Molopo Energy Limited

ABN 79003152154

Annual Report - 31 December 2023

Molopo Energy Limited
Corporate directory
31 December 2023

Directors	Roger Corbett AO (Independent Non-executive Chairman) John Patton (Independent Non-executive Director) Ralph Curton (Independent Non-executive Director) Anthony Hartnell AM (Independent Non-executive Director)
Company secretary	Andrew Metcalfe
Registered office	Level 26, 360 Collins Street Melbourne Victoria, 3000 Australia
Principal place of business	Level 26, 360 Collins Street Melbourne Victoria, 3000 Australia
Share register	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Australia Telephone: (61 3) 9415 4000
Auditor	Stannards Accountants and Advisors Pty Ltd 60 Toorak Road South Yarra, Victoria 3141 Australia
Bankers	National Australia Bank Limited Level 1, 330 Collins Street, Melbourne, VIC, 3000, Australia National Bank of Canada 1800-311 – 6th Avenue S.W., Calgary, AB T2P 3H2, Canada
Website	www.molopoenergy.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Molopo Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Directors
The following persons were Directors of Molopo Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Roger Corbett AO – Independent Non-Executive Chairman, BComm: Roger is an Australian businessman and former CEO and Group Managing Director of Woolworths Limited, the largest retail company in Australia, where he served from 1990 to 2006. In 2003, Roger was appointed a Member of the Order of Australia (AM) for his service to the retail industry, particularly as a contributor to the development of industry policy and standards, and to the community. In 2008, he was promoted to an officer of the Order of Australia (AO) for service to business, particularly through leadership and executive roles in the retail sector and a range of allied organisations, and to the community. Roger is formerly a non-executive director of the Walmart Group (2006 to 2016), director and non-executive chairman of Mayne Pharma Group Limited, an Australian specialist pharmaceutical company and chairman of Australian Leisure and Hospitality Group Limited (AHL Group). He also served on the Salvation Army Advisory Board. Further, Roger is a former director of the Reserve Bank of Australia and a former chairman of Fairfax Media Limited (a major Australian newspaper, magazine and internet publisher), where he also served as chairman of the Nominations Committee and formerly served as chairman of the Audit Risk Committee.

John Patton – Independent Non-Executive Director, B.Ec, CA (ICAA), F Fin: John is a senior executive with extensive finance experience in the corporate and professional services sectors. John was previously a Partner with Ernst & Young in the Transactions Advisory Services division. With over 30 years of professional services and industry experience, John has extensive corporate finance credentials, having been involved in over 150 corporate transactions, including mergers & acquisitions (lead advisory), structuring, debt and equity raisings, IPO's, management buy-outs, valuations (including Independent Expert Reports), due diligence, financial modelling, restructuring and corporate advisory. In addition, John held the positions of CFO, acting CEO and alternate director of the Epic Energy group, a major infrastructure owner of high-pressure gas transmission pipelines in Australia. John is currently the managing director of Aurora Funds Management Limited, a non-executive director of Keybridge Capital Ltd (ASX: KBC), and a non-executive director of Yowie Group Limited (ASX: YOW). In addition, John is a former non-executive director of Metgasco Ltd (ASX:MEL), having resigned on 22 November 2023.

Ralph Curton jr.– Independent Non-Executive Director: Ralph has been instrumental in creating large oil and gas projects that have included assembling, acquiring, developing, and selling in excess of 50,000 acres of oil and gas leases. Included in these projects were producing properties and development prospects. These projects were spread over a multi state geographical area including Louisiana, North Dakota, Oklahoma, Texas and Utah. Ralph begun his oil and gas career in 1976 as the owner of a private exploration and production company. He was a pioneer in the exploration of the Cotton Valley Oak Hill oilfield in East Texas, a low-risk, technology-sensitive play covering several hundred square miles. He has served as a director on the board of Amarillo-based EnergyNet.com, the world's largest internet platform for oil and gas properties.

Anthony Hartnell AM – Independent Non-Executive Director, ANU B Ec (ANU), LLB(Hons) (ANU), LLM (Highest Hons) (Geo. Washington Uni): Tony was previously the inaugural Chairman of what is now known as the Australian Securities and Investment Commission (ASIC) from 1989 to 1992. Tony was a founding partner of Atanaskovic Hartnell, and was formerly a Partner of Allen Allen & Hemsley, July 1980 – June 1990 & January 1993 – December 1993; Deputy Secretary, Department of Business & Consumer Affairs 1976-1979; and Senior Assistant Secretary, Australia Attorney-Generals Department 1974-1975.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $3,561,000 (31 December 2022: loss of $2,375,000).

