

ASX:

L1M



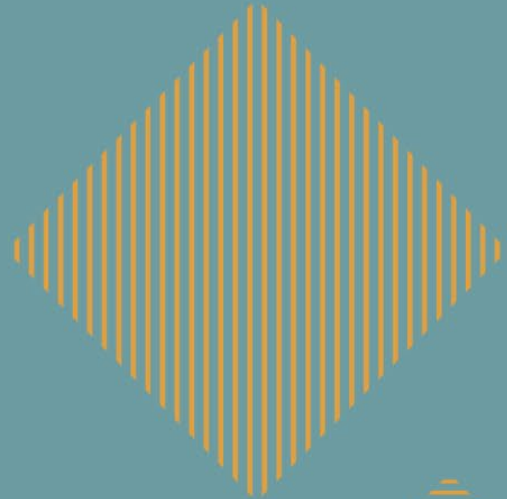
**Lightning  
Minerals**

Lightning Minerals Ltd

# Annual Report.

**JUNE 2024**

**ABN 40 656 005 122**



# Directory.

## **Directors**

Mr Alexander Biggs (Managing Director)

Mr Craig Sharpe (Non-Executive Director)

Mr Francesco Cannavo (Non-Executive Director)

## **Company Secretary**

Justyn Stedwell

## **Registered Office**

Level 11, 40 The Esplanade Perth, WA, 6000

Telephone: (08) 9429 8806

## **Auditors**

HLB Mann Judd (VIC) Partnership Level 9, 550

Bourke Street Melbourne VIC 3000

## **Legal Advisers**

Moray and Agnew Lawyers Level 6, 505 Little

Collins Street Melbourne VIC 3000

Hamilton Locke, Level 39/152-158 St Georges

Terrace, Perth WA 6000

## **Share Registry**

Automic Pty Ltd Level 5, 126 Phillip Street Sydney

NSW 2000 Telephone: 1300 288 664

Email: [hello@automic.com.au](mailto:hello@automic.com.au)

Website: [www.automic.com.au](http://www.automic.com.au)

## **Securities Exchange Listing**

Lightning Minerals Limited shares are listed on the

Australian Securities Exchange (ASX) ASX Code:

L1M

## **Website**

[lightningminerals.com.au](http://lightningminerals.com.au)

*The Directors confirm that the funds raised and available upon admission to the official list have been used in a way that is consistent with the business objectives stated in the Company's prospectus published prior to listing.*

# Contents.

Corporate directory	2
Operational activities	4
Directors' report	27
Auditor's independence declaration	43
Consolidated statement of profit or loss and other comprehensive income	44
Consolidated statement of financial position	45
Consolidated statement of changes in equity	46
Consolidated statement of cash flows	47
Notes to the financial statements	48
Consolidated entity disclosure statement	70
Directors' declaration	71
Independent auditor's report	72
Shareholder information	76
Appendix 1 - Schedule of tenements	79

## **OPERATIONAL ACTIVITIES**

### **CARAÍBAS AND SIDRÔNIO PROJECT OVERVIEW (100% L1M)**

The Group completed its acquisition of the option to acquire the Caraíbas and Sidrônio lithium projects in the prolific Lithium Valley region of Minas Gerais, Brazil. Managing Director, Alex Biggs spent June in Brazil visiting the project areas and the Lithium Valley region meeting with key stakeholders and developing a team to complete on ground works. Subsequent to end of Financial Year work programs have begun consisting of ground reconnaissance, geophysics and soil sampling in order to identify drill targets to be drilled towards the end of the calendar year.

### **DUNDAS PROJECT OVERVIEW (100% L1M)**

The Dundas project has been a key area of focus over the past 12-months with soil sampling and drilling continuing to define lithium anomalism and areas of interest for further follow up. Multiple pegmatites have been discovered under alluvial cover on tenement E63/2001 (ASX Announcement 13 July 2023 and ASX Announcement 29 September 2023) with further areas of interest identified on tenement E63/2000 through auger drilling (ASX Announcement 13 May 2024). RC drilling on E63/2000 was as a result of strong lithium anomalism up to 218ppm Li (ASX Announcement 13 July 2023) with results up to 994ppm Li (ASX Announcement 13 May 2024). These results are considered positive and greater than background grades for lithium and provide an opportunity to now vector in on a potential source of lithium mineralisation.

### **DALMAS AND HIVER PROJECT OVERVIEW (100% L1M)**

The Dalmas and Hiver projects were acquired in September 2023 (ASX Announcement 29 September 2023). A first pass reconnaissance program was completed across both projects identifying multiple pegmatite lithologies (ASX Announcement 03 November 2023) which are broadly coincident with 113 targets at Dalmas and 52 targets at Hiver that were identified through multispectral analysis (ASX Announcement 30 August 2023).

### **MAILMAN HILL PROJECT OVERVIEW (100% L1M)**

An inaugural auger sampling campaign was completed in June 2024 (ASX Announcement 11 June 2024) to test 9km of highly prospective lithology within the Keith-Kilkenny Tectonic Zone immediately southeast of Cavalier Resources' (ASX:CVR) Crawford Gold Project which is located directly to the north-west of the Mailman Hill tenement. The project hosts a JORC compliant Resource of 3.75Mt @ 1.0g/t Au for 118koz (1.15Mt @ 1.0g/t Au Indicated, 2.60Mt @ 1.0g/t Inferred). The Project has a maiden ore Reserve of 1.00Mt @ 0.9g/t Au for 29koz and is progressing to the permitting stage (see ASX announcement 14 March 2024, Cavalier Resources (ASX: CVR)). The Group is investigating the potential of an extension to the Crawford Gold Project south-east onto its Mailman Hill tenement and will be receiving assays in Q3 CY2024.

### **MT JEWELL PROJECT OVERVIEW (100% L1M)**

The Group has continued to evaluate the potential of the Mt Jewell project during the year.

### **MT BARTLE PROJECT OVERVIEW (100% L1M)**

The Group has continued to evaluate the potential of the Mt Bartle project during the year. The tenements are still pending grant.

## CARAÍBAS AND SIDRÔNIO PROJECTS - WORKS SUMMARY

### RELEVANT ANNOUNCEMENTS DURING THE YEAR

Announcement Date	Title
22/04/2024	Proposed Brazilian Lithium Project Acquisition
28/05/2024	Completion of Due Diligence on Brazil Lithium Projects
14/06/2024	Brazil Site Visit Confirms Lithium Potential and Pegmatites
19/06/2024	Completion of Acquisition of Bengal Mining
24/07/2024	Exploration Begins at Lithium Projects in Brazil

### ACQUISITION OF CARAÍBAS AND SIDRÔNIO LITHIUM PROJECTS IN BRAZIL

The Group completed the acquisition of Bengal Mining Pty Ltd in June 2024 which holds, via its wholly owned subsidiary Tigre Mineracao Ltda (Tigre) option agreements over two lithium projects, Caraíbas and Sidrônio in Brazil's prolific Lithium Valley district in the state of Minas Gerais.

### THE EASTERN BRAZILIAN PEGMATITE PROVINCE - LITHIUM VALLEY

The Esperança project is located in the Lithium Valley region of Minas Gerais, Brazil. The region hosts Latin Resources' (ASX: LRS) Colina lithium project hosting 70.9Mt @ 1.25% Li<sub>2</sub>O (Measured + Indicated 67.3Mt @ 1.27% Li<sub>2</sub>O, Inferred 3.6Mt @ 1.10% Li<sub>2</sub>O). Also in the region is Signa Lithium's (NASDAQ: SGML) Grota do Cirilo project hosting 108.9Mt @ 1.41% Li<sub>2</sub>O (Measured and Indicated 94.3Mt @ 1.40% Li<sub>2</sub>O, Inferred 14.6Mt @ 1.37% Li<sub>2</sub>O). The region has emerged as one of the world's premier lithium districts over the past few years and presents significant exploration potential.

The Group will benefit from access to a seasoned ground team, providing invaluable fieldwork expertise and insights, enhancing the Group's strategic approach to exploration. Relationships the Group already has in the region will help facilitate project growth and advancement. Due to location the Project will benefit from current works being carried out at the Group's Caraíbas and Sidrônio lithium projects which began in July 2024 (ASX Announcement 24 July 2024).

