

Lightning Minerals Ltd
ABN 40 656 005 122
Interim Financial Report
For the Half-Year Ended 31 December 2022

For personal use only

TABLE OF CONTENTS

Contents

CORPORATE DIRECTORY	3
REVIEW OF OPERATIONS.....	4
DIRECTORS' REPORT	10
AUDITOR'S INDEPENDENCE DECLARATION	13
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	14
STATEMENT OF FINANCIAL POSITION	15
STATEMENT OF CHANGES IN EQUITY	16
STATEMENT OF CASH FLOWS.....	17
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	18
DIRECTORS' DECLARATION.....	25
INDEPENDENT AUDITORS' REVIEW REPORT.....	26
SCHEDULE OF TENEMENTS.....	28

For personal use only

CORPORATE DIRECTORY

Directors	Mr Peter McNeil (Non-Executive Chairman) Dr Karen Lloyd (Non-Executive Director) Mr Craig Sharpe (Non-Executive Director) Mr Francesco Cannavo (Non-Executive Director)
Chief Executive Officer	Mr Alexander Biggs
Company Secretary	Mr Justyn Stedwell
Registered Office	Level 6, 505 Little Collins Street Melbourne VIC 3000 Telephone: (08) 9429 8806
Auditors	HLB Mann Judd (VIC) Partnership Level 9, 550 Bourke Street Melbourne VIC 3000
Legal Advisers	Moray and Agnew Lawyers Level 6, 505 Little Collins Street Melbourne VIC 3000
Share Registry	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Telephone: 1300 288 664 Email: hello@automic.com.au Website: www.automic.com.au
Securities Exchange Listing	Lightning Minerals Limited shares are listed on the Australian Securities Exchange (ASX) ASX Code: L1M
Website	www.lightningminerals.com.au

REVIEW OF OPERATIONS

DUNDAS PROJECT (100% LIM)

A soil sampling program is currently being completed across the Company's Dundas tenements, program strategy and priority sampling areas are outlined in the ASX announcement dated 25 November 2022.

Pegmatite intrusion occurrences were observed across five separate sites (see ASX announcement dated 13 December 2022), within four exploration licences (Figure 1), totalling 15 pegmatite exposures.

Subsequent to the end of half year soil sampling has continued as well as geophysical interpretation works. Further site visits have also been undertaken with a view to determining drilling programs.

