



LORD RESOURCES LIMITED

ABN 69 107 385 884

AND CONTROLLED ENTITIES

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

LORD RESOURCES LIMITED
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**LORD RESOURCES LIMITED
CORPORATE DIRECTORY**

DIRECTORS	Paul Lloyd Barnaby Egerton-Warburton Christopher Swallow
COMPANY SECRETARY	Paul Jurman
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ASX CODE	LRD LRDO

LORD RESOURCES LIMITED

REVIEW OF OPERATIONS

Introduction

The following is a summary of the activities of Lord Resources Limited (“Lord” or “the Company”) for the year ended 30 June 2023. It is recommended that this Annual Report be read in conjunction with any public announcements made by the Company during the year. In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

Lord is an exploration company with a highly prospective portfolio of future facing metals located within Western Australia’s famed Greenstone belts and close to high profile and prolific historic and producing mines. Lord’s projects provide exposure to lithium in one of the world’s great lithium corridors.

- 1 HORSE ROCKS PROJECT**
Mt Marion-Style Li potential
- 2 JINGJING PROJECT**
Greenfields Li Project in ‘Goldilocks Zone’
- 3 GABYON PROJECT**
High-grade Au rock-chip results
- 4 JARAMA PROJECT**
Untested magnetic anomaly with Au potential
- 5 CAMBRIDGE PROJECT**
Ni-Cu-PGE multi-element potential with 3km-long Ni anomaly



Projects Overview

Horse Rocks Lithium Project

Located 20km south of Coolgardie in Western Australia’s Eastern Goldfields, the Horse Rocks Lithium Project (“Horse Rocks”) comprises a 23.8km² exploration licence (E15/1770), 8km west of Mineral Resources’ (ASX: MIN) Mt Marion Lithium Mine (51.4MT @ 1.45% Li₂O).

Exploration licence E15/1770 was officially granted in September 2022. Exploration during the period has consisted of geological mapping, auger sampling, rock sampling and RC drilling as follows:

- 1,169 auger samples from depths of 0.2m to 1.3m, over two sampling programs;
- 166 rock samples from sub-cropping and outcropping surfaces,
- 52 RC drill holes for 4,223m.

Two surface geochemical sampling programs were completed at Horse Rocks, covering the entire tenement area. Peak values returned in the soils were 677ppm lithium (Li), 329ppm caesium (Cs) and 75ppm tantalum (Ta). The sampling outlined seven distinct and significant geochemical anomalies, which display elevated levels in multiple elements, predominantly lithium, caesium, niobium, and tin. Prospectivity and fertility ratios suggest the presence of fractionated materials, particularly with the K/Rb vs Li ratio.

LORD RESOURCES LIMITED REVIEW OF OPERATIONS

A 52-hole RC drilling program, for 4,223m, was completed during March and April 2023. The drilling was designed to test for pegmatite hosted lithium mineralisation, in areas of geochemical anomalism. Multiple significant intercepts were returned from the drilling, including elevated Li, Ta and Cs. Pegmatite was intercepted in 47 of the 52 holes, with 43 drillholes containing pegmatites that displayed zones of high to moderate fractionation.

Drilling was successful in determining the geometry of the pegmatites, with a low angle east dip (5° to 30°) observed in most pegmatites, further evidence that the source granite is the Depot Granodiorite located to the east, between Horse Rocks and Mt Marion lithium mine. The pegmatites varied in thickness, from broad intrusions over 60 metres in width to narrow 'veins' of less than one metre wide.

The majority of the drilling was completed in the centre of the project at the largest and strongest geochemical anomaly. Over half of the pegmatites within the main geochemical anomaly in this area of the project have elevated lithium values (more than 0.1% Li₂O), with assays of over 0.2% Li₂O returned in five drillholes. Drilling of the geochemical anomalies in the south of the project area was less successful, with most pegmatites displaying low fractionation and not returning anomalous geochemical results. The best intercept from the southern area was 6m @ 0.14% Li₂O (from 30m), within quartz-albite pegmatite and altered/sheared ultramafic.

RC drill chips identified various pegmatite composition, with logged mineralogy including albite, microcline, quartz, muscovite, biotite, tourmaline, garnet, potential weathered spodumene, lithiophilite and tantalite. Notably, there are multiple haloes of elevated lithium returned within the greenstone sequence surrounding some of the pegmatites. These zones were always moderately sheared, with indications of biotite altered mafic and ultramafic lithologies, often at the contact with a pegmatite intrusion.

Internal mineral zonation of the pegmatites was observed at shallow depths within 23RC026, which displayed elevated Li, Ta and Cs surrounding a 2m wide barren quartz core. This mineralised zone contains what appears to be highly weathered and altered spodumene and tantalite. There was little to no mica observed in this intercept, indicating the lithium mineralisation is not from lepidolite.

Near surface anomalism within the drilling data can be linked between sections over a 700m strike, which corresponds with elevated lithium in geochemical sampling. This trend is also coincident with an interpreted northwest structure, which is the likely conduit for the pegmatite intrusion.

A structural control is evident to the placement of pegmatite intrusions. There is a general trend for the pegmatites to thicken at or near the contacts of the north-south trending ultramafic and high-magnesium basalt units. Elevated lithium assays within sheared greenstone lithologies are likely to be from lithium-rich fluids coming from deeper pegmatite intrusions, providing further evidence that lithium bearing pegmatites may be present deeper within the system.

Planning is underway to test these highly fractionated pegmatites with further drilling down dip and along strike, focussing on intersecting structures and lithological contacts within the greenstones. A structural review of the project, including updating the magnetic and radiometric geophysical dataset, will assist with the targeting of next phase of deep drilling, anticipated to commence in Q4 2023, pending additional required heritage clearance.

LORD RESOURCES LIMITED
REVIEW OF OPERATIONS

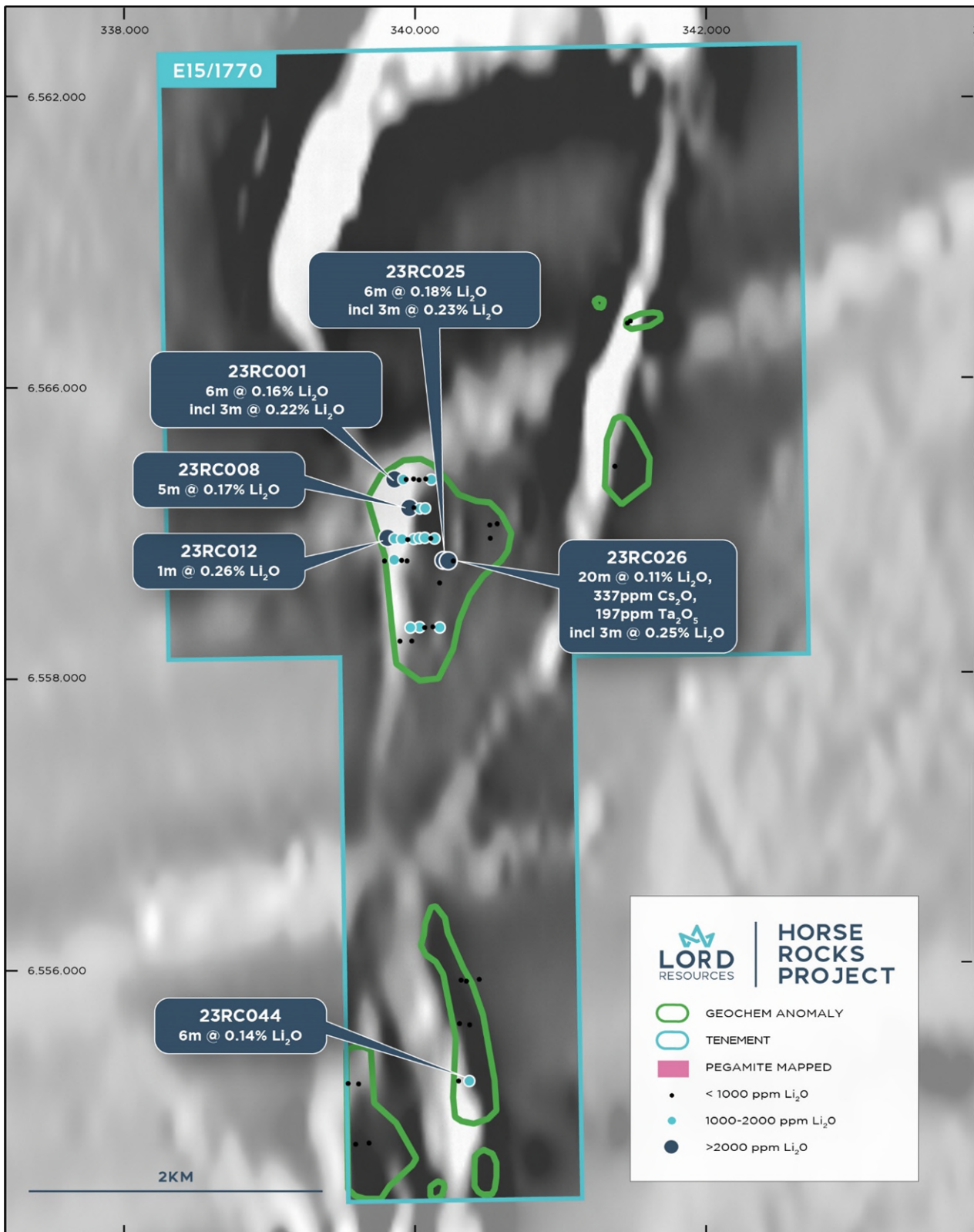


Figure 1 - Drilling Results with Geochemical Anomalies overlying Magnetic Imagery.

