ltd[1]	Australia	Ordinary	0%	100%
Leigh Creek Operations Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Power Pty Ltd	Australia	Ordinary	100%	100%
Leigh Creek Financial Pte Ltd	Singapore	Ordinary	100%	100%

(1) Leigh Creek Oil and Gas Pty Ltd was sold to another entity in April 2023 (see note 14).

18. Parent entity disclosures continued

Parent entity information

	2023 $	2022 $
Parent Entity		
Asset		
Current assets	1,495,331	16,017,573
Non-current assets	78,575,923	61,197,726
Total assets	**80,071,254**	**77,215,299**
Liabilities		
Current liabilities	7,813,053	21,162,814
Non-current liabilities	245,988	306,441
Total liabilities	**8,059,041**	**1,469,255**
Equity		
Issued capital	155,795,813	127,070,463
Share option reserve	16,574,201	12,771,247
Accumulated losses	(101,225,445)	(84,095,665)
Shareholder equity	**71,144,569**	**55,746,045**
Financial performance		
Profit (loss) for the year	(16,262,136)	(20,398,157)
Other comprehensive income	-	-
Total comprehensive income	**(16,262,136)**	**(20,398,157)**

The parent entity has not entered a deed of cross guarantee, nor are there any contingent liabilities at the year-end.

Accounting Policy – Capital Commitments for Parent

Capital commitments relate to expenditure commitments for the NeuRizer Urea Project (NRUP) outstanding at balance date.

	2023 $	2022 $
Leigh Creek Operations Pty Ltd	96,000	1,025,786

19. Related party transactions

Transactions with key management personnel compensation

The key management personnel of the Group are the members of the Group's Board of Directors. Key management personnel remuneration includes the following expenses:

	2023 $	2022 $
Total short-term employee benefits	2,231,008	1,271,080
Total post-employment benefits	413,281	136,526
Share-based payments	1,084,473	3,289,643
Total Remuneration	**3,728,763**	**4,697,249**

The amounts disclosed in the table are recognised as expenses during the reporting year. Detailed disclosure is included within the remuneration report.

Other transactions with key management personnel

Zheng Xiaojiang provided investor relations services for $153,333 (2022: $265,477). There was $10,370 due for payment at the end of the reporting period. Mr Xiaojiang is a Non-Executive Director of the Company.

20. Auditor's remuneration

During the year, the following fees were paid or payable for services provided by the Auditor of the Group:

Fees to Auditors	2023 $	2022 $
Auditing and review the financial statements of the Group – Ernst & Young	99,567	83,200
Auditing or reviewing the financial statements of the Group – Ernst & Young Singapore	-	15,000
Total auditors' remuneration	**99,567**	**98,200**

During the year, Ernst & Young, the Company's auditors, did not undertake any additional services to their statutory audit duties.

21. Earnings per share

Accounting policy – Earnings per share

i) Basic earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to equity holders, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding.

ii) Diluted earnings per share

The Diluted earnings-per-share calculation adjusts the figures used to determine basic earnings per share to consider the weighted average number of shares assuming conversion of all dilutive potential ordinary shares.

The basic earnings per share calculation at 30 June 2023 was based on the loss attributable to ordinary equity holders of $16,262,136 (2022: $20,398,157) and a weighted average number of ordinary shares outstanding during the 12 months of 1,032,320,308 (2022: 823,816,695).

The diluted loss per share calculation at 30 June 2023 is the same as the basic diluted loss per share. Per AASB 133 Earnings per share, as potential ordinary shares may result in a situation where their conversion decreases the loss per share, no dilutive effect has been considered. There were no dilutive potential ordinary shares in existence during the year (2022: none) as the Company's share options were anti-dilutive.

