

ASX Announcement

27 January 2023

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2022

Lightning Minerals ("LIM" or "the Company") is pleased to report its Quarterly Activities Report for the quarter ending December 2022.

HIGHLIGHTS

ASX: LIM

Shares on Issue

48,457,170

Performance Rights

4,800,000

Options Outstanding

10,200,000

(exercisable at A\$0.25)

Cash Position

A\$6.2 Million

(at 31 Dec 22)

- **Company successfully listed on ASX under code LIM after raising A\$7M**
- **Soil sampling program and geophysical interpretation started at Dundas Project in Western Australia**
- **Multiple Pegmatite intrusion outcrops have been identified across Dundas Project during a recent site visit**
- **Rock chip and soil samples sent for analysis**
- **Dundas work programs designed to develop drill targets for Quarter 1 CY2023**
- **Exploration Manager appointed and commenced subsequent to end of quarter**

OPERATIONAL ACTIVITIES

DUNDAS PROJECT (100% LIM)

A soil sampling program is currently being completed across the Company's Dundas tenements, program strategy and priority sampling areas are outlined in the ASX announcement dated 25 November 2022. An interpretation of existing geophysical data is also underway which will assist in identifying priority drill targets.

Pegmatite intrusion occurrences were observed across five separate sites (see ASX announcement dated 13 December 2022), within four Exploration Licences (Figure 4), totaling 15 pegmatite exposures. Further investigation is required to determine the relationship of intrusions and the geochemical make up of individual pegmatites.