LORD RESOURCES LIMITED REVIEW OF OPERATIONS

Jingjing Lithium Project

During the year, Lord acquired 100% of the Jingjing Lithium Project, comprising E15/1912 and E63/2240, located in the Eastern Goldfields of Western Australia. The two granted exploration licences are situated approximately 50km northeast of Norseman, on the eastern side of Lake Cowan. The Bald Hill Lithium-Tantalum Mine is 18.5km to the north, and the Buldania Lithium project (ASX: Liontown Resources Limited) is 19km to the south. The Jefferies Find Gold Mine (ASX:AWJ) is located in the excised area in the southwest block of E63/2240.

The Jingjing Lithium Project is located within the Eastern Goldfields Province of the Archaean aged Yilgarn Craton of Western Australia. The tenements straddle the contact zone between greenstone and granitoids, an area that is considered prospective for LCT-type pegmatites. The observed pegmatites are hosted by variably sheared felsic volcanics and sediments of the Black Flag Group. Locally, the greenstone terrain is comprised predominantly of felsic volcanics/sediments (Black Flag Group) and mafic intrusive sills of the Kalgoorlie Terrane, which have been intruded by granitic bodies.

A review of historic reports indicate there has been no previous lithium exploration within the tenements. Previous explorers have focused on gold and nickel mineralisation, and therefore did not assay for lithium or other lithium indicator elements. A thorough review of all available data and reports from the WAMEX system continues. Digitisation of all available data continues, and will be collated into a comprehensive database.

Reconnaissance identified evidence of LCT mineralisation within outcropping pegmatites. While rock outcrop was limited, a series of pegmatites were observed in the north of E15/1912. Rock samples returned above background values for Ta (maximum assay of 112ppm Ta₂O₅), Li or Cs. Elemental ratios within the few pegmatite rock samples collected also indicate positive fractionation trends, highlighting the potential for LCT-type pegmatites.

Generative exploration work has commenced, with the acquisition and review of geophysical data, desktop targeting and a reconnaissance field trip. Review of geophysical data delineated 46 areas of interest, based on a combination of radiometric response, structural interpretation and elevation. Of these, 24 were deemed to be high priority.

Field reconnaissance revealed a higher percentage of outcropping rocks/residual soil than anticipated, so the conventional method of surface geochemical sampling and mapping will be effective in some areas of the tenements. Phase 1 of exploration will consist of surface soil sampling to identify geochemical anomalies, which would be followed up by detailed mapping and rock sampling, to identify potential drill targets for Phase 2.

An orientation surface geochemical survey has commenced to determine the best technique for geochemical sampling over areas of sandy cover, to produce representative and robust anomalies. The results of the orientation survey will guide a further comprehensive geochemical survey over the identified areas of interest, with the aim of delineating drill targets.

LORD RESOURCES LIMITED REVIEW OF OPERATIONS

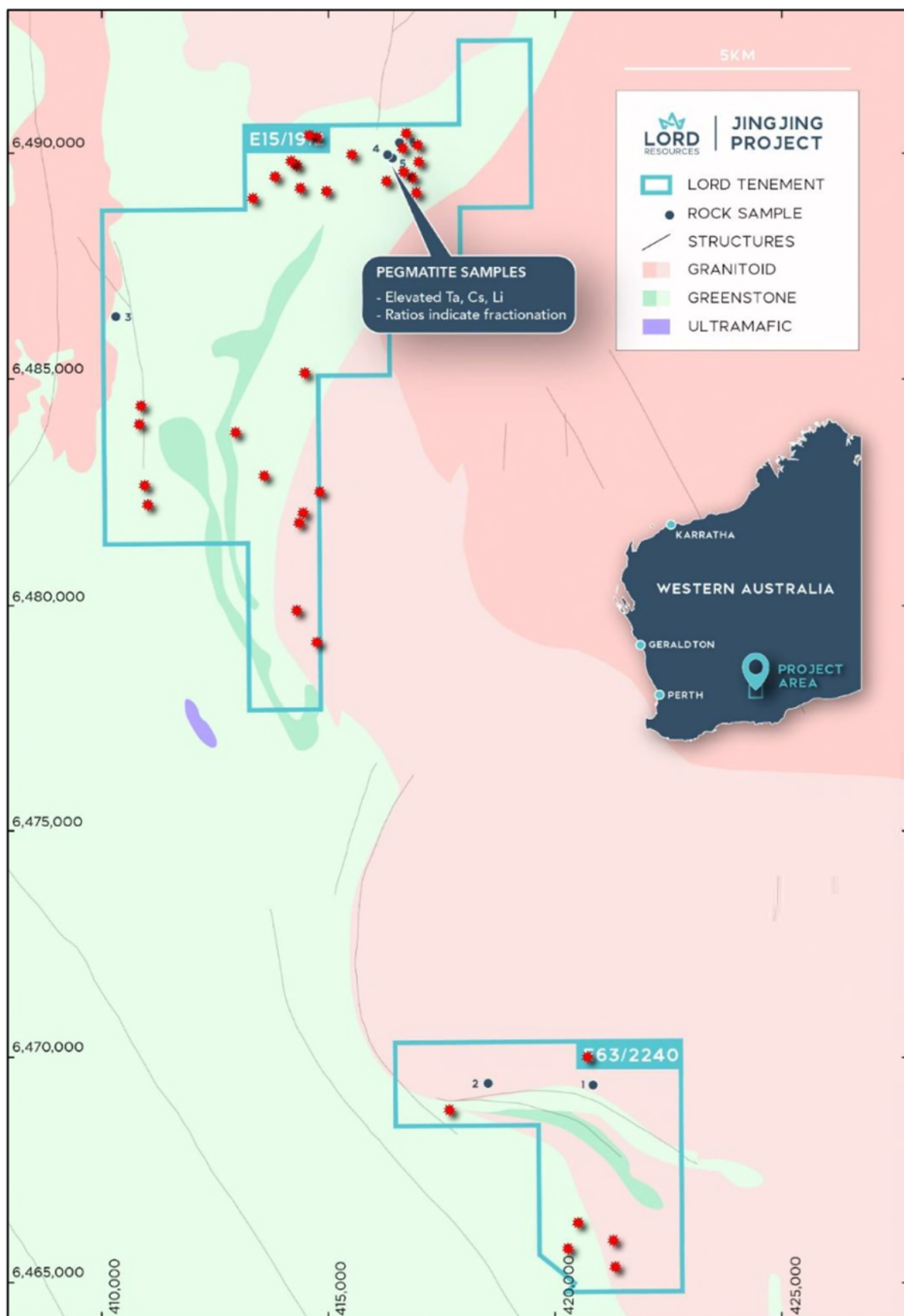


Figure 2 Jingjing Project – simplified geology with areas of interest marked as red stars.

LORD RESOURCES LIMITED REVIEW OF OPERATIONS

Gabyon Gold Project

The Gabyon Project comprises a single granted exploration and is located approximately 400 km north of Perth and 10 km west of Yalgoo in Western Australia.

The Gabyon Project lies within the northern part of the Yalgoo-Gullewa Greenstone Belt, within the Murchison Domain of the Yilgarn Craton. The regional scale Salt Creek Fault passes through the tenure and secondary shears and splays are considered potential conduits for mineralised fluids.

Exploration at the Gabyon Gold Project continued during the year, designed to test for gold mineralisation at the Woolgerong and Elya Bore prospects, where historic rock samples have returned grades of 9.15g/t Au and 1.98g/t Au respectively.

Subsequent to year end, a comprehensive surface sampling program commenced, which will provide the Company with a primary multi-element data set over the entire tenure, in areas that have seen little to no previous exploration. The samples collected near the known anomalism (Elya Bore & Woolgerong) will be closer spaced, with the aim of identifying mineralisation orientation, and potential extensions. This will guide the design of planned RC drilling at the known anomalies, and any newly discovered areas of anomalism.

Jarama Gold Project

The Jarama Project comprises a single granted exploration licence (E59/2501) covering an area of 18 km². The Project is located 330 km north-northeast of Perth and 40 km west of Paynes Find in Western Australia. The Jarama Project lies at the northern end of the Ninghan Fold Belt, within the Yalgoo-Singleton Greenstone Belt, part of the Murchison Domain of the Yilgarn Craton. An isolated magnetic high signature within the greenstones indicates a change in lithology or alteration. The Project area is predominantly covered with depositional colluvium, obscuring the underlying geology, which has had limited previous exploration.

In July 2022, the Company announced the inaugural drilling program at Jarama was successfully completed with 54 holes drilled for 2,496m, testing for near surface mineralisation along the Banded Iron Formation (BIF) unit that runs through the tenement, and located 17km north of the recent Yidby discovery (ASX: SRN).

Drillhole 22JRC008 returned an anomalous result of 0.59g/t gold from the end of hole (35-36m). This was within weakly sheared basalt with magnetite and biotite alteration and trace pyrite, near the contact with the BIF unit. Follow up work planned will consist of deeper RC drilling under and around hole 22JRC008 to test the extent and geometry of mineralisation.

Cambridge Nickel-PGE Project

The Cambridge Project comprises two exploration licences covering a total area of 12.1 km². The Project is located approximately 750 km east-northeast of Perth and 110 km southeast of Laverton in Western Australia.

The Cambridge Project lies within the Irwin Hills-Stella Range Greenstone Belt, within the Merolia Domain of the Yilgarn Craton. The Project is centred on an ultramafic intrusive orthocumulate dunite body, which is surrounded by siliciclastic sedimentary rocks.

The Cambridge Project is considered prospective for magmatic nickel and platinum group element (PGE) mineralisation. Key ingredients for intrusion related magmatic sulphide mineralisation have been identified in previous drilling, which intersected anomalous nickel in most drillholes and massive sulphides within an ultramafic intrusive complex.