The principal income has been the re-instatement of a RAND 50m (AUD $3.94m) loan plus accrued interest of $549,000 to the balance date payable to the Company by South African domiciled Renergen Limited, an ASX listed entity (ASX: RLT). The principal expense incurred during the reporting period has been litigation costs associated with the continued defence of the long-standing legal action in Canada.

Molopo Energy Limited
Directors' report
31 December 2023

Executive Summary

Corporate

The Company's principal business activity is the protection of shareholder value and managing the long standing litigation action against Molopo Energy Canada Limited (MECL) in Alberta Canada. Further details are reported below under Legal Actions.

The Company is not pursuing any new oil and gas activities, outside of those which it holds indirectly through its 100% owned subsidiary, Orient FRC Limited ('Orient') which holds a 30% non-voting interest in Drawbridge Energy Holdings Limited ('Drawbridge').

The Company has a loan agreement with Renergen Limited (ASX: RLT) subsidiary (Borrower) for South African Rand 50 million (which is equivalent to AU$3.94 million based upon the AUD: SAR exchange rate at 31 December 2023). The loan is unsecured and was interest free until 31 December 2022. From 1 January 2023, the loan bears interest at the prime overdraft rate (lending rate) plus 2%. Repayment of the loan is dependent on the Borrower generating revenues and sufficient profits in order to declare dividends to shareholders and otherwise subject to certain conditions. The Directors will continue to pursue repayment of this loan in accordance with the terms of the loan. Given Renergen's financial capability to repay the loan and accrued interest owing to the Company, this loan is now carried at its full value in the financial statements.

Drawbridge Operations

Since December 2021, the Company has not received any Financial Statements or an Operations Report from Drawbridge, which are required to be provided within 60 days of the end of that quarter as ordered by the Court. The Directors are therefore unable to confirm the financial position of Drawbridge given that the Company has not been provided any Financial Statements and Operations Reports. The directors of Drawbridge refuse to engage with Molopo and do not provide the required financial information, despite being requested to do so.

Legal actions

Molopo Energy Canada Limited (MECL), a wholly owned subsidiary of the Company, has continued to defend the long running litigation commenced in 2011 by 31005682 Nova Scotia ULC as Plaintiff, and MECL and Crescent Point Holdings Inc as Defendants. The Company participated in a scheduled mediation process in December 2023. The mediation was conducted by an experienced mediator in oil and gas transactions. Despite the mediator's attempts to narrow the issues in dispute so as to get all parties to agree a compromise, the mediation negotiations were terminated on the second day without a satisfactory outcome. The matter is now scheduled for trial later in 2024 unless the matter is settled closer to the trial date. Your current board, who were not involved when the litigation action commenced, have been and remain diligent in their approach in defending the matter to protect shareholders' interests.

Significant changes in the state of affairs
Other than mentioned under the executive summary, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
Molopo has been served with a claim filed by Keybridge Capital Limited in the Supreme Court of NSW. The claim was filed with the Court on 18 August 2023 but not served on Molopo until February 2024. The claim alleges that Keybridge has suffered loss and damage with respect to actions, undertaken prior to the current board of directors, concerning the Orient and Drawbridge Transactions entered into by Molopo in 2017 and 2018. The basis on which Keybridge alleges it has suffered loss and damage in not clear from the documents that have been filed with the Court. Molopo has engaged solicitors to defend the claim. The proceedings are listed before the Court for an initial directions hearing on 12 April 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
This report does not include future developments and the expected results of operations.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Company Secretary
Mr Andrew Metcalfe, CPA, FGIS, GAICD: Andrew is a professional company secretary and governance adviser to a range of ASX listed companies.

Meetings of Directors
A total of 7 board meetings were held during the financial year ended 31 December 2023 with directors attending all meetings.

	Full Board	
	Attended	Held
Roger Corbett AO - Independent Non-Executive Chairman	7	7
Ralph Curton jr - Independent Non-Executive Director	7	7
Anthony Hartnell AM - Independent Non-Executive Director	7	7
John Patton - Independent Non-Executive Director	7	7

Held: represents the number of meetings held during the time the Director was in office.

