Litchfield Minerals Limited
ACN 612 660 429

Financial Report
for the half year ended
31 December 2023

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Corporate Information

Directors and Company Secretary

Matthew Pustahya
Peter Eaglen
Nark Noppé
Jacqui Lam (Company Secretary)

Head Office and Registered Office

Level 6, 10 Market Street
Brisbane QLD 4000
Phone: (07) 3212 6299

Auditors

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
Perth WA 6000

Share Registry

Xcend Pty Ltd
Level 1, 139 Macquarie Street
Sydney NSW 2000

Australian Company Number

612 660 429

Solicitor
hwl Ebsworth
Level 19, 480 Queens Street
Brisbane QLD 4000

Banker
Westpac Banking Corporation Limited

Directors Report

The directors submit their report on Litchfield Minerals Limited (Litchfield or the Company) at the end of, and during, the period ended 31 December 2023.

Directors

The following persons were directors of Litchfield Minerals Limited during the financial period and up to the date of this report, unless otherwise stated:

- Matthew Pustahya
- Peter Eaglen
- Nark Noppé

Information on Directors

The board has a strong combination of technical, managerial and capital markets experience. Expertise and experience includes operating and mineral exploration. The names and qualifications of the current directors are summarised as follows:

Matthew Pustahya – Managing Director

Mr Pustahya is a founder of the Company. Mr Pustahya holds a Bachelor of Business (BBus) and a Master of Business Administration (MBA) from Macquarie Graduate School of Management and has been involved in prospecting for 15 years.

Mr Pustahya is experienced in mineral exploration, both private and public. Mr Pustahya has held senior management positions.

Dr Peter Eaglen – Non-Executive Chairman

Dr Eaglen holds a Bachelor of Chemistry and Botany Majors (BSc) and a Doctor of Philosophy Industrial Chemistry (Ph.D.) and has over 35 years' work experience in the mining and metals sector, working as site management leadership across numerous countries as well as, leading internal and external assurance activities for the Board of Rio Tinto.

Dr Eaglen has previously worked internationally on mining, refining and smelting projects and operations with Rio Tinto, Bechtel, Pasminco, CRA and Mount Isa Mines. He also has experience advising Boards on due diligence matters for mergers, acquisitions, divestments and effective management.

Professor Mark Noppé – Non-Executive Director

Professor Noppé is an internationally recognised leader in mining and geoscience, with extensive mining industry geoscience consulting and consultancy management experience, as well as publications and presentations in areas relevant to his practice. Professor Noppé has over 35 years; industry experience working in South Africa, Western Australia and Queensland, and consulted on a variety of projects and commodities in a range of geological, mining, and geographical settings.

Professor Noppé has recently been the group chair of SRK Consulting (Global) and Managing Director of SRK Consulting (Australasia), where he led a large and technically proficient team focused on a range of mining and exploration geoscience projects providing insights for industry clients.

Professor Noppé is an AusIMM director (2021–2026) and has held positions as Chair of the Southern Queensland Branch of the AusIMM, the AusIMM Consultants Society, the AusIMM Awards Technical Excellence Committee, the Geostatistical Association of Australasia and Secretary of the Geostatistical Association of South Africa.

Professor Noppé is currently a Director of the WH Bryan Mining Geology Research Centre at The University of Queensland's Sustainable Minerals Institute. Professor Noppé holds a Bachelor of

Science, Geology, and Chemistry (BSc), Honours Geology (BSc Hons), and Masters of Science in Exploration Geology (MSc).

Company Secretary

Ms Jacqui Lam was the company secretary of Litchfield from 17 November 2023 to the date of this report.

On the 27 February 2024, Mr Peter Harding-Smith was appointed Joint Company Secretary.

Review of Operations

During the reporting period, the Company accumulated exploration projects in Northern Territory, as set out in the table below.

Region	Tenement Name	Area km^2	Status
Northern Territory	**Mount Doreen**	**388.35**	**EL 31305**
Northern Territory	**Lucy Creek**	**791.64**	**ELA 33568**
TOTAL		**1,179.99**	

Significant Changes in State of Affairs

There were no other significant changes in the state of affairs of the Group in the financial period other than those referred to elsewhere in this report.

Principal Activities

The principal activity of the Group during the period was applying for copper tungsten, rare earth elements, uranium, and gold exploration projects.

Since the incorporation of Litchfield Minerals Limited on 28 June 2017, the Group has been compiling a portfolio of projects in Northern Territory.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Corporate

During the period, the Company:

- On 17 August 2023, there was a conversion of shares for a larger number resulting in 1,000 shares converting into 8,000,000 shares, an increase of 7,999,000 shares; and
- In November 2023, issued 2,403,846 placement shares at $0.13 per share, raising a total of $312,500.

As at 31 December 2023, the Company had 10,403,846 ordinary shares and 2,000,000 options on issue.

As at the date of this report, the Company had 10,403,846 ordinary shares and 2,000,000 options on issue.

The Company is currently working through the pre-admission process with ASX and expects to be admitted to the ASX on or about 11 March 2024.