During the year, Lord completed a Moving Loop ElectroMagnetic (MLEM) survey over four target areas, identified as prospective from historic EM data, to test for massive sulphides near the contact of the metasediments and ultramafic units. Four conductor plates were modelled, however the conductivity response is very low and unlikely to be massive nickel sulphide. Desktop studies continue to review all available geochemical and drilling data, with the view to identify further potential anomalies.

Viper Polymetallic Project

The Viper Project comprised a single granted exploration licence and is located approximately 1,200km north of Perth and 55 km south-southwest of Karratha in Western Australia.

Post a comprehensive review of the Viper Project, given the weak tenor of the VTEM targets, the extreme remoteness, high exploration costs and limited tenure size, exploration licence E47/4466 was surrendered.

New Opportunities

The Company continues to assess new opportunities for high demand metals, such as lithium, nickel, cobalt, and copper, to supply the increasing demand for battery metals consumed in the rapidly growing battery and EV sector.

LORD RESOURCES LIMITED

REVIEW OF OPERATIONS

Corporate

Capital Raisings

During the period, the Company successfully completed a pro-rata non-renounceable entitlement offer offered on the basis of one option for every two Shares held at an issue price of \$0.01 per option (Offer), which closed on 31 August 2022. The Company issued 19,196,060 options (ASX: LRDO) and total funds raised from the Offer was \$191,960 (before costs). Each option is exercisable at \$0.25 on or before 31 January 2027.

In May 2023, the Company completed the acquisition of 100% of the Jingjing Lithium Project and paid \$10,000 in cash and issued 900,000 fully paid ordinary shares. A milestone payment of \$100,000, payable in cash or fully paid ordinary shares in Lord, will be payable within 30 days of the earlier of:

- (i) Lord achieving intercepts of 10% m equivalent or better in 2 drill holes (for example this could be 10m at 1% Li₂O or 7m at 1.5% Li₂O or if gold then 10m at 20g/t or 5m at 40g/t Au based on current PLS quarterly average spodumene pricing; or
- (ii) Lord making a Decision to Mine.

Competent Person's Statement

The information in this report that relates to exploration results is based on and fairly represents information compiled by Ms Georgina Clark, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Clark is a full-time employee of the Company. Ms Clark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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' ("JORC Code"). Ms Clark consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Information relating to Previous Disclosure

The technical and financial information in this report that relates to the Projects has been previously reported by the Company in compliance with JORC 2012 in various releases as follows:

- 25 July 2022 - Exploration Update
- 20 September 2022 - Horse Rocks Lithium Project Granted
- 29 September 2022 - Exploration commenced at Horse Rocks Lithium Project
- 23 November 2022 - Significant Lithium Mineral Anomalies at Horse Rocks
- 15 December 2022 - Lithium Exploration Accelerates at Horse Rocks
- 8 February 2023 - Geochemical Anomalies define more significant Li Potential
- 27 March 2023 - Jingjing Lithium Project Acquisition
- 18 April 2023 - Horse Rocks – Pegmatite intersected in 47 of 52 holes
- 8 May 2023 - Highly Encouraging Lithium Results from First-Pass Drilling
- 13 June 2023 - Exploration Update

The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier market announcements. The Company 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.

Statements regarding Lord's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Lord's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Lord will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Lord's mineral properties.

LORD RESOURCES LIMITED DIRECTORS' REPORT

The Directors of Lord Resources Limited submit herewith the annual financial report of Lord Resources Limited ("Company") and its controlled entities ("Group") for the year ended 30 June 2023 and the independent auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company during or since the end of the financial year are as follows.

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

Paul Lloyd, BBus, CA

Independent Non-Executive Chairman

Appointed 25 February 2021

Paul Lloyd is a Chartered Accountant with over thirty years commercial experience. Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. Paul is the Managing Director of Arizona Lithium Limited (AZL) and has been responsible for a number of IPOs, reverse takeovers, project acquisitions and capital raisings for ASX listed public companies during his career.

During the past three years he has served as a director of the following listed companies:

Company	Date appointed	Date ceased
Arizona Lithium Limited	7 September 2018	-
BPM Minerals Limited	5 October 2020	-
Diablo Resources Limited	1 April 2021	-

Barnaby Egerton-Warburton, BEcon

Managing Director

Appointed 4 March 2015

Barnaby has over 25 years of trading, investment banking, international investment and market experience with positions at JP Morgan (New York, Sydney, Hong Kong), BNP Equities (New York) and Prudential Securities (New York). An experienced investment banker and corporate advisor, having held managing director and non-executive director positions in the investment banking, technology, energy, oil & gas and resource sectors. Barnaby holds a degree in economics, is a graduate of the Australian Institute of Company Directors.

During the past three years he has served as a director of the following listed companies:

Company	Date appointed	Date ceased
Arizona Lithium Limited	16 May 2019	-
Locality Planning Energy Holdings Limited	13 March 2020	-
Diablo Resources Limited	1 April 2021	-
Pantera Minerals Limited	23 December 2020	-
NSX Limited	12 April 2022	-
Invictus Energy Limited	28 July 2016	25 October 2021
Southern Cross Payments Ltd (formerly Isignthis Ltd)	1 April 2009	19 August 2022

Chris Swallow

Independent Non-Executive Director

Appointed 28 April 2021

Mr Christopher Swallow has more than 15 years' experience in executive roles spanning the resource, start-up, marketing and government sectors having worked across Australia, Asia and Africa.

Previously he worked in an operational capacity as the Corporate Development Officer for Guinea-focused gold explorer Predictive Discovery Limited and Minbos Resources Limited and he has worked in Strategic Communications as an Advisor to numerous ASX-listed Australian, North American and West African mineral explorers, covering a range of commodities including gold, nickel, zinc and copper.

Chris is also a Partner at Modena Ventures, an ECM firm with bespoke financing solutions for founders, entrepreneurs and companies, delivering access to capital from public markets.

Currently, Chris is the Managing Director of ASX listed DeSoto Resources Limited (appointed 1 April 2022), a precious and battery-metal exploration Company with a 1,887km² landholding located in the Northern Territory's prolific Pine Creek gold and pegmatite province. Chris has not held any other listed company directorships in the past three years.

LORD RESOURCES LIMITED DIRECTORS' REPORT

COMPANY SECRETARY

Paul Jurman, BCom, CPA
Appointed 28 April 2021

Mr Jurman is a Certified Practising Accountant with over 15 years' experience and has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He is also company secretary of Tempest Minerals Limited, Carnavale Resources Limited and Platina Resources Limited.

Directors' interests

The relevant interests in the shares and options of the Company at the date of this report are as follows:

Name	Ordinary shares	Unlisted Options Ex \$0.25, expiring 31/01/27
P Lloyd	1,400,000	50,000
B Egerton-Warburton	2,994,663	647,331
C Swallow	800,000	-

No director has an interest, whether directly or indirectly, in a contract or proposed contract with the Group.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the year was acquiring and exploring mineral interests, prospective for precious metals and energy.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2023 was \$2,417,704 (2022: \$1,388,503). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

LOSS PER SHARE

Basic loss per share for the year was 6.2 cents (30 June 2022: 7.7 cents).

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is currently engaged in mineral exploration for metals in Australia. A review of the Group's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the Group during the year ended 30 June 2023 is provided in this Annual Report and, in particular, in the "Review of Operations" section immediately preceding this Directors' Report. The Group's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

The Coronavirus (COVID-19) pandemic has to date not had a significant direct financial impact on the Group. Staff have been able to work from home and have remained in good health. The Group has refocussed its activities on its Western Australian projects and the Company is on track to complete the majority of its planned exploration program during the current field season. The majority of the planned program for the 2023/24 financial year is focussed on the WA projects. The Company will engage with WA based consultants for planned exploration programs, including for drilling services. Completion of the program is subject to there being no internal travel restrictions or health concerns associated with travel in Western Australia, and contractors delivering agreed services.

As an exploration entity, the Group has no operating revenue or earnings and consequently the Group's performance cannot be gauged by reference to those measures. Instead, the Directors consider the Group's performance based on the success of exploration activity, acquisition of additional prospective mineral interests and, in general, the value added to the Group's mineral portfolio during the course of the financial year.

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Group, generic to the mining industry and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

LORD RESOURCES LIMITED

DIRECTORS' REPORT

The Group's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration activity on the Group's existing mineral projects, identify and assess new mineral project opportunities throughout the world and review development strategies where individual projects have reached a stage that allows for such an assessment. Due to the inherent risky nature of the Group's activities, the Directors are unable to comment on the likely results or success of these strategies. The Group's activities are also subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Group, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

- Geological and technical risk posed to exploration and commercial exploitation success;
- Sovereign risk, change in government policy, change in mining and fiscal legislation;
- Prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals, or native title issues;
- Force majeure events;
- Change in metal market conditions;
- Mineral title tenure and renewal risks; and
- Capital requirement and lack of future funding.

This is not an exhaustive list of risks faced by the Group or an investment in it. There are other risks generic to the stock market and the world economy as a whole and other risks generic to the mining industry, all of which can impact on the Group.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's main objective is to create Shareholder wealth via the discovery of an economic mineral deposit via systematic exploration of the Company's Projects

The Directors are unable to comment on the likely results from the Company's planned exploration activities due to the speculative nature of such activities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this Annual Report.

SUBSEQUENT EVENTS

No matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

DIRECTORS' MEETINGS

The number of meetings of the Directors and the number of meetings attended by each Director during the year ended 30 June 2023 were:

<i>Name</i>	<i>Eligible to attend</i>	<i>Attended</i>
P Lloyd	2	2
B Egerton-Warburton	2	2
C Swallow	2	2

There were 2 director meetings held during the year. However, matters of Board business have also been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

At present, the Company does not have any formally constituted committees of the Board. The Directors consider that the Group is not of a size nor are its affairs of such complexity as to justify the formation of special committees.

