



LORD RESOURCES LIMITED

(formerly Eneabba Gas Limited)

ACN 107 385 884

INTERIM FINANCIAL REPORT

for the half year ended 31 December 2021

LORD RESOURCES LIMITED
ABN: 69 107 385 884

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This financial report covers Lord Resources Limited ("Lord" or the "Company"). The financial report is presented in Australian currency.

Lord Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Lord Resources Limited
Suite 9, Level 2
389 Oxford Street
Mount Hawthorn WA 6016

The Company has the power to amend and reissue the financial report.

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CORPORATE INFORMATION

Directors:

Paul Lloyd
Non-Executive Chairman

Barnaby Egerton-Warburton
Managing Director

Chris Swallow
Non-Executive Director

Company Secretary:

Paul Jurman

Auditors:

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

Bankers:

Westpac Banking Corporation
109 St Georges Terrace
PERTH WA 6000

Registered Office:

Suite 9 Level 2 389 Oxford Street
MOUNT HAWTHORN WA 6016
Telephone: + 618 9380 6789
Facsimile: + 618 9380 6761
Email: admin@lordresources.com
Website: www.lordresources.com

Postal Address:

Suite 9 Level 2 389 Oxford Street
MOUNT HAWTHORN WA 6016

Share Registry:

Automic Pty Ltd
Level 2
267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664 (within Australia)
+61(0) 2 9698 5414 (outside Australia)

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DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Company for the half year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and details of Directors in office at any time during or since the end of the half year and until the date of this report are as follows:

Barnaby Egerton-Warburton	Managing Director
Paul Lloyd	Non-Executive Chairman
Chris Swallow	Non-Executive Director

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

PRINCIPAL ACTIVITIES

Lord Resources Limited is an Australian company that is seeking new project opportunities.

RESULTS

The net loss after income tax for the half year ended 31 December 2021 amounted to \$211,580 (2020: \$71,698).

DIVIDENDS

There were no dividends paid or declared during the period.

OPERATING REVIEW

The Company entered voluntary suspension from trading on the Australian Securities Exchange on the 10 December 2018. The Company was delisted from the Australian Securities Exchange from the close of trading Friday, 11 December 2020. Since this point in time the Company has been performing due diligence on various opportunities in the resources sector.

On 23 September 2021, Lord entered into an acquisition agreement with Tailflower Pty Ltd (**Acquisition**), under which Lord will, on the satisfaction of various conditions precedent, acquire a 100% interest in the exploration licences comprising the Horse Rocks Polymetallic Project, the Cambridge Nickel - PGE Project, the Jarama Gold Project, the Gabyon Gold Project and the Viper Polymetallic Project, (together, the **Projects**).

Lord is seeking to raise up to \$4.5 million at \$0.20 per Share under the Public Offer (**Offer**), via a Prospectus that was lodged with ASIC on 4 February 2022. On completion of the Acquisition, the Company's main undertaking will be the exploration and eventual development of the Projects.

The purpose of the Offer is to expand the Company's shareholder base, facilitate a listing of the Company on the ASX and provide sufficient funds to undertake systematic exploration programs on each of the Projects, aimed at the discovery of an economic mineral deposit. The Board believes that the Projects provide a robust platform on which the Company can deliver exploration success, thereby adding value for Shareholders.

SUBSEQUENT EVENTS

Other than the Company lodging a Prospectus with ASIC on 4 February 2022 to raise up to \$4.5 million at \$0.20 per share, before costs, there are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

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AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2021 has been received and can be found on the following page.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the Corporation Act 2001.

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



Barnaby Egerton-Warburton
Director
14 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Lord Resources Limited for the half-year ended 31 December 2021, 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.

Perth, Western Australia
14 March 2022



L Di Giallonardo
Partner

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Liability limited by a scheme approved under Professional Standards Legislation.

