CLEAN ENERGY
TECHNOLOGIES

2023
Annual Report

Corporate information

ABN 31 164 573 728

Registered office

Level 10, 111 Gawler Place
Adelaide, South Australia 5000

Principal place of business

Level 10, 111 Gawler Place
Adelaide, South Australia 5000

Share registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street
Adelaide, South Australia 5000

+61 8 8236 2300

Auditors

Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street
Adelaide, South Australia 5000

Directors

Anthony Kiernan AM
(Chair)

Bryn Jones
(Managing Director)

Tim Goyder
(Non-Executive Director)

Tim Wise
(Non-Executive Director)

Lucy Gauvin
(Non-Executive Director)

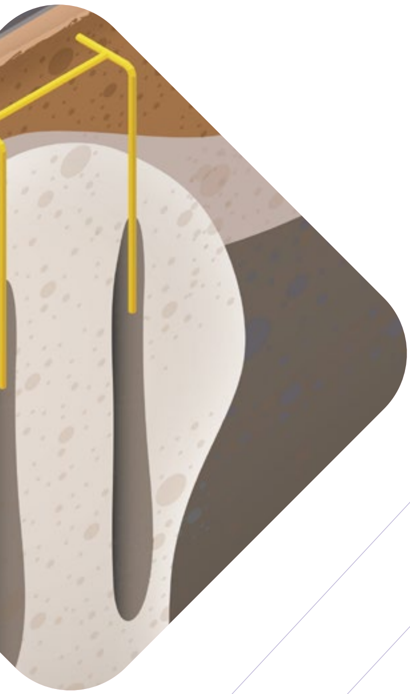
Company Secretary

Damien Connor

Contents

Principal activities

At entX we are focused on the development of innovative technologies aimed at recovering significant value from unconventional sources and waste streams.



These developments are underpinned by several platform enabling technologies and core capabilities that enable the team to operate in areas that have traditionally provided high barriers to entry.

This key value proposition provides a unique pathway to ultimately unlock commercial opportunities to meet a growing demand globally for resources and sustainable energy supplies.

entX has divided its business into four pillars each servicing a critical growth sector:

Space and Defence

Nuclear Medicine Supply Chains

(the Subsidiary is now called IsoMedica Pty Ltd)

Green Hydrogen and Clean Fuels

The Clean Energy Technology Incubator

Within these four pillars, entX prioritises its allocation of resources based on the potential of the project to:

- Provide near-term return on investment through cash generation; and
- Best enable entX to access large, long term markets for its products.

These pillars are inherently linked to key global strategic priorities for governments and industry.

Managing Directors' Summary

2023 was a transformational year for entX in further advancing its portfolio of technologies towards commerciality.

Furthering the development of the Space and Defence business has been a focus for the Company over the year with excellent progress being made on the GenX (long term, stable power generation) and Radioisotope Heating Units (providing heat to critical systems) technologies.

Traditional energy sources struggle to fulfil the demands of increasingly complex space, lunar and earth observation projects that demand maximum asset availability throughout the duration of missions.

The global space sector is experiencing rapid growth and is forecasted to generate a revenue of USD $1 trillion by 2040, with 5-10% (approx. USD $50 - $100B) allocated to energy supply*.

GenX

Recognizing the gap in long-duration energy options, entX is pioneering the GenX betavoltaic power generator. This innovative technology addresses the need for reliable, maintenance-free, fuel-free power systems in low earth orbit, lunar, deep space applications, as well as terrestrial devices for remote sensing and defence applications.

The GenX technology continues to be funded through a combination of the $6.2 million Co-operative Research Centre Project (CRC-P) grant, which commenced mid-2022, and a $5.5 million contract to deliver prototype GenX units during 2024.

Radioisotope Heater Units (RHUs)

Complimentary to our GenX technology, the team has developed a groundbreaking platform approach to lunar night survival with our RHU Technology. Unlike traditional RHUs, entX's RHU technology leverages its nuclear engineering skillsets and existing relationships with global neutron irradiation services, to develop and access commercially viable radioisotopes with improved safety profiles.

The Company plans to test the combination, initially in laboratory-based space simulators, to be followed by a maiden launch for Australian produced RHUs in 2025.

Nuclear Medicine Supply Chains

With the combination of our team's strong skill sets in nuclear science and our platform technologies, entX has been able to achieve rapid growth in our nuclear medicine supply chain business, IsoMedica, through the year and expects to be in a position to produce demonstration quantities of nuclear medicine pre-cursors into supply limited markets in 2024. This will allow our potential customers to validate our products and enable our team to assess economic assumptions for commercial production.

IsoMedica perfectly fits the entX ethos of taking underutilised or unwanted (waste) materials and developing valuable, sustainable resources with enormous societal benefits.

We are very pleased to be working with high quality partners in this IsoMedica journey including Tellus Holdings, operator of the Sandy Ridge low level waste facility, the University of South Australia and ASNTO in development of these processes.

Green Hydrogen

Our Green Hydrogen and Clean Fuels business has continued to develop our model of delivering Green Hydrogen projects, underpinned by industrial offtake and partnering with trusted OEM partners, with scope for regional growth.

The Kimberly-Clark Australia (KCA) project is a staged delivery of Green Hydrogen to the Millicent Mill, supported by Linde Engineering, is planned to assist KCA reach its carbon transition targets (LCH2 Project).

Reference: Morgan Stanley, 2020; Space: Investing in the Final Frontier

The Feasibility Study on the LCH2 Project is expected to be completed in the first half of 2024 and will enable the Board to consider a Final Investment Decision.

With an eye to making an investment decision, the Company has engaged with several strategic partners with an interest in investing in industrial decarbonization initiatives in Australia.

The Company has executed a Heads of Agreement with a confidential third party to invest in the LCH2 Project as an equity partner for development of the project. The investment is contingent on negotiation and execution of definitive transaction documentation.

For the Western Eyre Green Hydrogen, Ammonia and Methanol (WEHGAM) Project, entX continued with its review of historical data in exploration for ancient, deep salt caverns to store vast amounts of Green Hydrogen cost effectively.

This storage capability, if proven, has the potential to cornerstone an industrial complex where Green Hydrogen is produced, stored, and utilised to produce commodities such as green steel, ammonia and methanol in partnership with major industrial players.

The WEGHAM Project is receiving significant attention as a potential piece of hydrogen infrastructure that could enable downstream hydrogen derivative projects. The team is confident that if exploration for these salt sequences is successful, it will lead to a significant commercial opportunity for entX given the expected storage capacity of the salt sequences.

Clean Energy Technology Incubator

At the forefront of the Company's intellectual property capture and assessment business is the Clean Energy Technology Incubator (CETI) currently developing the Company's CarbonX (CO_2 conversion to products) technology, amongst others.

The Company's foundation technology, the PhosEnergy Process, for extraction of uranium as a by-product from phosphate fertilizer production, is again in the spotlight as a uranium supply-demand gap looms over the industry.

The uranium price in 2023 reached decades long highs of US$87 per pound. entX and its joint venture partner, Cameco, are now discussing the best path forward to evaluate the PhosEnergy Process in the current pricing environment.

There are many other great things in store for 2024 building on the significant momentum through 2023. I look forward to keeping you updated, fellow shareholder, as the year progresses.

Bryn Jones
Managing Director

Review of operations

Space and Defence

The Space and Defence pillar of the Company's business primarily focuses on energy solutions for applications that require long term, sustainable energy in the form of heat or electrical power.

GenX Energy

GenX Energy Units ("GenX Units") uniquely combine metals, semiconductors and beta-radiation into smart structures that produce constant DC power over very long time frames.

The highly reliable, low voltage power that can be produced by GenX Units is vital for a range of terrestrial devices in critical industry applications such as telecommunications and remote sensing systems where the supply of reliable constant power is a challenge.

GenX leverages betavoltaics, harnessing energy from the radioactive decay of beta-emitting isotopes. This process captures high-energy electrons to create a steady, long-lasting power source.

The entX advantage:

- **Unique Intellectual Property**
  entX possesses exclusive intellectual property for electrode configurations and semiconductor technology, ensuring market-leading power densities, efficiencies and simplified manufacturing.

- **Volume Manufacturing Philosophy:**
  Unlike competitors, entX adopts a volume manufacturing philosophy, facilitating a platform approach for broader applications and scalability.

- **Focus on Radioisotope Recycling**
  entX prioritises radioisotope recycling from waste streams, offering a sustainable, long-term supply of low-cost materials.

GenX has gained endorsement from third-party end users and experts. entX secured highly competitive grant support from Australia's Cooperative Research Centres Projects (CRC-P) scheme with a $6.2 million total program, as well as accelerated commercial prototype funding from an end user within the Australian Government with a $5.5 million contract to deliver prototype GenX units during 2024, which together continue to fund the GenX technology development.

The CRC-P program utilises specialist skills from entX's partners at the University of South Australia, the University of Adelaide and the University of Western Australia, as well as important contributions from industry partners Duromer and DEWC Systems (now Asension).

The CRC-P program is aimed at establishing a highly efficient, economically robust manufacturing process for the GenX units. This will involve building numerous units which will be used in field tests due to commence in less than three years.

entX's GenX has the potential and capacity to revolutionise power management in space, defence and remote sensing. With groundbreaking technology, a unique skillset and strategic focus on sustainability, entX is well positioned to meet the escalating demands of the evolving global space and defence sector.

Developing an Australian supply chain for Radioisotope Heater Units ("RHUs")

The space sector is experiencing unprecedented growth, driven by SpaceX's transformative impact on launch economics. With lunar exploration on the horizon, a new lunar economy is emerging, fuelled by private space sector growth and geopolitical dynamics.

Payload developers encounter significant obstacles in the face of lunar missions due to harsh environmental conditions, including drastic temperature fluctuations. Pioneering lunar missions are typically constrained to a single lunar day, as the daunting task of surviving the lunar night, where temperatures can plummet to below -190°C (-310°F), becomes a significant hurdle for onboard electronics, which are unlikely to withstand the extreme conditions.

Existing solutions to lunar night survival are problematic; plutonium-based RHUs encounter complex and restrictive supply chains, while battery solutions demand an energy management rationale that can compromise mission or experimental operations. Moreover, both batteries and emerging fuel cell technology contribute to heightened mass, potentially leading to a substantial cost escalation during lunar night survival, given the reported delivery cost of a payload to the lunar surface of $1.2M/kg.

entX has developed a groundbreaking platform approach to lunar night survival. Unlike traditional RHUs, entX's technology leverages its nuclear engineering skillsets with its existing relationships with global neutron irradiation services to develop and access commercially viable radioisotopes with improved safety profiles.

A program is underway to couple the Company's RHU design with a thermal management system designed for space applications. The Company plans to test the combination, initially in laboratory-based space simulators, followed by a maiden launch for Australian produced RHUs in 2025. This work is being conducted under a funding agreement with the Innovative Launch, Automation, Novel Materials, Communications and Hypersonics (iLAuNCH); a program designed to build Australia's sovereign space capability by addressing critical gaps and accelerating development of a space manufacturing sector.

A prototype RHU fuel pellet is currently being prepared at ANSTO for characterisation and testing. If that testing is successful, the Company expects to be able to provide specifications for commercial supply in 2024.

Review of operations

IsoMedica - Nuclear Medicine Supply Chains

The team at entX have an in-depth working knowledge of both the nuclear medicine industry and the resources industry.

IsoMedica

We are leveraging both of these skill sets towards developing nuclear medicine pre-cursors for the medical industry. We have now branded this focused effort to commercialise wastes and other underutilised materials from the resources industry into the medical industry as "IsoMedica".

Based in the South Australia Medical Health Research Institute (SAHMRI), IsoMedica is commercialising our Minerals to Medicine project. The focus here is on creating sovereign supply chains from accessing specific radioisotopes of Thorium and Radium, which are essentially unwanted and present as Normally Occurring Radioactive Materials (NORMs) in Rare Earth Element Monazite and in mining and industrial wastes.

