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LANTHANEIN

R E S O U R C E S

A.B.N. 96 095 684 389

CONSOLIDATED INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2022

TABLE OF CONTENTS

	Page
DIRECTORS' REPORT	3-13
AUDITORS' INDEPENDENCE DECLARATION	14
INDEPENDENT REVIEW REPORT TO THE MEMBERS	15-16
DIRECTORS' DECLARATION	17
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	18
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	19
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	20
CONSOLIDATED STATEMENT OF CASH FLOWS	21
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	22-27

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Lanthanein Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Lanthanein Resources Limited (the **Company**) and the entities it controlled at the end of, or during, the half-year ended 31 December 2022 (**Period**).

DIRECTORS

The following persons were directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise indicated:

Brian Thomas (Non-Executive Director)
David Frances (Non-Executive Chairman)
Peter Swiridiuk (Non-Executive Director)

RESULTS AND DIVIDENDS

The consolidated entity loss after income tax for the half-year is \$390,342 (2021: \$957,971). There is no dividend paid or recommended. The result for this half-year included exploration expenditure of \$20,407 (2021: \$335,425).

REVIEW OF OPERATIONS

Gascoyne Rare Earth Elements (REE) Project, Western Australia

At the commencement of the period, Lanthanein advised that the heritage surveys were commenced and completed ahead of the maiden drill program at the Lyons Rare Earths Project in the Gascoyne of Western Australia (**Lyons Project**). The heritage surveys are critical to ensure sites of significance for traditional owners are protected and not disturbed.

The drill program was designed to target high-grade rare earth mineralisation discovered at the outcropping ironstones at Lyons 11, 12, 13 and 27 (Figures 1 and 2).

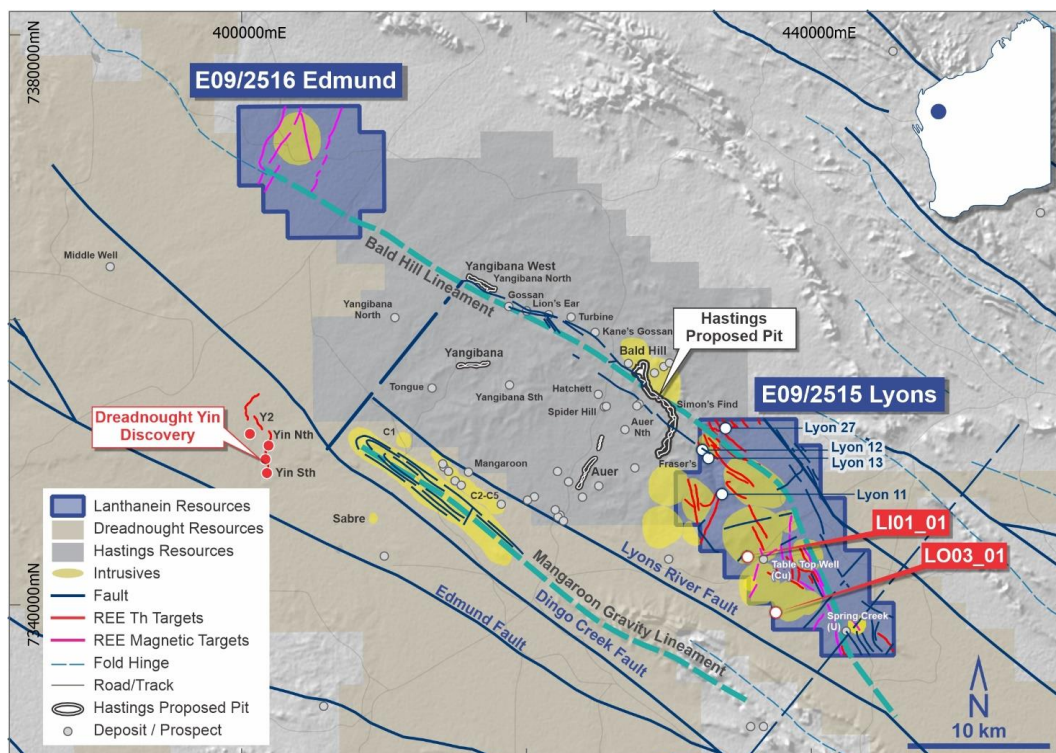


Figure 1: Lanthanein Resources Lyons and Edmund Projects located within close proximity of Dreadnought Resources Yin discovery and Hastings Technology Metals Yangibana REE mine

