



Lincoln Minerals

Interim Financial Statements

for the half-year ended 31 December 2024

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2024

The Directors present their report together with the consolidated interim financial statements of Lincoln Minerals Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2024 together with the Auditor's review report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year are:

<u>Name</u>	<u>Period of directorship</u>
Non-executive	
Ruiyu Zhang	Appointed non-executive Chair 25 July 2023
Ryan Smith	Appointed 25 July 2023
John Lam	Appointed 1 September 2023
Julian Babarczy	Appointed 1 December 2023

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Lincoln Minerals Limited (ASX: LML) ("Lincoln" or "the Company") is a multi-commodity project developer with several advanced exploration and development projects within the world-renowned Gawler Craton region on the Eyre Peninsula in South Australia. Lincoln has undertaken significant work and expenditure to unlock value within its portfolio of leases. This effort has resulted in the identification and advancement of several promising projects across multiple commodities, including Graphite, Uranium, Magnetite and Copper & Base Metals.

The Group made a loss after tax for the six months ended 31 December 2024 of \$1,890,230 (2023: \$1,224,562). Cash at the end of December 2024 was \$744,959 (June 2024: \$2,573,340).

The following matters occurred during the reporting period:

Exploration Activities

Graphite - Lincoln completed a staged development strategy for the Kookaburra Gully Project Pre-Feasibility Study (PFS), which delivered compelling results. PFS highlights include:

- Strong project economics:
 - Pre-tax NPV10 of A\$114m or (US\$77m).
 - Pre-tax IRR of 41%.
 - Start-up capital requirement of A\$29m (US\$19m).
 - Average Cash EBITDA margin of 42%. 1 of ~A\$23m (US\$15m), Average Cash EBITDA (excluding non-cash items).
- The competitive advantages identified:
 - Short time frame to finalise approvals with an existing Mining Lease (ML) and secondary approvals well advanced.
 - Low operating cost from the high-grade core that starts at surface, requiring no pre-strip.
 - Low capital infrastructure: power, water and road all close.
 - Estimated average LOM total cash operating cost (includes Mining, Processing, G&A and Logistics) at the site of \$772 (US\$517) per tonne of concentrate.
 - Short qualification time for initial sales into well-priced industrial graphite markets.
 - Cashflow positive throughout the industrial graphite price cycle, when in full production.

The outcomes of the PFS suggest potential for Lincoln to become Australia's first graphite producer (in recent times) from Kookaburra Gully Project's existing mining lease.

Uranium – Lincoln has a defined strategy which involves developing Lincoln's Eyre Peninsula uranium portfolio and seeking third-party funding or sale opportunities to maximise value. Uranium field reconnaissance and sampling commenced at the Yallunda Project; and a first-pass reconnaissance sampling program was completed at Eridani; with pXRF3 analysis confirming the historic account of carnotite uranium mineralisation.

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Copper & Base Metals - Historical data identifies target zones with exceptional high-grade intercepts at Minbrie, 100km southwest of Whyalla on the Eyre Peninsula, South Australia which are to be further explored. Lincoln was granted a new mineral exploration licence EL7020 at the Yallunda Flat area, prospective for base metals and other commodities, leveraging proximity to known deposits.

Magnetite - Lincoln submitted its proposal for a 1.1 billion tonne Green Iron (magnetite) Project as a core component for South Australian Government's Green Iron and Steel Strategy. The Project is considered by Lincoln as a premier undeveloped magnetite project for South Australia, with ideal attributes to feed SA's Green Iron and Steel strategy. Discussions have commenced with various Green Steel groups seeking to develop domestic Green Steel mills

Corporate Activities

Share Placement – Lincoln issued 130M performance rights to its CEO, Jonathon Trewartha, with conversion to ordinary shares contingent upon achieving a range of agreed key performance indicators.

Option conversion - Lincoln converted 71,428 options (exercise price \$0.014) to ordinary shares.

Lincoln has 2,056,259,520 ordinary shares on issue as at 31 December 2024.

SIGNIFICANT EVENTS AFTER REPORTING DATE

No events have occurred post 31 December 2024.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 (Cth) is included in this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors.