The Directors have elected not to form sub-committees of the Board.

Shares under option
There were no unissued ordinary shares of Molopo Energy Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Molopo Energy Limited issued on the exercise of options during the year ended 31 December 2023 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Entity are important.

Details of the amounts paid or payable to the auditor (Stannards Accountants and Advisors Pty Ltd and their respective related entities) for non-audit services provided during the year are set out in Note 14.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Stannards Accountants and Advisors Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Roger Corbett
Chairman

26 March 2024
Melbourne

STANNARDS

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of Molopo Energy Ltd

As auditor I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to this audit; and
- no contraventions of any applicable code of professional conduct in relation to this audit.

Stannards Accountants & Advisors

James Dickson
Director

Dated: 26 March 2024

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Molopo Energy Limited
Contents
31 December 2023

General information

The financial statements cover Molopo Energy Limited as a consolidated entity consisting of Molopo Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Molopo Energy Limited's functional and presentation currency.

Molopo Energy Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 26, 360 Collins Street
Melbourne Victoria, 3000 Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 March 2024. The Directors have the power to amend and reissue the financial statements.

Molopo Energy Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Revenue			
Foreign exchange (loss)/gain		(73)	29
Interest received		1,069	123
Other income	3	4,039	-
Expenses			
Salary and employee benefits expense		(388)	(383)
Administration		(349)	(710)
Legal, management and consulting fees		(737)	(1,434)
Total expenses		(1,474)	(2,527)
Profit/(loss) before income tax expense		3,561	(2,375)
Income tax expense	4	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Molopo Energy Limited		3,561	(2,375)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		-	3
Other comprehensive income/(loss) for the year, net of tax		-	3
Total comprehensive income/(loss) for the year attributable to the owners of Molopo Energy Limited		3,561	(2,372)
		Cents	**Cents**
Basic earnings per share	21	1.430	(0.954)
Diluted earnings per share	21	1.430	(0.954)

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

Molopo Energy Limited
Statement of financial position
As at 31 December 2023

	Note	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	5	16,293	17,102
Trade and other receivables	6	555	6
Other		36	213
Total current assets		16,884	17,321
Non-current assets			
Receivables	7	3,940	-
Total non-current assets		3,940	-
Total assets		20,824	17,321
Liabilities			
Current liabilities			
Trade and other payables	8	(29)	28
Provisions		(1)	-
Total current liabilities		(30)	28
Total liabilities		(30)	28
Net assets		20,854	17,293
Equity			
Issued capital	9	157,321	157,321
Reserves	10	(1,694)	(1,695)
Accumulated losses		(134,773)	(138,333)
Total equity		20,854	17,293

The above statement of financial position should be read in conjunction with the accompanying notes

Molopo Energy Limited
Statement of changes in equity
For the year ended 31 December 2023

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2022	157,321	(1,698)	(135,958)	19,665
Loss after income tax expense for the year	-	-	(2,375)	(2,375)
Other comprehensive income/(loss) for the year, net of tax	-	3	-	3
Total comprehensive income/(loss) for the year	-	3	(2,375)	(2,372)
Balance at 31 December 2022	157,321	(1,695)	(138,333)	17,293

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2023	157,321	(1,695)	(138,333)	17,293
Profit after income tax expense for the year	-	-	3,561	3,561
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	3,561	3,561
Balance at 31 December 2023	157,321	(1,695)	(134,772)	20,854

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

Molopo Energy Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Cash flows from operating activities			
Payments to suppliers and employees		(1,329)	(2,205)
Interest received		520	123
Net cash used in operating activities	20	(809)	(2,082)
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(809)	(2,082)
Cash and cash equivalents at the beginning of the financial year		17,102	19,181
Effects of exchange rate changes on cash and cash equivalents		-	3
Cash and cash equivalents at the end of the financial year	5	16,293	17,102

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
(a) New, Revised or Amending Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the year.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The consolidated entity has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(b) New, Revised or Amending Accounting Standards and Interpretations Not Yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The consolidated entity is considered a going concern as its current assets exceed its current liabilities by $20,854,000 at the reporting date, and there is no indication that in the 12 month period from the date of this report that the consolidated entity will be in a position that it cannot meet its future commitments as and when they fall due.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 17.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Molopo Energy Limited ('Company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Molopo Energy Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 1. Material accounting policy information (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Molopo Energy Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The consolidated entity recognises revenue as follows:

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Material accounting policy information (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 1. Material accounting policy information (continued)

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
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, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Material accounting policy information (continued)

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Loan Agreement with Renergen Limited
Significant judgements and estimates are required in assessing the fair value of the loan which is deemed a financial instrument to be recognised at fair value taking into consideration various terms and events under the loan agreement that are required to first take place at Renergen before a repayment can be made. (refer Note 15).