These isotopes are secured via our unique extraction technology to produce the precursor material that is necessary for the supply of Lead-212 to generators located in Oncology units of major hospitals around the country, and with the partnerships in place, very quickly around the world.

Additionally, IsoMedica is progressing a novel process for the commercial supply of 176 Yb as a feedstock to 177 Lu production. This initial proof-of-concept work has been highly encouraging, and planning is underway to test the developed technology at a scale approaching commercial scale in 2024.

The medical isotope sector involves the production and distribution of radioactive materials used for diagnostic imaging and cancer treatment in medicine.

The global radiopharmaceuticals market is poised for significant growth, with a forecast value of over $21 billion by 2032 and growing 10 per cent annually*.

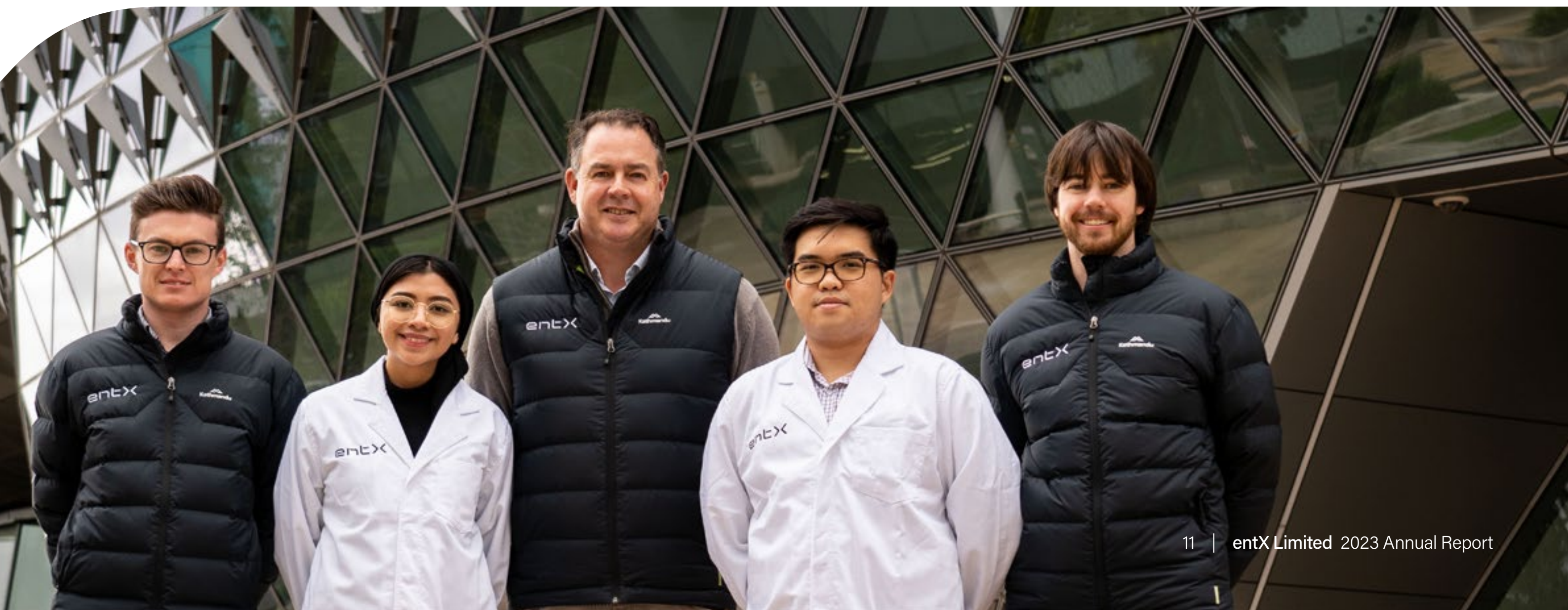
IsoMedica is well placed to rapidly develop and scale the existing extraction processes. With a core capability in Nuclear and Materials science along with Chemical Engineering, development is ongoing in the laboratories within SAHMRI. We are better understanding the conversion efficiencies and ensuring that output capacities are well understood.

IsoMedica and its parent company entX Limited have early agreements with suppliers and customers. Upstream supply has been secured with a Joint Development Agreement (announced in 2023) with Tellus Holdings, the only Australian commercial low level waste repository. Under this JDA, IsoMedica will receive target isotopes for processing using our extraction process.

A further supply agreement is currently in negotiation with a northern European source of precursor material, and access to their proprietary extraction process. With a focus on global deployment of that business model, there is the potential to generate revenue earlier than initially forecast.

Subject to successful development, the Company could begin producing commercial quantities of these nuclear medical feedstocks by end 2024.

Reference: [Precedence Research (2023) Radiopharmaceuticals Market Size, Report By 2032.]



Green Hydrogen and Clean Fuels

The Green Hydrogen and Clean Fuels pillar of the Company's business is focused on technology deployment into clean, carbon neutral energy projects.

The entX Green Hydrogen business is built on key differentiators:

- Delivering clean energy solutions to Industrial offtake partners; and
- Infrastructure scale hydrogen storage to enable the efficient development of down-stream green products.

The Limestone Coast Hydrogen Hub (LCH2)

The Company is working with Kimberly-Clark Australia (KCA) on a staged delivery of Green Hydrogen, supported by Linde Engineering, to the Millicent Mill to assist KCA reach their carbon transition targets (LCH2 Project).

A Feasibility Study on the LCH2 Project is expected to be completed in the first half of 2024 and will enable the Board to consider a Final Investment Decision. With an eye to making an investment decision the Company has engaged with several strategic partners with an interest in investing in industrial decarbonization initiatives in Australia.

entX has executed a Heads of Agreement with a confidential third party to invest in the LCH2 Project as an equity partner for development of the project. The investment is contingent on negotiation and execution of definitive transaction documentation.

Green Hydrogen and Clean Fuels

The Western Eyre Green Hydrogen, Ammonia and Methanol (WEGHAM) Project

During the period the Company progressed the investigation into infrastructure-scale green hydrogen projects in the Polda Basin, on South Australia's Eyre Peninsula.

The Polda has been assessed as a significant site for the future of hydrogen project development in Australia, centered around the potential to store vast amounts of hydrogen in ancient, deep salt deposits. Engineered salt caverns are universally recognised as the most cost-effective and safest form of hydrogen storage.

The ability to store commercial quantities of hydrogen is pivotal to the development of a green hydrogen production facility to enable a reliable and cost-effective feedstock supply for green industrial users, such as green steel, ammonia and methanol processing plants, which could be built in close proximity to the hydrogen storage and production facility.

entX executed a sales contract for the purchase of 121Ha coastal frontage land 10km North of Elliston. The land is of strategic importance in consideration of likely location of both onshore and near-shore salt deposits.

During the period the company continued its evaluation and reprocessing of historical data to assess the extent of salt deposition within the Polda Basin, to access the hydrogen storage capacity of the salt deposits.

The WEGHAM Project is receiving significant attention as a piece of hydrogen infrastructure to enable downstream hydrogen derivative projects. The team is confident that if exploration for these salt sequences is successful, it will lead to a significant commercial opportunity for entX given the expected storage capacity of the salt sequences.

The Company's hydrogen storage exploration tenure is currently represented below (refer map below and Table 1 on the opposite page).

Hydrogen storage tenure in the Western Eyre Peninsula

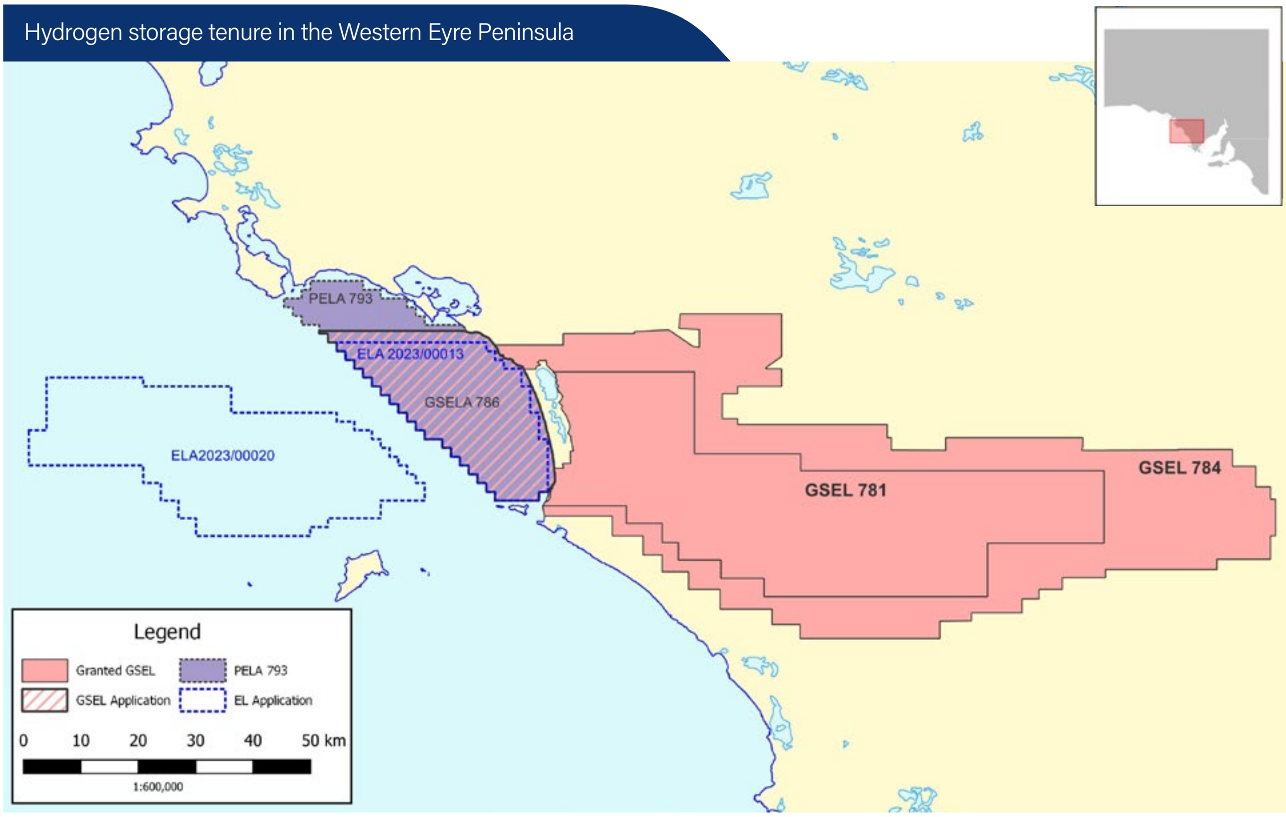
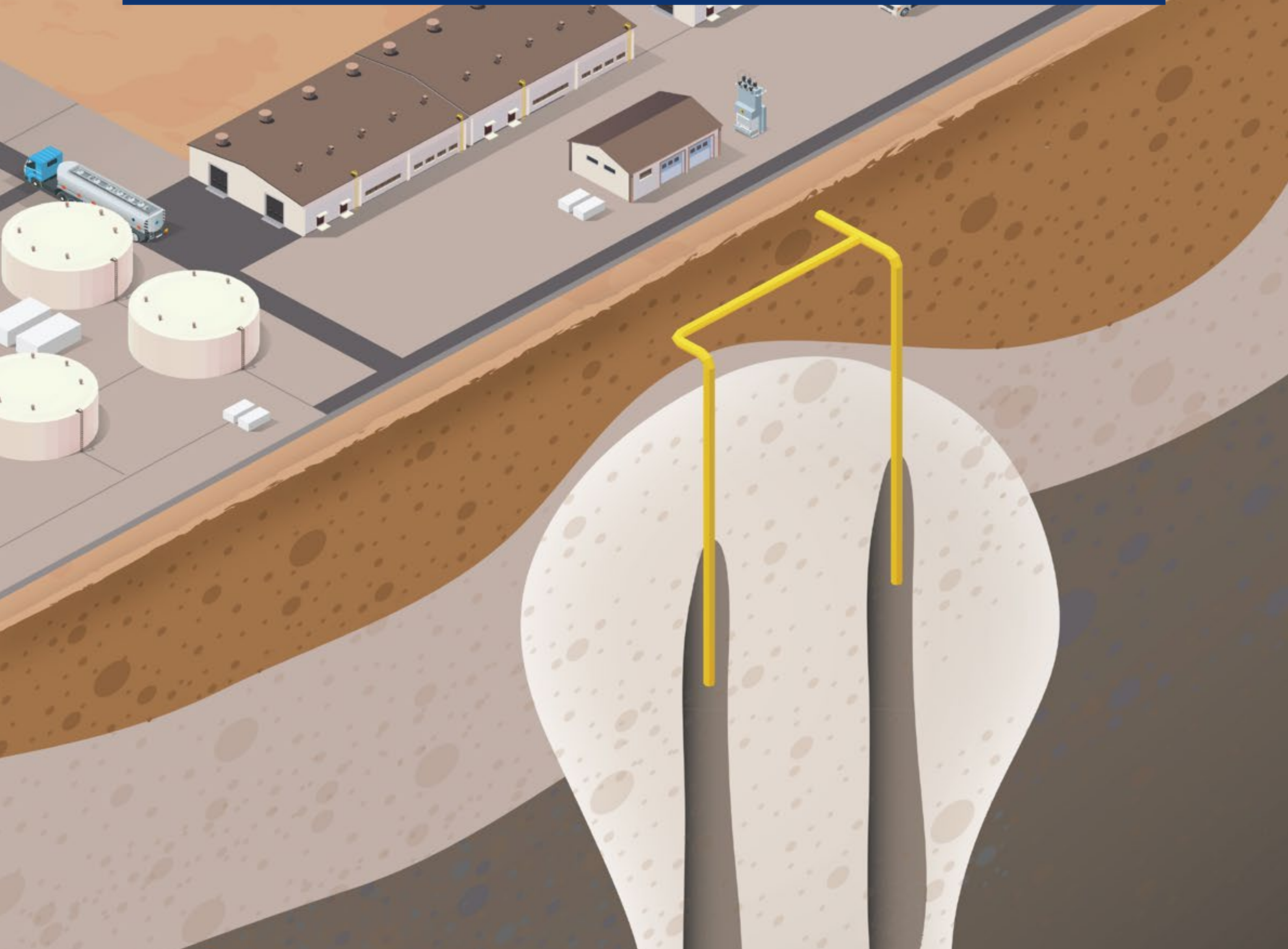