Ruiyu Zhang, Chair
24 February 2025

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Auditor's Independence Declaration

To the Directors of Lincoln Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Lincoln Minerals Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 24 February 2025

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CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	Note	<u>31 December 2024</u>	<u>31 December 2023</u>
		\$	\$
Other income		9,360	-
Employee benefits		(308,544)	(312,469)
Corporate and administrative expenses		(555,158)	(624,653)
Exploration and evaluation expense		(1,034,405)	(285,353)
Depreciation and amortisation		(1,483)	(2,087)
RESULTS FROM OPERATING ACTIVITIES		<u>(1,890,230)</u>	<u>(1,224,562)</u>
LOSS BEFORE INCOME TAX		<u>(1, 890,230)</u>	<u>(1,224,562)</u>
Income tax expense			-
NET LOSS FOR THE PERIOD		<u>(1, 890,230)</u>	<u>(1,224,562)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(1, 890,230)</u>	<u>(1,224,562)</u>
Basic and diluted loss per share (cents)	4	(0.09)	(0.07)

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2024

	<u>Contributed Equity</u>	<u>Share based payment reserve</u>	<u>Accumulated losses</u>	<u>Total equity</u>
	\$	\$	\$	\$
Balance on 1 July 2023	42,600,143	35,000	(35,599,329)	7,035,814
Total comprehensive loss for the period				
Loss for the half year	-	-	(1,224,562)	(1,224,562)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,224,562)	(1,224,562)
Transactions with owners of the Company, recognised directly in equity				
Proceeds from rights issue	1,700,000	-	-	1,700,000
Share issue transaction costs	(105,903)	-	-	(105,903)
Total contributions by owners of the Company	1,594,097	-	-	1,594,097
Balance on 31 December 2023	44,194,240	35,000	(36,823,891)	7,405,349
Balance on 1 July 2024	46,362,669	113,816	(38,289,539)	8,186,946
Total comprehensive loss for the period				
Loss for the half year	-	-	(1,890,230)	(1,890,230)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,890,230)	(1,890,230)
Transactions with owners of the Company, recognised directly in equity				
Proceeds from shares issued	1,000	-	-	1,000
Performance rights issued to KMP	-	202,676	-	202,676
Total contributions by owners of the Company	1,000	202,676	-	203,676
Balance on 31 December 2024	46,363,669	316,492	(40,179,769)	6,500,392

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**As of 31 December 2024**

	<u>Note</u>	<u>31 December 2024</u>	<u>30 June 2024</u>
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		744,959	2,573,340
Trade and other receivables		107,872	54,887
TOTAL CURRENT ASSETS		852,831	2,628,227
NON-CURRENT ASSETS			
Other financial assets		66,000	66,000
Property, plant and equipment		275,989	277,472
Exploration and evaluation assets	5	5,561,127	5,561,127
TOTAL NON-CURRENT ASSETS		5,903,116	5,904,599
TOTAL ASSETS		6,755,947	8,532,826
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		219,578	311,920
Employment entitlements		35,977	33,960
TOTAL CURRENT LIABILITIES		255,555	345,880
TOTAL LIABILITIES		255,555	345,880
NET ASSETS		6,500,392	8,186,946
EQUITY			
Contributed equity		46,363,669	46,362,669
Reserves		316,492	113,816
Accumulated losses		(40,179,769)	(38,289,539)
TOTAL EQUITY		6,500,392	8,186,946

The accompanying notes form part of these consolidated interim financial statements

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	<u>31 December 2024</u>	<u>31 December 2023</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(804,807)	(865,937)
Net cash inflow / (outflow) from operating activities	(804,807)	(865,937)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(1,033,209)	(285,353)
Interest Received	9,360	-
Interest Paid	(725)	(296)
Additions to property plant and equipment	-	(3,630)
Net cash inflow / (outflow) from investing activities	(1,024,574)	(289,279)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	1,000	1,594,097
Net cash inflow / (outflow) from financing activities	1,000	1,594,097
Net increase / (decrease) in cash and cash equivalents	(1,828,381)	438,881
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,573,340	1,162,293
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	744,959	1,601,174

The accompanying notes form part of these consolidated interim financial statements

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Lincoln Minerals Limited (the Company) is a listed public company domiciled in Australia, whose shares are publicly traded on ASX Limited.

The consolidated interim financial statements of the Company as at, and for the six months ended 31 December 2024 comprise the Company and its wholly owned subsidiary Australian Graphite Pty Ltd (together referred to as the Group).

The Group is primarily involved in the exploration of Graphite and Iron Ore on the Eyre Peninsula in South Australia.

2. BASIS OF PREPARATION

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2024. The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2024. The 2024 annual financial report is available from the Company's registered office at Ground Floor, Space Lab Building - Lot Fourteen, 4 Frome Road Adelaide South Australia 5000 or at www.lincolnminerals.com.au.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2024 and can be found on the Company's website at www.lincolnminerals.com.au

None of the Australian Accounting Standards or Interpretations available for early adoption has been early adopted by the Company as none is considered to have a significant impact on the Group.

Preparing interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements as at and for the year ended 30 June 2024.

New or amended Accounting Standards and interpretations adopted.

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.

4. EARNINGS PER SHARE

	31 December 2024	31 December 2023
	\$	\$
Loss used to calculate basic and diluted loss per share (\$) attributable to members of the parent	(1,890,230)	(1,224,562)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	2,056,259,520	1,738,449,950
Basic and diluted loss per share (cents) attributable to members of the parent	(0.09)	(0.07)

The calculation of diluted earnings per share does not include weighted potential ordinary shares on issue as to do so would have the effect of reducing the amount of the loss per share.