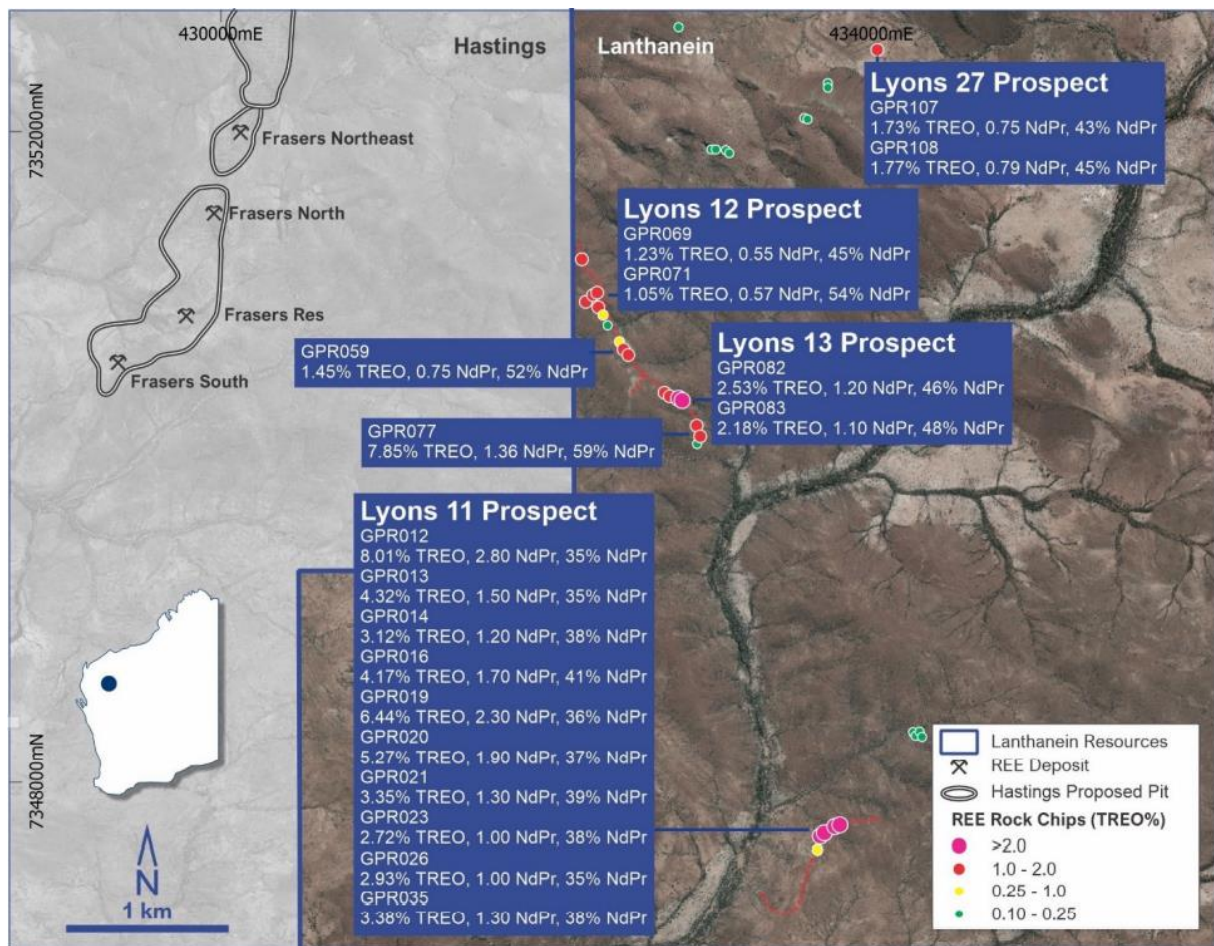


Figure 2: High grade REE bearing ironstones discovered to date were the initial focus of the maiden drill program (refer ASX release 21 March 2022).

An additional Program of Works (PoW) application was lodged with the Department of Mines, Industry Regulation and Safety (DMIRS) to allow for extensions to the initial drilling campaign.

The RC drilling programme was completed on 20 October for a total of 53 drill holes for 3,510m drilled, at an average depth of 66m.