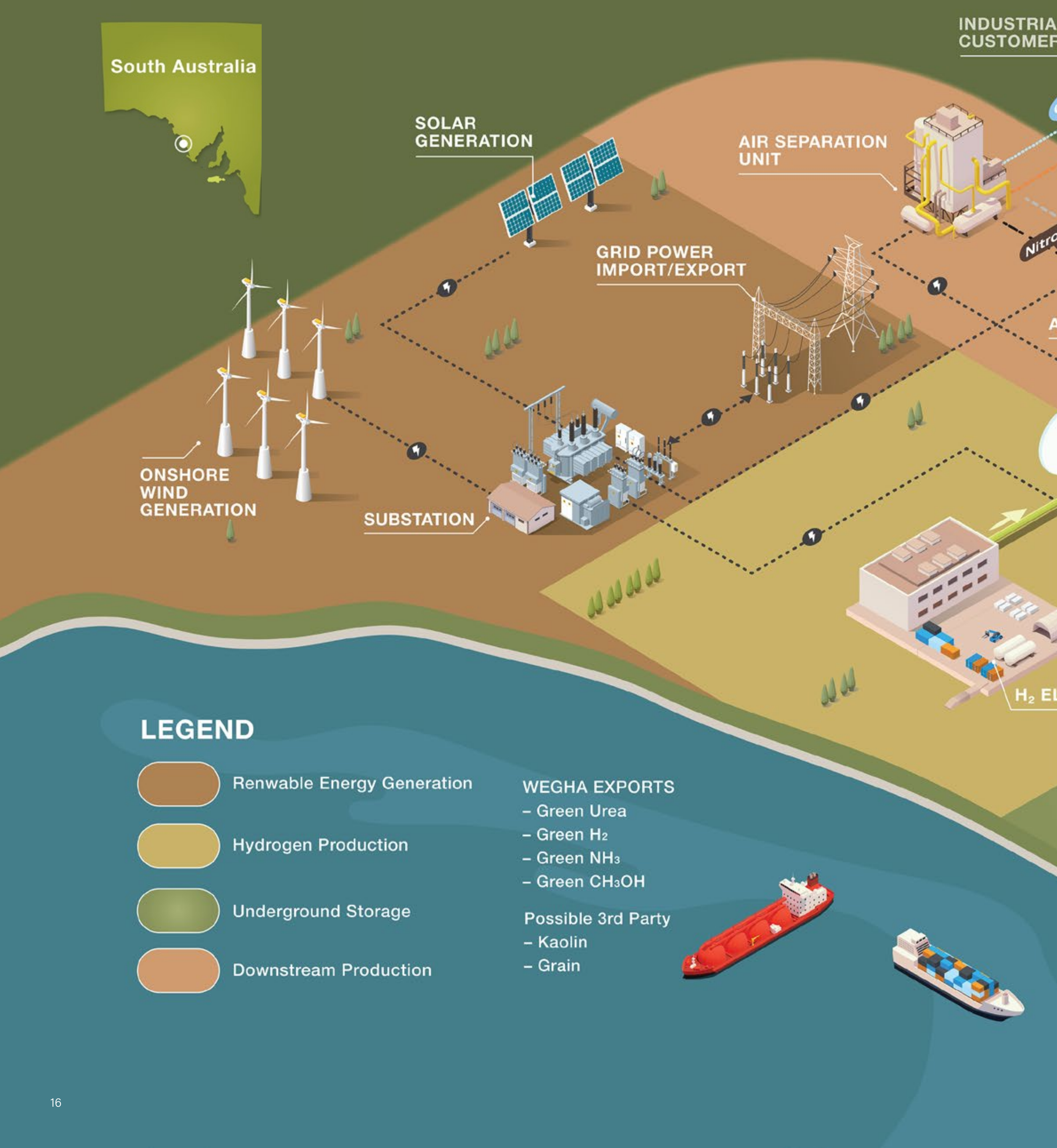
Table 1 – entX Polda Basin gas storage exploration tenure

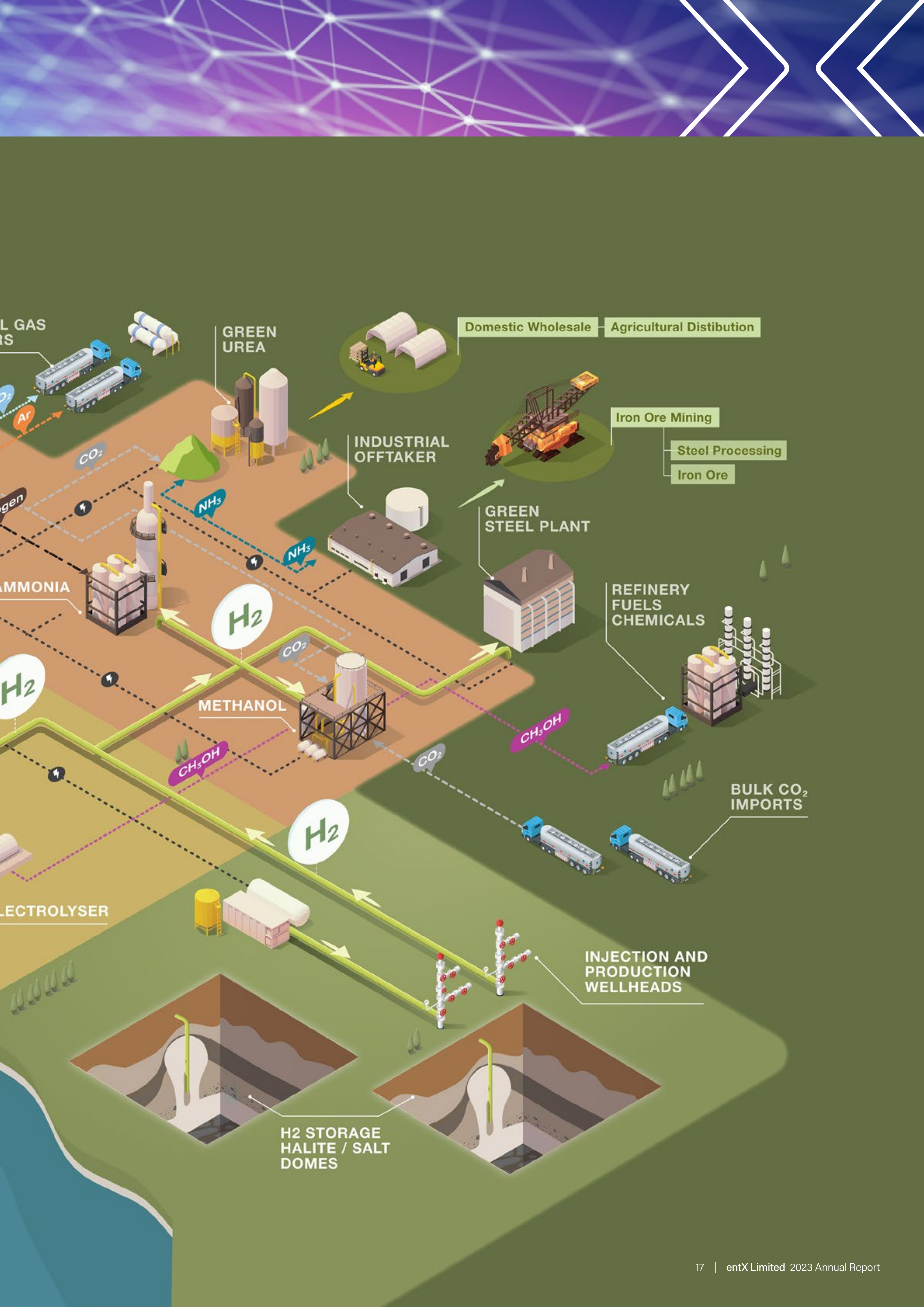
Tenement	Registered holder/ applicant	Permit status	Grant date (application date)	Expiry date	Area (km2)	Interest
GSEL 781	entX Limited	Granted	3 April 2023	3 April 2028	2,497	100%
GSEL 784	entX Limited	Granted	3 April 2023	3 April 2028	2,500	100%
GSELA 786	entX Limited	Application	21 March 2023	N/A	983	100%
ELA 2023/00013	entX Limited	Application	2 March 2023	N/A	682	100%
EL 2023/00020 SA-8-MEL	entX Limited	Application	21 March 2023	N/A	1,429	100%
PELA 793	entX Limited	Application	2 April 2024	N/A	983	100%



Green Hydrogen and Clean Fuels

Western Eyre Green Hydrogen Ammonia Methanol precinct conceptual scope




L GAS
RS
GREEN
UREA
Domestic Wholesale
Agricultural Distibution
Iron Ore Mining
Steel Processing
Iron Ore
INDUSTRIAL
OFFTAKER
GREEN
STEEL PLANT
REFINERY
FUELS
CHEMICALS
AMMONIA
METHANOL
BULK CO_2
IMPORTS
LECTROLYSER
INJECTION AND
PRODUCTION
WELLHEADS
H2 STORAGE
HALITE / SALT
DOMES
H_2
CO_2
NH_3
CH_3OH
Ar

Clean Energy Technology Incubator (CETI)

The CETI is dedicated to opportunity evaluation, intellectual property (IP) capture and proof of concept.