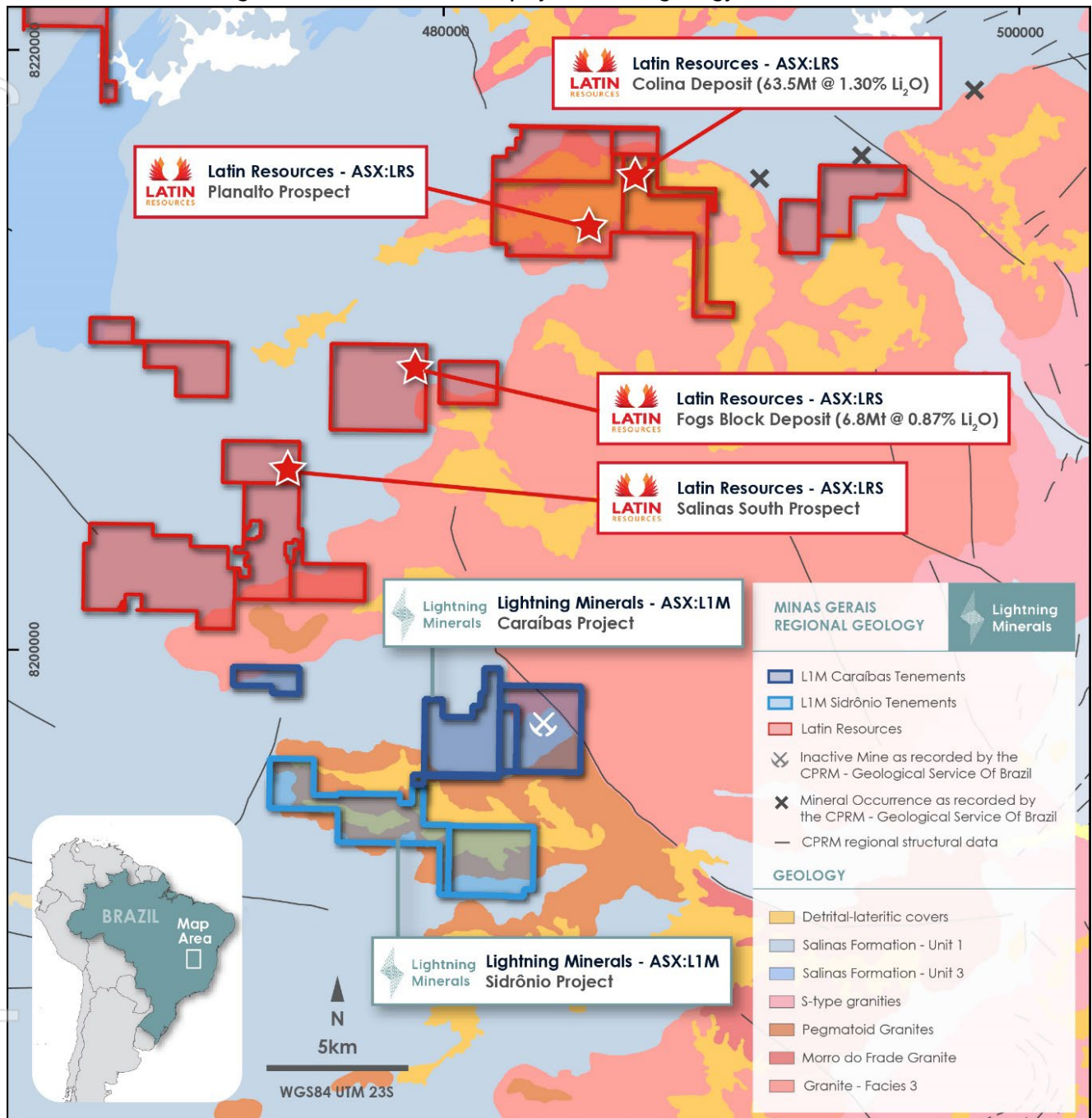
Minas Gerais is Brazil's third largest economy with over 300 mines operating in the state with tier-1 operators including Vale, BHP and Rio Tinto. The state boasts a strong mining labour pool and presents a cost competitive jurisdiction for exploration and project development with mature infrastructure, hydro power and road access.

### CARAÍBAS AND SIDRÔNIO PROJECTS

The Projects are located in the Eastern Brazilian Pegmatite Province that encompasses approximately 150,000 km<sup>2</sup>, stretching from Bahia state to Rio de Janeiro state. The Caraíbas Project consists of five (5) separate tenements covering 1,733 Ha and the project area contains a series of albite and muscovite rich pegmatites identified by Bengal's initial reconnaissance works. Aeromagnetic data shows the tenements are located along regional structures and shear zones which are analogous to the trends present at Latin Resources' (ASX: LRS) Colina deposit. The Caraíbas Project is located approximately 20km to the south in the same Salinas geological formation.

The Sidrônio Project consists of two (2) tenements covering 1,638 Ha, strategically located adjacent and along strike to the south from the Caraíbas Project. Aeromagnetic data shows the tenements are located along similar interpreted structural trends that may potentially be conduits for mineralisation.

Figure 1: Caraíbas and Sidrônio project location, geology and tenements



Both Projects cover prospective Salinas Formation geology which is thought to provide adequate rheological conditions suitable for the emplacement of late hydrothermal fluids. In similar geological settings, proximal to S-type granites, the Salinas Formation is known to host fertile lithium mineral bearing pegmatites.

Records from the 'Project Evaluation of the Potential of Lithium in Brazil' - Serviço Geológico do Brasil (Geological Service of Brazil) indicate that historic prospecting or fossicking may have occurred with the Caraíbas Project. At this location an inactive mine location is recorded as 'LB-43 Lavra Luís Rocha - Caraíbas' which is interpreted to be a small-scale prospecting excavation. The area was then targeted by Bengal company geologists in late 2023 as part of a small reconnaissance program to identify lithium prospectivity in the region. Three rock chip samples were taken from the site with peak assay results of 0.53% Li<sub>2</sub>O, 1,245

ppm tantalum, 1,175 ppm rubidium and 1,455 ppm caesium (Table 1). Geological descriptions of the rock samples are shown in Table 2, and photographs of BLR237 and VLR1269 are shown in Figure 2 (a) and Figure 2 (b) respectively. These results are considered encouraging and support the thesis that pegmatites in the project areas might have favourable geochemistry and fractionation conditions. Elevated tantalum levels are considered a good indicator of potential for adequate fractionation conditions and will form a key part of the Group's initial reconnaissance works and analysis. These results formed the basis of the initial works program across the project areas which has begun subsequent to end of year and date of this report. A full table of results for samples taken from the project areas are included in Appendix 2, Table 1 in ASX Announcement 22 April 2024.

**Table 1: Assay data associated with samples taken at historic "inactive mine" location**

Field Name	Target	Easting (UTM 23S)	Northing (UTM 23S)	Cs ppm	Li ppm	Nb ppm	Rb ppm	Sn ppm	Ta ppm	Li <sub>2</sub> O %	K/Rb
BLR238	Caraibas	803813	8194761	704	1281	801	665	272	1245	0.28	29
BLR237	Caraibas	803812	8194766	1455	2457	64	1175	103	196	0.53	24
VLR1269	Caraibas	803808	8194765	124	97	5	574	2.5	5	0.01	64

**Table 2: Geological descriptions associated with samples taken at historic "inactive mine" location**

Field Name	Target	Easting (UTM 23S)	Northing (UTM 23S)	Geology Description
BLR238	Caraibas	803813	8194761	Gpe (pegmatite) whitish with >> schorlite + lepidolite
BLR237	Caraibas	803812	8194766	Presence of rubellite and lepidolite. Zoned lepidolite (external halo with Li)
VLR1269	Caraibas	803808	8194765	Pegmatite rich in Lepidolite (Li) and light green tourmaline(?)