Subsequent Events

In January 2024, the Company lodged a prospects with ASIC, seeking to raise 4,500,000 to 5,500,000 and then be admitted to the ASX. The Company has successfully raised $5,000,000 (before costs) and is in the process of completing the pre-admission process with the ASX, which the Company expects to complete on or about 15 March 2024.

There are no other matters or circumstances that have arisen since the end of the year which 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 future financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors.



Peter Eaglen
Director

Dated: 7 March 2024
Brisbane, Queensland

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF LITCHFIELD MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2023, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

NEIL PACE
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 7th day of March 2024.

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Statement of Profit or Loss and Other Comprehensive Income For the Period Ended 31 December 2023

	Note	31 Dec 2023	31 Dec 2022
		$	$
Other income		-	-
Corporate and administrative expenses		(122,336)	-
Share based payments		(121,356)	-
Loss before income tax expense		(243,692)	-
Income tax expense		-	-
Loss for the period		**(243,692)**	-
Other comprehensive income			
Exchange differences on translating foreign subsidiary		-	-
Total comprehensive income/(loss) for the period		**(243,692)**	-
Loss for the period attributable to:			
Owners of the parent company		(243,692)	-
Total comprehensive income for the period attributable to:			
Owners of the parent company		(243,692)	-
Loss per share attributable to owners of the parent company			
Basic and diluted earnings per share (cents)		(0.038)	(0.000)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 December 2023

	Note	31 Dec 2023	30 Jun 2023
		$	$
CURRENT ASSETS			
Cash and cash equivalents		165,474	46,974
Trade and other receivables		7,695	-
Total Current Assets		**173,169**	**46,974**
NON-CURRENT ASSETS			
Exploration and evaluation assets	2	285,513	197,808
Property, plant and equipment		2,579	-
Total Non-Current Assets		**288,092**	**197,808**
TOTAL ASSETS		**461,261**	**244,782**
CURRENT LIABILITIES			
Trade and other payables		25,956	-
Loans payable to shareholders		52,426	52,426
Total Current Liabilities		**78,382**	**52,426**
TOTAL LIABILITIES		**78,382**	**52,426**
NET ASSETS		**382,879**	**192,356**
EQUITY			
Issued capital	3	512,960	200,100
Reserves		121,356	-
Accumulated losses		(251,437)	(7,744)
Equity attributable to owners of the parent company		382,879	192,356
Non-controlling interests		-	-
TOTAL EQUITY		**382,879**	**192,356**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Period Ended 31 December 2023

	Note	Issued Capital	Accumulated Losses	Option Reserve	Total
		$	$	$	$
Balance at 1 Jul 2022		**100**	**(728)**	**-**	**(628)**
Loss for the period		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**
Issue of shares	3	-	-	-	-
Share issue costs		-	-	-	-
Balance at 31 Dec 2022		**100**	**(728)**	**-**	**(628)**
Balance at 1 Jul 2023		200,100	(7,744)	-	192,356
Loss for the period		-	(243,692)	-	(243,692)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		**-**	**(243,692)**	**-**	**(243,692)**
Issue of shares	3	312,860	-	-	312,860
Share based payments		-	-	121,356	121,356
Balance at 31 Dec 2023		**512,960**	**(251,437)**	**121,356**	**382,879**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Period Ended 31 December 2023

	31 Dec 2023 $	31 Dec 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Other receipts	-	-
Payments to suppliers and employees	(104,076)	-
Net cash used in operating activities	**(104,076)**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(87,705)	-
Payments for property, plant and equipment	(2,579)	-
Net cash used in investing activities	**(90,284)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	312,860	-
Net cash provided by financing activities	**312,860**	**-**
Net increase/(decrease) in cash held	118,500	-
Cash at Beginning of Period	46,974	-
Cash at End of Year	**165,474**	**-**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The financial statements are presented in Australian dollars.

The financial report was authorised for issue on 7 March 2024 by the directors of the Company.

Litchfield Resources Limited (the "Company") is a public company, incorporated and domiciled in Australia.

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements except for the adoption of new and amended standards as set out below.

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

Going Concern

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

As disclosed in the financial statements, the Company recorded a net loss of $243,692, net operating cash outflows of $104,076 and cash outflows on exploration of $87,705 for the period ended 31 December 2023. As at 31 December 2023 the Group had cash of $165,474.

The ability of the Group to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Group to successfully raise capital, as and when necessary;
- the ability to complete successful exploration and subsequent exploitation of the areas of interest;
- reducing its working capital expenditure; and
- the ability of the Group to sell non-core assets.

As such the board and management are actively pursuing an initial public offering (IPO) which is planned to be completed on or before 15 March 2024 and which Directors consider sufficient to meet working capital requirements for at least the next 24 months. The offer has now closed and the Company is working through the pre-admission process.