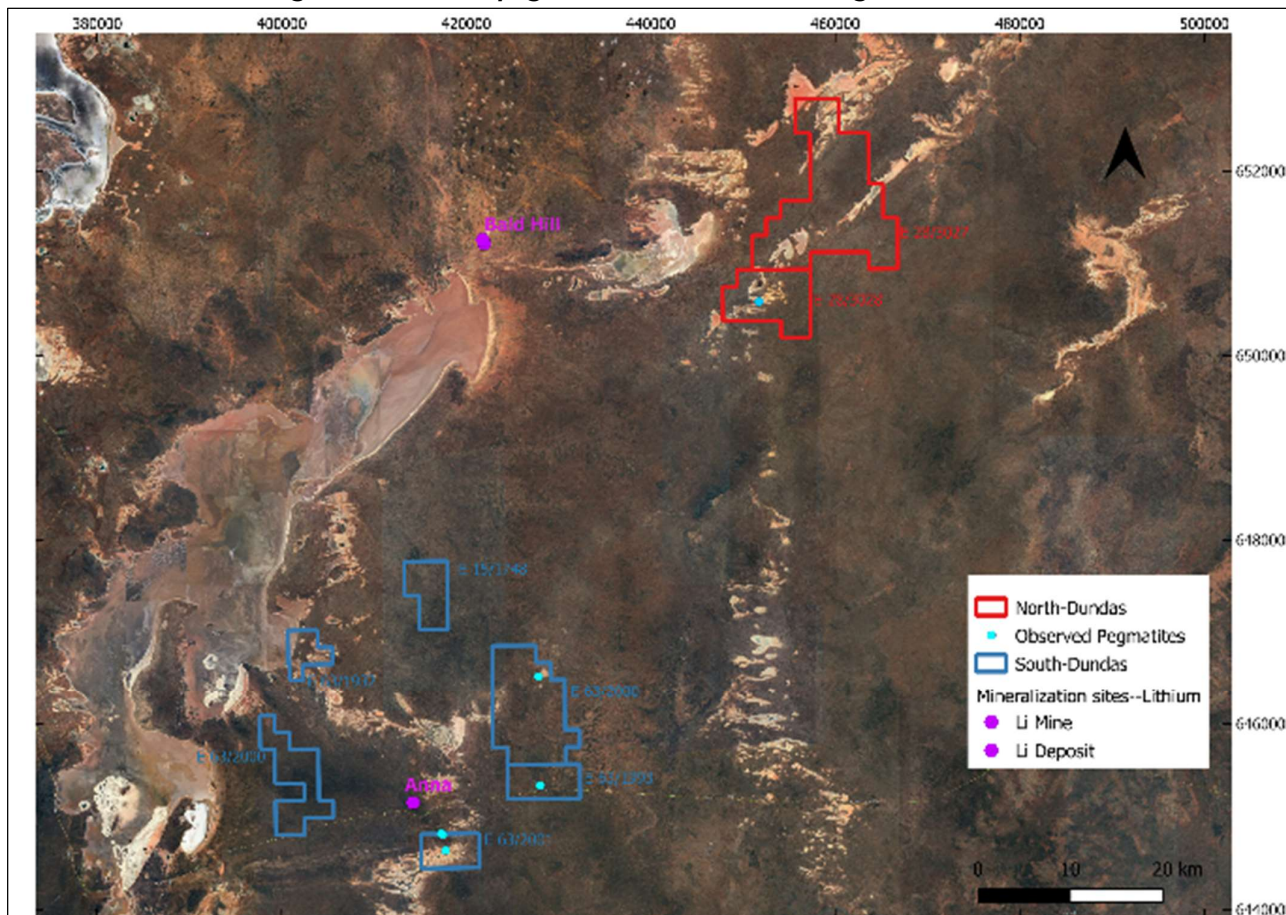
Figure 1: Pegmatite outcrop (white) intruding mafic host lithology on tenement E63/2001



Note: The reporting of pegmatites are field observations and are not indicative of mineralisation. Further exploration work including an assessment of the current soil and rock chip sampling results and follow up drilling and sampling are required to confirm the presence of any mineralisation.