It is where the entX team monitors trends in sector and technology development and conceptualises or acquires new technology opportunities for rapid testing and evaluation.

Among other early-stage technologies, the CETI is currently developing the CarbonX Process.

CarbonX Process

The CarbonX Process is a technology for the conversion of waste carbon dioxide (CO_2) into methanol and other commercial organic compounds without prohibitive energy input.

This technology has the potential to revolutionise carbon emitting industries that are currently reliant on emerging carbon capture, utilisation and storage technologies (CCUS) to meet emissions targets. Until now, the conversion of CO_2 into useable chemicals has been technically possible but commercially challenging, with existing technologies hampered by the large amount of energy input required.

The CarbonX Process offers the opportunity of a low-cost solution, with low energy input, to deliver a range of commercially viable products, including methanol and other C1 and C2 carbon compounds.

The PhosEnergy Process

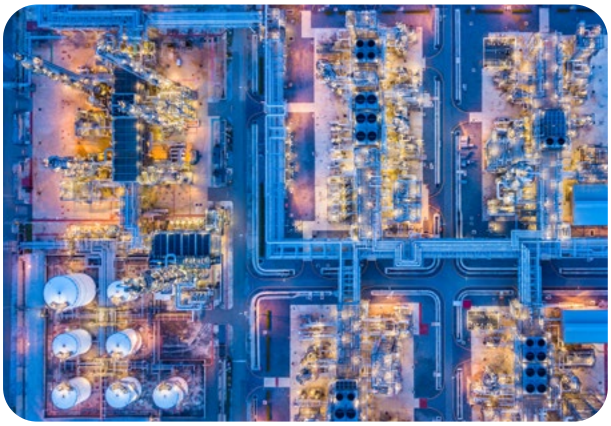
The Company's foundation technology is the PhosEnergy Process; a patented technology developed to recover uranium from phosphate fertiliser production.

EntX and global uranium company Cameco Corporation ('Cameco') are jointly commercialising the PhosEnergy Process, which is beneficially owned 74.21% by Cameco and 25.79% by entX.

The nuclear industry experienced steady growth through 2023, fuelled by increasing global energy demands and efforts to transition to cleaner sources of power. Countries around the world continued to invest in nuclear power as a reliable and low-carbon energy option, with numerous new reactors coming online and existing ones undergoing upgrades and life extensions.

This growth in the nuclear industry had a significant impact on the price of uranium. As demand for uranium increased, alongside the expansion of nuclear power generation, the price of uranium saw an upward trend. This was particularly notable given the tight supply-demand dynamics in the uranium market, as new mine developments struggled to keep pace with rising demand.

The growth of the nuclear industry through 2023 led to sharp price increases, with uranium reaching a decades' long high of US$87 per pound.



The PhosEnergy Process, for recovering uranium from the phosphate fertilizer industry, has the potential to play a significant role in the strengthening nuclear fuel market with sustainably sourced uranium.

The uranium from the PhosEnergy Process not only has the potential to provide cost-competitive uranium, but also reduce the environmental distribution of uranium through the broad-acre application of phosphate fertilizers.

entX and its development partner, Cameco, are now discussing the best path forward to evaluate the PhosEnergy Process in the current pricing environment.

Sustainable Development

We understand that developing the energy technologies of the future in a sustainable way is essential to our operating and financial success.

We are committed to integrating and promoting sustainability into all facets of our business.

For us, that means, building the foundations of Trust, Respect and Acceptance through:

- **Minimising our environmental footprint.**
- **Managing our people (social) to ensure we provide a safe, respectful and inclusive workplace.**
- **Building prosperity within the local communities at locations where we operate; and**
- **Providing strong governance frameworks to maintain accountability and uphold company values.**

As we continue to grow, we maintain a steady focus on our efforts to demonstrate greater levels of transparency, consistency, and comparability across our environmental, social and governance (ESG) disclosures.

This will provide a benchmark to not only measure our performance as a leader in the development of new clean energy technologies and implementation of clean fuels projects, but ensure we maintain a 'first mover' advantage within the market.

Directors Report

Your Directors present their report together with the financial statements of the consolidated entity, being entX Limited ("entX", "Company") and its controlled entities ("the Group") for the year ended 31 December 2023 and the Independent Audit Report thereon.

Director details

The names of Directors who held office during or since the end of the financial year and until the date of this report are as below.

Directors were in office for this entire period unless otherwise stated.

Mr Anthony Kiernan AM
Non-executive Chairman
(Appointed 1 July 2013)

Mr Bryn Jones
Managing Director
(Appointed 1 July 2013)

Mr Timothy Goyder
Non-executive Director
(Appointed 1 July 2013)

Mr Timothy Wise
Non-executive Director
(Appointed 26 March 2019)

Ms Lucy Gauvin
Non-executive Director
(Appointed 31 December 2021)

Directors Report

Information on continuing Directors

Mr Anthony Kiernan AM

LLB

Non-executive Chairman

Mr Kiernan is a former solicitor with extensive experience gained over 35 years in the management and operation of listed public companies.

Mr Kiernan is the Non-executive Chair of Genesis Minerals Limited (ASX: GMD) and in January 2024 retired from his role as Non-executive Chair of Pilbara Minerals Limited (ASX: PLS).

He is a former Non-executive Chair of Saracen Mineral Holdings Limited (ASX: SAR) and Northern Star Resources Limited (ASX: NST).

Bryn Jones

BAppSc, MMinEng, FAusIMM

Managing Director, Co-founder

Mr Jones is an Industrial Chemist with extensive evaluation, development and operational experience in the minerals industry across various commodities.

Mr Jones has also been at the forefront of entX Limited's technology commercialisation and has participated in several other technology commercialisation and innovation efforts over his career.

Mr Jones is also a Non-Executive Director of Boss Resources Ltd (ASX: BOE), DevEx Resources Ltd (ASX: DEV) and Australian Rare Earths Ltd (ASX:AR3).

Mr Timothy Goyder

Non-executive Director

Mr Goyder is a Perth-based mining investor with a strong record of successful investments and value creation in the Australian and international resources sector. He is a major shareholder of entX Limited.

Mr Goyder is experienced in all facets of the exploration and mining industries both in Australia and internationally and has a thorough understanding of the Australian and global equities markets having raised significant capital on the ASX during his career.

Mr Goyder is currently the Chairman of Liontown Resources Limited (ASX: LTR), Chairman of DevEx Resources Limited (ASX: DEV), Non-Executive Director of Minerals 260 Limited (ASX: MI6) and former Chairman of Chalice Mining Limited (ASX: CHN).

Mr Timothy Wise

BSc.

Non-executive Director

Mr Wise has over 25 years' experience in both public and private companies.

He is a founder and former CEO of The Tap Doctor and Kalina Power Limited (ASX:KPO). He has advised numerous public and private companies as both a director and consultant.

Mr Wise is currently a non-executive director of TMK Energy Limited (ASX: TMK) and Firesafe Group.

Ms Lucy Gauvin

BCom (CorpFin), LLB

Ms Gauvin has 20 years' experience as a corporate and commercial lawyer with a primary focus in the energy and resources industry.

Ms Gauvin is General Counsel of ASX listed Strike Energy Limited (ASX: STX), and prior to that was a Partner in the Corporate and Commercial team at national law firm Piper Alderman.

Ms Gauvin's corporate and commercial experience includes asset acquisitions and disposals, commodity sales, joint ventures, project development and financing, IPOs, capital raisings, mergers and acquisitions, corporate governance and compliance.

Mr Damien Connor

B.Com, CA, GAICD, AGIA

Company Secretary

Mr Connor is an experienced Company Secretary and CFO, with over 20 years finance and accounting experience including 15 years in the mining and mineral exploration industry.

Damien is a member of the Chartered Accountants of Australia and New Zealand (Chartered Accountant), an associate member of the Governance Institute of Australia (Chartered Secretary) and a graduate of the Australian Institute of Company Directors.

Damien has been providing Company Secretary and CFO services to a number of ASX listed and unlisted entities since 2011.

Financial review

As at 31 December 2023, the Group had net assets of $3,624,975 (31 December 2022: $3,177,931) and cash at bank of $3,250,955 (31 December 2022: $3,169,076).

The Group reported a net loss for the year of $2,546,581 (31 December 2022: $2,855,767) and includes:

- Employee benefits expense of $2,059,618 (31 December 2022: $1,476,544), which is net of direct personnel costs allocated to technology research activities).
- Direct expenditure on progression of technology research activities (including allocation of direct personnel costs) of $3,591,595 (2022: $1,657,743). The increase reflects both an increase in staff as well as an increase in activities during the reporting period.
- Corporate consulting and business development expenditure of $871,723 (31 December 2022: $325,607). The increase is primarily related to increased expenditure on the Company's South Australian hydrogen projects.

The above expense items are offset by:

- An income amount of $1,100,000, being the estimated research and development tax incentive receivable based on associated expenditure for the year ended 31 December 2023 (31 December 2022: $765,427. Comprised of $430,000 estimate for FY22 incentive claim and $335,427 associated with FY21 actual incentive claim)
- Government and other grant income of $3,876,740 (31 December 2022: $600,044), primarily related to the Company's GenX energy unit technology.

During the reporting period, the Group's net cash position increased by $81,879 from $3,169,076 (1 January 2023) to $3,250,955 (31 December 2023) and the Group has no corporate debt.

Key cash outflows for the period were:

- Payments to suppliers and employees of $6,516,508 (31 December 2022: $3,260,097)
- Acquisition of a property (land and buildings) in Elliston, South Australia ($635,756). The property was acquired by the Company to support ongoing activities at the Western Eyre Green Hydrogen Ammonia Methanol project.
- Payment for intellectual property assets and plant and equipment of $275,218 (31 December 2022: $171,991)

Key cash inflows for the period were:

- Grant and other government income of $4,364,128 (31 December 2022: $636,794)
- Funding associated with the issue of new shares in the Company $2,729,934 (31 December 2022: $798,750)
- Research and development tax incentive receipt of $479,640 in respect of the claim for the year ended 31 December 2022 (31 December 2022: $435,863).
- Corporate office rental of $102,819 (31 December 2022: $128,197)
- Urtek LLC management fees of $40,304 (31 December 2022: $43,692)

Changes in equity

The following changes in equity took place during the year ended 31 December 2023:

Shares

The number of fully paid ordinary shares (Shares) on issue increased from 120,037,609 (1 January 2023) to 133,187,609 (31 December 2023), consisting of:

During the year 13,274,670 fully paid ordinary shares, in aggregate, were issued at a price of $0.20 per share to raise $2,654,934 (before costs), pursuant to a share placement to sophisticated and professional investors.

Unlisted Options

The number of unlisted options (Options) on issue decreased from 16,229,334 (1 January 2023) to 15,396,001 (31 December 2023), due to of the following:

- 750,000 Options issued on 24 March 2022 were forfeited in accordance with the terms on which they were issued.
- A further 83,333 unvested LTI Options, exercisable at $0.145 and expiring on 31 December 2024, were forfeited in accordance with the terms on which they were issued.

Refer Note 19 for further details regarding Options on issue and associated movements during the year.

Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the year ended 31 December 2023, other than as disclosed in this report.

Dividends

There were no dividends paid, recommended or declared during the current or previous reporting period, or as at the date of this report.

Events arising since the end of the reporting period

The Company issued 745,000 new Shares, in aggregate, to sophisticated and professional investors pursuant to a Share Placement (Placement). Placement Shares were issued at $0.20 per share, comprising as follows:

- 240,000 new Shares issued on 12 January 2024, raising $48,000 (before costs).
- 130,000 new Shares issued on 30 January 2024, raising $26,000 (before costs).
- 375,000 new Shares issued on 29 February 2024. The $75,000 in proceeds for the issue were received prior to 31 December 2023. This amount has been recorded within the 'Other Equity' balance on the Statement of Financial Position as at 31 December 2023.