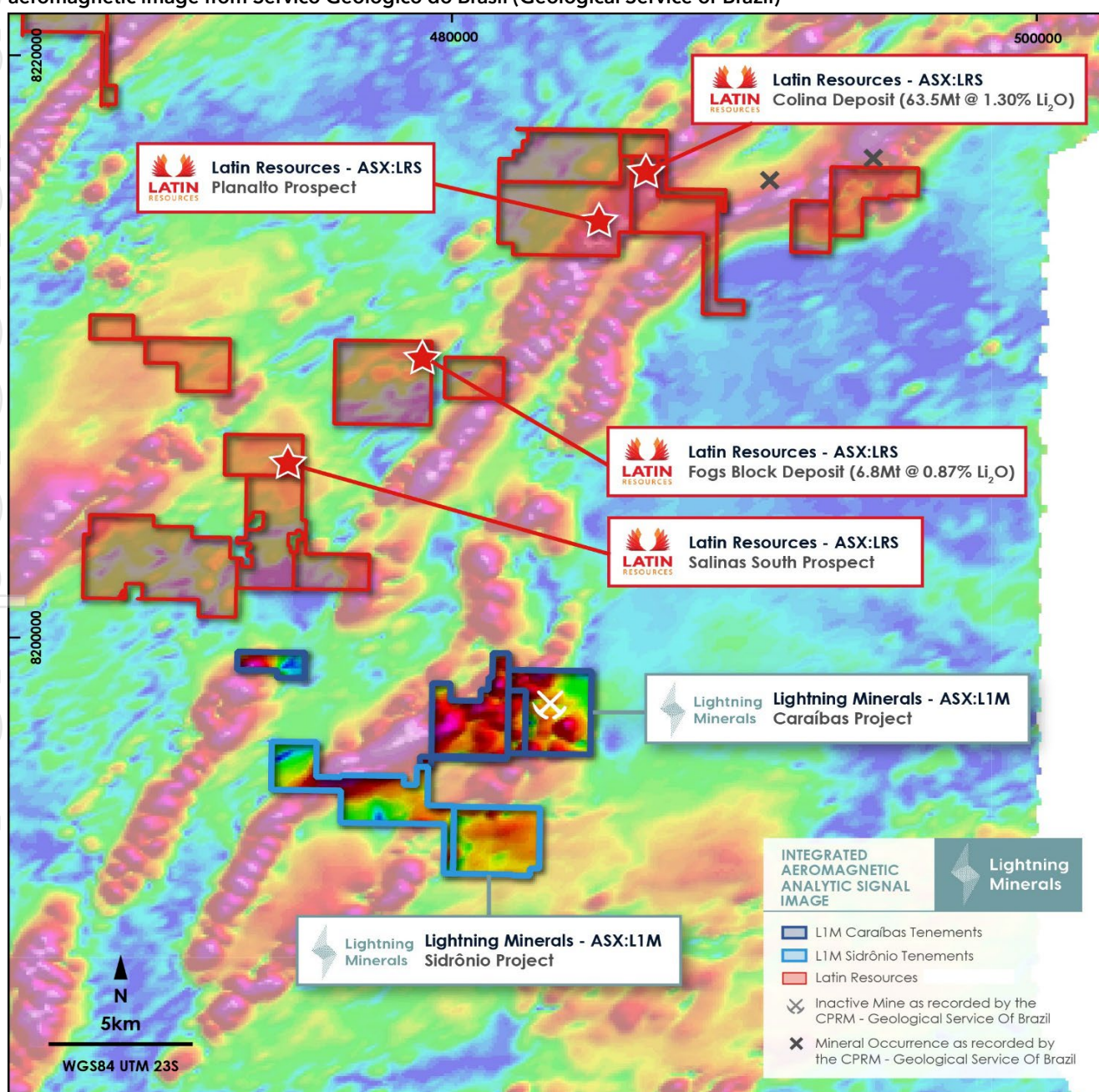
**Figure 2: (A) Photograph of sample BLR237 showing lepidolite minerals (purple) within pegmatite sample (B) Photograph of sample VLR1269 showing lepidolite minerals (purple) within pegmatite sample (C) Photographic example of workings located within the larger Caraibas tenement area (805118mE, 8193908mN)**



## REGIONAL GEOLOGY, PROSPECTIVITY AND TRENDS

The Eastern Brazilian Pegmatite Province is a globally recognised region for hard rock lithium prospectivity. The Colina and Grota do Cirilo Project Lithium resources highlight the potential for the region to host Tier 1 lithium deposits. Like Caraíbas and Sidrônio, these deposits are located within the Salinas Formation proximal to Post-Collisional Magmatism which are of the Type-S granitic geochemistry. S-Type granites are known to be favourable and form part of the genetic model for the creation of lithium-caesium-tantalum (LCT) deposits. The Salinas Formation commonly includes lithologies such as mica-quartz schists and quartz-mica schists with localised intercalations of rocks, calcium-silicates, meta conglomerates and micaceous quartzites. Reconnaissance work by Bengal has identified similar rock types at both the Caraíbas and Sidrônio projects which are considered positive indicators when looking at the projects in a regional context.

**Figure 3: Caraíbas and Sidrônio projects location and tenements plotted against publicly available analytic signal aeromagnetic image from Serviço Geológico do Brasil (Geological Service of Brazil)**



Multiple prospective geophysical trends have been identified through interpretation of publicly available aeromagnetic data from the Servico Geologico do Brasil (Geological Service of Brazil) which correlates with the parallel mineralised corridor that hosts Latin Resources' (ASX: LRS) Colina deposit. These trends will form the basis of further on-ground mapping, reconnaissance, and sampling across the tenements with a view to defining drill targets.

## PROGRAM OF WORKS AND USE OF FUNDS

The option agreements that the Group has acquired via Bengal allows for clear identification of drill targets prior to full acquisition of the Project areas, either in full or in part. The Group has existing relationships with contractors and personnel in the region which will significantly accelerate its work programs and has a strong relationship with other operators in the region.

The following work programs will be completed across all projects. These work plans have begun subsequent to end of year and the date of this report.

**Table 3: Initial work program strategy Caraibas and Sidrônio projects**

Work Program	Timing	Use of Funds (A\$)	Notes
Ground reconnaissance - mapping and sampling	10 weeks	200,000	To run concurrently
Geophysical drone survey	8 weeks	100,000	
Drill target identification	8 weeks	50,000	
Phase 1 drilling	12 weeks	960,000	

## ACQUISITION TERMS

The Group has entered into a binding share sale agreement with the majority shareholders of Bengal to acquire all the issued capital of Bengal. Bengal holds exclusive options via its wholly owned subsidiary Tigre, to purchase seven (7) tenements located in Brazil's Lithium Valley region in the state of Minas Gerais, comprising the Projects.

The consideration paid for the acquisition of 100% of the shares in Bengal was as follows:

### Consideration

- 22,142,857 fully ordinary paid shares in the Company (**Shares**) to the value of A\$1,550,000 based on an issue price of \$0.07 per Share (**Consideration Shares**);
- 6,000,000 L1M options, with an exercise price of \$0.105 being a 50% premium to the Share price of \$0.07 and an expiry date of three years from the date of issue (**Consideration Options**); and
- 39,999,999 performance rights that will convert into Shares on a one-for-one basis, subject to the satisfaction of the milestones outlined below (**Performance Rights**).

The issue of the Consideration Shares, the Performance Rights and the Shares issued on conversion of the Performance Rights will be subject to voluntary escrow for a period of 12 months from the date of issue.

### Milestones

- Milestone 1:** 14,285,714 Performance Rights to vest into Shares subject to the Group delineating a JORC compliant Mineral Resource Estimate on the Projects of at least 5Mt grading at least 1.0% Li<sub>2</sub>O within three years from the date of issue;

- b) **Milestone 2:** 14,285,714 Performance Rights to vest into Shares subject to the Group delineating a JORC compliant Mineral Resource Estimate on the Projects of at least 10Mt grading at least 1.0%Li<sub>2</sub>O within four years from the date of issue; and
- c) **Milestone 3:** 11,428,571 Performance Rights to vest into Shares subject to the Group delineating a JORC compliant Mineral Resource Estimate on the Projects of at least 30Mt grading at least 1.0%Li<sub>2</sub>O within five years from the date of issue.