	2023 $	2022 $
Loss used to calculate basic EPS	**(16,262,136)**	**(20,398,157)**
	Cents	Cents
Basic earnings per share – cents per share	(1.58)	(2.48)
Diluted earnings per share – cents per share	(1.58)	(2.48)
Weighted average number of shares used as denominator		
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	1,032,320,308	823,816,695

22. EPCC Contract between the Company and DL E&C (DL)

In June 2021, the Company entered into an Engineering, Procurement, Construction and Commissioning (EPCC) contract for a 1Mtpa urea production plant with South Korean engineering and construction company, DL E&C Co., Ltd (DL). Under this contract, DL are managing the NRUP Bankable Feasibility Study (BFS) with NexantECA, and Front-End Engineering & Design (FEED) stages, ahead of a Final Investment Decision (FID). Once FID is achieved, with all relevant key engineering data and project execution documents having been finalised, DL will perform the engineering, procurement, construction, and commissioning of the urea production facilities.

Initial services provided under the contract require total payments of USD 29,265,000 to DL, payable in four milestones, as follows:

1) 30% of the Services Fee, payable after the Company issued a Notice to Proceed on 2 August 2021, paid as at 30 June 2023.
2) 30% of the Services Fee to be invoiced on or after the first date on which the process design packages for both the ammonia (including sulphur recovery) plant and the urea plant comprised in the Works have been delivered to DL by the relevant Licensor, outstanding as at 30 June 2023, and recorded within Trade Creditors..
3) 15% of the Services Fee to be invoiced on or after the date Services Completion occurs, uninvoiced as at 30 June 2023, and recorded within Accruals; and
4) 25% of the Services Fee to be invoiced on or after the date that the Company's board of directors makes a FID on the NRUP, uninvoiced as at 30 June 2023, and recorded within Accruals.

Milestones three and four have not yet been met, and the payable owing at 30 June 2023 for initial services was USD 8,779,500.

In April 2022, the Company approved the appointment of ammonia and urea licensors for the NRUP. KBR will deliver the Basic Engineering Design Package (BEDP) and Final Piping and Instrumentation Design for the NRUP, a critical requirement for DL to complete its commitment to provide a FEED package. Under the EPCC contract with DL, following the appointment of the licensors, an additional USD 15,001,280 is payable, of which USD 6,214,880 was outstanding as at 30 June 2023, as follows:

1) 30% after the execution of the licensor contract, paid as at 30 June 2023.
2) 30% on delivery of the Process Flow Diagrams, outstanding as at 30 June 2023, and recorded within Trade Creditors.
3) 20% on delivery of the Piping and Instrument Diagram, outstanding as at 30 June 2023, and recorded within Trade Creditors.
4) 10% on delivery of the Draft BEDP, outstanding as at 30 June 2023, and recorded within Trade Creditors.
5) 10% on delivery of the Final BEDP, outstanding as at 30 June 2023, and recorded within Trade Creditors.

In addition to the above, the Company has also agreed to Interest charges of USD 1,005,845, recorded in Accruals.

Total Exploration and Evaluation Expenditure for the year, net of Research and Development refunds received relating to that expenditure was $72,318,254. In the prior year, expenditure to DL was capitalised to Other assets representing amounts paid in advance of works being undertaken of $20,651,570. Total other assets at 30 June 2022 was $20,756,365.

As the project was [99.9]% complete at 30 June 2023, relating to the initial services of USD 29,265,000 and Licensor services of USD 15,001,280, the amounts paid in advance are fully unwound and the amounts included in accruals now are based on the value of work done over and above amounts invoiced or invoiced and paid. Interest charges have been recognised within profit or loss (refer note 4), and all other costs incurred in progressing towards a BFS and FEED been capitalised as exploration and evaluation assets (refer note 9).

23. Energy Exploration Capital Partners (EECP) and other funding agreements

December 2021 EECP Agreement

In December 2021, the Company entered into an Institutional Share Placement agreement with EECP. This financing agreement consists of payments of up to $20m in four tranches, the first three tranches totalling $15m to be drawn upon at the company's discretion, with the fourth tranche of $5m requiring subsequent agreement with EECP.

- The initial tranche of $7.5m less fees was received in December 2021. On execution, the company recognised a financial liability of $7.491m less the fair value of the 14.8m initial placement shares issued to EECP, totalling $2m based on an estimate of 90% of the average of five daily VWAPs per share (selected by EECP) during the 20 trading days before settlement.
- On 19 April 2022, the second tranche of $3.9m was received.
- On 20 April 2022, EECP elected to pay for the initial placement shares in cash, and the Company received $1.909m, with the difference being carried through FVTPL.
- On 12 September 2022, the third tranche of $3.6m was received.