Figure 1: Location of Dundas project tenements

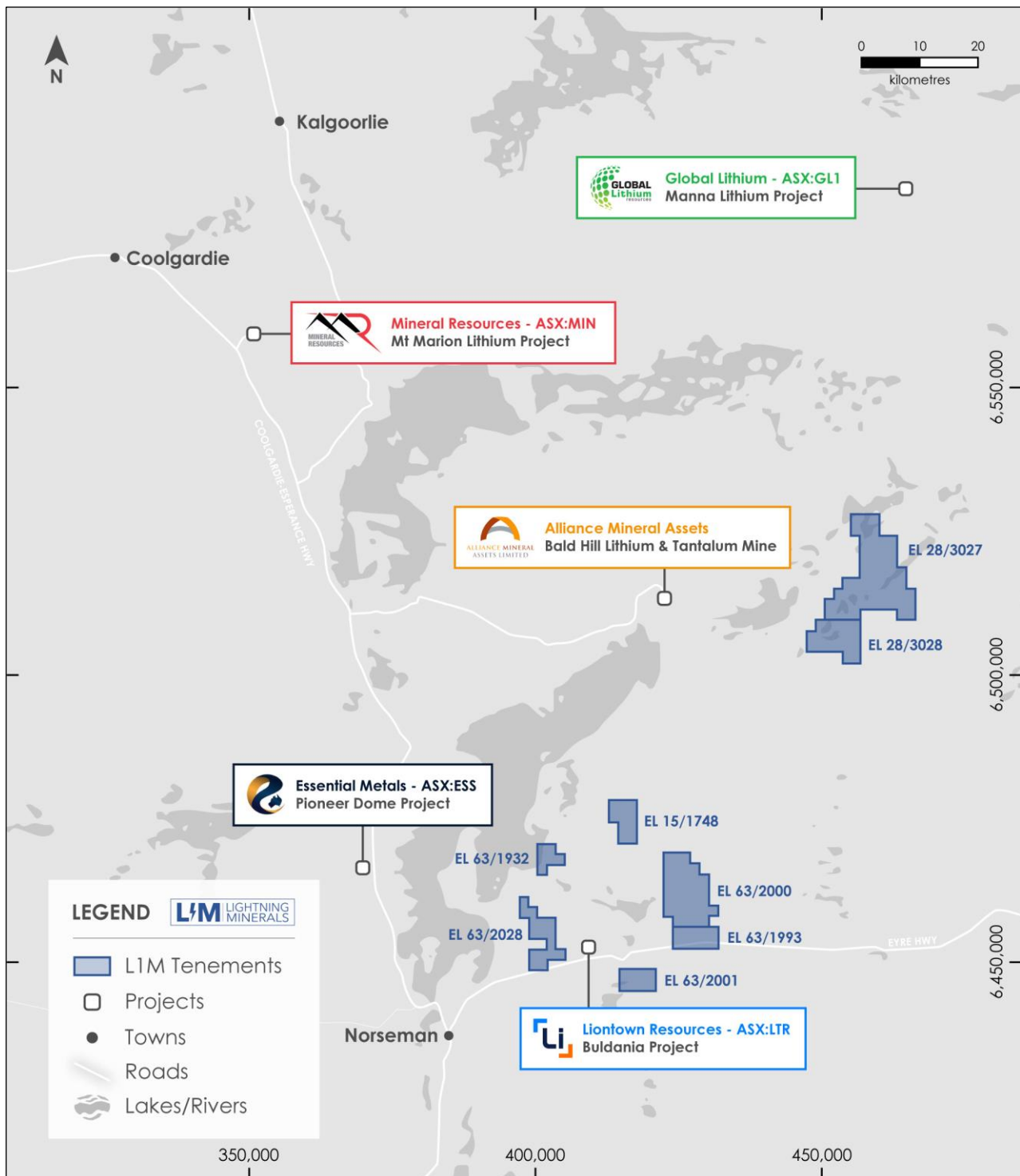


Figure 2: Pegmatite outcrop (white) intruding mafic host lithology on tenement E63/2001