Classification of contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable.
Judgement is required in assessing the likely outcome of ongoing litigation and claims to determine if recognition or disclosure is required in the financial statements. The consolidated entity determines the classification of ongoing litigation and claims based on commercial judgement, taking into consideration legal opinion, whether the entity has committed an act of wrongdoing, and when it is not probable whether any settlement will be needed. (refer Note 16).

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Other income

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Recognition of loan receivable	4,039	-

Note 4. Income tax

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	3,561	(2,375)
Tax at the statutory tax rate of 30%	1,068	(713)
Current year tax losses not recognised	(1,068)	713
Income tax expense	-	-

The tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

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 Company can utilise the benefits.

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	939	4,500
Potential tax benefit @ 30%	282	1,350
Franking Account		
The balance of Company's franking account is a franking credit balance of :	14,706	14,706

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Cash at bank	16,293	17,102

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Interest receivable	555	6

Note 7. Non-current assets - Receivables

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Renergen Loan	3,940	-

The Company has recognised the full value of the RAND 50m (A$3.94m) owed by Renergen Limited.

Renergen Loan: In September 2013, Molopo Energy Limited (the Company) sold 100% of its shares in Molopo Energy South Africa Exploration and Production Proprietary Limited (Molopo SA) to Windfall Energy Pty Ltd. (a Sth African private company) under a Share Purchase Agreement. Windfall Energy Pty Ltd changed its name to Tetra 4 Pty Limited. Included in the 2013 sale agreement was the assignment of a claim and loan account of South African Rand 50 million against Molopo SA. In August 2015, Renergen Limited (Renergen), an emerging producer of helium and liquefied natural gas, acquired all of the shares in Molopo SA and in doing so acquired the obligation to repay the loan to the Company. The loan represents funds lent by the Company to Molopo SA which holds an onshore production license to develop and produce compressed natural gas.

Pursuant to the loan agreement dated May 2013, the loan is unsecured and up until 31 December 2022 was interest free. From 1 January 2023, the loan has been accruing interest at the prime overdraft rate (lending rate) plus 2% margin, consistent with the loan agreement. The South African Rand (SAR) 50 million loan is equivalent to A$3.94 million plus accrued interest to 31 December 2023 of A$549,000 based upon the AUD: ZAR exchange rate at 31 December 2023. The loan is deemed to be a financial instrument to be recognised at fair value with movements to the statement of profit or loss under Accounting Standard AASB 9 Financial Instruments.

Repayment of the loan is dependent upon the Molopo SA assets being developed by Renergen and generating revenues and sufficient profits to declare dividends to shareholders. Prior to the payment of any dividends or the repayment of any Renergen shareholder loans, the loan owing to Molopo must be repaid. In these circumstances, 36% of the annual profit that can be paid as a dividend must first be paid to Molopo Energy Limited which will be applied against the loan.

As the loan is unsecured, the Company is dependent on Renergen as to the timing of its repayment. Having regard to the recent capital restructuring initiatives as well as the financial and operating performance and financial position of Renergen, its current gas production operations, ongoing development of its assets, and the recent RAND 550m (A$43.34m) third-party investment in its operating subsidiary Tetra 4 Pty Limited, the Company considers that the loan may now be due and payable by Renergen.

The Directors will continue to pursue repayment of this loan in accordance with the terms of the loan.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Trade payables	(69)	(12)
Other payables	40	40
	(29)	28

Refer to note 11 for further information on financial risk management.

Note 9. Equity - issued capital

	Consolidated			
	31 Dec 2023 Shares	31 Dec 2022 Shares	31 Dec 2023 $'000	31 Dec 2022 $'000
Ordinary shares - fully paid	249,040,648	249,040,648	157,321	157,321

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term.

The capital risk management policy remains unchanged from the 2019 Annual Report.