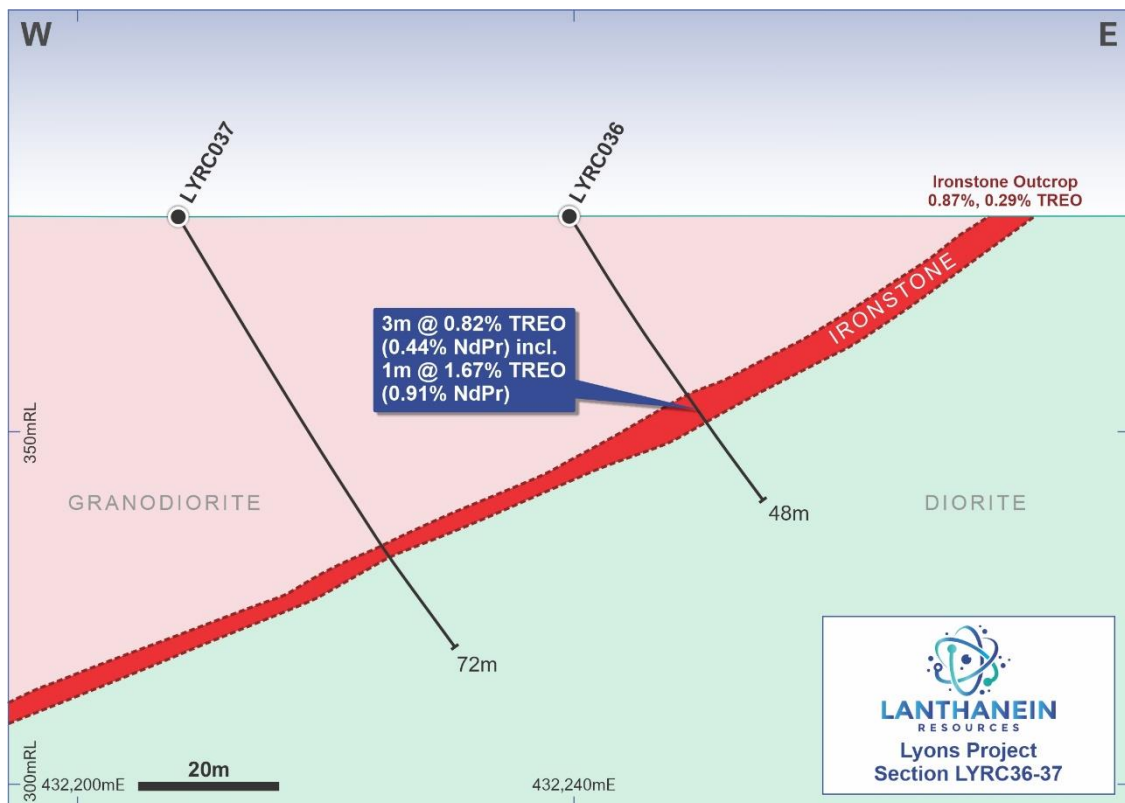


Figure 3. Cross Section LYRC36-37 at Lyons13

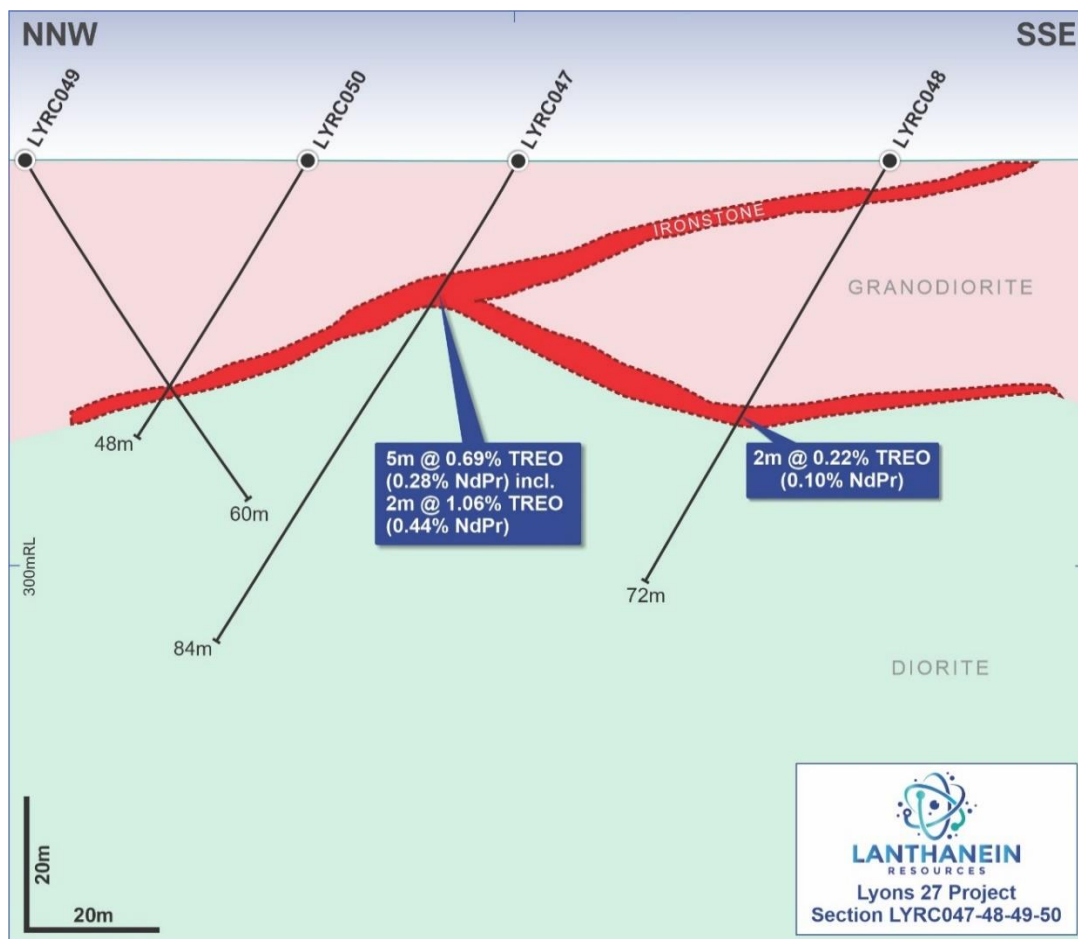


Figure 4: Cross Section LYRC47-48-49-50 at Lyons27

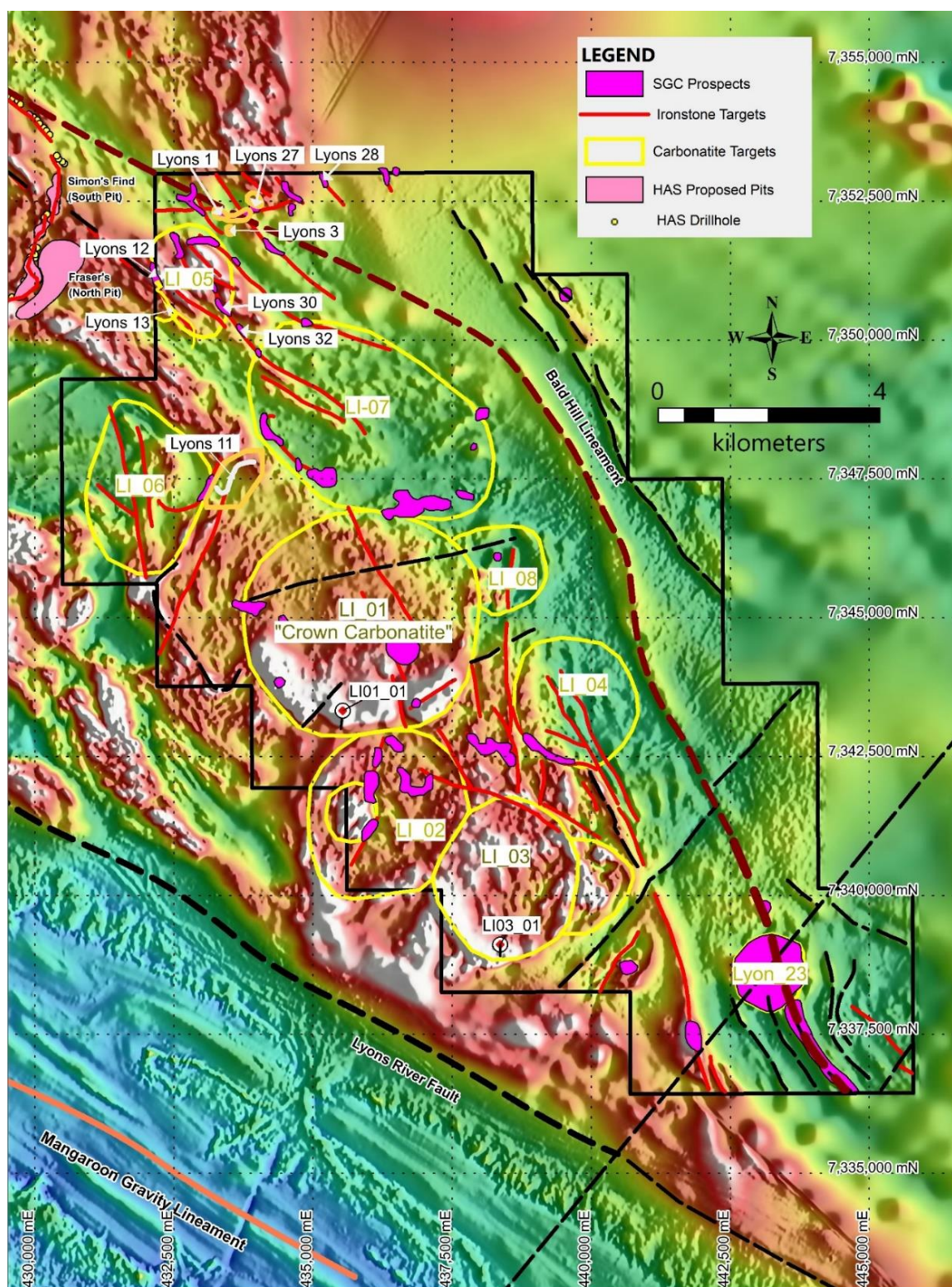


Figure 5: Interpreted intrusives with RTPVD1 filtered magnetic imagery, highlighting relationship with rare earth mineralisation at Hastings, and target areas on Lanthanein's Lyons Project.

Initial results showed that extremely high Neodymium and Praseodymium grades make up to 55% of Total Rare Earth Oxides (TREO), more than 3 times the world average. Niobium is one of a suite of commodities identified by the Australian Government as critical minerals, i.e., minerals (or elements) considered vital for the well-being of the world's economies, yet whose supply may be at risk of disruption. Niobium is essential for advanced technology with increasing usage in wind turbines, rechargeable batteries for electric vehicles and to significantly increase strength and decrease weight in steel products. Niobium Pentoxide (Nb_2O_5) prices range from US\$50 to US\$55/kg and is identified as a critical metal by Australia, US and the EU.

There were significant Niobium intersections on margins of Lyons Magnetic Intrusive Complex, related to carbonatites under cover to be drill tested in Q1, 2023.

The widths of main ironstone REE mineralisation intersected at Lyons prospects are 1 – 5m thick, analogous to Hastings Technology Metals main REE deposits Simons Find, Frasers and Bald Hill ~2.5km away.