On 13 February 2024 ETX Medical Pty Ltd was incorporated as a wholly owned subsidiary of entX Limited. On 19 March 2024 ETX Medical Pty Ltd changed its name to IsoMedica Pty Ltd.

There were no further significant events after the reporting date.

Likely developments

There are no likely developments that will impact on the Group other than as disclosed elsewhere in this report.

Directors' meetings

The number of formal meetings of Directors held during the year and the number of meetings attended by each Director are tabled below.

DIRECTOR	BOARD OF DIRECTORS		AUDIT & RISK MANAGEMENT COMMITTEE	
	A	B	A	B
Anthony Kiernan	13	11	-	-
Bryn Jones	13	13	2	1
Timothy Goyder	13	12	-	-
Timothy Wise	13	13	2	2
Lucy Gauvin	13	12	2	2

Where:

Column A is the number of meetings the Director was entitled to attend.

Column B is the number of meetings the Director attended

Option holdings of Directors and other Key Management Personnel

The movement during the reporting period in the number of Options over Shares in the Company held directly, indirectly or beneficially by each Director and other members of the Key Management Personnel, including their related parties, is listed below.

	HELD AT 1 JANUARY 2023	GRANTED AS COMPENSATION	EXERCISED	LAPSED/ FORFEITED	HELD AT 31 DECEMBER 2023	VESTED AND EXERCISABLE AT 31 DECEMBER 2023
DIRECTORS						
Anthony Kiernan	1,250,000	-	-	-	1,250,000	1,250,000
Timothy Goyder	1,000,000	-	-	-	1,000,000	1,000,000
Bryn Jones	3,662,667	-	-	-	3,662,667	312,667
Timothy Wise	1,000,000	-	-	-	1,000,000	1,000,000
Lucy Gauvin	1,000,000	-	-	-	1,000,000	1,000,000
EXECUTIVES			-	-		
Damien Connor[1]	750,000	-	-	-	750,000	750,000
TOTAL	**8,662,667**	**-**	**-**	**-**	**8,662,667**	**5,312,667**

No further Options have been issued, vested, exercised into Shares, forfeited or cancelled subsequent to the end of the reporting period and as at the date of this report.

Unissued shares under options

At the date of this report, there are 15,396,001 Options on issue. Refer to Note 19 for further details of the Options outstanding as at 31 December 2023.

Shares issued during or since the end of the reporting period as a result of exercise of options and performance rights

No Shares have been issued during or since the end of the reporting period as a result of exercise of Options.

Environmental legislation

EntX's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

Indemnities given to, insurance premiums paid for, auditors and officers

During the reporting period, entX paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors and Officers of the Company.

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 to cause detriment to the Group.

Details of the amount of the premium paid in respect of the 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 reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

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.

Non-audit services

Details of the amounts paid or payable to the auditor for services provided during the financial year by the auditor, Grant Thornton Audit Pty Ltd, are outlined in Note 24 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in Note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 31 of this annual report and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.

Bryn Jones
Managing Director

22 April 2024

Grant Thornton

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of entX Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of entX Limited for the year ended 31 December 2023, I declare that, 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; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

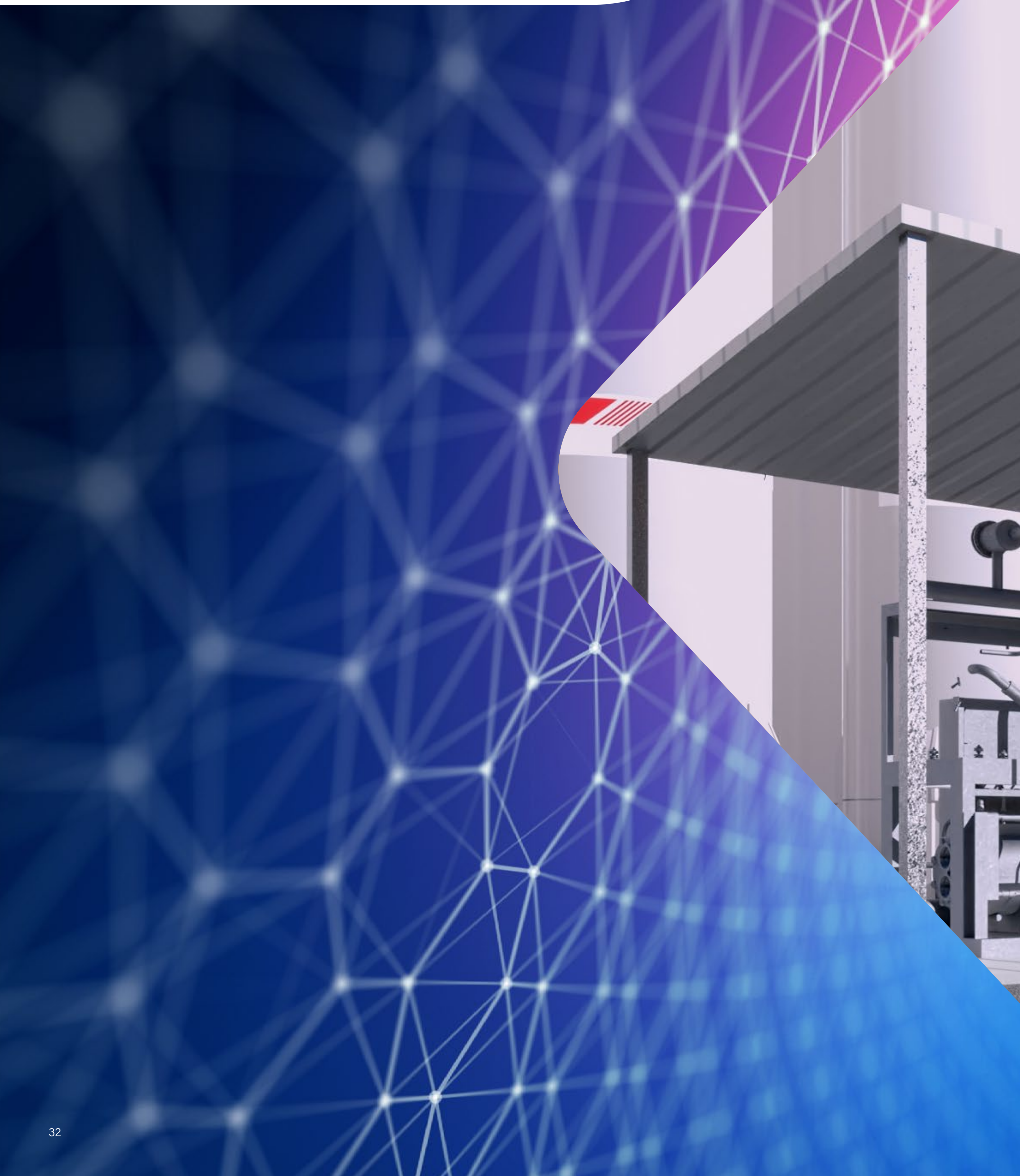
J L Humphrey
Partner – Audit & Assurance

Adelaide, 22 April 2024

www.grantthornton.com.au
ACN-130 913 594

Financial Report

For the year ended 31 December 2023



Consolidated statement of profit or loss and other comprehensive income FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	31 DECEMBER 2023 $	31 DECEMBER 2022 $
REVENUE			
Revenue from ordinary activities	5(a)	40,304	43,692
Other income	5(b)	5,127,840	1,525,158
		5,168,144	**1,568,850**
EXPENSES			
Depreciation and lease amortisation expense		(237,275)	(138,497)
Amortisation of intangibles		(28,477)	(18,209)
Technology research expenses		(3,591,595)	(1,657,743)
Corporate consulting and business development expenses		(871,723)	(325,607)
Employee benefits expense		(2,059,618)	(1,476,554)
Share based payments	19	(322,691)	(439,511)
Other expenses	6	(586,018)	(355,695)
		(7,697,397)	**(4,411,816)**
Loss before financing costs		**(2,529,253)**	**(2,842,966)**
Finance costs		(17,328)	(12,801)
Loss before income tax		**(2,546,581)**	**(2,855,767)**
Income tax benefit	7	-	-
Loss attributable to owners of the parent		**(2,546,581)**	**(2,855,767)**
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations – gain / (loss)		(254)	(677)
Other comprehensive loss net of tax		**(254)**	**(677)**
Total comprehensive loss attributable to owners of the parent		**(2,546,835)**	**(2,856,444)**
Basic and diluted loss per share (cents per share)	8	(1.90)	(2.19)

The accompanying notes form part of the financial statements.

Consolidated statement of financial position

AS AT 31 DECEMBER 2023

	NOTES	31 DECEMBER 2023 $	31 DECEMBER 2022 $
ASSETS			
Current assets			
Cash and cash equivalents	9	3,250,955	3,169,076
Trade and other receivables	10	1,139,687	1,872,615
Contract assets	5(b), 27	155,996	-
Total current assets		**4,546,638**	**5,041,691**
Non-current assets			
Intangible assets	12	525,683	361,537
Property, plant and equipment	13	742,184	58,059
Right to use asset – office and lab facility leases	15	366,316	230,014
Total non-current assets		**1,634,183**	**649,610**
Total assets		**6,180,821**	**5,691,301**
LIABILITIES			
Current liabilities			
Trade and other payables	14	720,855	392,824
Contract liabilities	5(b), 27	729,412	1,343,558
Lease liability	15	234,005	124,070
Employee benefits	18	700,350	519,094
Total current liabilities		**2,384,622**	**2,379,546**
Non-current liabilities			
Lease liability	15	154,556	130,857
Employee benefits	18	16,668	2,967
Total non-current liabilities		**171,224**	**133,824**
Total liabilities		**2,555,846**	**2,513,370**
NET ASSETS		**3,624,975**	**3,177,931**
EQUITY			
Issued capital	16	12,109,042	9,512,854
Other Equity	16	75,000	-
Reserves	17	1,241,695	919,258
Accumulated losses		(9,800,762)	(7,254,181)
Total equity		**3,624,975**	**3,177,931**

The accompanying notes form part of the financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2023

31 DECEMBER 2023	ISSUED CAPITAL $	OTHER EQUITY $	FOREIGN CURRENCY TRANSLATION RESERVE $	SHARE BASED PAYMENT RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 January 2023	**9,512,854**	**-**	**276,244**	**643,014**	**(7,254,181)**	**3,177,931**
Loss for the year	-	-	-	-	(2,546,581)	**(2,546,581)**
Other comprehensive loss, net of income tax	-	-	(254)	-	-	**(254)**
Total comprehensive loss	**-**	**-**	**(254)**	**-**	**(2,546,581)**	**(2,546,835)**
Shares issued during the year	2,654,934	-	-	-	-	**2,654,934**
Subscriptions received in advance [1]	-	75,000	-	-	-	**75,000**
Cost of shares issued during the year	(58,746)	-	-	-	-	**(58,746)**
Share based payments	-	-	-	322,691	-	**322,691**
Balance as at 31 December 2023	**12,109,042**	**75,000**	**275,990**	**965,705**	**(9,800,762)**	**3,624,975**

1 Funds received pursuant to a Share Placement. The associated Placement Shares (375,000 Shares) were issued subsequent to 31 December 2023 (issued on 29 February 2024).