Whilst Directors are confident that the IPO can be completed in the timeframe set out above, the IPO is not yet completed and remains subject to regulatory approvals. In the event that the Company is unable to complete its IPO as planned, the Company may not currently have sufficient funds available meet anticipated working capital requirements. In such a circumstance, Directors will need to seek to

raise additional capital through equity raisings or, private debt or do both.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- proven ability of the Group to raise the necessary funding or settle debts via the issuance of shares as evidenced by raising over $312,860 in the past six months; and
- proven ability of the Company's directors and management to raise funding for various exploration companies over many years.
- The directors expect to complete the IPO and ASX listing process noted above.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

NOTE 2: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2023 $	30 June 2023 $
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	**285,513**	**197,808**
Movement in exploration and evaluation assets:		
Exploration and evaluation phase – at cost		
Opening balance - at cost	197,808	44,660
Capitalised exploration expenditure	87,705	153,148
Exploration assets written-off	-	-
Total exploration and evaluation phase – at cost:	**285,513**	**197,808**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively, through the sale of the areas of interest.

NOTE 3: CONTRIBUTED EQUITY

(A) Fully Paid Ordinary Shares

		31 Dec 2023		30 Jun 2023	
		No. of Shares	$	No. of Shares	$
Opening balance		1,000	200,100	1,000	100
17 Aug 2023 – Conversion	(a)	7,999,000	-	-	-
29 Nov 2023 - Placement	(b)	2,403,846	312,860	-	-
9 Feb 2023 – Placement	(c)	-	-	200	200,000
9 Feb 2023 - Cancelled shares	(d)	-	-	(200)	-
Share issues costs		-	-	-	-
Balance as at the end of the period		52,308,781	**3,512,960**	1,000	**200,100**

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

Notes for the above table are:

(a) On 17 August 2023, there was a conversion of shares for a larger number resulting in 1,000 shares converting into 8,000,000 shares, an increase of 7,999,000 shares.

(b) On 29 November 2023, 2,403,846 shares were issued to investors at a price $0.13 per share, raising a total of $312,500.

(c) On 9 February 2023, 200 shares were issued to investors at a price of $1,000 per share, raising a total of $200,000.

(d) On 9 February 2023, there was a share consolidation resulting in the reduction of 200 shares.

(B) Unlisted options

	Note	Weighted average exercise price	31 Dec 2023 No. of Options	Weighted average exercise price	30 Jun 2023 No. of Options
Share Options		$0.30	2,000,000	-	-
Balance at the beginning of the year		-	-	-	-
Change of options during the year:					
Issued to founder shareholders – MD:		$0.30	1,408,000	-	-
Issued to founder shareholders - Other:		$0.30	592,000	-	-
Exercisable at end of year		**$0.30**	**2,000,000**	**-**	**-**

Refer Note 4 for further details of share-based payments

NOTE 4: RELATED PARTY TRANSACTIONS

(A) Key Management Personal

	31 Dec 2023	30 Jun 2023
	$	$
Short-term employment benefits	6,822	-
Post employment benefits	-	-
Share-based payments	85,435	-
	92,257	**-**

Notes to the above table are:

(1) During the half-year ended 31 December 2023, 1,408,000 options were granted to the Managing Director. The options vested on grant date and expire on 25 October 2026. The fair value of options granted was 6.07 cents per options. The fair value at grant date was determined by an independent valuator using a Black-Scholes option pricing model that takes into account the share price at the grant date, exercise price, expected volatility, option life, expected dividends, the risk-free rate, the impact of dilution, and the fact that the options are not tradable. The inputs used for the Black-Scholes options pricing model fo the options granted were:

- Grante date: 25 October 2023
- Share price at grant date: 13 cents
- Exercise price: 30 cents
- Expected volatility: 100%
- Expected dividend yield: nil%
- Risk free rate: 3.83%

NOTE 5: COMMITMENTS

(a) Exploration Commitments

The Company has certain obligations to expend minimum amounts on exploration in tenement areas, or obligations to complete defined exploration programs (with budgets submitted). These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company. The following commitments exist at reporting date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Company has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

In order to keep the tenement in good order, the minimum expenditure requirement is not significant.

(b) Lease Commitments

The Company has no lease commitments.

(c) Capital Commitments

The Company has no capital commitments.

NOTE 6: SUBSEQUENT EVENTS

In January 2024, the Company lodged a prospects with ASIC, seeking to raise 4,500,000 to 5,500,000 and then be admitted to the ASX. The Company has successfully raised $5,000,000 (before costs) and is in the process of completing the pre-admission process with the ASX, which the Company expects to complete on or about 15 March 2024.

Other than the above, there are no other matters or circumstances that have arisen since the end of the year which 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 future financial years.

Directors' Declaration

The directors of the Company declare that:

The financial statements and notes are in accordance with the Corporations Act 2001 and:

(a) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the Company's financial position as at 31 December 2023 and of the performance for the half-year ended 31 December 2023.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Peter Eaglen
Director

Dated 7 March 2024
Brisbane, Queensland

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LITCHFIELD MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Litchfield Minerals Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the half-year then ended, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements 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 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors 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 (including Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LITCHFIELD MINERALS LIMITED (CONTINUED)

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

i. giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and

ii. 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 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.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 7th day of March 2024.