Significant intersections (Table 1) at the Lyons 12 and 13 prospects (Figures 2 and 6) include:

- LYRC036: 3m at 0.82% TREO from 30m, including 1m at 1.67% TREO (55% NdPr:TREO) from 31m (Figure 3)
- LYRC018: 3m at 0.57% TREO from 6m, including 1m at 1.11% TREO (51% NdPr:TREO) and 0.79% Nb_2O_5 from 8m
- LYRC039: 1m at 1.01% TREO (53% NdPr: TREO) from 49m
- LYRC025: 1m at 0.71% TREO (47% NdPr:TREO) and 1.20% Nb_2O_5 from 34m

Significant intersections (Table 1) at the Lyons 27 prospect (Figure 2) include:

- LYRC047: 5m at 0.69% TREO from 20m, including 2m at 1.06% TREO (41% NdPr:TREO) from 21m (Figure 4)
- LYRC048: 2m at 0.22% TREO (43% NdPr:TREO)
- LYRC045: 1m at 0.21% TREO (38% NdPr:TREO)

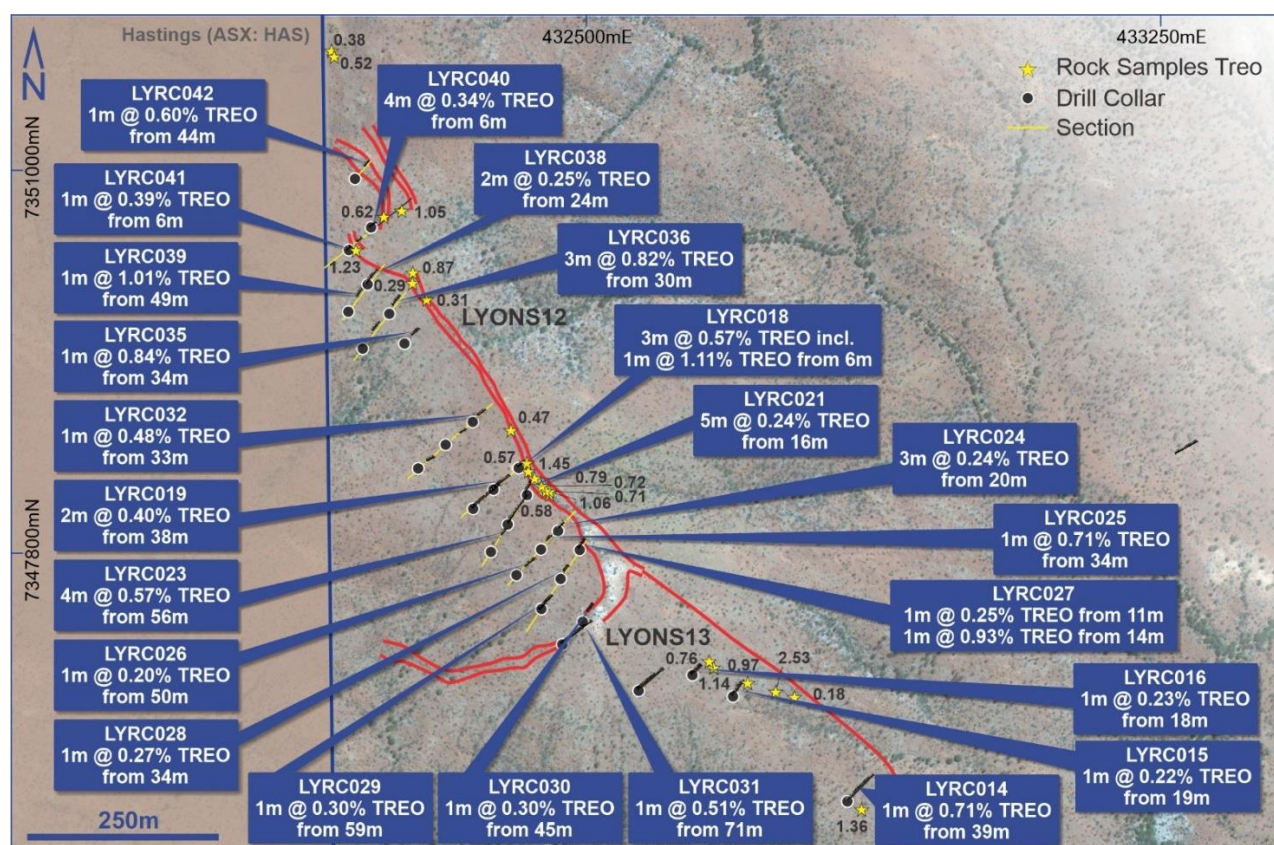


Figure 6: Plan View of the Lyons 12 and 13 Drillholes Identifying REE over 1km of Strike Length at Depth

Table 1: Significant Intersections > 0.2% TREO with highlighted > 1% TREO, > 1% Nb₂O₅

Hole ID	From (m)	To (m)	Interval (m)	TREO (%)	Nd ₂ O ₃ +Pr ₆ O ₁₁ (%)	NdPr:TREO (%)	Nb ₂ O ₅ (%)	ZrO ₂	Prospect
LYRC001				No Significant Intersection		35			Lyons 11
LYRC002	7	9	2	0.38	0.13	35			
LYRC003				No Significant Intersection					
LYRC004 Incl.	7 7	10 8	3 1	0.40 0.80	0.14 0.29	35 36			
LYRC005				No Significant Intersection					
LYRC006 Incl.	115 115	117 116	2 1	0.75 1.23	0.29 0.48	38 39			
LYRC007	15	17	2	0.40	0.14	33			
LYRC008	48	50	2	0.66	0.23	35	0.18	0.11	
LYRC009	90	91	1	0.26	0.08	31			
LYRC010				No Significant Intersection					
LYRC011				No Significant Intersection					Lyons 13
LYRC012	10	11	1	0.46	0.17	37			
LYRC013				No Significant Intersection					
LYRC014	39	40	1	0.71	0.24	34			
LYRC015	19	20	1	0.22	0.10	46	0.25		
LYRC016	18	19	1	0.23	0.09	39			
LYRC017				No Significant Intersection					
LYRC018 Incl.	6 8	9 9	3 1	0.57 1.11	0.29 0.57	48 51	0.51 0.79	1.20 0.47	
LYRC019	38	40	2	0.40	0.18	45	0.56	0.17	
LYRC020	58	59	1	0.22	0.10	46	0.88	0.24	
LYRC021 Incl.	16 17	21 18	5 1	0.24 0.59	0.10 0.28	38 48	0.10 0.15	0.17 0.09	
LYRC022				No Significant Intersection					
LYRC023 Incl.	56 57	60 59	4 2	0.57 0.98	0.28 0.49	44 48	0.40 0.64		
LYRC024	20	23	3	0.24	0.11	44	0.11	0.40	
LYRC025	34	35	1	0.71	0.33	47	1.20	0.14	
LYRC026	50	51	1	0.20	0.08	40	0.41	0.33	
LYRC027 And.	11 14	12 15	1 1	0.25 0.93	0.12 0.42	48 45			
LYRC028	34	35	1	0.27	0.11	41	0.24	0.16	
LYRC029	59	60	1	0.3	0.14	47	0.81	0.37	
LYRC030	45	46	1	0.3	0.13	43	0.08	0.17	
LYRC031	71	72	1	0.51	0.22	43	0.83		
LYRC032	33	34	1	0.48	0.24	50	0.41	1.01	
LYRC033				No Significant Intersection					
LYRC034				No Significant Intersection					
LYRC035	34	35	1	0.84	0.43	51	0.71	0.21	
LYRC036 Incl.	30 31	33 32	3 1	0.82 1.67	0.44 0.91	53 55	0.21	0.31	
LYRC037				No Significant Intersection					
LYRC038	24	26	2	0.25	0.12	49	0.19	0.28	