### EXCLUSIVE OPTION EXERCISE

Bengal (via its wholly owned subsidiary Tigre) has exclusive options across all tenements under the following terms in Table 4. This allows the Group to conduct early-stage exploration quickly and effectively to then determine which of the tenements are appropriate to exercise, minimising the upfront expenditure.

**Table 4: Exclusive option agreement terms**

Project	Option Period	Option Fee	Monthly Fee (US\$)	Option Exercise (US\$)	Bonus (US\$)	Royalty	Status
Caraíbas	24 month	100K (Paid)	5K	1M per tenement	Nil	Nil	Landowner signed
Sidrônio	12 month	70K (Paid)	Nil	200K per tenement	200K if 10Mt @ 1.3% Li <sub>2</sub> O or greater	1% NSR	Landowner signed

### RECONNAISSANCE SITE VISIT CONFIRMS LITHIUM POTENTIAL

The Group completed a site trip to the Caraíbas and Sidrônio project areas in June 2024. Positive indications from the site visit include the verification of previously identified outcropping pegmatites containing lithium bearing minerals (Lepidolite) within artisanal workings at the Caraíbas project. Numerous pegmatite showings were also observed across both the Caraíbas and Sidrônio project areas indicating the presence of pervasive hydrothermal activity.

Figure 4: (A) Pegmatite showing lepidolite minerals (purple) within sample at Caraibas artisanal workings (805118mE, 8193908mN) (B) Lightning Minerals' Managing Director Alex Biggs with local contract lithium geologists at the entry of the artisanal workings (C) Example of the excavated feldspar-mica-tourmaline-lepidolite pegmatite boulders surrounding the site. (D) Example of typical pegmatite outcrops within stream beds throughout the project areas



Pegmatite boulders at the location (Figure 4 (C)) are scattered due to artisanal mining activities and are generally of a feldspar-mica-tourmaline-lepidolite mineral assemblage. The presence of lepidolite, tourmaline, accessory rubellite and tantalite are compelling indicators that the source geochemistry may be approaching the correct composition.

The pegmatite outcrop continues along strike from the artisanal workings but is covered by thin 2-4m residual saprolites from weathered Salinas Formation schists. Pegmatite mapping will be a priority for forward works.

Various sites were then visited across the greater Caraíbas and Sidrônio projects. As a first pass exploration strategy local geologists traverse stream beds which both provides access and strips saprolite from the bedrock to expose the geology beneath. Numerous pegmatite occurrences have been identified using this technique along ephemeral drainage systems (Figure 4 (D) which is especially encouraging given the lack of overall exploration data for the region. A comprehensive outcrop geology mapping exercise to properly locate, geochemically sample, and structurally map the pegmatites utilising the stream exposures is now being considered in conjunction with a stream sediment sampling program to support future drill target generation activities.

The scale and number of pegmatite occurrences within the Eastern Brazilian Pegmatite Province and proximal to the Caraíbas and Sidrônio projects is impressive. The prospectivity evaluation of the projects has been confirmed and is considered high, supporting the Group's desire to implement aggressive exploration strategies to vector toward lithium rich areas.

## **DUNDAS PROJECT - WORKS SUMMARY**

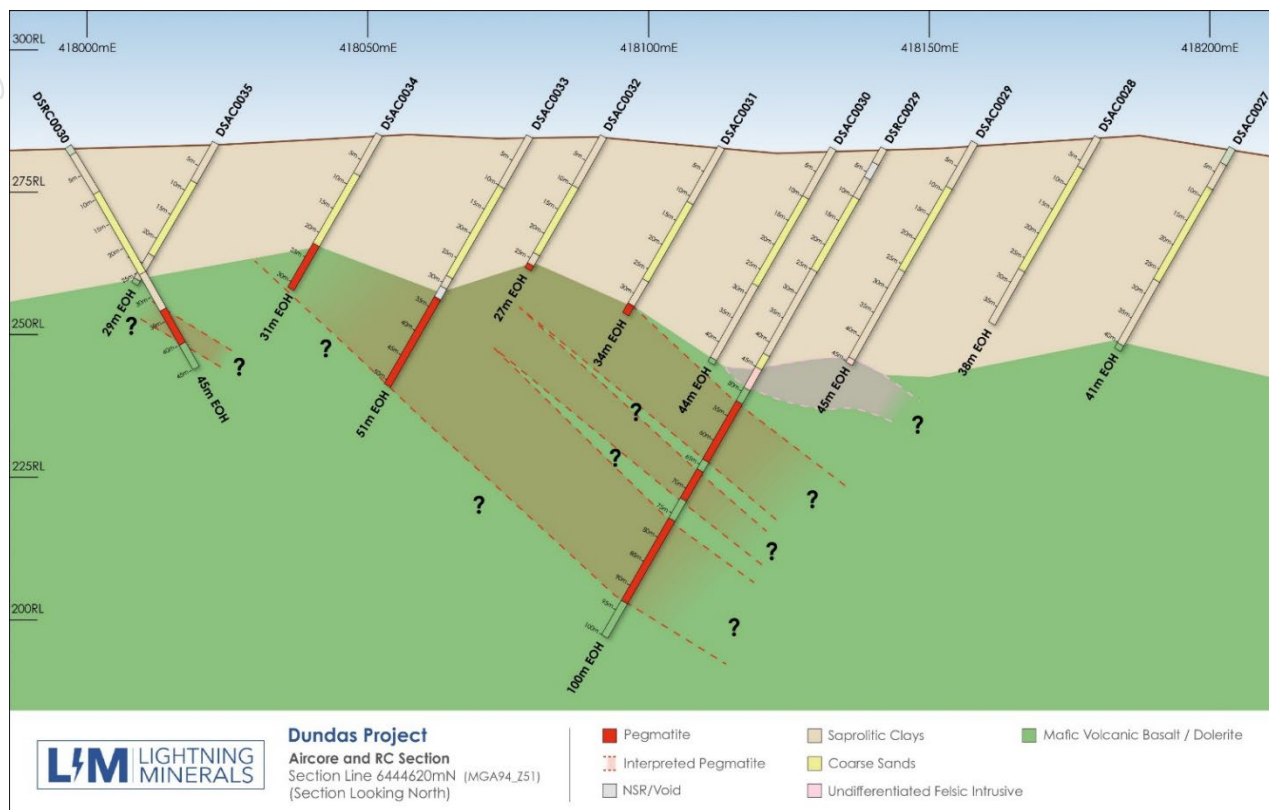
### **RELEVANT ANNOUNCEMENTS DURING THE YEAR**

<b>Announcement Date</b>	<b>Title</b>
13/07/2023	Multiple pegmatites discovered under alluvial cover
02/08/2023	Infill Soil Sampling Begins on Lithium Targets at Dundas
08/08/2023	Follow Up RC Drilling Targeting Pegmatites at Dundas
14/08/2023	RC Drilling begins on Lithium Targets at Dundas South
01/09/2023	Further Pegmatite Intersections at Dundas Project
29/09/2023	Exploration Update for the Dundas Project
09/10/2023	Infill Soil Sampling Completed on Lithium Targets at Dundas
30/11/2023	Soil sampling confirms more than 100ppm lithium drill target
14/12/2023	Lithium targets to be drilled at Dundas in January
24/01/2024	Drilling begins on high priority lithium targets at Dundas
9/02/2024	Aircore Drill Program Complete at Dundas
13/05/2024	Strong Lithium Anomalism Continues at Dundas Project