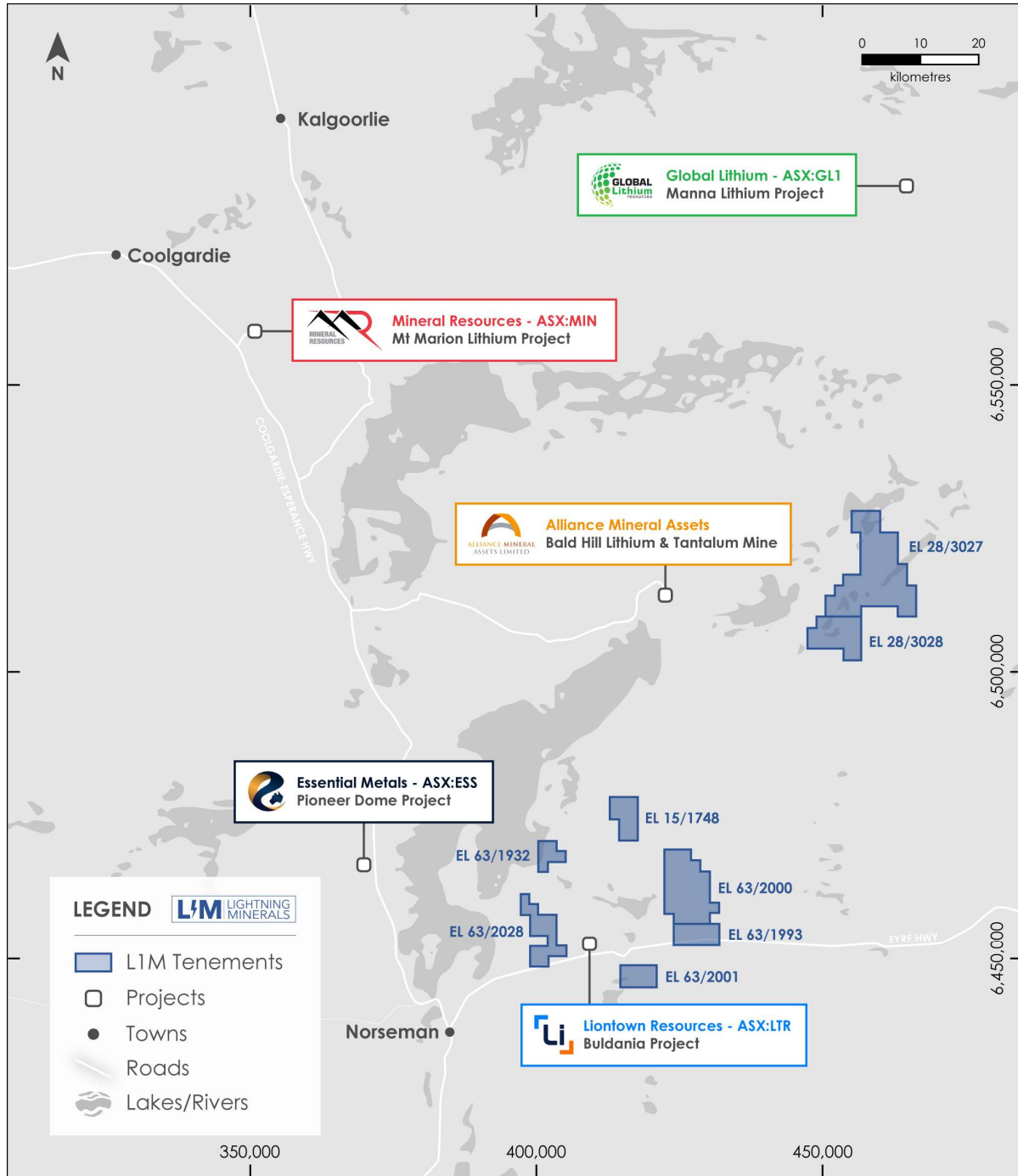
Pegmatite intrusion occurrences were observed across 5 separate sites, within four Exploration Licences (Figure 2), totalling 15 pegmatite exposures. Further investigation is required to determine the relationship of intrusions and the geochemical make up of individual pegmatites.

Figure 2: Observed pegmatite occurrences and significant lithium sites



For personal use only

Figure 3: Location of Dundas project tenements



MT JEWELL PROJECT (100% LIM)

No work has been performed at Mt Jewell this half year other than transfer of title and completion of required compliance related activities. In the coming months data analysis including geophysical data reviews and historical drilling will be conducted. Subsequent to end of half year a site visit has been completed.