Note 10. Equity - reserves

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Foreign currency reserve	(1,694)	(1,695)

Note 11. Financial risk management

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior key management personnel ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units and reports to the Board on a monthly basis.

Note 11. Financial risk management (continued)

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**31 Dec 2023 $'000**	**31 Dec 2022 $'000**	**31 Dec 2023 $'000**	**31 Dec 2022 $'000**
US dollars	65	64	-	-
Canadian dollars	77	169	-	-
	142	233	-	-

Sensitivity Analysis

A 10 percent change of the Australian dollar against the USD and the CAD at 31 December 2023 would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	AUD strengthened			AUD weakened		
Consolidated - 31 Dec 2023	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
AUD/CAD	-	7	7	-	8	8
AUD/USD	-	6	6	-	6	6
		13	13		14	14

Significant assumptions used in the foreign currency exposure sensitivity analysis above include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last five-years historical movements.
- The reasonably possible movement of 10% was calculated by taking the foreign currency spot rates as at balance date, moving this spot rate by 10% and then re-converting the foreign currency into AUD with the "new spot-rate". This methodology reflects the translation methodology undertaken by the Group.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.
- The sensitivity analysis includes only the impact on the balance of financial assets and financial liabilities at balance date.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity does not have any borrowings and therefore no significant exposure to interest rate risk. No interest is currently charged in relation to receivable or payable balances. The Group's exposure relates to the cash balances held.

Note 11. Financial risk management (continued)

Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity.

Credit risk is managed on a Group basis. The credit risk of the Group arises from cash and cash equivalents, deposits with banks and financial institutions, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum Standard & Poor's credit rating of A (or equivalent) are accepted.

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity 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 consolidated entity 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.

An adverse decision in the Canadian legal action may impact the Company's liquidity position.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 12. Key management personnel disclosures

	Consolidated 31 December 2023 $	Consolidated 31 December 2022 $
Short-term employee benefits	430,682	423,587
Post-employment benefits	8,187	7,807
	438,869	431,394

Note 13. Remuneration of auditors

	Consolidated 31 December 2023 $	Consolidated 31 December 2022 $
Audit services - Stannards and related network firms	7,250	-
- BDO Audit and review of the financial statements	36,163	54,000
Other services - Stannards and related network firms	-	-
- BDO Tax compliance - Australia	32,650	5,750
	76,063	59,750

Note 14. Contingent assets

Cue Gold Project Royalty: Molopo owns a $2.50/oz gold royalty over future production from the Cue Gold Project operated by Musgrave Resources Limited (ASX: MGV). On 3 July 2023, Ramelius Resources Ltd (ASX:RMS) announced an off-market takeover offer for all the ordinary shares in Musgrave. On 29 September 2023, Musgrave was removed from the Official List of the ASX, under Listing Rule 17.14, following the compulsory acquisition of the remaining Musgrave securities by Ramelius Resources Limited. The Cue Gold Project consists of the Cue Gold and Hollandaire Copper areas in the Murchison province of Western Australia. Given the uncertainty associated with mining gold from the Cue Gold Project, no value has been placed on the gold royalty.

Note 15. Contingent liabilities

The Company faces a series of historical legal actions initiated in Canada concerning the Company and Molopo Energy Canada Ltd. ("MECL"), a wholly owned subsidiary of the Company, all of which relate to the sale by MECL of its interests in various oil and gas assets on 1 March 2011, as summarised below:

1. One of MECL's former joint venture partners (3105682 Nova Scotia ULC ("310 ULC")), an entity associated with Mr Terry O'Connor, commenced legal action in 2011 against MECL claiming MECL breached various agreements relating to the relevant joint venture, including breach of fiduciary duties, trust and good faith. 310 ULC has sought declarations, accountings, damages of 25% revenue, and are claiming CAD$35.00 (A$38.68) million general damages, CAD$1.00 (A$1.10) million punitive and aggravated damages, interest, GST and indemnity costs.

The consolidated entity previously made a CAD$8.4 (A$9.28) million provision in its earlier financial statements in relation to this litigation. Molopo Energy Limited (Molopo) as parent company, is itself not a party to these proceedings. In 2018, based upon the information available, it was determined to write-back the provision to NIL and disclose the legal action as a contingent liability. The Board has determined that there is no further change to this decision, as the matter of liability cannot be determined at this time.