A summary of the shares issued in settlement of outstanding subscription amounts (SAs) is as follows:

Date of issue	Number of shares issued	Placement price[1]	**Other financial liability**	Fair value[2]
21 November 2022	5,154,640	500,000	500,000	567,010
1 December 2022	8,163,266	800,000	800,000	979,592
5 January 2023	5,813,954	500,000	500,000	581,395
3 February 2023	8,433,735	700,000	700,000	716,867
9 March 2023	7,462,687	500,000	500,000	597,015
30 March 2023	7,936,508	500,000	500,000	746,032
21 April 2023	7,936,508	500,000	500,000	619,048
23 May 2023	9,090,910	500,000	500,000	563,636
6 June 2023	54,347,827	2,500,000	2,500,000	3,804,348
Year ended 30 June 2023	114,340,035	7,000,000	7,000,000	9,174,943

(1) The Placement Price of these shares was determined as 90% of the average of five daily VWAPs per share (selected by EECP) during the 20 trading days before receipt of a Settlement Notice.

(2) The difference between the balance of Other Financial Liability and Fair Value of $2,174,943 is recognised within finance costs in the statement of profit or loss and other comprehensive income.

23. Energy Exploration Capital Partners (EECP) and other funding agreements continued

For the year ended 30 June 2023

EECP Funding Agreement and other finance costs	Funds received $	Expense/FVTPL $	Other financial liability movement $	Other financial liability balance $
Opening balance 1 July 2022				(4,324,333)
T3 Funds received – 12 September 2022	3,600,000		(3,600,000)	(7,924,333)
Issue of shares – 8 November 2022	-	67,010	500,000	(7,424,333)
Issue of shares – 1 December 2022	-	179,592	800,000	(6,624,333)
Adjustment to FV at 31 December 2022	-	254,556	(254,556)	(6,878,889)
Other finance costs	-	33,002	-	(6,878,889)
Half-year ended 31 December 2022	**3,600,000**	**534,160**	**(2,554,556)**	**(6,878,889)**
Issue of shares - 5 January 2023	-	81,395	500,000	(6,378,889)
Issue of shares – 3 February 2023	-	16,867	700,000	(5,678,889)
Issue of shares – 9 March 2023	-	97,015	500,000	(5,178,889)
Issue of shares – 30 March 2023	-	246,032	500,000	(4,678,889)
Issue of shares – 21 April 2023	-	119,048	500,000	(4,178,889)
Issue of shares – 23 May 2023	-	63,636	500,000	(3,678,889)
Issue of shares – 6 June 2023	-	1,304,348	2,500,000	(1,178,889)
Adjustment to FV at 30 June 2023	-	(633,333)	633,333	(545,556)
Other finance costs	-	38,998	-	(545,556)
Year ended 30 June 2023	**3,600,000**	**1,868,166**	**3,778,777**	**(545,556)**[1]

(1) In addition to this $545,556, the Company holds an addition $1,000,000 in Other Financial Liabilities as a result of the private share placement made to Zhe Wang, a Non-Executive Director. The issue of the shares associated with this placement are subject to shareholder approval.

For the year ended 30 June 2022

EECP Funding Agreement and other finance costs	Funds received $	Expense/FVTPL $	Other financial liability movement $	Other financial liability balance $
FL recognition T1 – Dec 2021	7,491,000	-	(5,491,000)	(5,491,000)
Issue of shares - 28 February 2022	-	186,047	1,500,000	(4,141,000)
Issue of shares – 8 April 2022	-	2,055,555	3,500,000	(491,000)
FL recognition T2 – 19 April 2022	3,900,000	-	(3,900,000)	(4,391,000)
Purchase of Initial Placement Shares – 20 April 2022	1,909,200	90,800	(2,000,000)	(6,391,000)
Issue of shares – 21 April 2022	-	3,160,853	2,500,000	(3,891,000)
Adjustment to FV at 30 June 2022		433,333	(433,333)	(4,324,333)
Year ended 30 June 2022	**13,300,200**	**5,926,588**		**(4,324,333)**

23. Energy Exploration Capital Partners (EECP) and other funding agreements continued

Other Fees

On receipt of tranche three funds, a share placement fee of $108,000 and 514,286 of the Company's own shares (valued at $72,000) were payable to Odeon Capital, issued on 8 November 2022.