LORD RESOURCES LIMITED DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED

This report outlays the remuneration arrangements in place for the Key Management Personnel (as defined under section 300A of the Corporations Act 2001) of Lord Resources Limited.

The following were Key Management Personnel of the Company during or since the end of the financial period.

<i>Directors</i>	<i>Position</i>
P Lloyd	Non-Executive Chairman
B Egerton-Warburton	Managing Director
C Swallow	Non-Executive Director

There have been no other changes of Key Management Personnel after the reporting date and up to the date the financial report was authorised for issue.

Remuneration policy

The remuneration policy of Lord Resources Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of Lord Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive Directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity and is, therefore, speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the Group moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting, currently set at \$350,000. An amount not exceeding the amount determined is then divided between the directors as agreed. Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.
- Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive directors having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Group.

Relationship between remuneration policy and Group performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and key management personnel. The Group is in the early exploration phase of its operations and due consideration is made of developing long-term shareholder value. From time to time, this is facilitated through the issue of options and performance rights to encourage the alignment of personal and shareholder interest. The Company believes this policy will be effective in increasing shareholder wealth.

LORD RESOURCES LIMITED DIRECTORS' REPORT

Performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has referred to the following indices in respect of the current and previous financial year:

	2023	2022
Basic earnings / (loss) per share (cents)	(6.2)	(7.7)
Dividends (cents)	-	-
Net profit / (loss) for the year (\$)	(2,417,704)	(1,388,503)
Share price (\$)	0.09	0.22

Remuneration Structure

In accordance with best practice corporate governance, the structure of remuneration for Non-Executive Directors and Executive Directors is separate and distinct.

Details of Remuneration

Details of the remuneration of the Directors and other Key Management Personnel of the Company are set out in the following table. Detail of the employment contract with the Managing Director, Mr Egerton-Warburton is as follows:

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Barnaby Egerton-Warburton Managing Director	Ongoing commencing 7 April 2022	\$216,450	May be terminated by either Mr Egerton-Warburton or the Company by providing three months' notice.

The employment contract otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Voting and comments made at the Company's 2022 Annual General Meeting (AGM) – At the 2022 AGM, 99.3% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Remuneration of KMP:

Remuneration for the year ended 30 June 2023

	Short-term benefits	Post-employment	Equity-based compensation	Total	Proportion related to performance
	Salary and fees	Superannuation			
	\$	\$	\$	\$	%
Directors					
P Lloyd	70,000	-	147,348	217,348	67.79
B Egerton-Warburton	214,500	-	192,686	407,186	47.32
C Swallow	40,000	-	90,675	130,675	69.39
Total	324,500	-	430,709	755,209	

Remuneration for the year ended 30 June 2022

	Short-term benefits	Post-employment	Equity-based compensation	Total	Proportion related to performance
	Salary and fees	Superannuation			
	\$	\$	\$	\$	%
Directors					
P Lloyd	16,346	-	102,252	118,598	86.22
B Egerton-Warburton	50,050	-	133,714	183,764	72.76
C Swallow	9,341	-	62,925	72,266	87.07
Total	75,737	-	298,891	374,628	

LORD RESOURCES LIMITED DIRECTORS' REPORT

Other key management personnel transactions

Marketing services, website design and maintenance and assistance with report writing fees of \$5,230 (2022: \$10,810) were paid or payable during the year ended 30 June 2023 on normal terms and conditions to Propel Agency Pty Ltd, a company in which Mr Swallow is a director and has a beneficial interest.

Remuneration Options granted as part of remuneration

No remuneration options were granted to Key Management Personnel during the years ended 30 June 2023 and 30 June 2022.

The Company has not granted any options over unissued ordinary shares since the end of the financial year to any Key Management Personnel as part of their remuneration.

Performance Rights granted as part of remuneration

The Company has not granted any performance rights to any Directors or officers as part of their remuneration during the year ended 30 June 2023.

Performance rights issued during the year ended 30 June 2022 are as follows:

	Grant date	Number granted	Number vested at 30 June 2022	Average fair value per performance right at grant date	Expiry date
Directors				\$	
P Lloyd	20 December 2021	1,300,000	-	0.192	20 December 2026
B Egerton-Warburton	20 December 2021	1,700,000	-	0.192	20 December 2026
C Swallow	20 December 2021	800,000	-	0.192	20 December 2026

In December 2021, the Company issued a total of 3.8 million performance rights with an expiry date of 20 December 2026 as part of the remuneration packages of the Board, pursuant to shareholder approval received on 15 December 2021.

The hurdles for the Performance Rights to vest and become exercisable was on the later of:

- (a) the 12-month anniversary of the Company's IPO (7 April 2023); 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 are recorded on ASX. This hurdle was met on 23 May 2022.

The Company issued 3.8 million ordinary shares to the directors arising from the conversion of 3.8 million performance rights, which vested upon the completion of the hurdles above.

Refer to note 18 for details of the valuation of these performance rights.

Other than the above, no performance rights in Lord Resources Limited were granted to, were forfeited by, or were exercised by Key Management Personnel of the Company (as part of their remuneration).

The Company has not granted any performance rights since the end of the financial year to any Key Management Personnel as part of their remuneration.

Shareholdings of Key Management Personnel

Year ended 30 June 2023

	Balance at 1 July 2022	Granted as remuneration	Net other change (i)	Balance at 30 June 2023
Directors				
P Lloyd	100,000	-	1,300,000	1,400,000
B Egerton-Warburton	1,294,663	-	1,700,000	2,994,663
C Swallow	-	-	800,000	800,000
Total	1,394,663	-	3,800,000	5,194,663

- (i) On 12 May 2023, the Company confirmed that 3.8 million Performance Rights, issued to the directors in December 2021, vested as the performance conditions were satisfied which resulted in the issue of 3.8 million ordinary fully paid shares.

LORD RESOURCES LIMITED

DIRECTORS' REPORT

Option holdings of Key Management Personnel

Year ended 30 June 2023

	Balance at 1 July 2022	Granted as remuneration	Net other change (i)	Balance at 30 June 2023
Directors				
P Lloyd	-	-	50,000	50,000
B Egerton-Warburton	-	-	647,331	647,331
C Swallow	-	-	-	-
Total	-	-	697,331	697,331

- (i) Acquired pursuant to the pro-rata non-renounceable entitlement offer offered on the basis of one option for every two Shares held at an issue price of \$0.01 per option.

Performance Rights holdings of Key Management Personnel

Year ended 30 June 2023

	Balance at 1 July 2022	Granted as remuneration	Net other change (i)	Balance at 30 June 2023
Directors				
P Lloyd	1,300,000	-	(1,300,000)	-
B Egerton-Warburton	1,700,000	-	(1,700,000)	-
C Swallow	800,000	-	(800,000)	-
Total	3,800,000	-	(3,800,000)	-

- (i) On 12 May 2023, the Company confirmed that 3.8 million Performance Rights vested as the performance conditions were satisfied which resulted in the issue of 3.8 million ordinary fully paid shares.

End of Remuneration report

SHARE OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, there are 19,438,560 Listed Options, 14,650,000 Unlisted Options and 450,000 Performance Rights on issue.

	Number	Exercise Price (cents)	Expiry Date
Listed Options	19,438,560	25	31 January 2027
Unlisted Options	12,000,000	25	28 March 2027
Unlisted Options	800,000	25	31 May 2025
Unlisted Options	1,850,000	30	30 June 2025
Performance Rights	450,000	-	30 June 2027

These options and performance rights do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the financial year, the Company issued options as follows:

- 1,850,000 options exercisable at \$0.30 on or before 30 June 2025 were issued to consultants for the provision of corporate advisory and investor relations services (refer to Note 18 for assumptions used to value these options);
- In September 2022, the Company completed a non-renounceable entitlement issue to shareholders on the basis of one option for every two Shares held at an issue price of \$0.01 per option (Offer). Each option is exercisable at \$0.25 on or before 31 January 2027. 19,196,060 options were allotted in September 2022; and
- 250,000 options exercisable at \$0.25 on or before 31 January 2027 were issued to an employee under the Company's employee incentive scheme services (refer to Note 18 for assumptions used to value these options).

No options have been issued after 30 June 2023 and up to the date of this report.

During the financial year, the Company issued 7,500 ordinary shares as a result of the exercise of options.

Performance Rights issued during the year were as follows:

- In November 2022, the Company issued an employee 450,000 performance rights with an expiry date of 30 June 2027 as part of the remuneration package under the Company's "Employee Securities Incentive Plan".

LORD RESOURCES LIMITED DIRECTORS' REPORT

No performance rights were issued after 30 June 2023 and up to the date of this report.

During the financial year, the Company issued 3,800,000 ordinary shares on vesting of performance rights as stated in the Remuneration Report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by him in his capacity as Officer or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the period, the Company agreed to pay an annual insurance premium of \$14,074 (2022: \$12,710) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

NON - AUDIT SERVICES

No non-audit services were provided during the year by the independent auditors of the Company. During the previous financial year, the independent auditors were involved in the preparation of an Independent Limited Assurance Report, invoiced at \$10,000 included in the prospectus lodged by the Company in February 2022 and undertaking a review of the separate financial report of Tailflower Pty Ltd for the period ended 31 October 2021 as required by ASX for listing purposes, invoiced at \$3,000.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and forms part of the directors' report and can be found on the following page of the annual report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Company is responsible for the corporate governance of the Company and guides and monitors the business and affairs on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company's governance approach aims to achieve exploration, development and financial success while meeting stakeholders' expectations of sound corporate governance practices by proactively determining and adopting the most appropriate corporate governance arrangements.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have followed the recommendations set by the ASX Corporate Governance Council during the reporting period. The Company has disclosed this information on its website at www.lordresources.com. The Corporate Governance Statement is current as at 30 June 2023, and has been approved by the Board of Directors.