Hole ID	From (m)	To (m)	Interval (m)	TREO (%)	Nd ₂ O ₃ +Pr ₆ O ₁₁ (%)	NdPr:TREO (%)	Nb ₂ O ₅ (%)	ZrO ₂	Prospect
LYRC039	49	50	1	1.01	0.53	53	0.43		
LYRC040	6	10	4	0.34	0.17	46	0.38	1.12	Lyons 12
LYRC041	6	7	1	0.39	0.21	54	0.16	1.24	
LYRC042	44	45	1	0.60	0.32	54	0.79	2.06	
LYRC043				No Significant Intersection					Lyons 3
LYRC044				No Significant					Lyons 1
LYRC045	30	31	1	0.21	0.08	38			Lyons 27
LYRC046				No Significant Intersection					
LYRC047	20	25	5	0.69	0.28	40			
Incl.	21	23	2	1.06	0.44	41			
LYRC048	42	44	2	0.22	0.10	43			
LYRC049				No Significant Intersection					
LYRC050				No Significant Intersection					
LYRC051				No Significant Intersection					Lyon 32
LYRC052				No Significant Intersection					Lyon 30
LYRC053				No Significant Intersection					Lyons28

Significant drill programs >10,000m RC and Diamond are planned for 2023 to step out and infill known REE mineralisation for resource estimation in H2, 2023. Geophysical review of magnetic and radiometric surveys flown by the Company has highlighted multiple areas of interest under shallow cover, yet to be tested (Figure 5). The highest priority targets are the high magnetic curvilinear trends which show a similarity to Dreadnought Resources Yin and Sabre discoveries.

Further rock chip sampling, high resolution satellite spectral interpretation and drilling programs are planned to investigate additional targets not yet followed up, including thorium and magnetic anomalies throughout the Lyons Project and the high priority structural target along the major Bald Hill lineament which transects both the Edmund and Lyons Project Areas.

The Company recently received \$200,000 in funding from the Department of Mines Industry Regulation and Safety (DMIRS) to investigate potential for large tonnage REE carbonatites similar to Lynas Corporation's Mount Weld deposit in Western Australia.

Carbonatites are becoming increasingly important due to potential to host economic quantities of Th, U, Nb, P, Y and rare earth elements, which are strategically important for modern technology. Within the Lyons Block and along the Bald Hill Lineament, numerous carbonatite intrusions have been modelled from the airborne magnetics (Figure 1) with a similar dimension to the Mt. Weld carbonatite.

Two drill holes to 450m depth are proposed to test the outer magnetic rim of two of the larger carbonatite intrusives including LI-03 at 3km diameter and LI-01 at 4km diameter (Figure 5). Fenitic alteration (incl. magnetite and Th) is a metasomatically altered aureole which forms around carbonatite intrusive complexes. Fenites are an exploration indicator for rare earth and niobium mineralisation, mobilising the enrichment of rare earths and niobium within the centre of the intrusion and take them into these outer aureoles. This may infer a certain enrichment within the central source carbonatite intrusion and surrounding brecciation.

Koolya Project, Western Australia

During the period Lanthanum announced the completion of a first pass Aircore drilling program at Koolya Kaolin and High Purity Alumina Project in Western Australia, (**Koolya Project**). A wide spaced drill program with drillholes spaced 500m apart, covered 15km of prospective kaolin rich granite and intersected widespread kaolin of varying thickness, with a best result of 30m thick bright white kaolin from 4m depth (KAC014).

Analysis is being completed on the samples to quantify the specific characteristics such as ISO Brightness, Alumina content, presence of Halloysite and rare earth elements (REE). Following positive results further infill and step out drilling is planned to assist with a mineral resource estimate for H2, 2023.

While high purity kaolin is of rising importance as a critical mineral due to the processing into High Purity Alumina (HPA) which is being used in Li-ion batteries, LED lighting, Semiconductors and Sapphire glass, samples will also be sent for dual analysis for rare earths and to identify if the mineral Halloysite is present.