For personal use only

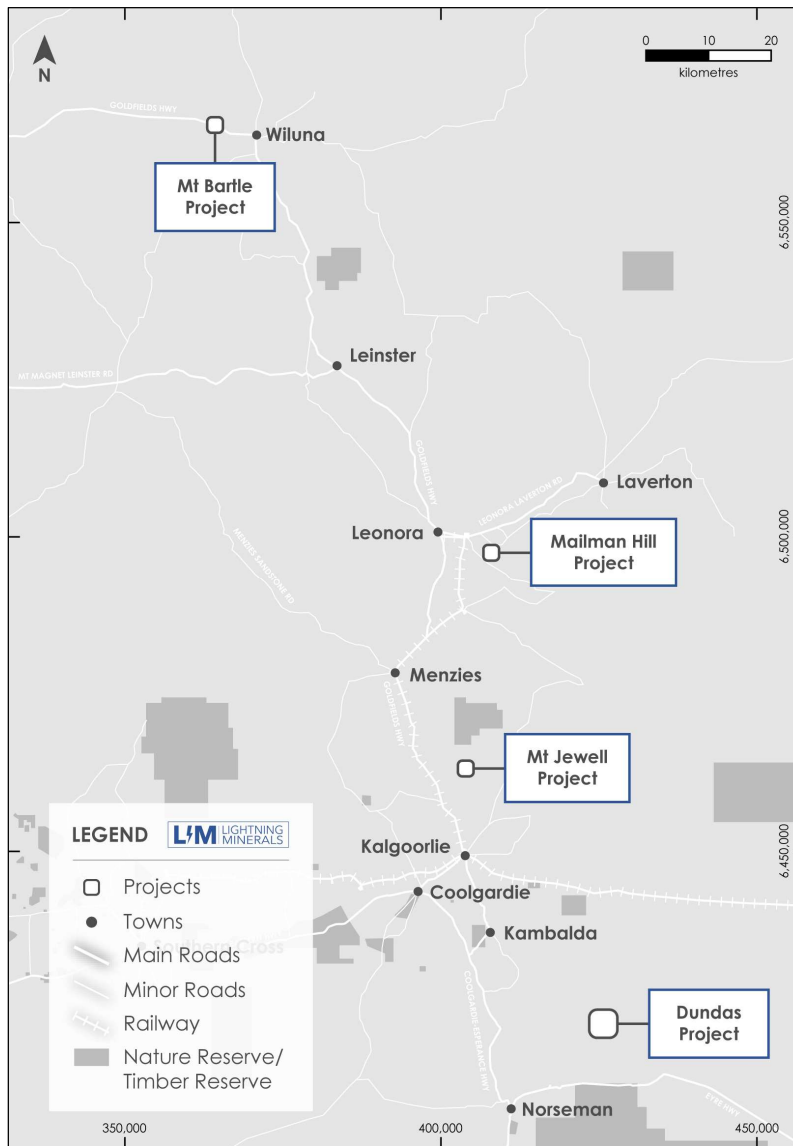
MAILMAN HILL PROJECT (100% L/M)

No work has been performed at Mailman Hill this half year other than transfer of title and completion of required compliance related activities. In the coming months data analysis including geophysical data reviews and historical drilling will be conducted. Subsequent to end of half year a site visit has been completed.

MT BARTLE PROJECT (100% L/M)

No work has been performed at Mt Bartle this half year. In the coming months data analysis including geophysical data reviews and historical drilling will be conducted. Application for the Mt Bartle tenements is still pending.

Figure 4: Lightning Minerals' project tenement summary



For personal use only

PROJECT GENERATION

During the period the Company received a number of project opportunities, and conducted high-level internal project evaluation and will continue to identify and review projects that may be complimentary to its business.

For personal use only

ABOUT LIGHTNING MINERALS

Lightning Minerals is a mineral exploration company, listed on the Australian Securities Exchange (ASX:LIM) and focused on the exploration of critical minerals and lithium at its tenements across Western Australia. The Company's flagship Dundas project is located in the prolific Dundas region of Western Australia. The Company also has other projects in Western Australia, Mt Jewell, Mt Bartle and Mailman Hill prospective for base metals and critical minerals.

FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

COMPETENT PERSONS STATEMENT

The information contained herein that relates to exploration results is based on information compiled or reviewed by Mr Jarrad Woodland, who is a Competent Person and a member of the Australasian Institute of Mining and Metallurgy. Mr Woodland is a full-time employee of the company. Mr Woodland has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodland consents to the inclusion of his name in the matters based on the 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 included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

DIRECTORS' REPORT

The Directors hereby present their Interim Financial Report on Lightning Minerals Limited (ASX: LIM) (the Company) for the half-year ended 31 December 2022. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

Except as otherwise stated below, the following persons were Directors of Lightning Minerals Limited during the whole of the half-year and up to the date of this Report as follows:

Director	Title	Appointment Date
Mr Peter McNeil	Non-Executive Chairman	09 August 2022
Dr Karen Lloyd	Non-Executive Director	08 April 2022
Mr Craig Sharpe	Non-Executive Director	08 April 2022
Mr Francesco Cannavo	Non-Executive Director	13 December 2021

CHIEF EXECUTIVE OFFICER

Mr Alexander Biggs has acted as Chief Executive Officer for the Company since 01 September 2022.

Mr Biggs is a qualified Mining Engineer and Mechanical Engineer. He has over 20 years' experience in the engineering and mining sectors including corporate, operations, consulting, finance, deal structuring and significant commercial expertise. Mr Biggs is currently a Non-Executive Director at Metals Australia (ASX:MLS) and previously Managing Director of Critical Resources (ASX:CRR). He has held executive, management and operational positions throughout the industry. Mr Biggs is a Member of the Australian Institute of Mining and Metallurgy and a graduate of the Western Australian School of Mines.