The Company's website at www.lordresources.com contains a corporate governance section that includes copies of the Company's corporate governance policies.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the Directors.



PAUL LLOYD

Chairman

Dated this 22nd day of September 2023.

Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Lord Resources Limited for the year ended 30 June 2023, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
22 September 2023



L Di Giallonardo
Partner

hlb.com.au

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

LORD RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2023 \$	2022 \$
Revenue	3	108,466	14,352
		108,466	14,352
Expenditure			
Administrative expenses		(110,393)	(71,598)
Depreciation and amortisation expenses	9,10	(48,955)	(3,406)
Employee benefit expenses		(454,548)	(93,315)
Exploration costs expensed / impaired		(946,921)	(440,736)
Marketing expenses		(58,114)	(14,262)
Occupancy expenses		-	(21,516)
Finance expenses	10	(9,979)	(645)
Professional services		(163,651)	(103,526)
Share-based payments expense	18	(733,609)	(653,851)
Loss before related income tax benefit		(2,417,704)	(1,388,503)
Income tax benefit	4	-	-
Net loss attributable to members of the parent entity		(2,417,704)	(1,388,503)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the year		(2,417,704)	(1,388,503)
Loss per share			
Basic – cents	17	(6.2)	(7.7)
Diluted – cents	17	(6.2)	(7.7)

The accompanying notes form part of these financial statements

LORD RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Consolidated 2023 \$	2022 \$
Current assets			
Cash and cash equivalents	19(a)	2,578,783	3,903,954
Receivables	7	91,615	74,183
Other assets	8	8,987	6,827
Total current assets		<u>2,679,385</u>	<u>3,984,964</u>
Non-current assets			
Property, plant and equipment	9	39,940	51,314
Right of use assets	10	137,935	129,173
Exploration and evaluation expenditure	11	1,454,061	1,300,647
Total non-current assets		<u>1,631,936</u>	<u>1,481,134</u>
Total assets		<u>4,311,321</u>	<u>5,466,098</u>
Current liabilities			
Trade and other payables	12	392,289	218,509
Lease liabilities	13	37,943	22,628
Provisions		7,289	2,110
Total current liabilities		<u>437,521</u>	<u>243,247</u>
Non-current liabilities			
Lease liabilities	13	111,492	106,986
Total non-current liabilities		<u>111,492</u>	<u>106,986</u>
Total liabilities		<u>549,013</u>	<u>350,233</u>
Net assets		<u>3,762,308</u>	<u>5,115,865</u>
Equity			
Issued capital	14	18,281,226	17,370,995
Reserves	15	1,983,767	1,829,851
Accumulated losses	16	(16,502,685)	(14,084,981)
Total equity		<u>3,762,308</u>	<u>5,115,865</u>

The accompanying notes form part of these financial statements

LORD RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2021	12,444,947	-	(12,696,478)	(251,531)
Loss attributable to members of the parent entity	-	-	(1,388,503)	(1,388,503)
Total comprehensive loss for the year	-	-	(1,388,503)	(1,388,503)
Shares issued during the year (net of issue costs)	4,926,048	-	-	4,926,048
Fair value of performance rights and options issued	-	1,829,851	-	1,829,851
Balance at 30 June 2022	17,370,995	1,829,851	(14,084,981)	5,115,865
	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	17,370,995	1,829,851	(14,084,981)	5,115,865
Loss attributable to members of the parent entity	-	-	(2,417,704)	(2,417,704)
Total comprehensive loss for the year	-	-	(2,417,704)	(2,417,704)
Shares issued during the year (net of issue costs)	180,631	-	-	180,632
Performance rights converted	729,600	(729,600)	-	-
Options subscribed for during the period – Entitlement Issue (net)	-	149,907	-	149,907
Fair value of performance rights and options issued	-	733,609	-	733,609
Balance at 30 June 2023	18,281,226	1,983,767	(16,502,685)	3,762,308

The accompanying notes form part of these financial statements

LORD RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated
		2023 \$
		2022 \$
Cash flows from operating activities		
Payments to suppliers		(976,156)
Payments for exploration expenses		(492,862)
Interest received		31,291
Interest paid		(9,979)
Other income – services rendered		80,301
Net cash outflows from operating activities	19(b)	(1,367,405)
Cash flows from investing activities		
Cash acquired on acquisition of Tailflower Pty Ltd		-
Payments for property, plant and equipment		(52,219)
Payments for exploration tenements – including GST		(38,557)
Net cash outflows from investing activities		(90,776)
Cash flows from financing activities		
Proceeds from issue of shares and options		193,836
Issue costs - shares and options		(34,305)
Repayment of lease liabilities		(26,521)
Net cash inflows from financing activities		133,010
Net (decrease) / increase in cash and cash equivalents held		(1,325,171)
Cash and cash equivalents at the beginning of the financial year		3,903,954
Cash and cash equivalents at the end of the financial year	19(a)	2,578,783

The accompanying notes form part of these financial statements

**LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. CORPORATE INFORMATION

Lord Resources Limited is a company limited by shares, incorporated in Australia. The Company's shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activity of the Group is acquiring and exploring mineral interests, prospective for precious metals and energy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

The financial report is presented in whole Australian dollars.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Group's assets and the settlement of liabilities in the normal course of business.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Lord Resources Limited and its subsidiaries.

(b) New, revised or amending Accounting Standards and Interpretations adopted

Standards and Interpretations applicable to 30 June 2023

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on the Group, and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations on issue not yet effective

The Directors have also reviewed all Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet effective on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Statement of compliance

The financial statement of Lord Resources Limited (the Company) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 22 September 2023.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

**LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Lord Resources Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Lord Resources Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

(e) Income tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Exploration and evaluation expenditure*

Exploration costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period in which that decision is made, to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(g) *Revenue*

Revenue is recognised to the extent that control of the goods or services has passed, and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(h) *Cash and cash equivalents*

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date (where applicable). Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred (where applicable).

(j) Impairment of assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired and makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether any previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Earnings / (loss) per share

Basic earnings / (loss) per share is calculated as net profit / (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial Instruments

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

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income. For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

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

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either be: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

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

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

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

**LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Foreign currency translation

Both the functional and presentation currency of Lord Resources Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of this subsidiary are translated into the presentation currency of Lord Resources Limited at the rate of exchange ruling at the balance date and its statement of financial performance is translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(o) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 4 years

(p) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Lord Resources Limited.

(s) Share based payments

For equity-settled share-based payment transactions, the Group shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group shall measure their value, and the corresponding increase in equity, indirectly, by reference to¹ the fair value of the equity instruments granted.

The Group, from time to time, provides compensation benefits to employees (including directors) and consultants of the Group in the form of share-based payment transactions, whereby employees and consultants render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by either a Black-Scholes model or Hoadley model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the recipient become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings / (loss) per share.

**LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 2 (f). The application of this policy necessarily requires the Board to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the expenditures are unlikely to be recoverable by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

The Board determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options and performance rights is determined using either a Black-Scholes model or Hoadley model, using various assumptions.

(u) Parent Entity Financial Information

The financial information for the parent entity, Lord Resources Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. REVENUE

	Consolidated	
	2023	2022
	\$	\$
Other revenue		
Interest earned	31,291	552
Management fees received	77,175	13,800
	<u>108,466</u>	<u>14,352</u>

4. INCOME TAX

- (a) **Prima facie tax benefit at 25% (2022: 25%) on loss from ordinary activities is reconciled to the income tax provided in the financial statements**

	Consolidated	
	2023	2022
	\$	\$
Loss before income tax	(2,417,704)	(1,388,503)
Tax at the statutory rate of 25% (2022: 25%)	(604,425)	(347,126)
Add: Permanent Non-deductible differences	183,402	163,463
Current year temporary differences not recognised	(62,657)	(38,733)
Effect of tax losses and tax offsets not recognised as deferred tax assets	483,680	222,396
Income tax benefit recognised in profit or loss	<u>-</u>	<u>-</u>

- (b) **Unrecognised deferred tax assets**

	Consolidated	
	2023	2022
	\$	\$
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	3,151,128	2,670,592
	<u>3,151,128</u>	<u>2,670,592</u>

The tax losses do not expire under current tax legislation and have been disclosed on a tax effected basis.

Deferred tax assets have not been recognised in respect of these items because, pending commercial operations, it is not yet probable that future taxable profit will be available against which the Company can utilise these benefits.

5. AUDITOR'S REMUNERATION

	Consolidated	
	2023	2022
	\$	\$
The auditor of Lord Resources Limited is HLB Mann Judd.		
Amounts received or due and receivable by the Company's auditors for:		
Auditing or reviewing the Company's financial statements	31,674	19,872
Other services – Independent Limited Assurance Report	-	10,000
	<u>31,674</u>	<u>29,872</u>

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

P Lloyd
B Egerton-Warburton
C Swallow

(b) Compensation of key management personnel

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	324,500	75,737
Post-employment benefits	-	-
Share-based payments	430,709	298,891
	<u>755,209</u>	<u>374,628</u>

(c) Key Management Personnel remuneration disclosures

Information regarding individual Directors and executives compensation and some equity instruments disclosures as permitted by Schedule 5B to the Corporations Regulations 2001 is provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

(d) Other Key Management Personnel transactions

Marketing services, website design and maintenance and assistance with report writing fees of \$5,230 (2022: \$10,810) were paid or payable during the year ended 30 June 2023 on normal terms and conditions to Propel Agency Pty Ltd, a company in which Mr Swallow is a director and has a beneficial interest.