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

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CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
Continuing Operations		
Revenue		
Finance income	15	31
Total revenue	<u>15</u>	<u>31</u>
Due diligence expenses	(129,277)	-
Other expenses	(82,318)	(71,729)
Total expenses	<u>(211,595)</u>	<u>(71,729)</u>
Loss before income tax expense	<u>(211,580)</u>	<u>(71,698)</u>
Income tax expense	-	-
Loss for the period from continuing operations	<u>(211,580)</u>	<u>(71,698)</u>
Other comprehensive income	-	-
Total comprehensive loss for the half year	<u>(211,580)</u>	<u>(71,698)</u>

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

		31 December 2021 \$	30 June 2021 \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents		258,181	208,042
Trade and other receivables		9,461	10,698
Prepayments		11,903	6,651
Total current assets		279,545	225,391
TOTAL ASSETS		279,545	25,391
LIABILITIES			
Current liabilities			
Trade and other payables	2	21,156	476,922
Total current liabilities		21,156	476,922
TOTAL LIABILITIES		21,156	476,922
NET ASSETS / (LIABILITIES)		258,389	(251,531)
EQUITY			
Issued capital	3	13,166,447	12,444,947
Accumulated losses		(12,908,058)	(12,696,478)
TOTAL EQUITY / (DEFICIENCY)		258,389	(251,531)

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

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CONDENSED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2021

2020

Total deficiency at 1 July 2020

Net loss for the period

Other comprehensive income

Total comprehensive loss for the period

Transactions with equity holders

Net deficiency at 31 December 2020

Issued Capital	Option Reserve	Accumulated Losses	Total Equity
\$	\$	\$	\$
12,244,947	196,910	(12,714,322)	(272,465)
-	-	(71,698)	(71,698)
-	-	-	-
-	-	(71,698)	(71,698)
-	-	-	-
12,244,947	196,910	(12,786,020)	(344,163)

2021

Total deficiency at 1 July 2021

Net loss for the period

Other comprehensive income

Total comprehensive loss for the period

Transactions with equity holders

Shares issued

Total equity at 31 December 2021

Issued Capital	Option Reserve	Accumulated Losses	Total Equity
\$	\$	\$	\$
12,444,947	-	(12,696,478)	(251,531)
-	-	(211,580)	(211,580)
-	-	-	-
-	-	(211,580)	(211,580)
721,500	-	-	721,500
13,166,447	-	(12,908,058)	258,389

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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CONDENSED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
<i>Cash flows from operating activities</i>		
Interest received	15	31
Payments to suppliers and employees	(120,599)	(19,309)
Project due diligence	(129,277)	(17,105)
Net cash used in operating activities	(249,861)	(36,383)
<i>Cash flows from financing activities</i>		
Proceeds from share issue	300,000	-
Net cash provided by financing activities	300,000	-
Net increase / (decrease) in cash and cash equivalents	50,139	(36,383)
Cash and cash equivalents at the beginning of the period	208,042	155,937
Cash and cash equivalents at the end of the period	258,181	119,554

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

LORD RESOURCES LIMITED
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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Lord Resources Limited (the "Company") is a company domiciled in Australia. The interim financial report as at and for the half year ended 31 December 2021 is of the Company.

STATEMENT OF COMPLIANCE

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Lord Resources Limited during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules, up until its removal.

This interim financial report was approved by the Board of Directors on 14 March 2022.

BASIS OF PREPARATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets, goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the period has been treated as a discrete reporting period.

Financial Position

The interim report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company incurred an operating loss of \$211,580 for the period ended 31 December 2021 and net cash outflows from operating activities totalling \$249,861.

As at 31 December 2021, the cash balance of the Company was \$258,181. The Directors consider the going concern basis of preparation to be appropriate for the following reasons:

- Confidence in the Company's ability to raise additional funds if required. During the period, the Company completed a capital raising of \$300,000 to fund working capital.
- The Company has the ability to meet its current cash outflows.
- The Directors and certain consultants have agreed to suspend payment of their fees until such time the Company has sufficient working capital to pay outstanding amounts.

Should the Company not raise additional funds or continue to be able to defer the repayment of creditors, there is a material uncertainty that may cast significant doubt as to whether the Company will be able to continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business.

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half year report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2021.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2021.

In the half year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2021. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

NOTE 2: TRADE AND OTHER PAYABLES

	31 December 2021 \$	30 June 2021 \$
Current		
Trade payables ⁽ⁱ⁾	13,656	227,722
Accruals	7,500	249,200
Total current trade and other payables	21,156	476,922

⁽ⁱ⁾ Trade payables are non-interest bearing and are normally settled on 30-day terms.