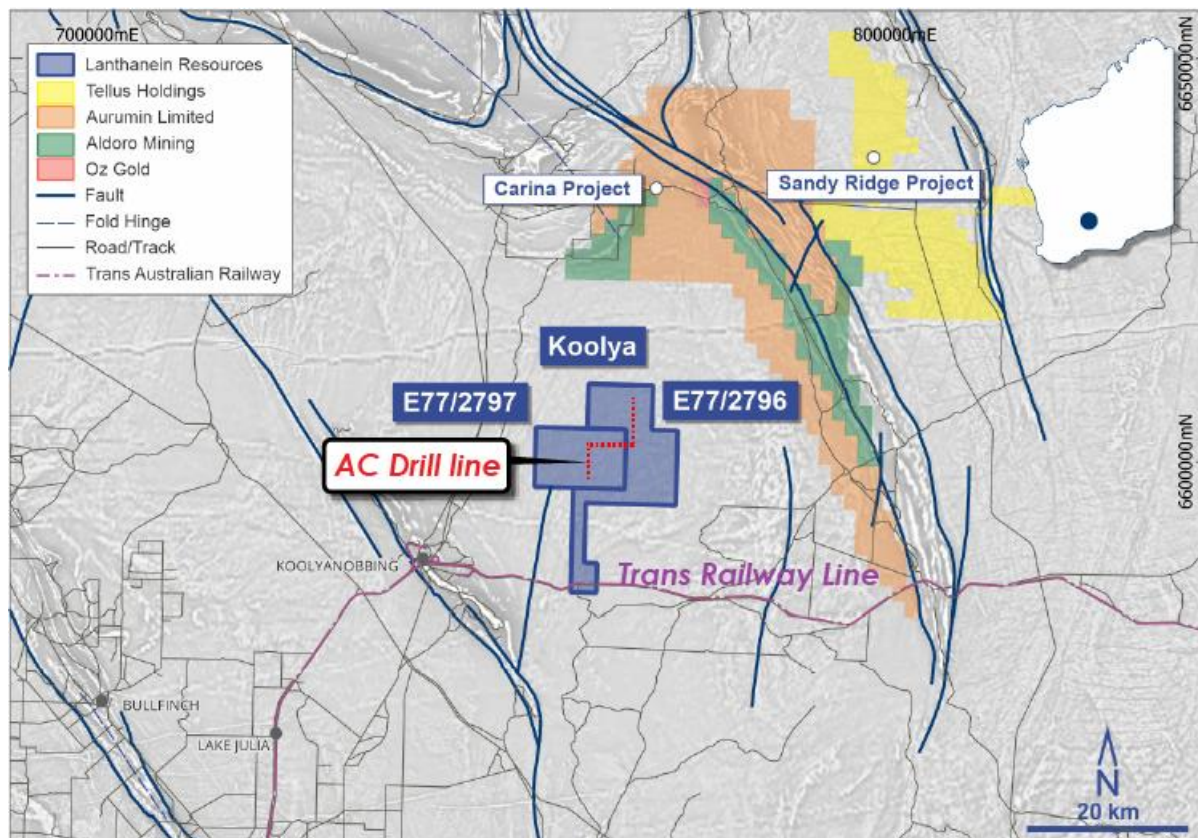


Figure 7: Koolya Project location showing the Trans Railway line running through southern area of project.

Tolukuma Gold Project, Papua New Guinea (PNG)

Tolu Mining Ltd Sale Agreement

Under the Binding Terms Sheet entered into with Tolu on 18 March 2022, in consideration for the acquisition of the Tolukuma Gold Project, Tolu (previously 'Lole') has agreed to pay Lanthanein A\$2 million comprised of A\$500,000 cash and a further A\$1.5m either in cash or by way of the issue of fully paid ordinary shares in Tolu (**Tolu Shares**), at the same issue price as the initial public offering to be conducted by Tolu, or a combination of Tolu Shares and cash, at the election of Tolu (**Initial Consideration**).

Further consideration of A\$1m is payable to the Company if within 5 years of payment of the Initial Consideration an aggregate minimum of 500,000 oz of gold of not less than JORC (2012) indicated category of resource is identified on the Tenements (**Milestone**). The additional consideration is payable in either cash or Tolu Shares (or a combination of cash and Tolu Shares, at the election of Tolu). The Tolu Shares will be issued at the volume weighted average price of Tolu Shares over the 30 days in which trading in Tolu Shares occurred prior to the announcement of the achievement of the Milestone.

Completion under the Binding Terms Sheet is conditional on:

- completion of due diligence enquiries by Tolu in relation to Frontier PNG's tenements and the proposed transaction generally;
- Tolu obtaining renewal of ML 104;
- Tolu either successfully completing its planned initial public offering and listing on the ASX or some other recognised securities exchange or the securities in Tolu being sold to another company that is listed on ASX or some other recognised securities exchange; and
- Lanthanein obtaining the approval of its shareholders including under ASX Listing Rule 11.4 (if required) and Lanthanein obtaining all other required approvals and authorisations required for the proposed transaction. Accordingly, on 12 May 2022, Lanthanein obtained conditional approval under Listing Rule 11.4 to dispose of the Tolukuma assets to Tolu Mining.

In the event that the securities in Tolu are sold to another company, then to the extent Lanthanein is to be issued securities in that entity (rather than Tolu) the issue price calculated in the same manner as set out above.

ESG

The Company continues to monitor the progress and development of the frameworks 21 core metrics created by the World Economic Forum's Stakeholder Capitalism Metrics.

The metrics have been organised into four pillars – Principles of Governance, Planet, People and Prosperity – which are aligned with the essential elements of the UN Sustainable Development Goals. Each pillar is comprised of, up to 7 themes, considered to be the most important to society, the planet and the economy and the most universally relevant to all companies. Each critical in providing comprehensive understanding in measuring corporate performance and sustainable value creation.

By benchmarking our ESG progress against WEF's framework we look forward to clearly demonstrating our commitment and progress towards the benchmarks provided in the WEF ESG reporting framework and to clearly communicate our ongoing progress.

We will be sharing the Company's ESG reporting updates in our Quarterly and Annual Reports, and will make these available on our website.

Since January we have been working towards setting an ESG baseline, we look forward to sharing the baseline report once completed. In the meantime please see the comparison report below, showing the progress made so far.

CORPORATE

\$1.75M Capital Raising

In August 2022, the Company announced it had received firm commitments from sophisticated investors to raise \$1,750,000 (before costs) via a placement (**Placement**) of 125 million shares at an issue price of \$0.014 per share (**Placement Shares**).

The subscribers to the Placement received 1 free attaching option exercisable at \$0.03 expiring 31 December 2024 (**Placement Options**) for every two Placement Shares subscribed for.

Allotment of the Placement Shares occurred on 10 August 2022. The funds raised from the Placement will be used primarily to fund up-coming drilling campaigns at the Company's Gascoyne Rare Earth Elements (REE) Project and the Murraydium Ionic Clay REE Project.

The Placement was managed by Inyati Capital Pty Ltd (**Inyati**). Pursuant to the mandate with Inyati the Company was paid 6% commission on funds raised under the Placement. Inyati also received 12.5 million options at an issue price of \$0.00001 per option and otherwise on the same terms as the Placement Options (**Broker Options**).

A total of 75,000,000 Options were listed on 17 August 2022.

Annual General Meeting

The Company's annual general meeting was held on 10 November 2022. All resolutions put to shareholders were carried on a poll.

SIGNIFICANT EVENTS OCCURRING AFTER REPORTING DATE

Capital Raising

In February 2023, the Company announced it had received firm commitments from sophisticated investors to raise \$2,520,000 (before costs) via a placement (**Placement**) of 140 million shares at an issue price of \$0.018 per share (**Placement Shares**).

The subscribers to the Placement were offered 1 free attaching option exercisable at \$0.03 expiring 31 December 2024 (**Placement Options**) for every two Placement Shares subscribed for. The Company advised that it intended to seek quotation of the Placement Options, being a total of 70,000,000 options.

The Placement was managed by Inyati Capital Pty Ltd (**Inyati**). Pursuant to the mandate with Inyati the Company paid 6% commission on funds raised under the Placement. Inyati also received 14 million options at an issue price of \$0.00001 per option and otherwise on the same terms as the Placement Options (**Broker Options**).

Allotment of 140 million Placement Shares and 84,000,011 LNRO Options occurred on 10 February 2023.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* immediately follows this report.

This report is made in accordance with a resolution of the directors.