5. EXPLORATION AND EVALUATION ASSETS

	31 December 2024	30 June 2024
	\$	\$
Balance on 1 July	5,561,127	5,561,127
Expenditure for the period	1,033,209	1,117,043
Depreciation charged to exploration	1,196	2,728
Less, exploration and evaluation expensed	(1,034,405)	(1,119,771)
Balance at end of period	5,561,127	5,561,127
 Gross exploration assets capitalised	 20,501,519	 20,501,519
Provision for impairment	(14,940,392)	(14,940,392)
Net exploration assets	5,561,127	5,561,127

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Group's accounting policy is to expense the exploration costs as incurred and to assess at each reporting date if any impairment indicators as defined in AASB6 paragraph 20. The directors have determined that there were no impairment indicators that had been triggered as at 31 December 2024.

6. SHARE BASED PAYMENT

The Company issued performance rights to Mr Jonathon Trewartha on 14 October 2024. *AASB 2 Share Based Payment* requires the services to be recognised in a share-based payment transaction.

The value of services acquired by the Company is to be measured at the fair value of the equity instruments granted where the fair value of the services provided cannot be estimated reliably. As the issue of performance rights is in consideration of future services, the fair value of the services cannot be reliably measured. As such, the value of the performance rights issued needs to be used as the reliable measurement of the services provided.

Since the performance rights convert to ordinary shares, they can be treated like an option with no exercise price. Therefore, an option valuation model is appropriate to value the performance rights issued. The following factors have been taken into consideration for the option valuation model:

- Exercise Price; share price at the time of issue; expected life of the options; the share's expected volatility ; expected dividends and the expected risk-free interest rate

Upon reviewing the factors to be taken into account and the variables to be calculated, it was considered that a Monte Carlo Simulation is the most relevant methodology to calculating the value of the rights issued with market vesting conditions. The Black-Scholes and Binomial model calculations provided valuations for the performance rights issued by the company with non-market vesting conditions. These valuations were checked and considered reasonable when taking into account the various influencing factors, such as time to expiry and Company share price volatility.

The fair value of rights granted is recognised as an employee benefit expense with the corresponding increase in equity (share-based payment reserve).

7. GOING CONCERN

The financial report has been prepared on the basis of a going concern. During the half year ended 31 December 2024 the Group recorded a net cash outflows from operating and investing activities of \$1,829,381 and an operating loss of \$1,890,230. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group:

- Raising sufficient funds to meet the minimum exploration expenditure to continue to develop its exploration and evaluation assets itself, or through joint ventures; and
- Retaining and maintaining its exploration and evaluation assets and associated licences.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- Directors have undertaken a thorough review of all corporate and exploration costs across the business and project divisions with the aim being to realise a substantial reduction in administrative and overhead costs in the short term, which will better align the Company's cost base to the current market conditions.
- Directors have the ability to raise new capital to fund company operations.
- Directors will not commit to expenditure unless sufficient funding has been sourced.
- The Group has met the South Australian Department of Energy & Mining expenditure commitments to December 2024 to maintain the right to hold the AEA tenements.

The Directors believe they will be successful in achieving the above and have prepared the financial statements on a going concern basis.

If additional capital is not obtained or the above matters are not resolved in the Group's favour, the going concern basis may not be appropriate, with the result that the group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the financial report.

8. EVENTS SUBSEQUENT TO REPORTING DATE

No events have occurred post 31 December 2024.

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DIRECTORS' DECLARATION

In the opinion of the directors of Lincoln Minerals Limited (the Company):

1. The consolidated interim financial statements and notes are in accordance with the Corporations Act 2001 (Cth) including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the six months ended on that date;
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 (Cth); and
2. 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.

On behalf of the Board



Ruiyu Zhang
Chair

Dated this 24 February 2025
Melbourne, Victoria

Independent Auditor's Review Report

To the Members of Lincoln Minerals Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Lincoln Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated interim statement of financial position as at 31 December 2024, and the consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, 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 Lincoln Minerals Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 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.

Material uncertainty related to going concern

We draw attention to Note 7 in the financial report, which indicates that the Group incurred a net loss of \$1,890,230 during the half year ended 31 December 2024 and a net cash outflow from operating and investing activities of \$1,829,381. As stated in Note 7, these events or conditions, along with other matters as set forth in Note 7, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

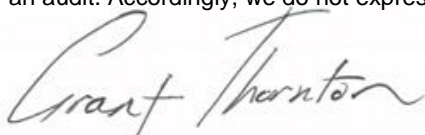
Directors' responsibility for the half year financial report

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 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.


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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Group's financial position as at 31 December 2024 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 24 February 2025