Figure 3: Pegmatite occurrences on tenement E63/2001

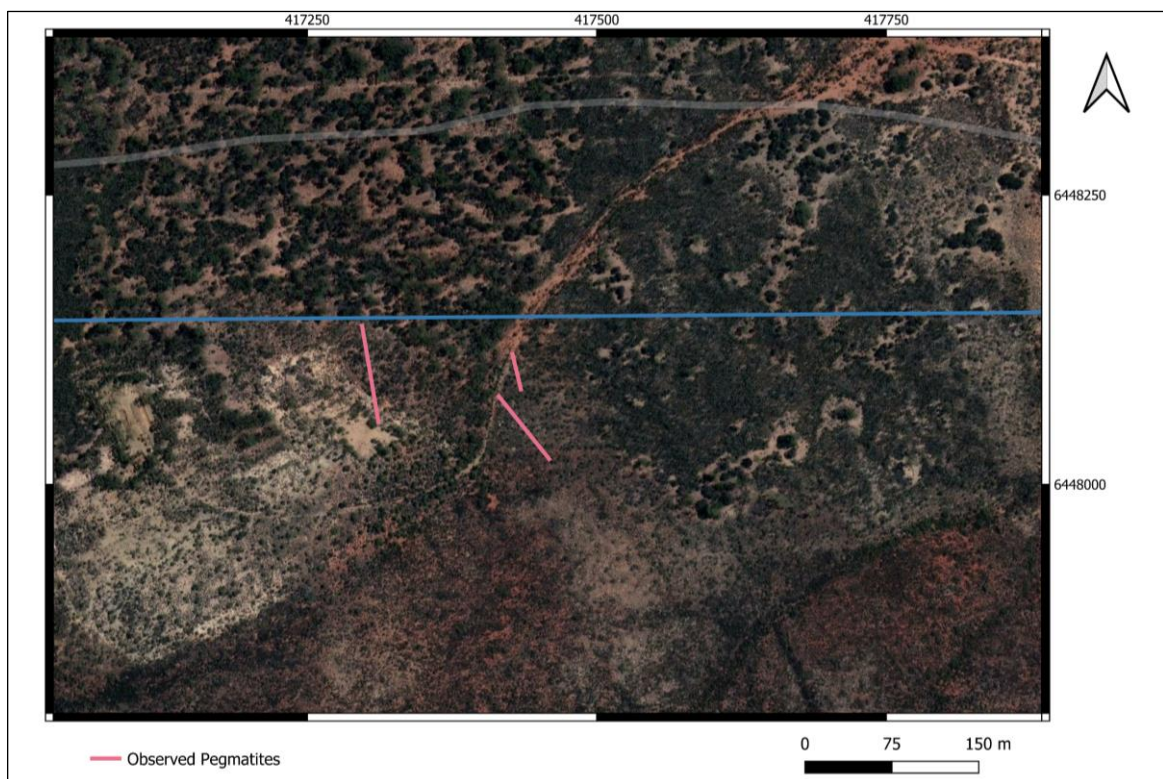
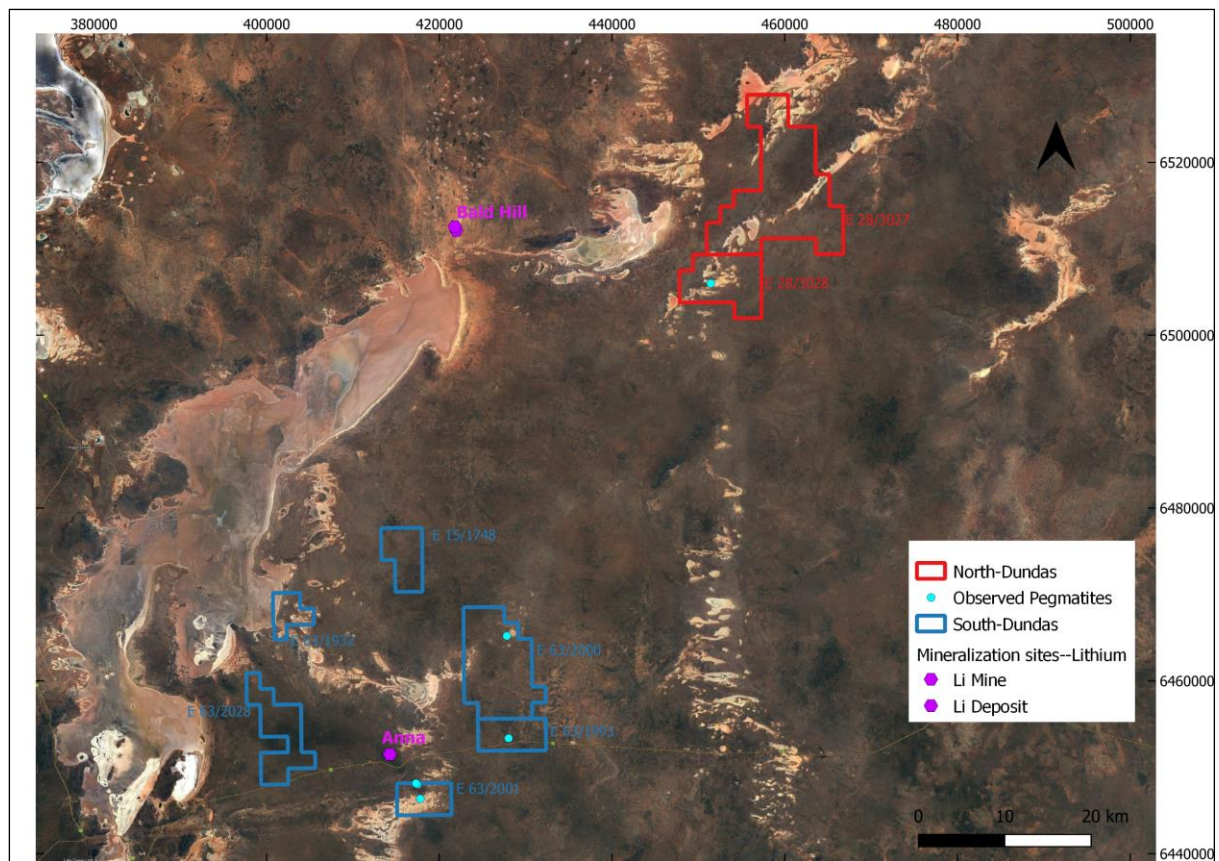


Figure 4: Observed pegmatite occurrences and significant lithium sites



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

MT JEWELL PROJECT (100% L1M)

No work has been performed at Mt Jewell this quarter. In the coming months data analysis including geophysical data reviews and historical drilling will be conducted.

MAILMAN HILL PROJECT (100% L1M)

No work has been performed at Mailman Hill this quarter. In the coming months data analysis including geophysical data reviews and historical drilling will be conducted.