COMPANY SECRETARY

Mr Justyn Stedwell has acted as the Company Secretary during the period.

Mr Stedwell has over fifteen years' experience as a Company Secretary of ASX listed companies. He has completed a Bachelor of Commerce (Economics & Management) from Monash University, a Graduate Diploma of Accounting from Deakin University and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

PRINCIPLE ACTIVITIES

The Company holds the rights to several resource tenements in Western Australia and is actively exploring the tenements for lithium, gold and base metals.

OPERATING RESULT AND FINANCIAL POSITION

During the period, the Company made a loss \$1,148,402 (2021: \$5,268). The focus during the period was on securing funding for exploration and activities and securing the tenements for exploration.

During the period, the Company raised \$7 million from an Initial Public Offering, before issue costs, with 35,000,000 shares issued at 20 cents. In addition, \$20,000 was raised from investors in seed capital with a total of 200,000 ordinary shares issued, adding to the 10,132,000 ordinary shares on issue at 30 June 2022. Funds will continue to be used to enable the Company to develop its drilling programs as part of its exploration and evaluation process.

The Company issued 1.6 million shares to PAC Partners as part of payment of costs of the IPO, amounting to \$320,000, along with 5,000,000 share options, equating to a cost of \$557,100.

Ordinary shares were also issued as part payment for tenements acquired during the period. Pursuant to an agreement signed the Company acquired rights to tenements in the Dundas project in Western Australia, in exchange for a cash payment of \$200,000, plus the issue of 1,500,000 ordinary shares. The Company also issued 25,170 ordinary shares to complete the acquisition of the tenements in the Mailman Hill project.

As a result of operations, the IPO and its investment in the exploration assets, the Company's net assets are \$7,138,364. Net current assets amount to \$6,133,803. Exploration assets amounted to \$931,929. The Company generated \$7,000,000 in cash from the IPO, with net proceeds from capital raising for the period being \$6,693,275. Cash and cash equivalents closing at \$6,238,900.

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

Other than the IPO and acquisition of the tenement assets outlined above, there are no other significant changes during the period.

AFTER BALANCE DATE EVENTS

On 13 February 2023 the Company issued a prospectus to undertake a pro-rata non-renounceable entitlement issue (Loyalty Options Issue) to raise \$25,000. Under the offer each shareholder has been offered 1 loyalty option for every 2 shares held by the shareholder at the Record Date, at an issue price of \$0.001 per Loyalty Option.

In addition, 2,500,000 options will be issued to PAC Partners (or their nominees) as the Lead Manager of the Loyalty offer.

Other than the matters noted above the Board is not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Signed in accordance with a resolution of the Directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



MR ALEXANDER BIGGS

CHIEF EXECUTIVE OFFICER

15 March 2023

For personal use only

Auditor's independence declaration

As lead auditor for the review of the half year financial report of Lightning Minerals Ltd for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.



**HLB Mann Judd
Chartered Accountants**

Melbourne
15 March 2023



**Jude Lau
Partner**

hlb.com.au

HLB Mann Judd (VIC Partnership) ABN 20 696 861 713

Level 9, 550 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: mailbox@hlbvic.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (VIC Partnership) is a member of HLB International, the global advisory and accounting network

