

Lincoln Minerals

Interim Financial Statements

for the half-year ended 31 December 2023



DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

The Directors present their report together with the consolidated interim financial statements of Lincoln Minerals Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2023 together with the Auditor's review report thereon.

DIRECTORS

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

<u>Name</u>	<u>Period of directorship</u>
Non-executive	
Catherine Norman	Appointed 03 February 2023, appointed chair on 03 February 2023, resigned as chair on 24 July 2023
Ruiyu Zhang	Appointed 30 July 2021, appointed chair on 30 July 2021, resigned as chair on 03 February 2023, reappointed non-executive Chair 25 July 2023
Jason Foley	Appointed 29 July 2022, resigned 31 August 2023
Ryan Smith	Appointed 25 July 2023
John Lam	Appointed 1 September 2023
Julian Babarczy	Appointed 1 December 2023

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Lincoln Minerals Limited is an ASX-listed and South Australian-focused mineral exploration and development company looking to deliver a graphite mining project following the achievement of development and commercialisation milestones for its primary graphite assets on Eyre Peninsula, a proven mining jurisdiction in South Australia. The Company also owns and is advancing other exploration/development assets across uranium, gold and iron ore mineral commodities on tenements held on the Eyre Peninsula.

The Group made a loss after tax for the six months ended 31 December 2023 of \$1,224,562 (2022: \$1,127,026). Cash at the end of December 2023 was \$1,601,174 (June 2023: \$1,162,293).

The following matters occurred during the reporting period:

Merge of stock codes

On 17 July 2023, Lincoln Minerals' ASX codes LML and LMLND merged as a result of Quantum Graphite Limited (ASX: QGL) lapsing their unsolicited takeover offer on 14 July 2023.

Changes in Directors

Ms Catherine Norman resigned from the non-executive Chair and acting CEO effective 24 July 2023.

Hon Ryan Smith was appointed as a non-executive director on 25 July 2023.

Mr Jason Foley resigned as a director on 31 August 2023

Mr John Lam was appointed as a non-executive director on 1 September 2023

Mr Julian Babarczy was appointed as a non-executive director on 1 December 2023

Changes in Executives

Following the resignation of Ms. Cath Norman as acting CEO, Mr Sam Barden agreed to assume the role of interim CEO on 25 July 2023 until the appointment of a permanent CEO.

Mr Jonathon Trewartha was appointed CEO on 3 November 2023 replacing Mr Barden

Share Placement

On 8 November 2023 and 13 November 2023, the Company issued a total of 273.1M fully paid ordinary shares at an issue price of \$0.006 (0.6 cents) per share to raise approximately \$1.638 million before costs. On 8 December 2023, the Company issued 10.2M fully paid ordinary shares at an issue price of \$0.006 (0.6 cents) per share to raise \$61,200, to related parties following shareholder approval at the Company's AGM held on 27 November 2023.

SIGNIFICANT EVENTS AFTER REPORTING DATE

No events have occurred post 31 December 2023.

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

Signed in accordance with a resolution of the directors.



Ruiyu Zhang, Chair
6 March 2024

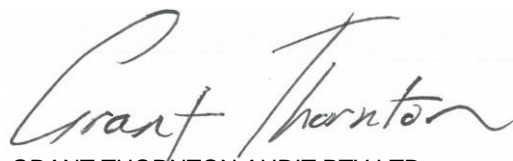
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Auditor's Independence Declaration

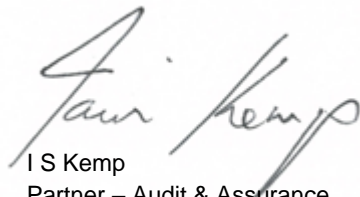
To the Directors of Lincoln Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Lincoln Minerals Limited for the half-year ended 31 December 2023. I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 6 March 2024

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LINCOLN MINERALS LIMITED

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	Note	<u>31 December 2023</u>	<u>31 December 2022</u>
		\$	\$
Other income		-	-
Employee benefits		(312,469)	(65,091)
Corporate and administrative expenses	6	(624,653)	(1,010,300)
Exploration and evaluation expense		(285,353)	(50,682)
Depreciation and amortisation		(2,087)	(953)
RESULTS FROM OPERATING ACTIVITIES		<u>(1,224,562)</u>	<u>(1,127,026)</u>
LOSS BEFORE INCOME TAX		<u>(1,224,562)</u>	<u>(1,127,026)</u>
Income tax expense		-	-
NET LOSS FOR THE PERIOD		<u>(1,224,562)</u>	<u>(1,127,026)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(1,224,562)</u>	<u>(1,127,026)</u>
Basic and diluted loss per share (cents)		(0.07)	(0.20)

The accompanying notes form part of these consolidated interim financial statements

LINCOLN MINERALS LIMITED

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	<u>Contributed Equity</u>	<u>Share based payment reserve</u>	<u>Accumulated losses</u>	<u>Total equity</u>
	\$	\$	\$	\$
Balance on 1 July 2022	37,239,123	-	(31,989,286)	5,249,837
Total comprehensive loss for the period				
Other comprehensive income	-	-	-	-
Loss for the half year	-	-	(1,127,026)	(1,127,026)
Total comprehensive loss for the period	-	-	(1,127,026)	(1,127,026)
Balance on 31 December 2022	37,239,123	-	(33,116,312)	4,122,811
Balance on 1 July 2023	42,600,143	35,000	(35,599,329)	7,035,814
Total comprehensive loss for the period				
Proceeds from rights issue	1,700,000	-	-	-
Share issue transaction costs	(105,903)	-	-	-
Other comprehensive income	-	-	-	-
Loss for the half year	-	-	(1,224,562)	(1,224,562)
Total comprehensive loss for the period	-	-	(1,224,562)	(1,224,562)
Balance on 31 December 2023	44,194,240	35,000	(36,823,891)	7,405,349