31 DECEMBER 2022	ISSUED CAPITAL $	OTHER EQUITY $	FOREIGN CURRENCY TRANSLATION RESERVE $	SHARE BASED PAYMENT RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 January 2022	**8,714,104**	**-**	**276,921**	**260,134**	**(4,455,045)**	**4,796,114**
Loss for the year	-	-	-	-	(2,855,767)	**(2,855,767)**
Other comprehensive loss, net of income tax	-	-	(677)	-	-	**(677)**
Total comprehensive loss	**-**	**-**	**(677)**	**-**	**(2,855,767)**	**(2,856,444)**
Shares issued during the year	798,750	-	-	-	-	**798,750**
Share based payments	-	-	-	439,511	-	**439,511**
Transfer of share-based payments reserve to retained earnings	-	-	-	(56,631)	56,631	**-**
Balance as at 31 December 2022	**9,512,854**	**-**	**276,244**	**643,014**	**(7,254,181)**	**3,177,931**

The accompanying notes form part of the financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	31 DECEMBER 2023 $	31 DECEMBER 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		143,122	171,889
Grant and other Government income received		4,364,128	636,794
Receipt of research and development tax concession		479,640	435,863
Interest received		25,025	9,387
Payments to suppliers and employees		(6,516,508)	(3,260,097)
Net cash outflows from operating activities	26	**(1,504,593)**	**(2,006,164)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(72,927)	(18,013)
Payments for land and buildings		(635,756)	-
Payments for intellectual property assets		(202,291)	(153,978)
Net cash outflows from investing activities		**(910,974)**	**(171,991)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability	15	(232,488)	(138,338)
Proceeds from issue of shares	16	2,654,934	798,750
Subscription received in advance		75,000	-
Payments for the costs of shares issued		-	-
Net cash inflows from financing activities		**2,497,446**	**660,412**
Net increase / (decrease) in cash and cash equivalents		81,879	(1,517,743)
Cash and cash equivalents at beginning of the period		3,169,076	4,686,819
Cash and cash equivalents at 31 December	9	**3,250,955**	**3,169,076**

The accompanying notes form part of the financial statements.

Basis of preparation

Basis of performance for the year

Assets

Liabilities and equity

Employee benefits and Share-based payments

Financial instruments

Group composition

Liabilities and equity

Accounting policies

Basis of preparation

This Section of the financial report sets out the Group's (being entX Limited and its controlled entities) accounting policies that relate to the Financial Statements as a whole. Where the accounting policy is specific to one Note, the policy is described in the Note to which it relates.

The Notes include information which is required to understand the Financial Statements and is material and relevant to the operations and the financial position and performance of the Group.

Information is considered relevant and material if:

- The amount is significant due to its size or nature
- The amount is important in understanding the results of the Group
- It helps to explain the impact of significant changes in the Group's business
- It relates to an aspect of the Group's operations that is important to its future performance.

NOTE 1 – Corporate information

The consolidated financial report of entX Limited for the year ended 31 December 2023 was authorised for issue in accordance with a resolution of Directors on 22 April 2024.

entX is founded on a portfolio of innovative technologies delivering clean energy solutions and capability across the space and defence, green hydrogen, industrial decarbonisation and nuclear medicine sectors.

Note 2 – Reporting entity

The consolidated financial report comprises the financial statements of entX Limited ("Company" or "Parent" or "entX") and its subsidiaries ("the Group") for the year ended 31 December 2023. A list of the Group's subsidiaries is provided at Note 23.

NOTE 3 – Basis of preperation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for financial assets, which have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for certain assets. EntX is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

(a) Significant accounting judgements, estimates and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Group.

Uncertainty about these assumptions and estimates could require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group also discloses its exposure to risks and uncertainties in Note 21. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Share-based payment transactions

The Group measures the cost of equity-settled share-based payments of options at fair value at the grant date using a Black-Scholes Option model taking into account the terms and conditions upon which the instruments were granted.

The details and assumptions used in determining the value of these transactions are detailed in Note 19.

(ii) Non-market vesting conditions

At each reporting date, non-market vesting conditions in relation to performance rights are assessed in order to determine the probability of the likelihood that the non-market vesting conditions are met.

(b) Foreign currency translation

The functional currency of the Company is Australian dollars (AUD) and the functional currency of subsidiaries based in the United States of America is United States Dollars (USD).

The Group's consolidated financial statements are presented in AUD, which is also the parent company's functional currency. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All exchange differences in the consolidated financial report are taken to profit or loss as incurred. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates as at the date of the initial transaction. As at the balance date the assets and liabilities of foreign subsidiaries are translated into the presentation currency of entX at the rate of exchange ruling at the balance date and profit or loss is translated at the average exchange rate for the year. The exchange differences arising on the translation are recognised in the foreign currency translation reserve in equity.

(c) Impairment of assets other than financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, or when annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of profit or loss. Receivables with a short duration are not discounted.

(d) Going concern

The financial statements have been prepared on the going concern basis of accounting. During the year ended 31 December 2023 the Group recorded net cash outflows from operating and investing activities of $2,415,567 and an operating loss of $2,546,581 for the year then ended. At 31 December 2023 the total cash and cash equivalents is $3,250,955.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ability of the Group to continue to maintain its current planned levels of activity and pay its debts as and when they fall due is dependent upon the Group raising additional funding through either a debt and/or an equity capital raise.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because Directors have an appropriate plan to address the current and planned funding shortfalls to meet committed and planned expenditure.

Should additional funding not be obtained as contemplated, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern, with the result that the Group may have to realise its assets and extinguish its liabilities, other than the ordinary course of business and at amount different from those stated in the financial statements. No allowance for such circumstances has been made in the financial statements.

Note 4 – Segment reporting

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Note 5 – Revenue and other income

a) Revenue

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Management fees	40,304	43,692

The Group's revenue comprises management fees charged to Urtek LLC. Refer to Note 11 for details in relation to Urtek LLC and to Note 25 for details in relation to the management services provided to Urtek LLC.

Accounting policy

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when control of the good or service passes to the customers.

Note 5 – Revenue and other income (continued)

b) Other Income

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Research and development tax concession [1]	1,149,640	765,427
Grant income	3,876,740	600,044
Rental income – shared corporate office	76,435	150,194
Interest income	25,025	9,387
Foreign exchange gain	-	106
	5,127,840	**1,525,158**

1 Represents the research and development tax concession amounts for:

- $49,640 associated with actual FY22 claim receivable at lodgement being $49,640 higher than the estimated receivable recorded at 31 December 2022; and
- Estimate of claim for FY23 based on research and development expenditure for the year ended 31 December 2023 ($1,100,000).

Accounting policies

Research and development (R&D) tax concession

The Group is entitled to claim R&D tax incentives in Australia. The R&D tax incentive is calculated using the estimated eligible expenditures multiplied by a 43.5% non-refundable tax offset. It has been established that the conditions of the R&D incentive have been met and that the expected amount of the incentive can be reliably measured. Estimated amounts receivable are recognised as research and development tax concession income.

Government and other Grant Income

Government and other grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants will be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on the systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Note 6 – Other expenses

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Compliance	66,597	45,342
Legal, insurance, share registry	141,195	75,575
Office and website expenses	127,258	89,838
Travel expenses	108,339	37,435
Other expenses	142,629	107,505
	586,018	**355,695**

Note 7 – Income tax

The prima facie income tax benefit on pre-tax accounting profit/(loss) from operations reconciles to the income tax benefit in the financial statements as follows:

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Accounting loss before income tax	(2,546,581)	(2,855,767)
Income tax benefit calculated at 25% (2022: 25%)	(636,646)	(713,942)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-Deductible expenses	743,482	358,251
Current and deferred tax expense not recognised	180,574	547,047
Non-assessable income	(287,410)	(191,357)
Income tax expense benefit on profit/(loss) before tax reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian tax law.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Unrecognised tax losses – Revenue	3,806,804	3,177,115
Unrecognised deferred tax asset on unused tax losses	951,701	794,279

These tax losses may be available for offset against future taxable profits of the Group subject to continuing to meet the relevant statutory tests.

Accounting policy

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

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date. Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Note 8 – Loss per share

Basic and diluted loss per share

The calculation of basic loss per share for the year ended 31 December 2023 was based on the loss attributed to ordinary equity holders of the parent of $2,546,581 (2022: Loss of $2,855,767) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2023 of 133,657,118 (2022: 130,109,253).

Note 9 – Cash and cash equivalents

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Cash at bank and on hand	3,250,955	3,169,076

Accounting policy

Cash and cash equivalents in the statement of financial position comprise cash balances which are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents is considered to be approximate fair value.

Note 10 – Trade and other receivables

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Trade receivables	2,367	1,419,028
Research and development tax concession [1]	1,100,000	430,000
Prepayments	37,320	23,587
	1,139,687	**1,872,615**

1 Estimate of claim for FY23 based on research and development expenditure for the year ended 31 December 2023. (31 December 2022: $430,000)

Accounting policy

Trade and other receivables are measured at fair value which is usually the value of the invoice sent to the counterparty and subsequently at the amounts considered recoverable (amortised cost less expected credit losses). Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days and are not discounted for expected losses.

Note 11 – Investment in associate

The Company and Cameco Corporation developed a process for the extraction of uranium from phosphoric acid streams produced in the production of phosphate-based fertilisers, 'the PhosEnergy Process.' Urtek LLC, a USA incorporated company, is the entity in which the research and development is being undertaken. UFP Investments LLC (UFP), a USA incorporated company in which the Company has a legal and beneficial interest of 28.66%, holds the joint investment of 90% in Urtek LLC with Cameco owning the remaining 10% directly.

The beneficial ownership in the PhosEnergy Process held through Urtek LLC is Cameco Corporation 74.21% (2022: 74.21%): PhosEnergy Inc. 25.79% (2022: 25.79%).

The share of the associate's losses for the year is $28,135 (US$19,245) (31 December 2022: $23,154 (US$15,687), which has not been recognised as the carrying amount of the Company's equity accounted interest in this associate is $0 (31 December 2022: $0). The associate's net assets as at 31 December 2023 is $41,698 (US$28,521) (31 December 2022: $43,839 (US$29,701).

Accounting policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

The Group's investment in its associate is accounted for using the equity method of accounting in the consolidated financial statements, after initially being recognised at cost. The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate. Any impairment loss recognised forms part of the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivable and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Note 12 – Intangible assets

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Cost	584,560	391,937
Accumulated amortisation	(58,878)	(30,400)
Net carrying amount	**525,682**	**361,537**
Reconciliation of intangible assets		
Carrying amount at the beginning of the year	361,537	201,894
Additions	192,623	177,852
Amortisation charges for the year	(28,477)	(18,209)
Carrying amount at the end of the year	**525,683**	**361,537**

Intangible assets consist of the patents and intellectual property associated with the CarbonX Process, GenX devices and GenT Energy Units measured at cost. Additional capitalised costs during the year ended 31 December 2023 mostly comprised of international patent application filing costs for the GenX Betavoltaic device patents.

Accounting policy

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and can be measured reliably. The asset must be identifiable i.e. is capable of being separated or divided from the entity and sold or transferred. No intangible asset arising from research (or from the research phase of an internal project) shall be recognised.

Note 12 – Intangible assets (continued)

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful life of the intangible asset. The estimated useful life of the CarbonX Process is 20 years, being the term of the patent. The estimated useful life of the GenT Energy Units is 20 years, being the term of the patent. The estimated useful life of the GenX Betavoltaic devices is 20 years, being the term of the patent.

Note 13 – Property, plant and equipment

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
a) Plant & Equipment at Cost	147,876	74,949
Accumulated depreciation	(39,775)	(16,890)
	108,101	**58,059**
Movements in carrying amount		
Balance at the beginning of the year	58,059	53,080
Additions	72,927	18,014
Depreciation	(22,885)	(13,035)
Balance at 30 June	**108,101**	**58,059**
b) Land at Cost	423,958	-
Movements in carrying amount		
Balance at the beginning of the year	-	-
Additions	423,958	-
Balance at 30 June	**423,958**	**-**
c) Buildings at Cost	211,798	-
Accumulated depreciation	(1,673)	-
	210,125	**-**
Movements in carrying amount		
Balance at the beginning of the year	-	-
Additions	211,798	-
Depreciation	(1,673)	-
Balance at 30 June	**210,125**	**-**
Total property, plant and equipment	**742,184**	**58,059**

Note 13 – property, plant and equipment (continued)

During the reporting period the Company acquired a coastal property in Elliston, South Australia. The property was acquired by the Company to support ongoing activities at the Western Eyre Green Hydrogen Ammonia Methanol project in Elliston, South Australia.