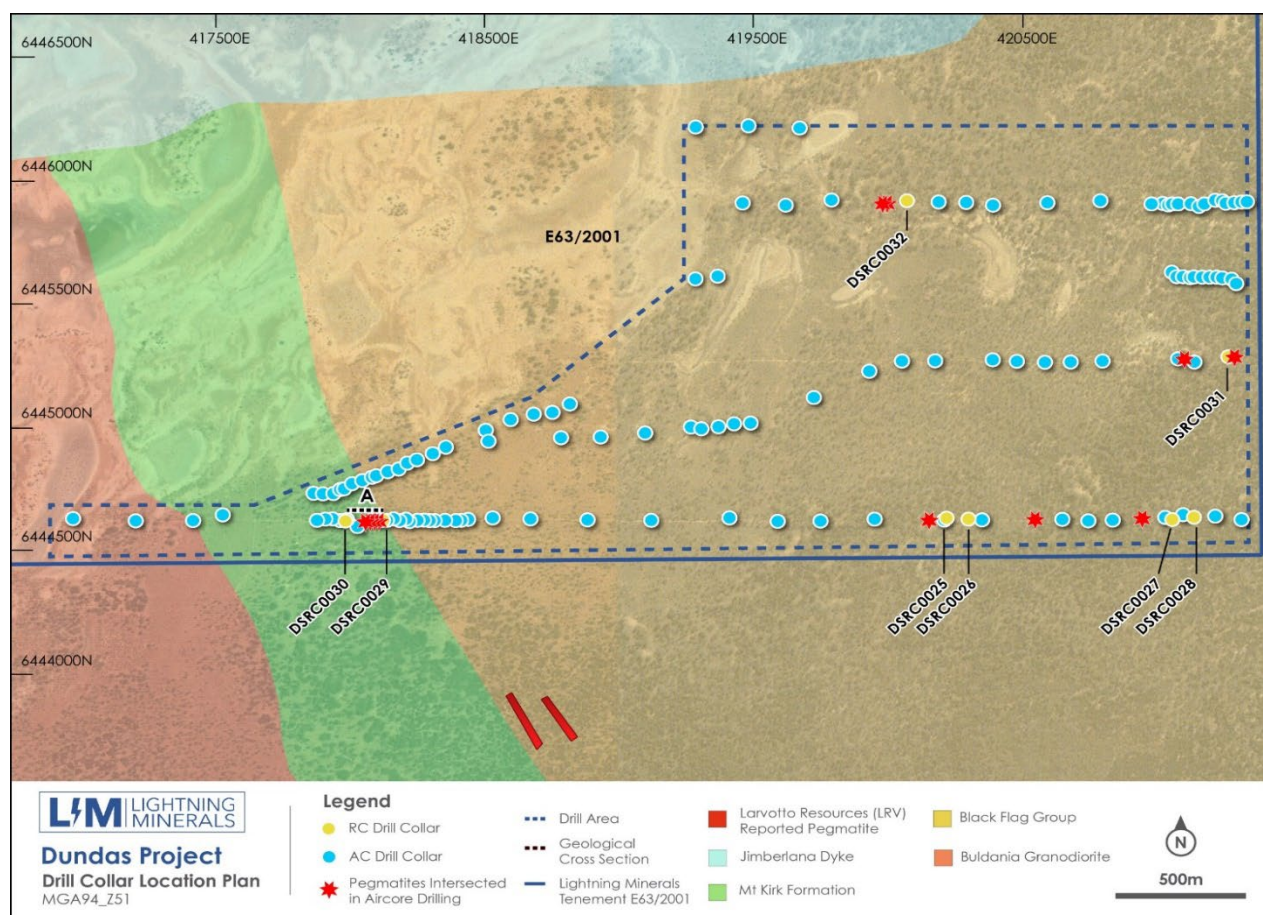
### **REVERSE CIRCULATION DRILLING ON TENEMENT E63/2001**

The maiden drill program at the Dundas South Project was successful in locating a felsic pegmatitic hydrothermal system within E63/2001. Drilling was as a result of the identification of a lithium in soil anomaly in January 2023 (ASX Announcement 23 January 2023) and intersected multiple pegmatites under cover.

**Figure 5: Geological cross section 'A' - interpreted pegmatite after intersections in holes DSAC0031-DSAC0034, and DSRC0029 and DSRC0030**



**Figure 6: Drill location map showing RC drill areas and intersected pegmatite locations**



Results for lithium-caesium-tantalum (LCT) were subdued overall. Some minor but non-material elevations in caesium, tantalum and tin are present in drill hole DSRC0029. These will form the basis of further review which may determine future exploration activities within tenement E63/2001. Evaluation of results is underway to determine a relevant strategy for targeting potential LCT pegmatite bodies concealed under salt lakes to the north-west of the completed drilling. This area falls within the prospective Mt Kirk mafic geological unit that transects the tenement in a north-north-west orientation.

The geological thesis for exploration within E63/2001 was that concealed LCT pegmatites may generate a sufficient geochemical signature through the transported cover above to cause a geochemical response in the soil. Previous exploration works by the Group utilising soil geochemistry identified lithium-rubidium in-soil anomalies, these broadly coincide with the location of the pegmatites uncovered during drilling. Additionally, geophysical targets interpreted from aeromagnetic interpretations further warranted drill testing and formed the basis for drill targeting.

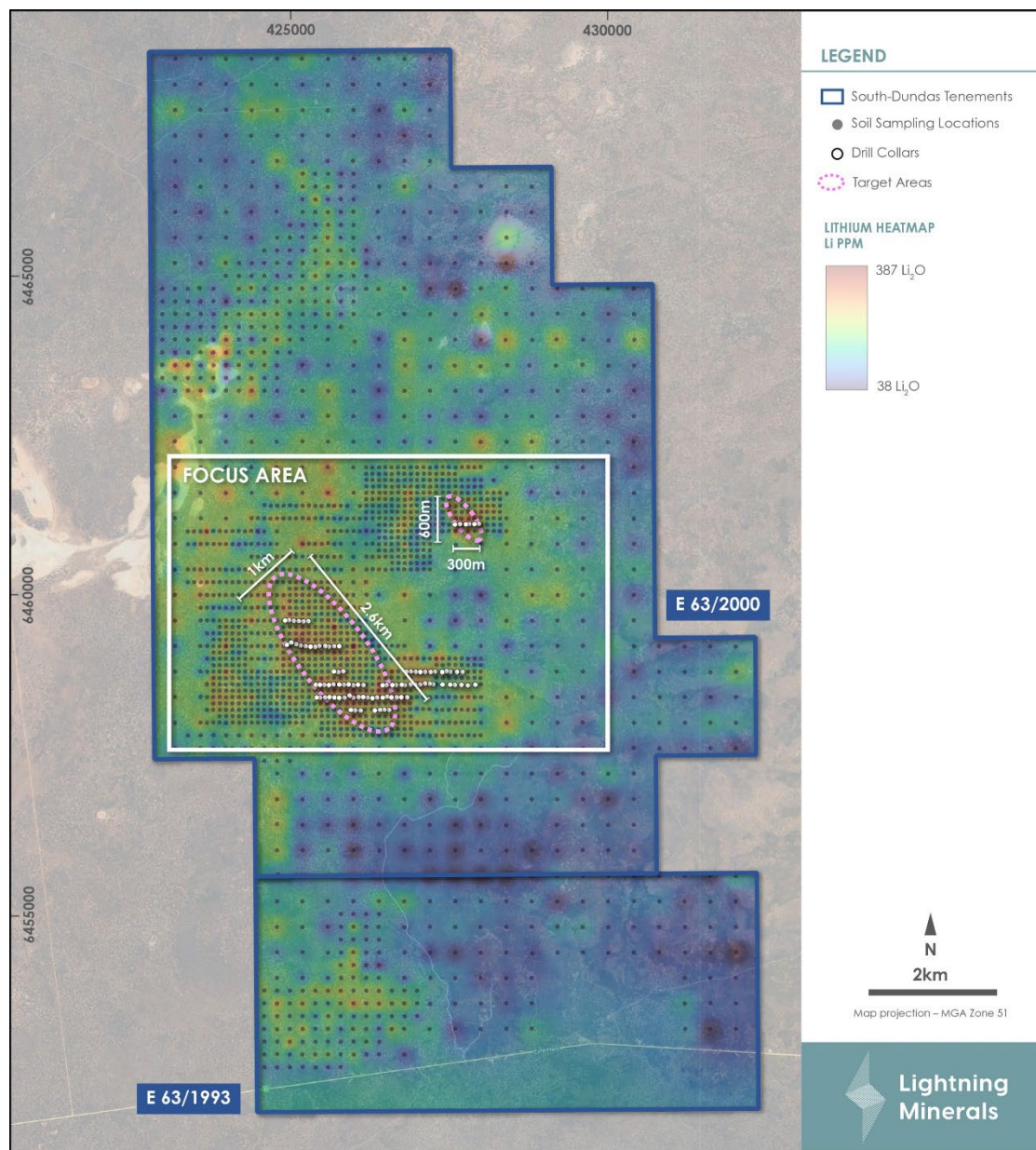
Future exploration in this area will continue to search for pegmatites of a similar fractionated state/mineralised phase to those present at Liontown Resources' (ASX: LTR) Buldania/Anna lithium deposit to the north. The discovery of the unmineralised pegmatite bodies under cover, at the scale they have been intersected downhole, is considered a positive indicator for the prospectivity for the tenement. Other areas with similar transported cover within the tenement may also host similar pegmatitic hydrothermal fluid systems without surficial expression, but within a geochemical setting more aligned with the nucleation of lithium bearing minerals.