7. CURRENT RECEIVABLES

	Consolidated	
	2023	2022
	\$	\$
Other receivables	91,615	74,183
	<u>91,615</u>	<u>74,183</u>

Other receivables represent amounts outstanding for goods and services tax (GST), which are non-interest bearing, with repayment terms applicable under the relevant government authorities.

8. OTHER CURRENT ASSETS

	Consolidated	
	2023	2022
	\$	\$
Prepayments	8,987	6,827

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2023	2022
	\$	\$
Plant and equipment, at cost	52,454	52,454
Less: accumulated depreciation	(12,514)	(1,140)
	<u>39,940</u>	<u>51,314</u>
Balance at beginning of year	51,314	-
Additions	-	52,454
Depreciation and amortisation expense	(11,374)	(1,140)
	<u>39,940</u>	<u>51,314</u>

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. RIGHT OF USE ASSETS

	Consolidated	
	2023	2022
	\$	\$
Office lease – at cost	177,781	131,439
Less: accumulated depreciation	(39,846)	(2,266)
Net carrying value	137,935	129,173
Balance at beginning of year	129,173	-
Initial recognition of lease	-	131,439
Additions	46,342	-
Depreciation expense	(37,580)	(2,266)
Closing net carrying amount	137,935	129,173
Amount recognised in P & L		
Depreciation expense on ROU assets	37,580	2,266
Interest paid on lease liabilities	9,979	645
Total cash outflow for leases	36,500	-

The Company has an office sub-lease agreement at Level 2, 10 Outram Street, West Perth WA 6005 for a term of 58 months, expiring on 31 March 2027. Discounted cashflow was calculated using an incremental borrowing rate of 6% per annum.

11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2023	2022
	\$	\$
Exploration and evaluation costs carried forward in respect of exploration areas of interest (i)	1,454,061	1,300,647
Opening balance	1,300,647	-
Acquisition costs – exploration licences - (i)	199,557	1,300,647
Acquisition costs – impaired (ii)	(46,143)	-
	1,454,061	1,300,647

- (i) During the current year, the Company acquired 100% of the Jingjing project, comprising E15/1912 and E63/2240. During the year ended 30 June 2022, the Company acquired Tailflower Pty Ltd, which holds rights to an exploration package in Western Australia.
- (ii) The impairment of the acquisition costs of carried forward exploration expenditure relates to carried forward expenditure in respect of relinquished tenements or where the Directors have formed the view that successful development of the projects is not likely based on results achieved to date.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

12. TRADE AND OTHER PAYABLES

	Consolidated	
	2023	2022
	\$	\$
Current		
Trade payables	376,289	177,822
Accruals	16,000	40,687
	392,289	218,509

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. LEASE LIABILITIES

	Consolidated	
	2023	2022
	\$	\$
Current liability	37,943	22,628
Non-current liability	111,492	106,986
	149,435	129,614

The Company has an office lease at Level 2, 10 Outram Street, West Perth WA 6005, which has been included in the Right of use assets (refer to Note 10).

14. ISSUED CAPITAL

(a) Issued capital

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

(b) Movements in share capital

	2023	2022	2023	2022
	Number	Number	\$	\$
Balance at beginning of year	38,392,121	778,450,784	17,370,995	12,444,947
Shares issued in January 2023 on conversion of options	7,500	-	1,875	-
Shares issued in May 2023 for acquisition of the Jingjing Lithium Project	900,000	-	180,000	-
Shares issued during period on conversion of performance rights	3,800,000	-	729,600	-
Share placement at an issue price of \$0.001 each in August 2021	-	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
Issue of shares under the IPO offer at \$0.20 each in March 2022	-	22,500,000	-	4,500,000
Shares issued in March 2022 for the acquisition of Tailflower Pty Ltd	-	3,000,000	-	600,000
Transaction costs arising from issue of securities	-	-	(1,244)	(895,452)
Balance at end of year	43,099,621	38,392,121	18,281,226	17,370,995

(c) Share options

Options to subscribe for ordinary shares in the capital of the Company have been granted as follows:

2023						
	Exercise Period	Exercise Price	Opening Balance 1 July 2022	Options Issued 2022/2023	Options Exercised / Expired 2022/2023	Closing Balance 30 June 2023
			Number	Number	Number	Number
On or before 28 March 2027		\$0.25	12,000,000	-	-	12,000,000
On or before 31 May 2025		\$0.25	800,000	-	-	800,000
On or before 30 June 2025 (i)		\$0.30	-	1,850,000	-	1,850,000
On or before 31 January 2027 (ii)		\$0.25	-	19,446,060	(7,500)	19,438,560
Total			12,800,000	21,296,060	(7,500)	34,088,560

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. ISSUED CAPITAL (continued)

(c) Share options (continued)

- (i) In July 2022, the Company allotted 1,850,000 options for the provision of corporate advisory and investor relations services.
- (ii) In September 2022, the Company completed a pro-rata non-renounceable entitlement offer offered on the basis of one option for every two Shares held at an issue price of \$0.01 per option. The Company issued 19,196,060 options and total funds raised from the Offer was \$191,960 (before costs). In November 2022, the Company also issued 250,000 options to an employee as part of his remuneration package. 7,500 options were exercised during the year.

2022

Exercise Period	Exercise Price	Opening Balance 1 July 2021 Number	Options Issued 2021/2022 Number	Options Exercised / Expired 2021/2022 Number	Closing Balance 30 June 2022 Number
On or before 28 March 2027 (i), (ii), (iii)	\$0.25	-	12,000,000	-	12,000,000
On or before 31 May 2025 (iv)	\$0.25	-	800,000	-	800,000
Total		-	12,800,000	-	12,800,000

- (i) In March 2022, the Company issued 3,000,000 shares and 6,000,000 options to acquire 100% of the issued capital of Tailflower Pty Ltd. Refer to Note 20 for further details.
- (ii) In March 2022, the Company issued 2,000,000 options for corporate consultancy services provided.
- (iii) In March 2022, the Company issued 4,000,000 options to the Lead Manager of the IPO on successful admission of the Company to the ASX.
- (iv) In June 2022, the Company issued 800,000 options to consultants and the company secretary.

(d) Performance rights

Performance rights in the capital of the Company have been granted as follows:

2023

Grant Date	Expiry Date	Opening Balance 1 July 2022 Number	Rights Issued 2022/2023 Number	Rights Exercised / Expired 2022/2023 Number	Closing Balance 30 June 2023 Number
20 December 2021 (i)	20 December 2026	3,800,000	-	(3,800,000)	-
4 November 2022 (ii)	30 June 2027	-	450,000	-	450,000
Total		3,800,000	450,000	(3,800,000)	450,000

- (i) In May 2023, the Company issued 3.8 million shares to the directors of the Company arising from the conversion of 3.8 million performance rights, which vested upon the completion of the 12-month anniversary of the Company's IPO (7 April 2023) and the Company's shares achieving a volume weighted average price per share of 25% greater (\$0.25) than the Company's IPO subscription price (\$0.20), calculated over any 20 consecutive trading days on which the Shares are recorded on ASX. Refer to note 18 (b) for further details.
- (ii) In November 2022, the Company issued 450,000 performance rights with an expiry date of 30 June 2027 to an employee. 100,000 Performance Rights will vest and become exercisable upon the continuous employment of the Employee for a period of 24 months from 1 July 2022, 150,000 Performance Rights will vest and become exercisable upon the continuous employment of the Employee for a period of 36 months from 1 July 2022 and 200,000 Performance Rights will vest and become exercisable upon the continuous employment of the Employee for a period of 48 months from 1 July 2022. Refer to note 18 (b) for further details.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. RESERVES

	Consolidated	
	2023	2022
	\$	\$
Share-based payments reserve (a)	1,833,860	1,829,851
Option reserve (b)	149,907	-
Total	<u>1,983,767</u>	<u>1,829,851</u>

(a) Share-based payments reserve

The share-based payments reserve represents the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services, or for the acquisition of projects.

	Consolidated	
	2023	2022
	\$	\$
Opening balance	1,829,851	-
Fair value of performance rights issued	430,709	298,891
Fair value of options issued for the acquisition of Tailflower Pty Ltd	-	705,600
Fair value of options and performance rights issued to consultants and employees	302,900	354,960
Fair value of options issued to Lead Manager	-	470,400
Shares issued on conversion of performance rights by directors	(729,600)	-
Balance at end of year	<u>1,833,860</u>	<u>1,829,851</u>

(b) Option reserve

The options reserve represents amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company.

	Consolidated	
	2023	2022
	\$	\$
Opening balance	-	-
Proceeds received from issue of options	149,907	-
Balance at end of year	<u>149,907</u>	<u>-</u>

In September 2022, the Company completed a pro-rata non-renounceable entitlement offer offered on the basis of one option) for every two Shares held at an issue price of \$0.01 per new option. The Company issued 19,196,060 options (ASX: LRDO) and total funds raised was \$191,960 (before costs of \$42,053). These options are exercisable at \$0.25 on or before 31 January 2027.

16. ACCUMULATED LOSSES

	Consolidated	
	2023	2022
	\$	\$
Accumulated losses at the beginning of the year	(14,084,981)	(12,696,478)
Loss for the year	(2,417,704)	(1,388,503)
Accumulated losses at the end of the year	<u>(16,502,685)</u>	<u>(14,084,981)</u>

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

17. LOSS PER SHARE

	Consolidated	
	2023	2022
	\$	\$
Basic loss per share (cents per share)	(6.2)	(7.7)
Net loss after income tax attributable to members of the Company	(2,417,704)	(1,388,503)
	Number	Number
Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share	39,044,155	18,133,191
Effect of dilution	-	-
Weighted average number of ordinary shares for diluted loss per share	39,044,155	18,133,191

Effect of Dilutive Securities - Share Options

The Company has 34,088,560 options at 30 June 2023 (30 June 2022: 12,800,000). Options are considered to be potential ordinary shares. However, in periods of a net loss, share options are anti-dilutive, as their exercise will not result in lower earnings per share. The options have therefore not been included in the determination of diluted loss per share.