Brian Thomas
Non-Executive Director

10th March 2023

LANTHANEIN RESOURCES LTD

Competent Person's Statement:

Papua New Guinea and South Australian Projects.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by or compiled under the supervision of Peter Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and Non-Executive Director for Lanthanein Resources. Peter Swiridiuk has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Western Australian Projects

The information in this announcement that relates to Exploration Results and other geological information has been compiled under the supervision of Mr Thomas Langley. Mr Langley is a member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy and is a consultant to the Company. Mr Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code')". Mr Langley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Schedule 1 – Tenement Information

Lanthanein Resources Limited Tenement Information (Australia) as at 31 December 2022

Tenement Number and Name	Ownership	Sub-blocks	Area (sq.km)	Application /Grant Date	Expiry Date
E 09/2515 - Gascoyne (WA)	100% Dalkeith Capital Pty Ltd	47	147.02	17-Dec-21	16-Dec-26
E 09/2516 - Gascoyne (WA)	100% Dalkeith Capital Pty Ltd	25	78.35	17-Dec-21	16-Dec-26
E 77/2796 - Koolya (WA)	100% Dalkeith Capital Pty Ltd	47	138.78	05-Nov-21	04-Nov-26
E 77/2797 - Koolya (WA)	100% Dalkeith Capital Pty Ltd	28	82.68	05-Nov-21	04-Nov-26
E 52/4012 - Mt Clere (WA)	100% Dalkeith Capital Pty Ltd	191	591.63	23-Mar-22	22-Mar-27
EL6717 - Murraydium (SA)	100% Southern Rare Earths Pty Ltd	78	876.00	06-Apr-22	05-Apr-28
Total of Granted Tenements		421	1,929.22		

Lanthanein Resources Limited Exploration Licence Information (Papua New Guinea)

Exploration Licence Number and Name	Ownership	Sub-blocks	Area (sq.km)*	Grant Date	Expiry Date
EL2531 - Tolukuma	100% Frontier Copper PNG Ltd	65	223.00	25-Feb-19	24-Feb-23
ELA2529 - Gazelle	100% Frontier Copper PNG Ltd	211	719.51	N/A	N/A
Total of Granted EL's		65	223.00		

*1 sub-block approximately 3.41 sq.km

Notes: The PNG Mining Act-1992 stipulates that EL's are granted for a renewable 2 year term (subject to satisfying work and expenditure commitments).

The PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LANTHANEIN RESOURCES LIMITED**

As auditor for the review of Lanthanein Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of March 2023.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LANTHANEIN RESOURCES LIMITED &
ITS CONTROLLED ENTITIES****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Lanthanein Resources Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the Half-Year Financial Report

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

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES (CONTINUED)**

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



SUAN LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of March 2023.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 18 to 27 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Lanthanein Resources Limited will be able to pay its debts as and when they become due and payable.

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



Brian Thomas
Non-Executive Director

10th of March 2023

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Half-year	
		2022	2021
		\$	\$
Continuing Operations			
Interest income		23,290	2,844
		<u>23,290</u>	<u>2,844</u>
Exploration expenditure		(20,407)	(335,425)
Administration and insurance		(193,025)	(116,162)
Consultancy		(70,248)	(300,113)
Corporate compliance and shareholder relations		<u>(129,952)</u>	<u>(209,115)</u>
Loss from continuing operations		<u>(390,342)</u>	<u>(957,971)</u>
Income tax expense		-	-
Loss after income tax		<u>(390,342)</u>	<u>(957,971)</u>
Loss for the half-year is attributable to:			
Equity holders of Lanthanein Resources Limited		(390,342)	(957,971)
Non-controlling interest		-	-
Total loss for the half-year		<u>(390,342)</u>	<u>(957,971)</u>
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Movement in foreign currency reserve	5	<u>3,426</u>	<u>24,743</u>
Total comprehensive loss for the half-year attributable to owners of Lanthanein Resources Limited		<u>3,426</u>	<u>24,743</u>
Total comprehensive loss for the half-year is attributable to:			
Equity holders of Lanthanein Resources Limited		(386,916)	(932,228)
Non-controlling interest		-	-
Total comprehensive loss for the half-year		<u>(386,916)</u>	<u>(933,228)</u>
Loss per share for loss attributable to the ordinary equity holders of Lanthanein Resources Limited		Cents	Cents
Basic and diluted loss per share		(0.04)	(0.07)

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

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31-Dec-22 \$	30-Jun-22 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,675,840	4,026,924
Trade and other receivables		253,081	92,547
Total Current Assets		3,928,921	4,119,471
Non-Current Assets			
Trade and other receivables		154	153
Exploration & Evaluation Expenditure	6	4,707,896	3,314,638
Total Non-Current Assets		4,708,050	3,314,791
Total Assets		8,636,971	7,434,262
LIABILITIES			
Current Liabilities			
Trade and other payables		270,590	312,397
Total Current Liabilities		270,590	312,397
Total Liabilities		270,590	312,397
Net Assets		8,366,381	7,121,865
EQUITY			
Contributed equity	4	45,859,052	44,247,249
Reserves	5	4,657,878	4,634,823
Accumulated losses		(42,150,549)	(41,760,207)
Total Equity		8,366,381	7,121,865

This Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022

Consolidated Entity	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Options Premium Reserve	Foreign Exchange Reserve	Total
Balance at 30 June 2021	39,219,988	(39,658,347)	3,939,885	179,640	(645,446)	3,035,720
Loss for the half-year	-	(957,971)	-	-	-	(957,971)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	24,743	24,743
Total Comprehensive Income/(Loss) for the period	-	(957,971)	-	-	24,743	(933,228)
Transactions with equity holders -						
Share issued during the period	5,066,779	-	337,477	-	-	5,404,256
Cost of Share issued	(389,918)	-	-	-	-	(389,918)
Option Issued during the period	-	-	-	587,145	-	587,145
Balance at 31 December 2021	43,896,849	(40,616,318)	4,277,362	766,785	(620,703)	7,703,975
Balance at 30 June 2022	44,247,249	(41,760,207)	4,277,362	965,190	(607,729)	7,121,865
Loss for the half-year	-	(390,342)	-	-	-	(390,342)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	3,426	3,426
Total Comprehensive Income/(Loss) for the period	-	(390,342)	-	-	3,426	(386,916)
Transactions with equity holders -						
Share issued during the period	1,750,125	-	-	-	-	1,750,125
Cost of Share issued	(291,707)	-	-	-	-	(291,707)
Conversion of performance rights	153,385	-	(153,385)	-	-	-
Option Issued during the period	-	-	-	173,014	-	173,014
Balance at 31 December 2022	45,859,052	(42,150,549)	4,123,977	1,138,204	(604,303)	8,348,381

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

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year	
	2022	2021
	\$	\$
Cash Flows from Operating Activities		
Receipt of interest	23,290	2,844
Payments to suppliers and employees	(586,065)	(203,770)
Payments for exploration and evaluation activities	(18,421)	(316,681)
Net cash outflow from operating activities	(581,196)	(517,607)
Cash Flows from Investing Activities		
Payments for exploration and evaluation expenditure	(1,401,466)	(153,709)
Net cash flow used in investing activities	(1,401,466)	(153,709)
Cash Flows from Financing Activities		
Payment for issues of shares	(118,693)	(167,996)
Proceeds from issue of shares (net of share issue costs)	1,750,125	2,718,702
Net cash flow from financing activities	1,631,432	2,550,706
Net increase/(decrease) in cash and cash equivalents	(351,230)	1,879,390
Cash and cash equivalents at the beginning of the half-year	4,026,924	3,087,727
Effect of exchange rates on cash holdings in foreign currencies	146	924
Cash and cash equivalents at end of the half-year	3,675,840	4,968,041

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year consolidated financial report is a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Lanthanein Resources Limited and its controlled entities. As such, Lanthanein Resources Limited and its controlled entities (the Group) does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements except as described below.