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As of 31 December 2023

	<u>Note</u>	<u>31 December 2023</u>	<u>30 June 2023</u>
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,601,174	1,162,293
Trade and other receivables		75,331	122,661
TOTAL CURRENT ASSETS		1,676,505	1,284,954
NON-CURRENT ASSETS			
Other financial assets – Term deposit		30,000	30,000
Property, plant and equipment		279,064	277,521
Exploration and evaluation assets	4	5,561,127	5,561,127
TOTAL NON-CURRENT ASSETS		5,870,191	5,868,648
TOTAL ASSETS		7,546,696	7,153,602
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		81,370	84,075
Employment entitlements		59,977	33,713
TOTAL CURRENT LIABILITIES		141,347	117,788
TOTAL LIABILITIES		141,347	117,788
NET ASSETS		7,405,349	7,035,814
EQUITY			
Contributed equity		44,194,240	42,600,143
Reserves		35,000	35,000
Accumulated losses		(36,823,891)	(35,599,329)
TOTAL EQUITY		7,405,349	7,035,814

The accompanying notes form part of these consolidated interim financial statements

LINCOLN MINERALS LIMITED

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

	<u>31 December 2023</u>	<u>31 December 2022</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(865,937)	(1,083,141)
Net cash inflow / (outflow) from operating activities	(865,937)	(1,083,141)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(285,353)	(654)
Interest Paid	(296)	-
Additions to property plant and equipment	(3,630)	-
Net cash inflow / (outflow) from investing activities	(289,279)	(654)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from rights issue less transaction costs	1,594,097	1,080,000
Net cash inflow / (outflow) from financing activities	1,594,097	1,080,000
Net increase / (decrease) in cash and cash equivalents	438,881	(3,795)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,162,293	42,124
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,601,174	38,329

The accompanying notes form part of these consolidated interim financial statements

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

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

The consolidated interim financial statements of the Company as at, and for the six months ended 31 December 2023 comprise the Company and its wholly owned subsidiary Australian Graphite Pty Ltd (together referred to as the Group).

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

2. BASIS OF PREPARATION

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

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2023. The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2023. The 2023 annual financial report is available from the Company's registered office at Suite 3215, Level 14, 333 Collins Street, Melbourne VIC 3000 or at www.lincolnminerals.com.au.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2023 and can be found on the Company's website at www.lincolnminerals.com.au.

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

Preparing interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements as at and for the year ended 30 June 2023.

New or amended Accounting Standards and interpretations adopted.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. EXPLORATION AND EVALUATION ASSETS

	31 December 2023	30 June 2023
	\$	\$
Balance on 1 July	5,561,127	5,561,127
Expenditure for the period	285,353	576,230
Depreciation charged to exploration	2,087	2,208
Less, exploration and evaluation expensed	(287,440)	(578,438)
Balance at end of period	5,561,127	5,561,127
Gross exploration assets capitalised	20,501,519	20,501,519
Provision for impairment	(14,940,392)	(14,940,392)
Net exploration assets	5,561,127	5,561,127

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

The Group's accounting policy is to capitalise exploration costs in accordance with AASB6 and assess at each reporting date if any impairment indicators as defined in AASB6 paragraph 20. The directors have determined that there were no impairment indicators that had been triggered as at 31 December 2023.

5. GOING CONCERN

The financial report has been prepared on the basis of a going concern. During the half year ended 31 December 2023 the Group recorded a net cash outflows from operating and investing activities of \$1,155,216 and an operating loss of \$1,224,562. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

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

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

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

- On 10 November 2023, the Company completed a share placement raising \$1,700,000 before costs;
- Directors will not commit to expenditure unless sufficient funding has been sourced;
- The South Australian Department of Energy & Mining has granted an extension on the Group's licenses and expenditure commitments to December 2024.

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

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

6. EVENTS SUBSEQUENT TO REPORTING DATE

No events have occurred post 31 December 2023.

DIRECTORS' DECLARATION

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

1. The consolidated interim financial statements and notes are in accordance with the Corporations Act 2001 (Cth) including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six months ended on that date;
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 (Cth); and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

On behalf of the Board



Ruiyu Zhang
Chair

Dated this 6 March 2024
Melbourne, Victoria

Independent Auditor's Review Report

To the Members of Lincoln Minerals Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Lincoln Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

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

Material uncertainty related to going concern

We draw attention to Note 5 in the financial report, which indicates that the Group incurred net cash outflows from operating and investing activities of \$1,155,216 and an operating loss of \$1,224,562 during the half year ended 31 December 2023. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

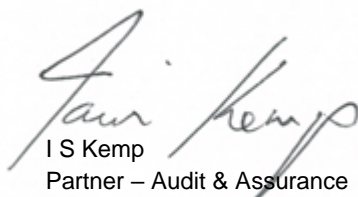
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 6 March 2024