Accounting policy

Property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which are they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Non-Current Asset	Depreciation Rate	Basis of Depreciation
Plant and Equipment	10 – 33%	Straight Line
Buildings	2%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss.

Note 14 – Trade and other payables

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Trade payables	275,721	142,204
Accrued expenses	91,575	117,360
Other payables	353,559	133,260
	720,855	**392,824**

Accounting policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities as they are part of the working capital used in the entities operating cycle.

Note 15 – Right-of-use assets and lease liabilities

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
LEASE LIABILITIES		
Opening balance	254,927	380,464
Initial recognition of SAHMRI lease	349,019	-
Interest during the year	17,103	12,801
Lease payment during the year	(232,488)	(138,338)
Balance at the end of the year	**388,561**	**254,927**
Classified as:		
Current	234,005	124,070
Non-current	154,556	130,857
	388,561	**254,927**
RIGHT-OF-USE ASSET		
Balance on initial recognition	407,752	407,752
Initial recognition of South Australian Health and Medical Research Institution lease during the period	349,019	-
Balance at the end of the year	**756,771**	**407,752**
Accumulated amortisation		
Balance at the beginning of the year	(177,738)	(52,276)
Amortisation during the year	(212,717)	(125,462)
Balance at the end of the year	(390,455)	(177,738)
Balance at the end of the year	**366,316**	**230,014**

The Group has entered into a lease contract for commercial offices in Adelaide, South Australia. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Where a lease has an extension option the Group has used its judgement to determine whether or not an option would be reasonably certain to be exercised. The Group considers all facts and circumstances including any significant improvements, current stage of projects, location, and their past practice to help them determine the lease term. The Group has not included any current extension option in determining the respective lease terms. The Adelaide office lease has a term of 3 years (from August 2021), with an option to extend for a further 5 years. The laboratory lease at South Australian Health and Medical Research Institution (SAHMRI) has a term of 3 years (from 4 Aptil 2023), with an option top extend for a further 3 years.

Note 15 – Right-of-use assets and lease liabilities (continued)

Lease liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at commencement date of the lease. The weighted average incremental borrowing rate applied to the lease liability was 4.1%.

In the consolidated statement of cash flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

Note 16 – Issued capital

The capital structure of the Group consists of issued capital, reserves and accumulated losses. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new Shares or Options are shown in equity as a deduction, from the proceeds.

a) Movement in ordinary shares on issue

		31 DECEMBER 2023		31 DECEMBER 2022
	NUMBER	$	NUMBER	$
Balance at beginning of period	**133,187,609**	**9,512,854**	**120,037,609**	**8,714,104**
Shares issued – Placement	13,274,670	2,654,934	1,500,000	150,000
Shares issued – Entitlement Offer and Additional Offer	-	-	-	-
Transaction costs on issue of shares	-	(58,746)	-	-
Shares issued – exercise of options	-	-	8,650,000	648,750
Shares issued - vested performance rights	-	-	3,000,000	-
Balance at end of period	**146,462,279**	**12,109,042**	**133,187,609**	**9,512,854**

Placement

During the year, 13,274,670 Shares were issued at $0.20 per Share to sophisticated and professional investors, pursuant to a Placement, raising $2,654,934 (before costs).

Subsequent to the end of the reporting period, a further 745,000 new Shares, in aggregate, were issued pursuant to the Placement, comprising as follows:

- 240,000 new Shares issued on 12 January 2024, raising $48,000 (before costs).
- 130,000 new Shares issued on 30 January 2024, raising $26,000 (before costs).
- 375,000 new Shares issued on 29 February 2024. The $75,000 in proceeds for the issue were received prior to 31 December 2023. This amount has been recorded within the 'Other Equity' balance on the Statement of Financial Position as at 31 December 2023.

Rights attaching to ordinary shares

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

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

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

Note 17 – Reserves

a) Share based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payment transactions provided to Directors, other Key Management Personnel, staff and consultants. Refer to Note 20 for further details.

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Share based payment reserve	**965,705**	**643,014**
Movement associated with Rights and Options during the period		
Balance at the beginning of the period	643,014	260,134
Options expense associated with vesting during the period	322,691	439,511
Transfer between equity items	-	(56,631)
Balance at the end of the period	**965,705**	**643,014**

The share-based payments reserve records items recognised as an expense on the valuation of Options or Rights. Refer Note 19 for further details regarding the movement in Options issued during the reporting period.

The Company did not issue any Rights during the year ended 31 December 2023 (2022: Nil).

b) Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Foreign currency translation reserve	**275,990**	**276,244**

Note 18 – Employee benefits

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Current		
Annual leave accrued	150,153	79,878
Long Service Leave accrued	87,197	51,716
Bonuses accrued [1]	463,000	387,500
	700,350	**519,094**
Non-current		
Long Service Leave accrued	16,668	2,967
	16,668	**2,967**

1 Amount relates to an estimate of short term inventive payments to staff in respect of the performance year ended 31 December 2023. At the Boards discretion, this amount may be paid in cash, equity or a combination of both. At the date of this report, the performance assessments for the performance year ended 31 December 2023 have not taken place.

Accounting policy

Liabilities for annual leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cashflows are discounted using market yields on high quality corporation bonds with terms to maturity that match the expected timing of cashflows.

Note 19 – Share based payments

a) Recognised share-based payment expense

The expense recognised during the year is shown in the table below:

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Share options	322,691	439,511

Share-based payments expense recognised on the Statement of Profit or Loss and Other Comprehensive income as 'Share based payments' during the year, was in relation to Options previously issued that were subject to vesting conditions. The expense recognised during the year is impacted by estimates in relation to timing and likelihood of vesting.

b) General terms of share-based payments

Options

The following table outlines the details of outstanding Options as at 31 December 2023:

	OTHER TERMS	NO. OF OPTIONS	EARLIEST VESTING DATE
Exercisable at $0.145, expiry 31 December 2024	*Vested immediately on issue date*	2,250,003	31 Dec 21
Exercisable at $0.145, expiry 31 December 2024	*Vest after 12 months of issue date*	2,249,999	31 Dec 22
Exercisable at $0.145, expiry 31 December 2024	*Vest immediately on date of issue* *During the year, 83,333 unvested options lapsed in accordance with the terms in which they were issued.*	2,166,665	31 Dec 23
Exercisable at $0.04, expiry 31 December 2024	*Vest immediately on date of issue*	250,000	31-Dec-21
Exercisable at $0.04, expiry 31 December 2024	***Incentive options*** *Options vest subject to satisfaction of performance criteria over the period to the expiry date. Options not vested by the expiry date, will lapse. Performance criteria for the Incentive Options relate to the achievement of corporate and key project milestones.* *As at 31 December 2023, none of these options have vested.*	500,000	31-Dec-21
Exercisable at $0.04, expiry 31 December 2024	***Short-term incentive (STI) options*** *Options vested subject to satisfaction of performance criteria for the performance period ended 31 December 2021. Unvested Options lapsed. Performance criteria for the STI Options related to the achievement of short-term corporate and technical milestones.* *All options are vested.*	629,334	31 Dec 21
Exercisable at $0.04, expiry 31 December 2024	***Long-term incentive (LTI) options*** *Options vest subject to satisfaction of performance criteria for the performance period ended 31 December 2023. Unvested Options lapse. Performance criteria for the LTI Options relate to the achievement of long-term corporate and technical milestones.* *As at the date of this report, assessment against the performance criteria for the performance period ended 31 December 2023 has not been undertaken, therefore none of these options have vested.*	7,350,000	31 Dec 23
		15,396,001	

Note 19 – Share based payments (continued)

The movement in the number of options and weighted average exercise prices are as follows for the reporting period:

	WEIGHTED AVERAGE EXERCISE PRICE	31 DECEMBER 2023	WEIGHTED AVERAGE EXERCISE PRICE	31 DECEMBER 2022
Balance at the beginning of the period	**$0.086**	**16,229,334**	**$0.080**	**26,910,416**
Granted during the period	-	-	-	750,000
Exercised during the period	-	-	$0.075	(8,650,000)
Lapsed/forfeited during the period	$0.145	(833,333)	$0.060	(2,781,082)
Balance at the end of the period	**$0.085**	**15,396,001**	**$0.086**	**16,229,334**
Vested and exercisable at the end of the period	$0.132	5,129,336	$0.128	5,379,336

Weighted average remaining contractual life of Options as at 31 December 2023 is 1 year (31 December 2022: 2 years).

Options granted during the year

No Options were granted during the reporting period.

Options exercised during the year

No Options were exercised during the reporting period.

Options lapsed/forfeited during the year

On 24 March 2022, 750,000 Options were issued, at nil cost, to an eligible employee of the Company. Each option was exercisable at a price equal to the issue price of Shares in the Company to be offered pursuant to the Prospectus for an Initial Public Offering of the Company and expired on the third anniversary of the date of the Company's admission to the official list of ASX. The Options were to vest as follows:

- 250,000 vest on the date of the Company's admission to the official list of ASX;
- 250,000 vest 12 months from the date of the Company's admission to the official list of ASX; and
- 250,000 vest 24 months from the date of the Company's admission to the official list of ASX.

During the year, all 750,000 Options were forfeited in accordance with the terms on which they were issued.

A further 83,333 unvested LTI Options, exercisable at $0.145 and expiring on 31 December 2024, were forfeited during the year, in accordance with the terms in which they were issued.

Performance rights (Rights)

There were no performance rights on issue during the reporting period or as at the date of this report.

Note 19 – Share based payments (continued)

Accounting policy

The cost of share-based payments is recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income, together with a corresponding increase in Share-based Payments Reserve in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received. Where the grant of the Options is a replacement for the cancellation of Options, any incremental fair value in addition to the fair value of the original award is accounted for. The incremental fair value is the difference between the fair value of the replacement award and the net fair value of the cancelled award measured at the date the replacement award is issued.

The Group measures the cost of equity-settled share based payments at fair value at the grant date using a Black Scholes options pricing model taking into account the terms and conditions upon which the instruments were granted. The dilutive effect, if any, of outstanding Options is reflected as additional share dilution in the computation of earnings per share.

The fair value of Rights has been calculated at the grant date and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of fair value of the rights allocated to this reporting period. The vesting period has been estimated to be three years.

Note 20 – Key Management Personnel disclosures

Details of Key Management Personnel during the reporting period:

Directors:

Mr Anthony Kiernan	Non-executive Chairman
Mr Bryn Jones	Managing Director
Mr Timothy Goyder	Non-executive Director
Mr Timothy Wise	Non-executive Director
Ms Lucy Gauvin	Non-executive Director

Executive:

Mr Damien Connor	Chief Financial Officer and Company Secretary

The key management personnel compensation incurred during the year is as follows:

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Short-term employee benefits	779,788	762,526
Long-term employee benefits	32,094	9,172
Post-employment benefits	55,063	62,059
Share based payments	164,111	243,306
	1,031,056	**1,077,063**

Transactions with Key Management Personnel

During the year ended 31 December 2023, Key Management Personnel, including Non-executive Directors, received compensation in the form of short-term employee benefits and post-employment benefits as part of their respective employment arrangements with the Company. As at 31 December 2023, executive personnel received short-term employee benefits of $779,788 (2022: $762,526).

Option and performance rights holdings of Key Management Personnel

Options and Rights holdings by Key Management Personnel are detailed in the Directors' report.

Note 21 – Financial instruments

a) Financial risk management policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables.

b) Non-cash financing and investing activities

There were no non-cash financing and investing activities undertaken during the current or prior reporting periods.

i) Treasury risk management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

ii) Financial risk exposure and management

The main risk the group is exposed to through its financial instruments is interest rate risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. It is the policy of the group to keep surplus cash in high yielding deposits.

c) Sensitivity analysis

Interest rate and price risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

As at 31 December 2023, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Change in loss		
- Increase in interest rates by 2%	65,019	63,437
- Decrease in interest rates by 2%	(65,019)	(63,437)
Change in equity		
- Increase in interest rates by 2%	65,019	63,437
- Decrease in interest rates by 2%	(65,019)	(63,437)

d) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalent and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the balance sheet of the consolidated entity.