For personal use only

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 December 2022	13 December 2021 to 31 December 2021
Note	\$	\$
Income	-	-
Exploration expenditure	(22,923)	-
Directors' fees and salaries and wages	(960,690)	-
General and administrative expenses	(45,269)	-
Corporate expenses	(113,005)	(5,268)
Depreciation	(5,397)	-
Finance costs	(1,118)	-
Loss before income tax	(1,148,402)	(5,268)
Income tax expense	-	-
Net Loss for the period	(1,148,402)	(5,268)
Other Comprehensive income/(loss)		
Other comprehensive loss net of tax	-	-
Total comprehensive (loss)	(1,148,402)	(5,268)
Basic (loss) per share (cents per share)	8 (5.99)	(0.00)
Diluted (loss) per share (cents per share)	8 (5.99)	(0.00)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Note	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents	3	6,238,900	334,865
Trade and other receivables		52,350	3,000
Prepayments		73,205	37,741
Total Current Assets		6,364,455	375,606
Non-Current Assets			
Plant and equipment		4,441	-
Right of use asset	6	118,742	-
Exploration and evaluation assets	2	931,929	252,000
Total Non-Current Assets		1,055,112	252,000
Total Assets		7,419,567	627,606
Current Liabilities			
Trade and other payables		155,282	52,507
Deferred consideration		-	70,000
Lease liability	7	68,706	-
Provisions		6,664	-
Total Current Liabilities		230,652	122,507
Non-Current Liabilities			
Lease liability	7	50,551	-
		50,551	-
Total Liabilities		281,203	122,507
Net Assets		7,138,364	505,099
Equity			
Issued capital	4	6,951,677	563,632
Accumulated losses		(1,206,935)	(58,533)
Reserves	5	1,393,622	-
Total Equity		7,138,364	505,099

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
At 13 December 2021		-	-	-	-
Loss for the period		-	-	(5,268)	(5,268)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss) for the period		-	-	(5,268)	(5,268)
Transactions with owners in their capacity as owners:					
Issue of shares, net of costs		2,000	-	-	-
As at 31 December 2021		2,000	-	(5,268)	(3,268)
	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
At 1 July 2022		563,632	-	(58,533)	505,099
Loss for the period		-	-	(1,148,402)	(1,148,402)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss) for the period		-	-	(1,148,402)	(1,148,402)
Transactions with owners in their capacity as owners:					
Issue of shares, net of costs	4	5,763,011	-	-	5,763,011
Share based payments					
- cost of equity	5	320,000	557,100	-	877,100
- options granted	5	-	643,344	-	643,344
- performance rights granted	5	-	193,178	-	193,178
- acquisition of assets	5	305,034	-	-	305,034
As at 31 December 2022		6,951,677	1,393,622	(1,206,935)	7,138,364

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	31 December 2022	13 December 2021 to 31 December 2021
Note	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (net of GST)	(356,475)	-
Interest paid	(1,118)	-
Net cash (used in) operating activities	(357,593)	-
Cash flows from investing activities		
Payments for property and equipment	(4,885)	-
Exploration and evaluation expenditure and acquisition	(421,880)	-
Net cash (used in) investing activities	(426,765)	-
Cash flows from financing activities		
Proceeds from issue of shares	7,023,000	-
Cost of issuing shares	(329,725)	-
Repayment of lease liabilities	(4,882)	-
Net cash provided by financing activities	6,688,393	-
Net increase in cash held	5,904,035	-
Cash and cash equivalents at the beginning of the period	334,865	-
Cash and cash equivalents at the end of the period	6,238,900	-

The above statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This general purpose interim financial report for the half-year ended 31 December 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* as appropriate for profit-oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year report be read in conjunction with any public announcements made by the Company during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report, with the exception of the new accounting standards applied for the first time.

The financial statements were authorised for issue by the Directors on 15 March 2023.

The Company's principal activities are the exploration for and evaluation lithium, gold and base metals in Western Australia.

Comparatives

Where necessary, comparative information has been reclassified or repositioned for consistency with current year disclosures. The comparative information for the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows covers the period from incorporation on 13 December 2021 to 31 December 2021.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

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

2. EXPLORATION AND EVALUATION ASSETS

	31 December 2022	30 June 2022
	\$	\$
(a) Reconciliation of movements during period		
Costs carried forward in respect of areas of interest at cost	252,000	-
Tenements and projects acquired	532,319	252,000
Exploration and evaluation expenditure capitalised during the period	147,610	-
	<hr/>	<hr/>
Costs carried forward in respect of areas of interest	931,929	252,000

(b) Critical Judgements

The ultimate recoupment of capitalised expenditure in relation to each area of interest is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas the results of which are still uncertain.