18. SHARE-BASED PAYMENTS

Securities Incentive Plans

On 4 February 2022, the Company adopted an employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**). The Plan is required to be renewed by shareholder approval every three years. The Plan is designed to provide incentives, assist in the recruitment, reward and retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The Plans generally allow the Company to set the terms and conditions of each grant, subject to compliance with the overall framework of the Plans, ASX Listing Rules and any other applicable regulations.

Non-plan-based payments

The Company also makes share-based payments to Directors, consultants and/or service providers from time to time, not under any specific plan.

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments is \$733,609 (30 June 2022: \$653,851), relating to performance rights and options.

The following tables illustrates the number and weighted average exercise prices of and movements in share options and performance rights issued during the year:

LORD RESOURCES LIMITED
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FOR THE YEAR ENDED 30 JUNE 2023

18. SHARE-BASED PAYMENTS

(a) Options

	2023 Number	2023 Weighted average exercise price	2022 Number	2022 Weighted average exercise price
Outstanding at the beginning of the year	12,800,000	\$0.25	-	-
Issued during the year	2,100,000	\$0.294	12,800,000	\$0.25
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Outstanding at the end of the year	14,900,000	\$0.256	12,800,000	\$0.25
Exercisable at the end of the year	14,900,000	\$0.256	12,800,000	\$0.25

Refer to Note 14 (c) for details of the movement in options during the years ended 30 June 2023 and 30 June 2022.

Assumptions used in valuing the options issued are as follows:

Number of Options	Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on grant date	Expected Volatility	Risk free interest rate	Dividend yield
1,850,000	19 Jul 2022	30 Jun 2025	\$0.1220	\$0.30	\$0.195	118%	1.35%	-
250,000	4 Nov 2022	31 Jan 2027	\$0.1768	\$0.25	\$0.22	123%	0.85%	-

(b) Performance rights

	2023 Number	2022 Number
Outstanding at the beginning of the year	3,800,000	-
Issued during the year	450,000	3,800,000
Exercised during the year	(3,800,000)	-
Forfeited / lapsed during the year	-	-
Outstanding at the end of the year	450,000	3,800,000
Vested at the end of the year	-	-

In December 2021, the Company issued a total of 3.8 million performance rights with an expiry date of 20 December 2026 as part of the remuneration packages of the Board, pursuant to shareholder approval received on 15 December 2021.

In May 2023, the Company issued 3.8 million shares to the directors of the Company arising from the conversion of 3.8 million performance rights, which vested upon the completion of the 12 -month anniversary of the Company's IPO (7 April 2023) and the Company's shares achieving a volume weighted average price per share of 25% greater (\$0.25) than the Company's IPO subscription price (\$0.20), calculated over any 20 consecutive trading days on which the Shares are recorded on ASX.

In November 2022, the Company issued 450,000 performance rights with an expiry date of 30 June 2027 to an employee. 100,000 Performance Rights will vest and become exercisable upon the continuous employment of the Employee for a period of 24 months from 1 July 2022, 150,000 Performance Rights will vest and become exercisable upon the continuous employment of the Employee for a period of 36 months from 1 July 2022 and 200,000 Performance Rights will vest and become exercisable upon the continuous employment of the Employee for a period of 48 months from 1 July 2022.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

18. SHARE-BASED PAYMENTS (continued)

(b) Performance rights (continued)

The following table lists the inputs to the model used for the years ended 30 June 2023 and 30 June 2022.

Performance Rights	2023 Employee	2022 Directors
Number	450,000	3,800,000
Volatility	123%	80%
Risk-free interest rate	0.85%	0.1%
Expected life of Rights	5 years	5 years
Exercise price	Nil	Nil
Share price at grant date	\$0.22	\$0.20
Fair value per Right	\$0.22	\$0.192

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	Consolidated 2023	2022
	\$	\$
Cash at bank	2,578,783	3,903,954
	2,578,783	3,903,954

(b) Reconciliation of loss after tax to net cash outflows from operating activities

	Consolidated 2023	2022
	\$	\$
Loss after income tax	(2,417,704)	(1,388,503)
Depreciation and amortisation	48,955	3,406
Share-based payments expense	733,609	653,851
Finance expenses	-	645
Impairment – Acquisition costs - exploration	46,143	-
(Increase) / decrease in assets		
Trade and other receivables	(16,209)	(47,224)
Prepayments	(2,160)	(176)
Increase / (decrease) in liabilities		
Trade and other payables	234,782	137,525
Provisions	5,179	2,110
Net cash outflows from operating activities	(1,367,405)	(638,366)

(c) Non-cash investing activities

In May 2023, the Company issued 900,000 shares with a fair value of \$0.20 per share to acquire 100% of the Jingjing Lithium Project.

In May 2023, the Company issued 3.8 million shares to the directors of the Company arising from the conversion of 3.8 million performance rights, which vested upon the completion of the 12-month anniversary of the Company's IPO (7 April 2023) and the Company's shares achieving a volume weighted average price per share of 25% greater (\$0.25) than the Company's IPO subscription price (\$0.20), calculated over any 20 consecutive trading days on which the Shares are recorded on ASX.

**LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

20. COMMITMENTS AND CONTINGENCIES

(a) Commitments

In order to maintain current contractual rights concerning its mineral projects, the Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest.

The current annual minimum lease expenditure commitments on tenements wholly owned by the Group are \$127,000 (2022: \$75,000).

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer, or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Contingent liabilities

The Group does not have any contingent liabilities at balance date other than as below:

In accordance with the agreement to acquire Tailflower Pty Ltd, the following deferred consideration may become payable in future periods with respect to the Jarama Gold Project, Cambridge Nickel Copper Project, Gabyon Gold Project and the Horse Rocks Lithium (Tenements):

- A 2% Gross Value Royalty (GVR) is payable for all minerals, metals and products recovered and sold from within the boundaries of the Tenements comprising the Projects.

In accordance with the agreement to acquire the Jingjing Lithium Project, a 0.5% Net Smelter Return ('NSR') royalty is payable on minerals produced from the tenements comprising the Jingjing Lithium Project.

The directors cannot predict whether the achievement of the above milestone is probable at balance date. As a result, no value has been recorded for this deferred consideration.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Overview

The activities of the Company expose it to a variety of financial risks, including:

- market risk;
- credit risk; and
- liquidity and capital risks.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. Lord will use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Australian dollar is the reporting currency for the Group and the functional currency for the parent company. At period end, the Group did not have any foreign exchange risk that was material to the Group.

(ii) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate %
		\$	\$	\$	\$	
2023						
Financial assets						
Cash and cash equivalents	19(a)	2,578,783	-	-	2,578,783	0.95
Trade and other receivables	7	-	-	91,615	91,615	
		2,578,783	-	91,615	2,670,398	
Financial liabilities						
Trade and other payables	12	-	-	392,289	392,289	
Lease liabilities – current	13	-	37,943	-	37,943	
Lease liabilities – non- current	13	-	111,492	-	111,492	
		-	149,435	392,289	541,724	
	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate %
		\$	\$	\$	\$	
2022						
Financial assets						
Cash and cash equivalents	19(a)	3,903,954	-	-	3,903,954	0.03
Trade and other receivables	7	-	-	74,183	74,183	
		3,903,954	-	74,183	3,978,137	
Financial liabilities						
Trade and other payables	12	-	-	177,822	177,822	
Lease liabilities – current	13	-	22,628	-	22,628	
Lease liabilities – non- current	13	-	106,986	-	106,986	
		-	129,614	177,822	307,436	

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2022.

Consolidated	Profit or (Loss)		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$	\$	\$	\$
30 June 2023				
Variable rate instruments	32,940	(32,940)	32,940	(32,940)
Cash flow sensitivity (net)	32,940	(32,940)	32,940	(32,940)
30 June 2022				
Variable rate instruments	15,932	(15,932)	15,932	(15,932)
Cash flow sensitivity (net)	15,932	(15,932)	15,932	(15,932)

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Financial assets

Trade receivables from other entities are carried at nominal amounts less any allowance for doubtful debts. Other receivables are carried at nominal amounts due. Interest is recorded as income on an accruals basis.

Financial liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

Net fair value of financial assets and liabilities

The carrying amount of financial assets and liabilities approximates fair value because of their short-term maturity.

(iii) Commodity price risk

As Lord explores for a variety of minerals including lithium, gold, nickel, copper and cobalt, it will be exposed to the risks of fluctuation in prices for those minerals. The market for all of these minerals has a history of volatility, moving not only with the standard forces of supply and demand, but also in the case of gold, to investment and disinvestment. Prices fluctuate widely in response to changing levels of supply and demand but, in the long run, prices are related to the marginal cost of supply.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and investment deposits. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group does not have significant exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

(c) Liquidity and capital risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Company's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt / equity ratio but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements. Whilst the Group is in an exploration phase, it is unlikely to operate with debt capital, although this may change as projects become more advanced.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend on market conditions existing at that time.

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

22. INVESTMENT IN CONTROLLED ENTITIES

(a) Particulars in relation to subsidiaries

Entity	Country of incorporation	Equity holding 2023 %	Equity holding 2022 %	Class of Shares
Parent Entity				
Lord Resources Limited				
Subsidiaries				
Tailflower Pty Ltd	Australia	100	100	Ord

(b) Risk exposure

Refer to Note 21 for information on the Group's and parent entity's exposure to credit, foreign exchange and interest rate risk.