2. 310 ULC also commenced legal action in 2013 against the purchaser of MECL's interests in the assets, Legacy Oil & Gas Inc. ("Legacy"), as successor in title to MECL, claiming that Legacy continued some breaches allegedly committed by MECL and committed further breaches of the agreements relating to the relevant joint venture, including breaches of fiduciary duties, trust and good faith. 310 ULC has sought declarations, accountings, damages of 25% revenue, and are claiming CAD$90.00 (A$99.47) million general damages, CAD$1.00 (A$1.10) million punitive and aggravated damages, interest, GST and indemnity costs.

Legacy has issued a third-party notice to both MECL and Molopo on the basis of indemnities provided by MECL to Legacy in the sale agreement between MECL and Legacy, and a guarantee provided by Molopo to Legacy in relation to MECL's obligations under the sale agreement. In June 2015, Legacy was acquired by Crescent Point Energy Corporation, an oil and gas company based in Calgary, Canada.

Note 16. Related party transactions

Parent entity
Molopo Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 18.

Key management personnel
Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the Directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 17. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Profit/(loss) after income tax	3,557	(2,376)
Total comprehensive income/(loss)	3,557	(2,376)

Statement of financial position

	Parent	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Total current assets	16,766	17,208
Total assets	20,706	17,282
Total current liabilities	(70)	(11)
Total liabilities	(70)	(11)
Equity		
Issued capital	157,321	157,321
Accumulated losses	(136,545)	(140,028)
Total equity	20,776	17,293

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2022 and 31 December 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2022 and 31 December 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2022 and 31 December 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2023 %	Ownership interest 31 Dec 2022 %
Molopo USA LLC	USA	100%	100%
Molopo Energy Texas LLC	USA	100%	100%
Orient FRC Limited	British Virgin Islands	100%	100%
Molopo Energy Holdings Ltd	Canada	100%	100%
Molopo Energy Canada Ltd	Canada	100%	100%
Molopo Canada Callco Ltd	Canada	100%	100%

Note 19. Events after the reporting period

Molopo has been served with a claim filed by Keybridge Capital Limited in the Supreme Court of NSW. The claim was filed with the Court on 18 August 2023 but not served on Molopo until February 2024. The claim alleges that Keybridge has suffered loss and damage with respect to conduct concerning the Orient and Drawbridge Transactions entered into by Molopo in 2017 and 2018. The basis on which Keybridge alleges it has suffered loss and damage in not clear from the documents that have been filed with the Court. Molopo has engaged solicitors to defend the claim. The proceedings are listed before the Court for an initial directions hearing on 12 April 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 20. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Profit/(loss) after income tax expense for the year	3,561	(2,375)
Change in operating assets and liabilities:		
Decrease in prepayments	178	190
Increase in other receivables	(549)	4
Decrease in trade & other payables	(59)	(60)
Increase in other assets	(3,940)	159
Net cash used in operating activities	(809)	(2,082)

Note 21. Earnings per share

	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Profit/(loss) after income tax attributable to the owners of Molopo Energy Limited	3,561	(2,375)
	Cents	Cents
Basic earnings per share	1.430	(0.954)
Diluted earnings per share	1.430	(0.954)

Note 21. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	249,040,648	249,040,648
Weighted average number of ordinary shares used in calculating diluted earnings per share	249,040,648	249,040,648

Note 22. New Standards and Interpretations

(a) New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the year.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Group has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

(b) New, Revised or Amending Accounting Standards and Interpretations Not Yet Effective

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 annual reporting period ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Molopo Energy Limited
Directors' declaration
31 December 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors

Roger Corbett
Chairman

26 March 2024
Melbourne

STANNARDS

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of Molopo Energy Ltd

As auditor I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to this audit; and
- no contraventions of any applicable code of professional conduct in relation to this audit.

Stannards Accountants & Advisors

James Dickson
Director

Dated: 26 March 2024

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Independent Audit Report
To the Members of Molopo Energy Ltd

Report on the Audit of the Financial Report

Audit Opinion

We have audited the financial report of Molopo Energy Ltd (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

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

a) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended; 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 Company in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

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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 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/Home.aspx. This description forms part of our auditor's report.

Stannards Accountants and Advisors

James Dickson
Director

Dated: 26 March 2024

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