(c) Commitments for expenditure

To maintain current rights of tenure to the exploration tenements, the Company is required to meet the minimum expenditure requirements of the Department of Mining. Minimum expenditure commitments may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts. The Company has committed to spend a total of \$758,723 over the periods of the granted permit areas in respect of these exploration programs. Expenditure commitment is for the term of the permit renewal. The total commitment in relation to the permits is as follows:

	31 December 2022	30 June 2022
	\$	\$
Expenditure commitments within 1 year	174,973	-
Expenditure commitments 2 – 5 years	583,750	-
	<hr/>	<hr/>
	758,723	-

(d) Impairment

The directors have reviewed the projects and available resources and are satisfied that no impairment is required.

The Directors have considered the on-going impact of the COVID-19 pandemic. Based on information currently available the Directors believe there is no further impact on the impairment of the assets.

3. CASH AND CASH EQUIVALENTS

	31 December 2022	30 June 2022
	\$	\$
Cash at bank	6,238,900	334,865

4. ISSUED CAPITAL

(a) Reconciliation of issued capital	31 December 2022		30 June 2022	
	Number of shares	\$	Number of shares	\$
Ordinary shares – fully paid (no par value)	48,457,170	6,951,677	10,132,000	563,632

Ordinary shares	Shares	Price \$	\$
At 30 June 2022	10,132,000		563,632
Additional seed capital	200,000	0.10	20,000
Shares issued in IPO	35,000,000	0.20	7,000,000
Acquisition of exploration assets	1,500,000	0.20	300,000
Settlement of IPO costs	1,600,000	0.20	320,000
Settlement of exploration asset acquisition	25,170	0.20	5,034
Cost of issuing equity			(1,256,989)
As at 31 December 2022	<u>48,457,170</u>		<u>6,951,677</u>

(b) Terms and conditions of issued capital

Ordinary shares

Fully paid ordinary shares carry one vote per share and carry rights to dividends.

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

At 31 December 2022, there were no partly paid shares outstanding. Ordinary shares have no par value. The Company does not have a limit on number of shares authorised.

5. RESERVES

	31 December 2022	30 June 2022
	\$	\$
Option reserve (a)	1,200,444	
Performance rights reserve (b)	193,178	
	<u>1,393,622</u>	

(a) Option reserve

Movement in reserve	Share options issued	\$
At 30 June 2022		
Issued to directors	4,700,000	581,484
Issued to executives	500,000	61,860
Issued to lead manager	5,000,000	557,100
As at 31 December 2022	<u>10,200,000</u>	<u>1,200,444</u>

Nature and Purpose of Reserves

The reserve is used to record the value of equity issued to employees and directors as part of their remuneration, and other parties as part of compensation for their services.

Option details

Option series	Expiry date	Exercise price
Directors and executives	17 November 2027	\$0.25
Lead manager options	17 November 2026	\$0.25

Option valuation inputs

The basis of the share option valuation was as follows:

	Directors and executives 17 November 2027	Lead Manager 17 November 2026
Expiry date		
Share price at issue date	\$0.20	\$0.20
Exercise price \$	\$0.25	\$0.25
Risk free rate	3.33%	3.33%
Volatility	80%	80%
Fair value at grant date \$/option	\$0.1237	\$0.1114

(b) Performance rights reserve

<i>Movement in reserve</i>	\$	\$
At beginning of the period	-	-
Share based payments – services received	193,178	-
At end of the period	193,178	-

Nature and Purpose of Reserves

The reserve is used to record the value of performance rights issued to employees and directors as part of their remuneration, and other parties as part of compensation for their services.

Performance rights granted during the half-year

The Company granted 4,800,000 Performance Rights to its directors and executives, expiring 5 years from the date of grant. The performance rights vest on the later of:

- (a) 12 months from the date of the Company's admission to the official list of the ASX; and
- (b) The Company's shares achieving a volume weighted average price per share of 25% greater than the Company's IPO subscription price, calculated over any 20 consecutive trading days on which the shares have actually traded on ASX.

The inputs into the option valuations were as follows:

Expiry date	17 November 2027
Share price at issue date	\$0.20
Risk free rate	3.33%
Volatility	80%
Fair value at grant date \$/performance	\$0.1892

The value of the rights and the vesting period were estimated using the Hoadley HSO5 lattice model.

6. RIGHT-OF-USE ASSET

	31 December 2022	30 June 2022
	\$	\$
Office accommodation – at cost	124,139	-
Accumulated depreciation	(5,397)	-
	<u>118,742</u>	<u>-</u>

The company entered into a sub-lease for office accommodation on 1 December 2022, running until 30 October 2024. There is no option to extend the lease.