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NOTE 3: ISSUED CAPITAL

Half year ended 31 December 2021	No.	\$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	12,892,121	13,166,447
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2021	778,450,784	12,444,947
Issue of shares	300,000,000	300,000
Consolidation of capital (100 for 1 basis)	(1,067,666,163)	-
Issue of shares to settle creditor amounts outstanding	2,107,500	421,500
Balance as at 31 December 2021	12,892,121	13,166,447

Year ended 30 June 2021	No.	\$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	778,450,784	12,444,947
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2020	578,450,784	12,244,947
Issue of shares	200,000,000	200,000
Balance as at 30 June 2021	778,450,784	12,444,947

NOTE 4: SEGMENT REPORTING

The Company conducts operations in one operating segment, corporate, and in one geographic segment, Australia.

NOTE 5: SUBSEQUENT EVENTS

Other than the Company lodging a Prospectus with ASIC on 4 February 2022 to raise up to \$4.5 million at \$0.20 per share, before costs, there are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

NOTE 6: CONTINGENT ASSETS & LIABILITIES

The Directors are not aware of any contingent assets or liabilities that may arise from the Company's operations as at 31 December 2021.

NOTE 7: FAIR VALUE FINANCIAL INSTRUMENTS

The Directors have assessed that the fair value of financial assets and liabilities at balance date approximate their carrying value.

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NOTE 8: ACQUISITION OF TAILFLOWER PTY LTD

On 23 September 2021, the Company entered into an acquisition agreement (Acquisition) to acquire 100% of the issued capital of Tailflower Pty Ltd, the beneficial holder of the Horse Rocks Polymetallic Project, the Cambridge Nickel - PGE Project, the Jarama Gold Project, the Gabyon Gold Project and the Viper Polymetallic Project, (together, the Projects).

Settlement of the Acquisition is subject to number of conditions precedent outlined below and is expected to occur in March 2022.

The consideration for the Acquisition is as follows;

		\$
Consideration¹:		
3,000,000 shares with a fair value of \$0.20 per share		600,000
6,000,000 options with a fair value of \$0.1176 per share		705,600
Total consideration		1,305,600
Less net assets of Tailflower Pty Ltd at the date of acquisition ²		209,444
Excess consideration allocated to exploration and evaluation expenditure		1,096,156

Notes:

- The following information relates to deferred consideration payable to the Vendor in accordance with the Sale Agreement:
 - 2% Gross Value Royalty (GVR) payable to Beau Resources Pty Ltd for all minerals, metals and products recovered and sold from within the boundaries of the Tenements comprising the Projects.

The directors cannot predict whether the achievement of the above milestone is probable and no value has been recorded for this deferred consideration.
- Tailflower Pty Ltd was registered on 30 June 2021 and since incorporation has raised seed money with the sole purpose to acquire the tenements. The net assets of Tailflower Pty Ltd at the date of acquisition will be:

	\$
Cash	9,444
Exploration and evaluation expenditure	200,000
Net assets	209,444

Settlement of the Acquisition is conditional upon the following conditions precedent:

- Approvals:** the parties obtaining all necessary consents and approvals (including all regulatory and third-party approvals) to allow the parties to complete the Acquisition;
- Royalty deed:** Tailflower entering into a separate royalty agreement with Beau Resources Pty Ltd setting out the terms and conditions upon which Tailflower will pay Beau Resources Pty Ltd the Royalty;
- Condition approval letter:** the Company receiving conditional approval in writing from the ASX to admit the Company to the Official List of the ASX and those conditions being reasonable to the Company; and
- Capital raising:** the Company having successfully completed a capital raising of not less than \$4,500,000 via the issue of 22,500,000 fully paid ordinary shares at an issue price of \$0.20 per share,

Completion of the Acquisition Agreement will occur on a date that is no later than 5 Business Days after the Conditions Precedent have been successfully completed.

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DIRECTORS' DECLARATION

In the opinion of the Directors of Lord Resources Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half year then ended.
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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the board



Barnaby Egerton-Warburton
Director
Perth
14 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lord Resources Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Lord Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed 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 interim financial report of Lord Resources Limited 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 2021 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 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 (WA Partnership) ABN 22 193 232 714

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim 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 interim 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 2021 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 an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2022



L Di Giallonardo
Partner