### **INFILL SOIL SAMPLING AND DRILLING ON TENEMENT E63/2001**

Follow up infill soil sampling on tenement E63/2000 and E63/1993 identified an 8km<sup>2</sup> lithium in soil anomaly up to 218ppm Li. Infill soil sampling was completed based on previous positive geochemical results for the tenements in March 2023 (ASX Announcement 23 March 2023). A total of 1,265 samples were collected and submitted for laboratory analysis.

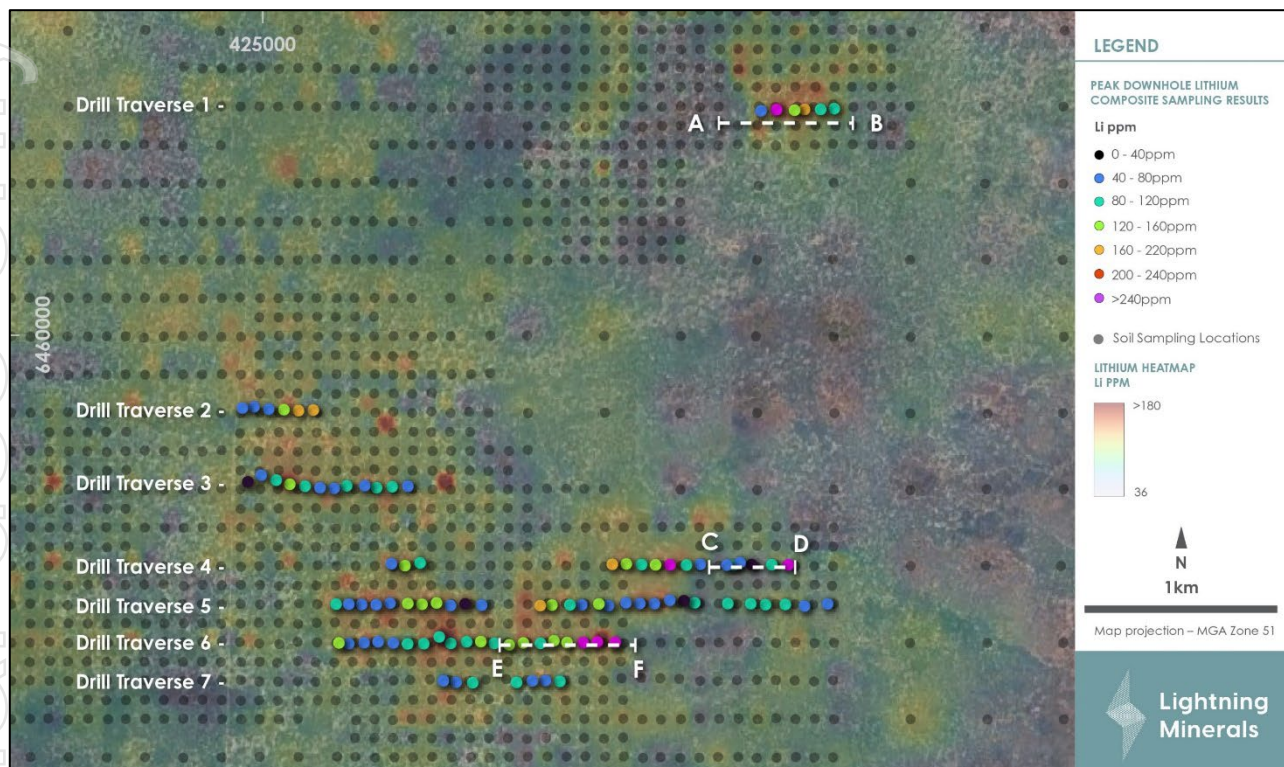
A 96 hole, 3,820m Aircore drill campaign was completed in February 2024 with assays returning elevated lithium values on composite samples with peak results of 994ppm lithium. This confirms and increases the tenor of the previously identified anomalism.

**Figure 7: Dundas South tenement E63/2000 and E63/1993 showing UFF+ lithium soil geochemistry results and recent Aircore drill collar locations (white)**



Two drillholes (DSAC0140 and DSAC0151) intersected albite-quartz-muscovite pegmatites. This supports the thesis that pegmatite producing hydrothermal systems are present and may support lithium enrichment if the genetic lithological conditions are correct. Due to the pegmatite intersection, drillhole DSAC0151 was sampled at 1m intervals. Potassium to rubidium ratios (K/Rb) are encouraging for this intersection as they may indicate that pegmatites in this location have experienced fractionation.

**Figure 8: Peak downhole lithium result plan for composite samples within E63/2000 Aircore program. (Background lithium heatmap derived from UFF+ lithium soil geochemistry results)**



## DALMAS AND HIVER PROJECT - WORKS SUMMARY

### RELEVANT ANNOUNCEMENTS DURING THE YEAR

Announcement Date	Title
11/08/2023	Binding LOI Signed for James Bay Lithium Projects
30/08/2023	Multiple Targets Identified at James Bay Lithium Projects
27/09/2023	Binding Agreement Signed on James Bay Lithium Projects
17/10/2023	Exploration works begin on Dalmas & Hiver Lithium Projects
03/11/2023	Amended Exploration Update Dalmas & Hiver Lithium Projects

A Binding Letter of Intent was signed in August 2023 for acquisition of the Dalmas and Hiver lithium projects in James Bay, Quebec. The final Binding Agreement was executed in September 2023 (ASX Announcement 27 September 2023).

### DALMAS PROJECT

The Dalmas Project is located in the James Bay region of Quebec approximately 150km to the east of Patriot Battery Metals' (ASX: PMT) Corvette lithium Project and 45km to the east of Winsome Resources' (ASX: WR1) Adina lithium Project. The project area consists of felsic intrusive lithologies which are juxtaposed against greenstone and metasedimentary units. This geological setting is considered favorable to host pegmatite emplacement and potential for lithium-caesium-tantalum (LCT) mineralisation. The project covers an area of 47km<sup>2</sup>.