23. SEGMENT REPORTING

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that there are no separate identifiable business segments. The operations and assets of Lord Resources Limited and its controlled entities are employed in exploration activities relating to minerals in Australia.

24. PARENT ENTITY DISCLOSURES

(a) Summary financial information

Financial Position

	2023 \$	2022 \$
Assets		
Current assets	2,134,564	3,959,986
Non-current assets	1,821,034	1,498,860
Total assets	<u>3,955,598</u>	<u>5,458,846</u>
Liabilities		
Current liabilities	81,798	235,995
Non-current liabilities	111,492	106,986
Total liabilities	<u>193,290</u>	<u>342,981</u>
Net assets / (liabilities)	<u>3,762,308</u>	<u>5,115,865</u>
Equity		
Issued capital	18,281,226	17,370,995
Share-based payment reserve	1,983,767	1,829,851
Accumulated losses	(16,502,685)	(14,084,981)
Total equity	<u>3,762,308</u>	<u>5,115,865</u>

LORD RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

24. PARENT ENTITY DISCLOSURES (continued)

(a) Summary financial information (continued)

Financial performance

	2023	2022
	\$	\$
Loss for the year after income tax	(2,417,704)	(1,388,503)
Other comprehensive income	-	-
Total comprehensive loss	<u>(2,417,704)</u>	<u>(1,388,503)</u>

(b) Guarantees entered into by the parent entity in relation to the debts of its subsidiary

Lord Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

(c) Contingent liabilities of the parent

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022 other than as disclosed in Note 20 (b).

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2023 (30 June 2022 – \$Nil), the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

25. EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

**LORD RESOURCES LIMITED
DIRECTORS' DECLARATION**

In the opinion of the Directors of Lord Resources Limited:

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

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

On behalf of the Board.



PAUL LLOYD
Chairman

Dated this 22nd day of September 2023
Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Lord Resources Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Lord Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure (Note 11 in the financial report)	
<p>The Group has capitalised acquisition costs in relation to exploration and evaluation expenditure of \$1,454,061 as at 30 June 2023.</p> <p>Our audit procedures determined that capitalised exploration and evaluation expenditure was a key audit matter as it was an area which required a significant amount of audit effort and communication with those charged with governance and was determined to be of key importance to the users of the financial statements.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • We reviewed the key terms of the current year acquisition agreements to determine the required accounting; • We considered whether the acquisition was an asset acquisition or a business combination; • We reviewed the determination of the consideration, the valuation of the equity consideration in line with the requirements of AASB 2 <i>Share-based Payment</i>; and the net assets acquired; • We considered if the accounting treatment of the contingent consideration was appropriate; • We obtained an understanding of the key processes associated with management's review of the carrying value of the capitalised exploration and evaluation expenditure; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget and discussed with management the nature of planned ongoing activities; and • We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Lord Resources Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 September 2023



L Di Giallonardo
Partner

LORD RESOURCES LIMITED SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 20 September 2023.

1. Distribution of holders of listed equity securities

Size of holding	Ordinary Shares LRD	% of Shares issued	Listed Options LRDO	% of Options issued
1 - 1,000	315	0.26	23	0.04
1,001 - 5,000	239	1.56	66	1.21
5,001 - 10,000	137	2.72	31	1.19
10,001 - 100,000	291	24.00	106	19.95
100,001 and over	83	71.46	50	77.61
	1,065	100.00	276	100.00

2. Unmarketable parcels

As at 20 September 2023 there were 585 shareholders with unmarketable parcels of shares.

3. Voting rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options or performance rights have any voting rights.

4. Substantial Shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholder	Number of Shares
Barnaby Egerton-Warburton and associated entities	2,994,663

5. Top 20 shareholders (LRD)

The names of the twenty largest shareholders as at 20 September 2023, who hold 40.29% of the fully paid ordinary shares of the Company were as follows:

	Name of holder	Number of Shares	Percentage held
1	Barnaby Egerton-Warburton	1,700,000	3.94%
2	PAC Partners Securities Pty Ltd	1,458,902	3.39%
3	Paul Geoffrey Lloyd	1,300,000	3.02%
4	PJ & SL Moylan Pty Ltd <The Moylan Family S/F A/C>	1,155,000	2.68%
5	Hunter Capital Advisors P/L	1,085,000	2.52%
6	Paranoid Enterprises Pty Ltd	900,000	2.09%
7	Mr Russell Stranger	900,000	2.09%
8	Rock The Polo Pty Ltd <Rock The Polo A/C>	900,000	2.09%
9	Mr Skye Stephen Ackling	900,000	2.09%
10	Whistler Street Pty Ltd <Warburton Disc A/C>	876,000	2.03%
11	Christopher John Swallow	800,000	1.86%
12	Citicorp Nominees Pty Limited	781,066	1.81%
13	Superhero Securities Limited <Client A/C>	710,628	1.65%
14	Mr Danny Allen Pavlovich <Pavlovich Family Spec 2 A/C>	700,000	1.62%
15	Mr Matthew Ian Banks & Mrs Sandra Elizabeth Banks <Matthew Banks S/F A/C>	600,000	1.39%
16	Gotha Street Capital Pty Ltd <Blue Sky No 2 A/C>	586,019	1.36%
17	Amery Holdings Pty Ltd	540,000	1.25%
18	Mr Blair Hugh Townsend	500,000	1.16%
19	Diamond Construct Pty Ltd	500,000	1.16%
20	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient Drp>	468,361	1.09%
		17,360,976	40.29%

LORD RESOURCES LIMITED SHAREHOLDER INFORMATION

6. Top 20 option holders (LRDO)

The names of the twenty largest option holders as at 20 September 2023, who hold 52.91% of the listed options of the Company were as follows:

	Name of holder	Number of Options	Percentage held
1	Hunter Capital Advisors P/L	965,000	4.96%
2	Gold Geological Consulting Pty Ltd	954,112	4.91%
3	Mr Danny Allen Pavlovich <Pavlovich Family Spec 2 A/C>	850,000	4.37%
4	PAC Partners Securities Pty Ltd	729,451	3.75%
5	Mr Blair Hugh Townsend	660,000	3.40%
6	Gotha Street Capital Pty Ltd <Blue Sky No 2 A/C>	638,259	3.28%
7	Emerging Equities Pty Ltd	594,444	3.06%
8	Paranoid Enterprises Pty Ltd	450,000	2.32%
9	Mr Russell Stranger	450,000	2.32%
10	Whistler Street Pty Ltd <Warburton Disc A/C>	438,000	2.25%
11	Mrs Angela Jurman <The PJAG Investment A/C>	437,500	2.25%
12	Mr Phillip Lloyd Carter <Carter A/C>	400,000	2.06%
13	Patras Capital Pte Ltd	400,000	2.06%
14	Mishtalem Pty Ltd	385,000	1.98%
15	PJ & SL Moylan Pty Ltd <The Moylan Family S/F A/C>	385,000	1.98%
16	Paranoid Enterprises Pty Ltd	362,064	1.86%
17	Dealaccess Pty Ltd	300,000	1.54%
18	Mrs Janice Elaine Chisholm	300,000	1.54%
19	Mr Benjamin Gordon Price	295,250	1.52%
20	Mr Paul Frederick Townsend	292,500	1.50%
		10,286,580	52.91%

7. Unquoted equity securities

Unquoted equity securities on issue at 20 September 2023 were as follows:

	Number	Exercise Price (cents)	Expiry Date	Number of Holders	Note
Unlisted Options	12,000,000	25	28 March 2027	14	1
Unlisted Options	800,000	25	31 May 2025	3	2
Unlisted Options	1,850,000	30	30 June 2025	7	3
Performance Rights	450,000	-	20 December 2026	1	4

Note 1: Holders of more than 20% of this class of options:

PAC Partners Securities Pty Ltd	4,000,000 options
Cardrona Energy Pty Ltd	2,600,000 options

Note 2: Holders of more than 20% of this class of options:

Georgina Clark	500,000 options.
Angela Jurman <The PJAG Investment A/C>	250,000 options

Note 3: Holders of more than 20% of this class of options:

Joshua Gordon	462,500 options
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Note 4: Holders of more than 20% of this class of options:

Louie Jordan	450,000 performance rights.
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LORD RESOURCES LIMITED SHAREHOLDER INFORMATION

8. Securities subject to escrow

Securities subject to escrow on issue at 20 September 2023 were as follows:

5,967,500 fully paid ordinary shares to be held in escrow until 7 April 2024, being 24 months from the date of Quotation.

6,120,000 options exercisable at \$0.25 on or before 28 March 2027, to be held in escrow until 7 April 2024, being 24 months from the date of Quotation.

9. Other disclosures

In accordance with ASX Listing Rule 4.10.19, the Company confirms that for the time between admission to the official list of the ASX and 30 June 2023, the entity has used its cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

LORD RESOURCES LIMITED
SCHEDULE OF MINERAL CONCESSION INTERESTS

Group mineral concession interests at 20 September 2023

<i>Concession name and type</i>	<i>Registered Holder</i>	<i>File Number</i>	<i>Lord's current equity interest</i>	<i>Maximum equity interest capable of being earned</i>
<i>Location: Australia</i>				
Horse Rocks Project, WA	Tailflower Pty Ltd	E15/1770	100%	100%
Cambridge Project, WA	Tailflower Pty Ltd	E39/2136 and E39/2195	100%	100%
Jarama Project	Tailflower Pty Ltd	E59/2501	100%	100%
Gabyon Project	Tailflower Pty Ltd	E59/2454	100%	100%
Jingjing Project	Tailflower Pty Ltd	E15/1912 and E63/2240	100%	100%