Accounting policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

7. LEASE LIABILITY

	31 December 2022	30 June 2022
	\$	\$
Lease for right-of-use asset - current	68,706	-
Lease for right-of-use asset – non-current	50,551	-
	<u>119,257</u>	<u>-</u>

Accounting policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

8. LOSS PER SHARE

	2022 CENTS	2021 CENTS
Basic (loss) per share	(5.99)	(0.00)
Diluted (loss) per share	(5.99)	(0.00)
	\$	\$
Net loss from continuing operations attributable to the owners of Lightning Minerals Ltd used in calculation of basic and diluted earnings per share.	(1,148,402)	(5,268)
	Number	Number
Basic Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	19,187,065	2,000,000
Diluted Weighted average number of ordinary shares and convertible redeemable cumulative preference shares outstanding and performance rights during the period used in the calculation of basic loss per share	19,187,065	2,000,000

9. COMMITMENTS FOR EXPENDITURE**Capital Commitments**

Other than the exploration commitments set out in note 2(c) the Company has no other capital commitments.

10. SEGMENT INFORMATION

The Company has adopted AASB 8 *Operating Segments* whereby segment information is presented using a 'management approach'. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The principal business and geographical segment of the Company is mineral exploration within Western Australia.

The Board of Directors reviews internal management reports at regular intervals that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board of Directors to make strategic decisions including assessing performance and in determining allocation of resources.

11. DIVIDENDS

No dividends were proposed or paid during the period.

12. EVENTS OCCURRING AFTER REPORTING DATE

On 13 February 2023 the Company issued a prospectus to undertake a pro-rata non-renounceable entitlement issue (Loyalty Options Issue) to raise \$25,000. Under the offer each shareholder has been offered 1 loyalty option for every 2 shares held by the shareholder at the Record Date, at an issue price of \$0.001 per Loyalty Option.

In addition, 2,500,000 options will be issued to PAC Partners (or their nominees) as the Lead Manager of the Loyalty offer.

Other than the above, the Board is not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

13. CONTINGENT LIABILITIES

The Company has entered into various tenement purchase agreements that include net smelter royalty obligations as consideration payable in the event that certain parameters are achieved. These parameters are production based such that the royalty is only paid when production commences.

There are no other matters which the Company considers would result in a contingent liability as at the date of this report.

For personal use only

DIRECTORS' DECLARATION

In the opinion of the Directors of Lightning Minerals Limited (the "Company"):

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the financial half-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.

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



Mr P McNeil
Non-Executive Chairman

15 March 2023
Melbourne

For personal use only

Independent auditor's review report to the members of Lightning Minerals Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Lightning Minerals Ltd ("the Company"), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

Basis for Conclusion

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

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

hlb.com.au

HLB Mann Judd (VIC Partnership) ABN 20 696 861 713

Level 9, 550 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: mailbox@hlbvic.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



HLB Mann Judd
Chartered Accountants

Melbourne
15 March 2023



Jude Lau
Partner

For personal use only

SCHEDULE OF TENEMENTS

For the period ended 31 December 2022

PROJECT	TENEMENT	STATUS/GRANT DATE	EXPIRY DATE	% OWNERSHIP	SUBSEQUENT EVENTS
Dundas South	E15/1748	06/11/2020	05/11/2025	100	None
	E63/1932	20/09/2019	19/09/2024	100	None
	E63/1993	15/05/2020	14/05/2025	100	None
	E63/2000	23/10/2020	22/10/2025	100	None
	E63/2001	23/10/2020	22/10/2025	100	None
	E63/2028	14/05/2021	13/05/2021	100	None
Dundas North	E28/3027	17/05/2021	16/05/2026	100	None
	E28/3028	17/05/2021	16/05/2026	100	None
Mt Jewell	E27/566	08/11/2016	07/11/2026	100	None
Mailman Hill	E37/1408	12/05/2021	11/05/2026	100	None
Mt Bartle	E53/2151	Pending	-	-	-
	E53/2147	Pending	-	-	-
	E53/2159	Pending	-	-	-