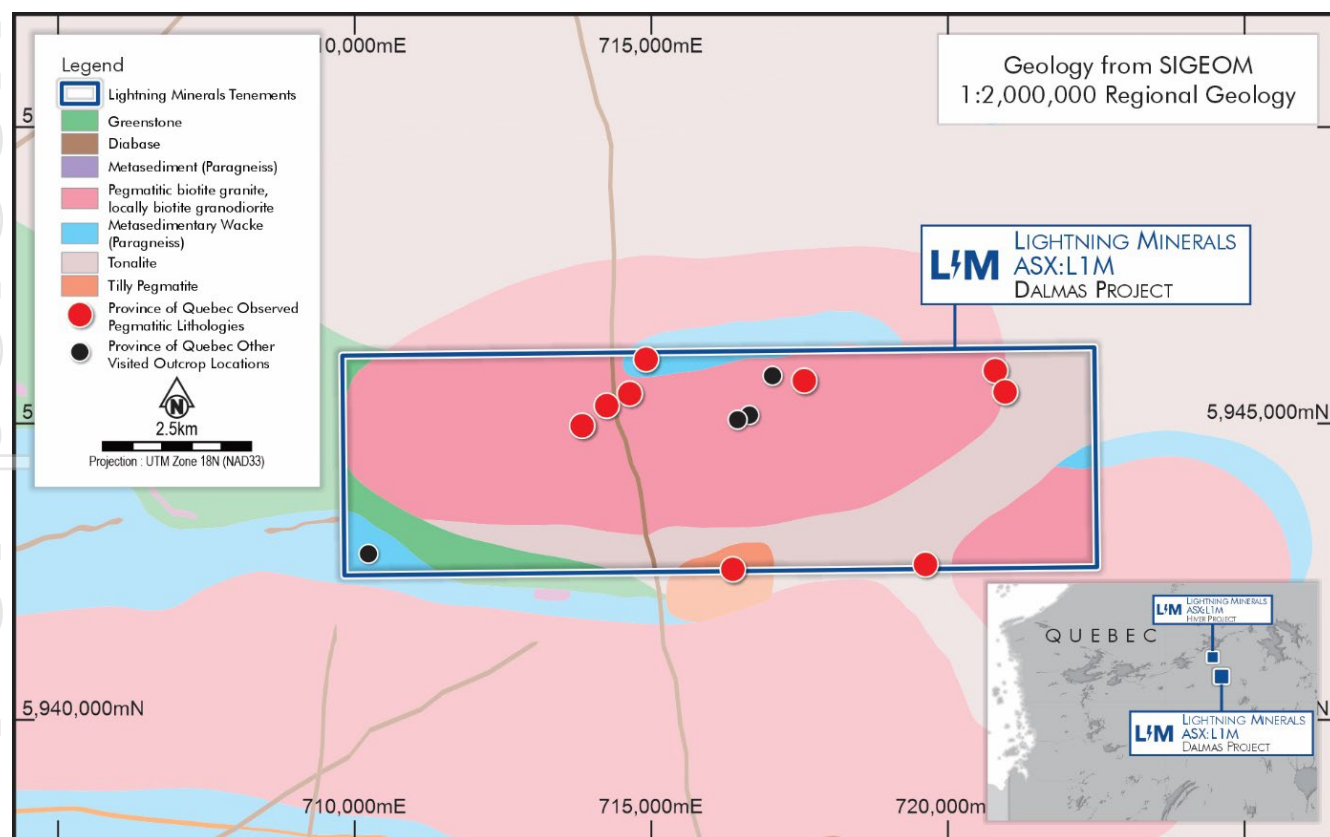
Very limited exploration has occurred within the tenement boundaries with 13 sites with geological observations being recorded. Of these, 9 have been described as 'pegmatitic'. All reported pegmatite outcrops will be investigated during early exploration activities with an emphasis on ground truthing the reported pegmatitic lithologies. The remaining four outcrop locations with historical mapping will also be investigated, as three of these have site interpretations that include a coarse-grained description.

## HIVER PROJECT

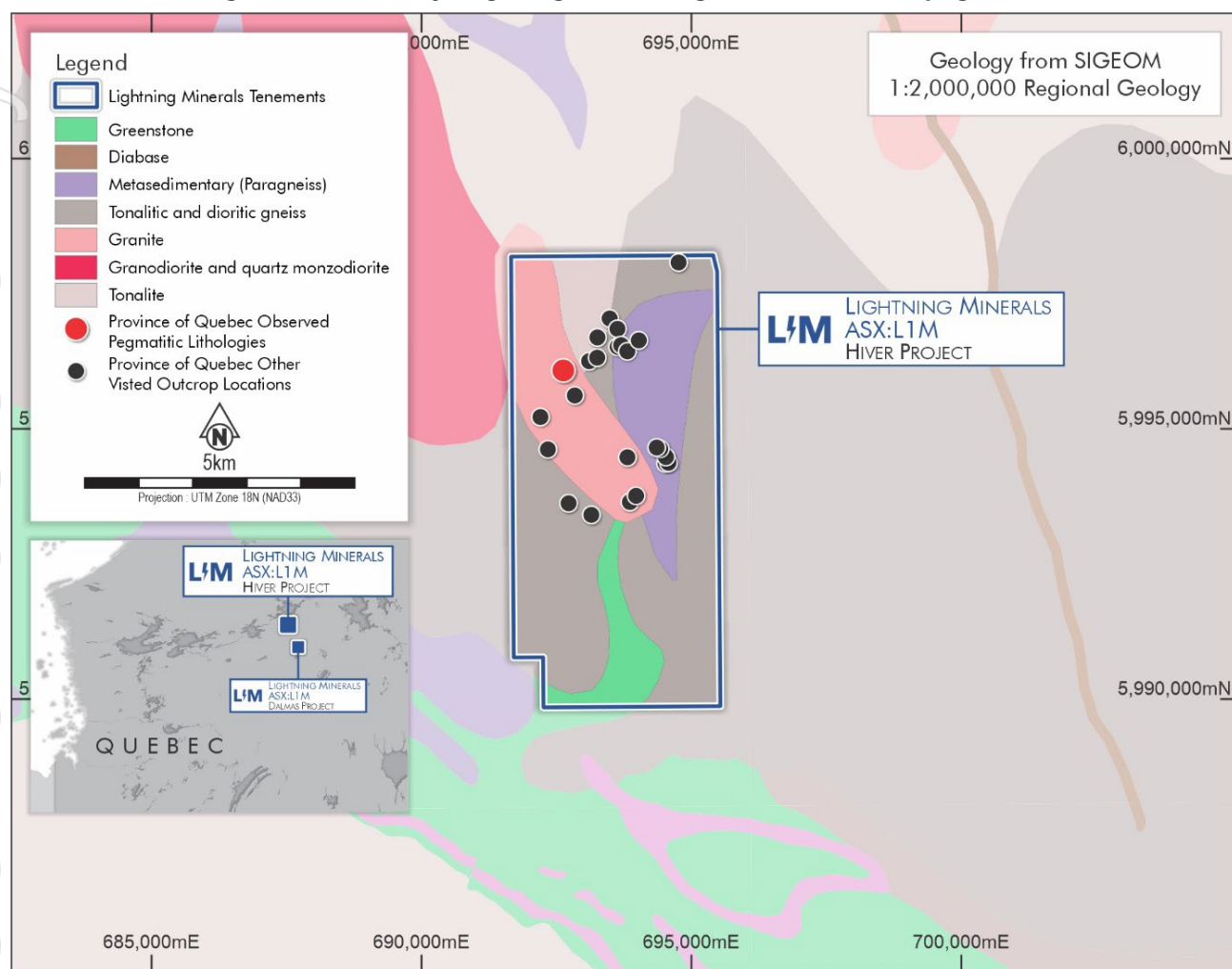
The Hiver Project is also located in the James Bay region of Quebec and covers an area of 32km<sup>2</sup> and is located approximately 4km from the Trans-Taiga Road highway. The project is adjacent to Megado Resources' (ASX: MEG) Cyclone lithium Project and in the proximity of multiple lithium exploration opportunities. The project demonstrates an interpreted folded and faulted extensions of greenstone lithology (Aquilon Group) against granites of the Tramont Suite, thus it is thought to provide a geologically favorable host environment for potential hard rock LCT pegmatite style mineralisation.

The project also has one historical outcrop mapping location, recorded by Québec's Ministry of Natural Resources and Forests (MERN) which describes a 'pegmatitic lithology' in the north of the tenement. It is the opinion of the Group that the greenstone extension holds the most prospectivity for hosting potential lithium bearing pegmatites based on other projects in the surrounding area. Historic mapping of the area is sparse in nature, with one outcrop being described as a pegmatitic intrusion.

**Figure 9: Dalmas Project geological lithologies and identified pegmatites**



**Figure 10: Hiver Project geological lithologies and identified pegmatites**



## MULTIPLE TARGETS IDENTIFIED AT DALMAS AND HIVER PROJECTS

The Group completed multispectral analysis across both the Dalmas and Hiver projects in August 2023. Multiple areas were identified with a total of 165 discreet multispectral targets for follow up field investigations. The identified target areas extend up to 2.7km in strike on the Dalmas Project and 2.1km on the Hiver Project.