June 2022 DL E&C Funding Agreement and Other Receivables.

At 30 June 2023, the Company had trade and other receivables recorded of $19,720 (FY22: $14,653,011).

In the prior year, the Company entered into a Share Subscription Agreement with DL E&C, whereby the Company would receive USD 10,000,000 in July 2022, in exchange for a variable number of shares at AUD 15 cents per share, to be determined by the Reserve Bank of Australia (RBA) USD to AUD conversion rate on the settlement date. At 30 June 2022, the Company recorded an Other Receivable (Total $14,653,011) for $14,515,895 under this agreement, as determined by the RBA rate at the balance date.

24. Matters subsequent to the End of the Year

Mr Sunghun Ryu was appointed as a Non-Executive Director of the Company, effective 31 July 2023, following the resignation of Mr Jaehyung from the Board of NRZ, also effective 31 July 2023.

On the 4th of September, the Company entered into a private share placement agreement, raising $1,000,000.

25. Company details

The registered office and principal place of business is:

NeuRizer Ltd
Level 11, 19 Grenfell Street
Adelaide, South Australia 5000

Independent Auditor's Report

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Independent auditor's report to the members of NeuRizer Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of NeuRizer Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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 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 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. 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. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Building a better working world

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration & evaluation assets

Why significant	How our audit addressed the key audit matter
At 30 June 2023 the Group had exploration and evaluation assets of $122.4 million as disclosed in Note 9. The carrying value of exploration and evaluation assets is subjective based on the Group's ability and intention to continue to evaluate and commercialise its assets associated with the NeuRizer Urea Project (NRUP). The carrying value of assets may also be impacted by the results of ongoing evaluation activity indicating that the coal and gas resources may not be technically or commercially viable for extraction and/or the NRUP may not be capable of commercialisation in the manner intended. The Group has to assess the value of work performed and capitalizable as exploration and evaluation assets under the significant contracts in place for the ongoing evaluation of the technical and commercial viability of the NRUP. There is judgment involved in accounting for these contracts. The Group is required to assess whether any indicators of impairment are present in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the application of which is judgmental. At 30 June 2023, the Group undertook an impairment indicators assessment in respect of its NRUP assets in accordance with AASB 6 and no impairment charge was recorded. As a result, we considered the value of exploration and evaluation assets and related disclosures in Note 9 in the financial report to be a key audit matter.	In completing our audit procedures, we: ▶ Assessed whether any impairment indicators, as set out in AASB 6, were present, and assessed the conclusions with respect to impairment reached by management. ▶ Evaluated the Group's right to explore in the relevant exploration areas, including by inspecting supporting documentation such as license agreements. ▶ Considered the results of exploration and evaluation activities carried out in the relevant license areas to date. ▶ Assessed the Group's intention to carry out significant exploration and evaluation activities on the NRUP and other exploration areas. This included the assessment of the Group's cash flow forecasts and assessing the Group's plan to continue towards a Bankable Feasibility Study for the NeuRizer Urea Project. ▶ Assessed the accounting treatment related to costs incurred to date, agreeing costs incurred, payments made, and associated calculations to third party supporting documentation. ▶ Assessed the nature of the costs incurred to ensure they are valid costs for capitalisation as exploration and evaluation costs. ▶ Considered whether any other data or information exists which indicates that the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full, from successful development or by sale. ▶ Assessed the adequacy of the disclosures in Note 9 to the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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.