Application of new and revised accounting standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

2. LOSS FOR THE PERIOD

	Half-year	
	2022	2021
	\$	\$
The following expense items are relevant in explaining the financial performance for the interim period:		
Exploration expenditure	20,407	335,425

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. OPERATING SEGMENTS

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of gold, silver, base metals and rare earths projects. Inter-segment transactions are priced at cost to the Group.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

	Australia \$	Papua New Guinea Exploration \$	Treasury \$	Consolidated \$
For the Half-Year to 31 December 2022				
Segment revenue	-	-	23,290	23,290
Segment results	-	(20,660)	23,290	2,630
Amounts not included in segment results but reviewed by the Board:				
Corporate expenses				(374,380)
Share-based payment expenses				-
Impairment - Loan				(18,592)
Loss before income tax				(390,342)
As at 31 December 2022				
Segment assets	4,707,896	5,370	3,923,705	8,636,971
Segment liabilities	116,585	1,443	152,562	270,590

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. OPERATING SEGMENTS (continued)

	Australia \$	Papua New Guinea Exploration \$	Treasury \$	Consolidated \$
For the Half-Year to 31 December 2021				
Segment revenue	-	-	(2,844)	(2,844)
Segment results	-	(368,186)	(2,844)	(371,030)
Amounts not included in segment results but reviewed by the Board:				
Corporate expenses				(621,875)
Share-based payment expenses				(249,016)
Impairment - Loan				(327,375)
Loss before income tax				(1,569,296)
As at 31 December 2021				
Segment assets	2,902,292	5,052	4,995,203	7,902,547
Segment liabilities	100,964	10,385	87,223	198,572

4. EQUITY SECURITIES

	Dec 2022 Shares	Jun 2022 Shares	Dec 2022 \$	Jun 2022 \$
Balance at beginning of the period	837,825,570	489,101,938	44,247,249	39,219,988
Share issue (net of costs)	143,750,000	348,723,632	1,611,803	5,027,261
Balance at end of the period	981,575,570	837,825,570	45,859,052	44,247,249

Options to purchase ordinary shares

	Dec 2022 Options	Jun 2022 Options
Balance at 1 July	64,250,000	-
Issue of directors' and consultants' options	-	44,250,000
Issue of brokers options	12,500,000	20,000,000
Issue of placement options	62,500,000	-
Less expired options	-	-
Balance at end of the period	139,250,000	64,250,000

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

4. EQUITY SECURITIES (continued)

Performance shares	Dec 2022 Rights	Jun 2022 Rights
Balance at 1 July	64,423,076	-
Issue of vendor performance rights – Southern Rare Earths Pty Ltd acquisition	-	26,923,076
Issue of vendor performance rights – Dalkeith Capital Pty Ltd acquisition	-	37,500,000
Vesting of Class C Performance Rights	(18,750,000)	-
Balance at end of the period	45,673,076	64,423,076

5. RESERVES

	Dec 2022 \$	Jun 2022 \$
Share based payment reserve	4,123,977	4,277,362
Options premium reserve	1,138,204	965,190
Foreign currency translation reserve	(604,303)	(607,729)
	4,657,878	4,634,823

Movements – Share based payment reserve

Balance at beginning of the period	4,277,362	3,939,885
Performance shares expense/(vesting of rights)	(153,385)	337,477
Balance at end of the period	4,123,977	4,277,362

Movements – Options premium reserve

Balance at beginning of the period	965,190	179,640
Options issued to directors and consultants	-	563,628
Options issued to brokers	173,014	221,922
Balance at end of the period	1,138,204	965,190

Movements – Foreign currency translation reserve

Balance at beginning of the period	(607,729)	(645,446)
Currency translation differences arising during the period	3,426	37,717
Balance at end of the period	(604,303)	(607,729)

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

6. CAPITALISED EXPLORATION AND EVALUATION

	Dec 2022 \$	Jun 2022 \$
Exploration and evaluation assets	4,707,896	3,314,638
Reconciliation:		
Balance at beginning of the period	3,314,638	-
Issue of ordinary shares – project acquisitions	-	2,348,077
Issue of performance rights – project acquisitions	-	337,477
Exploration expenditure	1,393,258	629,084
Application Costs incurred	4,707,896	3,314,638

7. SHARE BASED PAYMENTS

The total expense arising from share based payment transactions recognised during the period in relation to the performance rights was \$nil, and options issued to brokers was \$173,014, totalling \$173,014 in share based payment expenses for the period.

Broker Options– 10 August 2022

On 10 August 2022, the Company issued 12,500,000 options to brokers, each exercisable at \$0.03 with a 2.39 year expiry period. These options were valued using a Black-Scholes valuation model and the capital-raising cost recognised in full at their issue date is \$173,014. For the options issued during the period, a Black-Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise Price	Expected volatility	Risk free rate	Dividend yield	Number of options	Value per Option	Total Value \$	Vesting terms
10/08/2022	31/12/24	\$0.029	\$0.03	85%	0.25%	0%	12,500,000	\$0.013841	173,014	Immediately

8. COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments remain consistent with those noted at 30 June 2022. The Group has no contingent liabilities at 31 December 2022.

9. DIVIDENDS

There were no dividends paid or recommended during the financial period ended 31 December 2022.

LANTHANEIN RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

10. SIGNIFICANT EVENTS OCCURRING AFTER REPORTING DATE

Capital Raising

In February 2023, the Company announced it had received firm commitments from sophisticated investors to raise \$2,520,000 (before costs) via a placement (**Placement**) of 140 million shares at an issue price of \$0.018 per share (**Placement Shares**).

The subscribers to the Placement were offered 1 free attaching option exercisable at \$0.03 expiring 31 December 2024 (**Placement Options**) for every two Placement Shares subscribed for. The Company advised that it intended to seek quotation of the Placement Options, being a total of 70,000,000 options.

The Placement was managed by Inyati Capital Pty Ltd (**Inyati**). Pursuant to the mandate with Inyati the Company paid 6% commission on funds raised under the Placement. Inyati also received 14 million options at an issue price of \$0.00001 per option and otherwise on the same terms as the Placement Options (**Broker Options**).

Allotment of 140 million Placement Shares and 84,000,011 LNRO Options occurred on 10 February 2023.