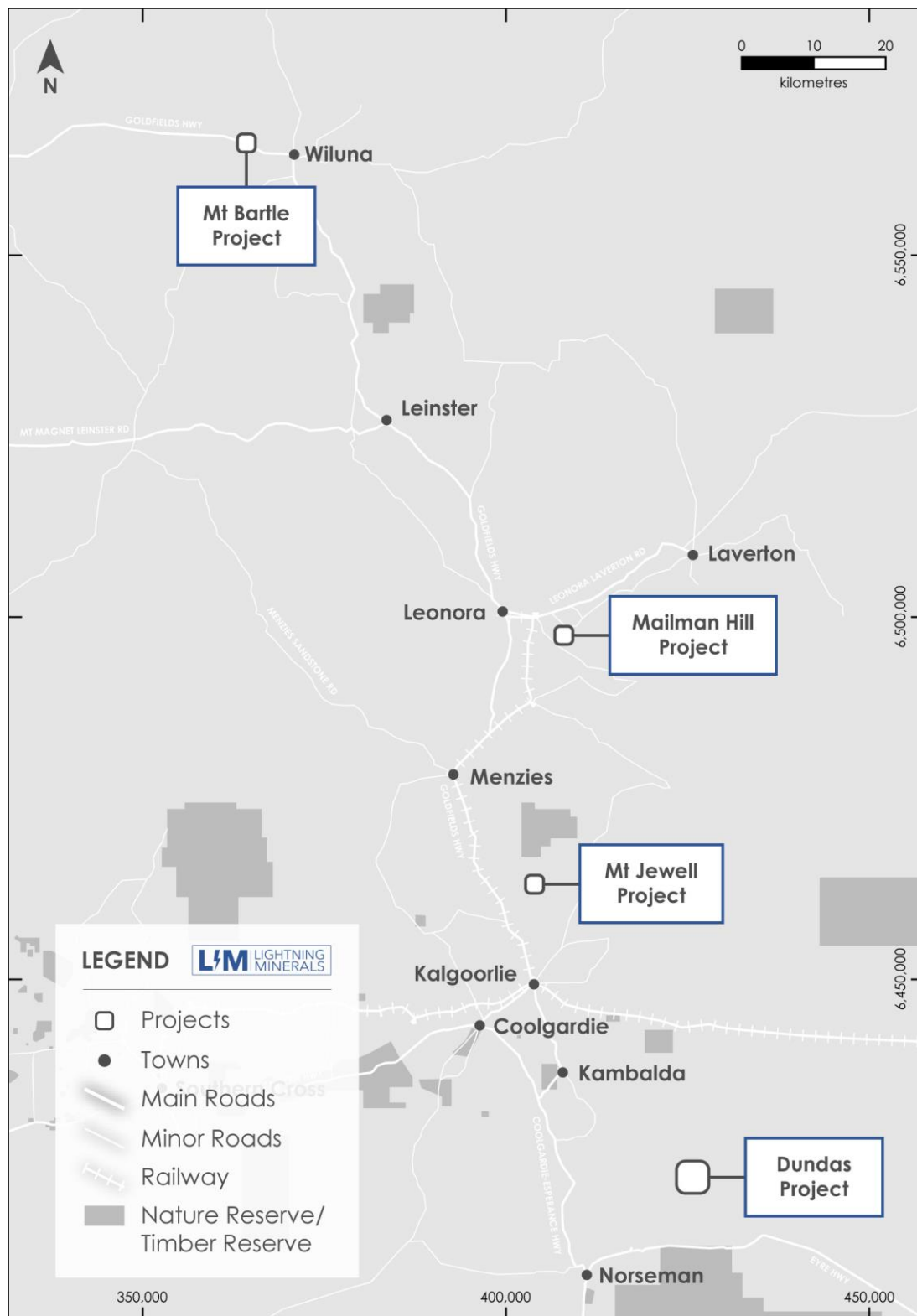
MT BARTLE PROJECT (100% L1M)

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

CURRENT WORK PROGRAMS

A soil sampling program is currently being completed across the Company's Dundas tenements. ASX announcement dated 25 November 2022 outlines the program strategy and priority sampling areas. An interpretation of existing geophysical data is also underway which will assist in identifying priority drill targets. Following a recent site visit multiple pegmatite occurrences have also been identified, see ASX announcement dated 13 December 2022.

Figure 5: Lightning Minerals' project tenement summary



PROJECT GENERATION

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

FINANCE

EXPLORATION EXPENDITURE

The Company spent A\$129,000 on exploration activities during the period, focused principally on the Dundas Projects.