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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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 36 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of NeuRizer Ltd for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

L A Carr

L A Carr
Partner
Adelaide
29 September 2023

Shareholder information

Distribution of shareholdings at 15 September 2023

Number of security holders by size of holding

Range	Total holders	Units	% Units
1 - 1,000	467	197,478	0.02
1,001 - 5,000	1,484	4,916,755	0.39
5,001 - 10,000	1,524	11,903,794	0.94
10,001 - 100,000	3,867	148,961,507	11.73
100,001 Over	1,468	1,103,424,106	86.92

The issued capital of the Company is fully paid ordinary shares (entitling the holders to participate in dividends and proceeds on winding up of the Company in proportion to the number of shares held) and listed options. On a show of hands every holder of the shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share counts as one vote

Substantial shareholders at 15 September 2023

Name		Fully Paid Shares	Ordinary Shares %	Options
Citicorp Nominees Pty Ltd	138,968,866	10.95	-	-
China New Energy Group Limited	136,333,334	10.74	-	-

Twenty largest shareholders at 15 September 2023

Ordinary Shares

Rank	Name	Units	% Units
1	Citicorp Nominees Pty Ltd	138,968,866	10.95
2	China New Energy Group Limited	136,333,334	10.74
3	Burton's Holdings (NSW) Pty Ltd <PMN Investments SF A/C>	23,263,158	1.83
4	Hephzibah Pty Ltd <Butt Family Super A/C>	22,475,501	1.77
5	HSBC Custody Nominees (Australia) Limited	21,510,474	1.69
6	Mr George Andrew Raftopulos + Mrs Elizabeth Athena Raftopulos <The Omega Super A/C>	11,000,000	0.87
7	Mr Wei Wu <Wei Wu Family A/C>	9,695,613	0.76
8	Mr Peter Palan + Mrs Clare Palan <Napla Provident Fund A/C>	9,333,334	0.74
9	Crown Ascent Development Limited	8,476,964	0.67
10	CNSC1001 Pty Ltd <NSC1001 Family A/C>	7,833,177	0.62
11	Hephzibah Pty Ltd <The Butt Family A/C>	6,862,057	0.54
12	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	6,651,729	0.52
13	Fresh Start Australia Pty Ltd	6,250,000	0.49
13	Kevjo Pty Ltd	6,250,000	0.49
15	Bart Properties Pty Ltd <The Scott Flynn Family A/C>	6,234,946	0.49
16	Mr Daniel Justyn Douglas Peters	5,808,043	0.46
17	Mr Troy Kelly Webb	5,060,000	0.40
18	BA & LE Amarant Pty Ltd <BA & LE Amarant P/L S/F A/C>	4,500,000	0.35
18	LRM Holding Company Pty Ltd	4,500,000	0.35
20	One Design & Skiff Sails Pty Ltd <I W Brown Super Fund A/C>	4,404,199	0.35
	Totals: Top 20 Holders Of Ordinary Shares (Total)	**445,411,395**	**35.09**
	Total Remaining Holders Balance	**823,992,245**	**64.91**

Unissued equity securities

Unlisted Options	48,339,707
Listed Options	108,768,278

The Company is listed on the Australian Securities Exchange.

ASX Code: NRZ

Personal notes

Corporate directory

Directors

Daniel J Peters
Executive Chairman

Phillip Staveley
Managing Director

Murray K Chatfield
Non-Executive Director

Zhe Wang
Non-Executive Director

Zheng Xiaojiang
Non-Executive Director

Sunghun Ryu
Non-Executive Director

Company Secretary

Jordan Mehrtens

Registered Office & Principal Place of Business

NeuRizer Ltd ABN 31 107 531 822
Level 11, 19 Grenfell Street
Adelaide, South Australia 5000

Phone +61 8 8132 9100
contactus@neurizer.com.au

www.neurizer.com.au

Bankers

Commonwealth Bank of Australia
96 King William Street
Adelaide, South Australia 5000

Auditors

Ernst & Young
12 King William Street
Adelaide, South Australia 5000

Share Registrar

Computershare Registry Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia 5000

Investor enquiries: 1300 556 161
International: +61 3 9415 4000

ASX Code: **NRZ**

neurizer.com.au