Note 21 – Financial instruments (continued)

e) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

f) Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Trade payables are generally payable on 30-day terms.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

CONSOLIDATED 31 DECEMBER 2023	WEIGHTED AVERAGE INTEREST RATE	1 YEAR OR LESS $	BETWEEN 1 AND 2 YEARS $	BETWEEN 2 AND 5 YEARS $	OVER 5 YEARS $
Non-interest bearing					
Trade and other payables		720,855	-	-	-
Interest bearing - variable					
Lease liability	4.10%	244,756	126,690	32,145	-
		965,611	**126,690**	**32,145**	**-**

CONSOLIDATED 31 DECEMBER 2022	WEIGHTED AVERAGE INTEREST RATE	1 YEAR OR LESS $	BETWEEN 1 AND 2 YEARS $	BETWEEN 2 AND 5 YEARS $	OVER 5 YEARS $
Non-interest bearing					
Trade and other payables		392,824	-	-	-
Interest bearing - variable					
Lease liability	4.10%	142,488	121,756	-	-
		535,312	**121,756**	**-**	**-**

g) Market risk

Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD.

Price risk

The Group is not exposed to any significant price risk.

Accounting policy

The Group measures financial instruments at fair value at each balance date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The exception is for trade receivables which are measured at the transaction price due to their short-term maturities.

Note 22 – Parent entity disclosures

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
FINANCIAL POSITION		
Assets		
Current assets	4,348,270	4,984,821
Non-current assets	1,603,020	649,616
Total assets	**5,951,290**	**5,634,437**
Liabilities		
Current liabilities	784,835	2,635,642
Non-current liabilities	154,556	182,573
Total liabilities	**939,391**	**2,818,215**
Equity		
Issued capital	12,109,042	9,512,854
Reserves	965,705	643,015
Accumulated losses	(8,062,848)	(7,339,647)
Total equity	**5,011,899**	**2,816,222**

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
FINANCIAL PERFORMANCE		
Loss for the reporting period	(723,200)	(3,161,523)
Other comprehensive income	-	-
Total comprehensive loss	**(723,200)**	**(3,161,523)**

There were no parent entity contingencies or capital commitments as at 31 December 2023.

Note 23 – List of subsidiaries

The consolidated financial statements include the financial statements of entX and its subsidiaries listed in the following table:

NAME	COUNTRY OF I NCORPORATION	% EQUITY INTEREST 31 DECEMBER 2023	31 DECEMBER 2022
Parent Entity			
entX Limited	Australia	100	100
Subsidiaries			
PhosEnergy Inc.	USA	100	100
HPEL Developments Pty Ltd	Australia	100	100
CarbonX Developments Pty Ltd	Australia	100	100
GenT Developments Pty Ltd	Australia	100	100
GenX Energy Pty Ltd	Australia	100	100
RHU Solutions Pty Ltd	Australia	100	100
ETXSA Properties Pty Ltd [1]	Australia	100	-

[1] ETXSA Properties Pty Ltd was incorporated in Australia on 18 May 2023 and is a wholly owned subsidiary of entX Limited.

Subsequent to the end of the reporting period, IsoMedica Pty Ltd (formerly named ETX Medical Pty Ltd) was incorporated as a wholly owned subsidiary of entX Limited.

Note 24 – Auditor's remuneration

Total fees paid or payable for services provided by Grant Thornton Audit Pty Ltd and its related practices were as follows:

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Audit Services		
Audit and review of the financial statements	**56,700**	**44,000**
Other Services		
Tax advisory services	3,000	5,200
Corporate finance advisory services	20,600	-
	23,600	**5,200**

Note 25 – Related parties

The consolidated financial statements include the financial statements of entX Limited and its subsidiaries: PhosEnergy Inc., HPEL Developments Pty Ltd, CarbonX Developments Pty Ltd, GenT Developments Pty Ltd, GenX Energy Pty Ltd, RHU Solutions Pty Ltd and ETXSA Properties Pty Ltd. entX Limited is the ultimate parent of the Group.

Transactions with Key Management Personnel

Refer Note 20 for Key Management Personnel disclosures.

Transactions with other related parties

The following table provides the aggregate income recognised during the year relating to related parties as follows:

RELATED PARTIES	NOTE	31 DECEMBER 2023 $	31 DECEMBER 2022 $
UFP Investments LLC	(i)	-	-
Urtek LLC	(ii)	40,304	43,692
Australian Rare Earths Limited	(iii)	76,435	150,194
		116,739	**193,886**

(i) The Group has a 28.66% (2022: 28.66%) legal and beneficial interest in UFP Investments LLC and is accordingly an associate – see Note 11. The Group did not have any transactions with UFP during the reporting period.

(ii) The Group has a 25.79% (2022: 25.79%) beneficial interest in Urtek LLC and is accordingly an associate– see Note 11. The Company provided management services to Urtek LLC during the year. Amounts were billed at an amount agreed between the Company and Cameco Corporation and are due and payable under normal payment terms. No amounts were outstanding as at 31 December 2023 (31 December 2022: $Nil).

(iii) The Group has an arm's length equivalent agreement with Australian Rare Earths Limited (AR3) whereby AR3 shares office space with the Group. Mr Bryn Jones is a director of both AR3 and entX. During the year AR3 paid $76,435 to the Group in line with the agreement.

Terms and conditions of transactions with related parties

Other than where stated, services provided by related parties are made on arm's length basis both at normal market prices and on normal commercial terms.

Note 26 – Cashflow information

Reconciliation of loss to net cash used in operating activities

	31 DECEMBER 2023 $	31 DECEMBER 2022 $
Loss for the reporting period	(2,546,581)	(2,855,767)
Share based payments	322,691	439,511
Amortisation of intangible assets	28,477	18,209
Depreciation of property, plant and equipment	24,558	13,035
Amortisation – right-of-use asset	212,717	125,462
Interest expenses	17,328	12,801
Foreign exchange (gain) / loss	(254)	(677)
Operating loss before changes in working capital	**(1,941,064)**	**(2,247,426)**
(Increase)/decrease in assets:		
Trade and other receivables	576,933	(150,646)
Increase/(decrease) in liabilities:		
Trade and other payables	(335,419)	28,172
Provision for annual leave, long-service leave/bonus	194,957	363,736
Net cash outflows from operating activities	**(1,504,593)**	**(2,006,164)**

Note 27 – Commitments and contingencies

GenX – CRCP Grant

During the prior year ended 31 December 2022 the Company was awarded a $2,427,689 cash funding grant from the Commonwealth Department of Industry, Science, Energy and Resources (Commonwealth) as part of a Cooperative Research Centres Projects (CRCP) grant for development of the Company's GenX Betavoltaic Battery Pilot Manufacturing Process technology (the "CRCP Grant"). The CRCP Grant commenced in May 2022 and is expected to conclude in April 2025. The cash funding for the CRCP Grant is being received by the Company in quarterly receipts from the Commonwealth, in advance of required cash outflows. As part of the CRCP Grant, the Company will work collaboratively with three research institutions and two industry partners and together are committed to contributing $3,597,067 (net of grant funds) over the life of the project (end date April 2025), including in-kind contributions of $1,653,509.

As at 31 December 2023, the Company has received $1,245,058, in respect of the CRCP Grant funding to date, of which $638,264 was received during the year ended 31 December 2023 (31 December 2022: $606,794). During the year an amount of $880,288 has been recognised on the Statement of Profit or Loss as 'Other income' (31 December 2022: $520,766) with $155,996 of that income being recognised on the Statement of Financial Position as a 'Contract asset.' Refer to Note 4(b) for the accounting policy for recognition of 'Government and other Grant Income.'

Note 27: Commitments and contingencies (continued)

GenX – Australian Government Services contract

In December 2022, the Company was awarded an Australian Government contract to rapidly prototype a particular aspect of the GenX technology. The total contract award is $5,520,189 for development until June 2024, with the Company being paid in quarterly instalments in advance in accordance with a payment schedule that aligns with development milestones.

As at 31 December 2023, the Company has received $3,655,111 (31 December 2022: Nil), in respect of the contract to date. During the year an amount of $2,925,700 has been recognised on the Statement of Profit or Loss as 'Other income' (31 December 2022: Nil) with $729,412 recorded as 'Contract liabilities' on the Statement of Financial Position (31 December 2022: $1,343,558). Refer to Note 4(b) for the accounting policy for recognition of 'Government and other Grant Income.'

Property, Plant and Equipment

The Company has a commitment to purchase a particular item of plant and equipment for GenX Energy research project activities. The value of thisthe outstanding commitment at 31 December 2023 is approx. $112,000 and is expected to be settled with 12 months, followfollowing receipt of the equipment.

Contract Commitment

The Company has a commitment in respect of a consulting services contract with WGA in relating to outstanding services to be performed related to a Feasibility Study for the Limestone Coast Hydrogen Hub (LCH2) project. The value of the outstanding commitment at 31 December 2023 is approx. $68,000 and is expected to be settled within 12 months.

There are no further commitments and contingencies as at 31 December 2023.

Note 28 – Events subsequent to reporting date

The Company issued 745,000 new Shares, in aggregate, to sophisticated and professional investors pursuant to a Share Placement (Placement). Placement Shares were issued at $0.20 per share, comprising as follows:

- 240,000 new Shares issued on 12 January 2024, raising $48,000 (before costs).
- 130,000 new Shares issued on 30 January 2024, raising $26,000 (before costs).
- 375,000 new Shares issued on 29 February 2024. The $75,000 in proceeds for the issue were received prior to 31 December 2023. This amount has been recorded within the 'Other Equity' balance on the Statement of Financial Position as at 31 December 2023.

On 13 February 2024 ETX Medical Pty Ltd was incorporated as a wholly owned subsidiary of entX Limited. On 19 March 2024 ETX Medical Pty Ltd changed its name to IsoMedica Pty Ltd.

There were no further significant events after the reporting date.

Note 29 – Goods and services (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated at the amount of GST included. The net amount of GST recoverable from, or payable, to the Australian Taxation Office ('ATO') is included as a current asset or current liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

Note 30 – Changes in accounting policies

During the year ended 31 December 2023, the Directors adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period. The adoption of these Standards and Interpretations did result in any material change to Group accounting policies.

Note 31 – New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the year ended 31 December 2023. The Group has determined that there is no material impact of the Standards and Interpretations not yet mandatory or early adopted.

Directors' declaration

In the opinion of the directors of entX Limited (the 'Company'):

(a) the accompanying financial statements and notes:

- i. give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year then ended; and
- ii. comply with Australian Accounting Standards.

(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.

(c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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

Bryn Jones
Managing Director

22 April 2023

Grant Thornton

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Independent Auditor's Report

To the Members of entX Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of entX Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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, and notes to the consolidated financial statements, including material accounting policy information, 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 Group's financial position as at 31 December 2023 and of its 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 *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 3(d) in the financial statements, which indicates that the Group incurred a net loss of $2,546,581 during the year ended 31 December 2023, and a net cash outflows from operating and investing activities of $2,415,567. As stated in Note 3(d), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes 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 related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 22 April 2024


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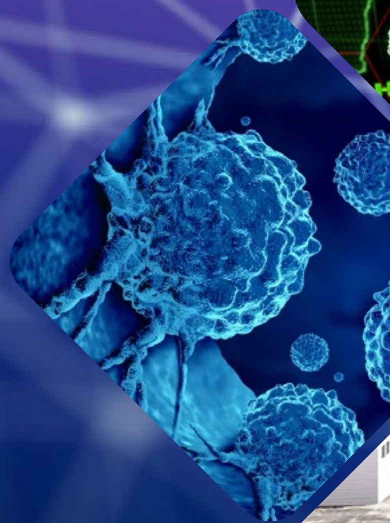

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