The Company has cash and cash equivalents of A\$6.2 Million at 31 December 2022.

QUARTERLY USE OF FUNDS

Under ASX listing rule 5.3.4 the company presents its quarterly use of funds against its IPO Prospectus projections as shown in Table 1.

Table 1: Use of funds against IPO prospectus projection

Expenditure	Prospectus	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	TOTAL
Exploration (A\$) ¹	4,900,000	129,000									129,000
Working Capital (A\$) ²	1,374,000	314,000									314,000
Costs of Offer (A\$) ³	726,000	486,000									486,000

¹includes items 1.2(a) and 2.1(d) from Appendix 5B, ²includes items 1.2(d) and 1.2(e) from Appendix 5B, ³includes items 2.2(a) and 2.1(d)

OTHER DISCLOSURES

As disclosed under item 6.1 in the Appendix 5B and under ASX listing rule 5.3.5, the Company made payments for a total consideration of A\$74,000 relating to payments for Non-Executive Directors undertaking additional duties to support corporate and exploration activities as well as the Director's normal monthly fees.

As disclosed under item 2.1 (b) in the Appendix 5B, the Company made payments for a total consideration of A\$256,000 relating to payments under the terms of project acquisition as outlined in the Prospectus and Supplementary Prospectus.

The Company's Chief Executive Officer, Alex Biggs, purchased 50,000 shares in the company on 14th December 2022.

The Company's Non-Executive Director Francesco Cannavo purchased 25,000 shares on-market from 30 December 2022 to 3 January 2023.

CORPORATE ACTIVITIES

LISTING ON ASX

The Company was successfully listed on the Australian Stock Exchange ("ASX") on 22 November 2022.

CAPITAL STRUCTURE

The capital structure at 31 December 2022 was:

- 48,432,000 shares
- 5,200,000 options (each exercisable at \$0.25 each expiring 22/11/2027)
- 5,000,000 options (each exercisable at \$0.25 each expiring 22/11/2026)
- 4,800,000 performance shares

Loyalty Options: The Company proposes to conduct a pro-rata loyalty option issue to all shareholders within approximately 3 months post listing on the ASX on a 1 : 2 basis, record date approximately 3 months post listing, exercisable at \$0.25 and have an expiry period of 5 years from issue. Each loyalty option will be issued for \$0.001 and will be listed subject to meeting the minimum listing requirements imposed by the ASX.

APPOINTMENT OF EXPLORATION MANAGER

The Company has appointed Mr Jarrad Woodland as Exploration Manager (see ASX announcement dated 06 January 2023) and Mr Woodland has commenced employment subsequent to end of quarter.

This announcement has been approved for release by the Board of Directors.

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ABOUT LIGHTNING MINERALS

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

FORWARD LOOKING STATEMENTS

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

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

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

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

APPENDIX 1 - SCHEDULE OF TENEMENTS AS AT 31 DECEMBER 2022

Project	Tenement	Ownership
Dundas South	E15/1748	100%
	E63/1932	100%
	E63/1993	100%
	E63/2000	100%
	E63/2001	100%
	E63/2028	100%
Dundas North	E28/3027	100%
	E28/3028	100%
Mt Jewell	E27/566	100%
Mailman Hill	E37/1408	100%
Mt Bartle*	E53/2151	100%
	E53/2147	100%

**Applications for Mt Bartle tenements pending*

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LIGHTNING MINERALS LTD

ABN

40 656 005 122

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(30)	(32)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(133)	(137)
	(e) administration and corporate costs	(181)	(201)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	16
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(344)	(370)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	(256)	(306)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(99)	(99)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(355)	(405)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,000	7,023
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(230)	(340)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	6,770	6,683

4.	Net increase / (decrease) in cash and cash equivalents for the period	6,391	5,908
4.1	Cash and cash equivalents at beginning of period	172	335
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(344)	(370)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(355)	(405)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,770	6,683

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,243	6,243

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	6,240	172
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Trust Account	3	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,243	172

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
74
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments in 6.1 relate to Director fees and salaries

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(344)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(99)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(443)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,243
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	6,243
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	14
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27th January 2023

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.