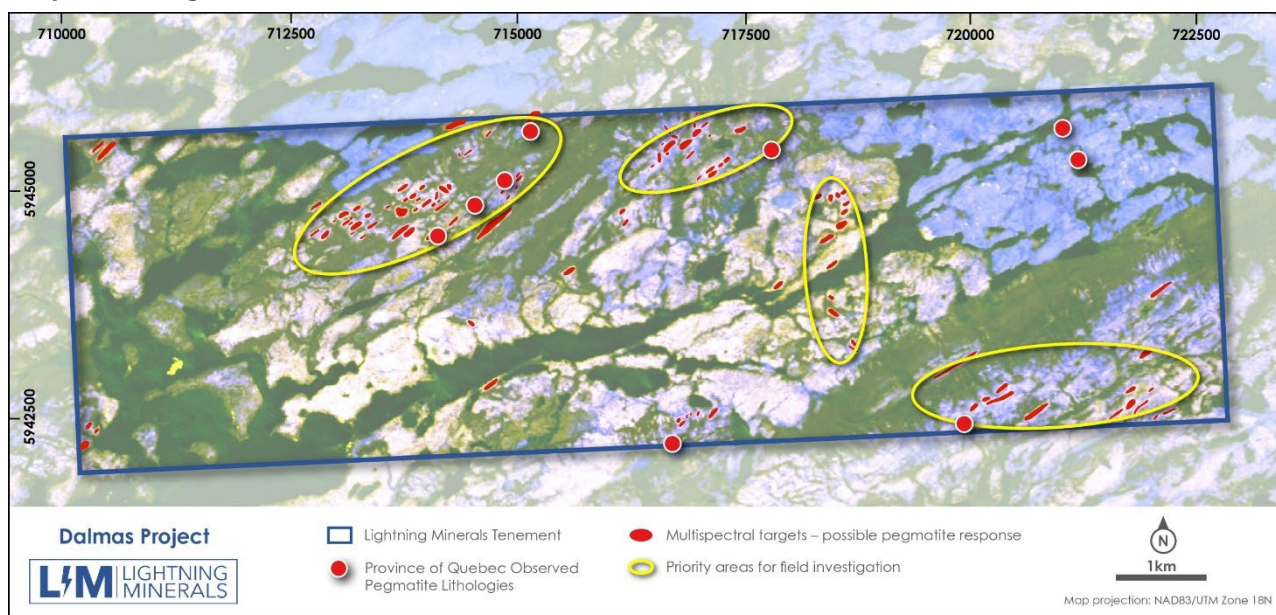
## SATELLITE MULTISPECTRAL ANALYSIS

Multispectral analysis can be used as a mineral exploration tool by accessing data collected by specialised satellites. These satellites have instrumentation capable of measuring the spectral response of outcropping lithologies at the surface of the earth. The data collected can be used to aid early regional scale exploration by focusing early exploration efforts on areas that are more likely to have the right geological conditions to support the target exploration commodity.

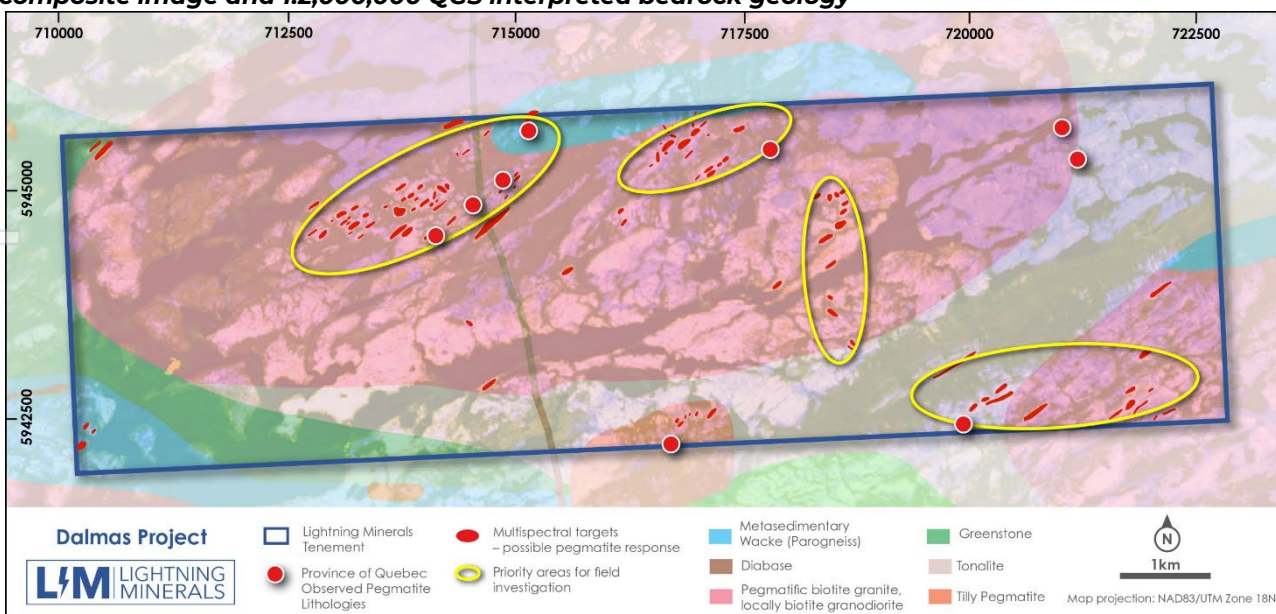
Both ASTER and Sentinel-2 multispectral data covering the Dalmas and Hiver projects has been utilised to generate the target areas presented herein. These satellites collect thermal infrared, visible near-infrared, and shortwave infrared data which has been processed following industry leading techniques<sup>8</sup>. These methods have been developed to target outcropping LCT pegmatites at other project areas, the learnings are then applied elsewhere for image and target generation.

For the purpose of targeting at the Dalmas and Hiver Projects the spectral signature of the known outcropping lithium pegmatites at Winsome Resources' (ASX: WR1) Adina and Jamar projects were measured. The spectral response signature over known outcropping LCT pegmatite areas was used as an analogue to aid exploration by identifying similar targets within the Project areas. The Adina and Jamar projects can reasonably be considered to have desirable outcropping lithologies that are appropriate analogues for targeting at the Dalmas and Hiver projects.

**Figure 11: Dalmas project with identified multispectral pegmatite targets (red outlines) on Sentinel 2 composite image**



**Figure 12: Dalmas project with identified multispectral pegmatite targets (red outlines) on Sentinel 2 composite image and 1:2,000,000 QGS interpreted bedrock geology**



## FIRST GROUND RECONNAISSANCE AT DALMAS AND HIVER PROJECTS

First pass ground reconnaissance works were completed at Dalmas and Hiver projects in October / November 2023. The reconnaissance field program focusing on the areas of interest previously identified successfully identified multiple instances of pegmatite outcrop, as well as pegmatite

boulders at surface. Initial visual assessment by field geologists suggest the mineral assemblages present are commonly quartz-feldspar-biotite.

The field team identified potential Beryllium bearing minerals in outcropping pegmatites, (Green mineral shown in red circle in Figure 15) which is considered a positive exploration indicator. Peak results from the Actlabs whole rock laboratory analysis include 33ppm lithium, 7.3ppm caesium and 3.6ppm tantalum. The next stages of the exploration strategy are currently being assessed, including potential collection of high-resolution Light Detection and Ranging topographic data collection (LIDAR) to aid in the identification of further outcropping pegmatites. Various tillite sampling programs across both project areas are also being considered to investigate dispersion of tantalum as an exploration tool.

**Figure 13 and 14: Left: Pegmatite outcrop within the Dalmas Project (317026mE, 5943450mN, WGS 84/UTMZ19N), and Right: Large Quartz Feldspar Biotite Pegmatite Boulder located at 319995mE, 5940922mN, WGS 84/UTMZ19N**



**Figure 15 and 16: Left: Pegmatite containing potential beryl ( $\pm$ Apatite?) mineral within Dalmas project (Pen lid for scale, 316859mE, 5943604mN, WGS 84/UTMZ19N), Right: Quartz Feldspathic pegmatite sample taken from Hiver project (302519mE, 5995547mN, WGS 84/UTMZ19N)**



## MAILMAN HILL PROJECT - WORKS SUMMARY

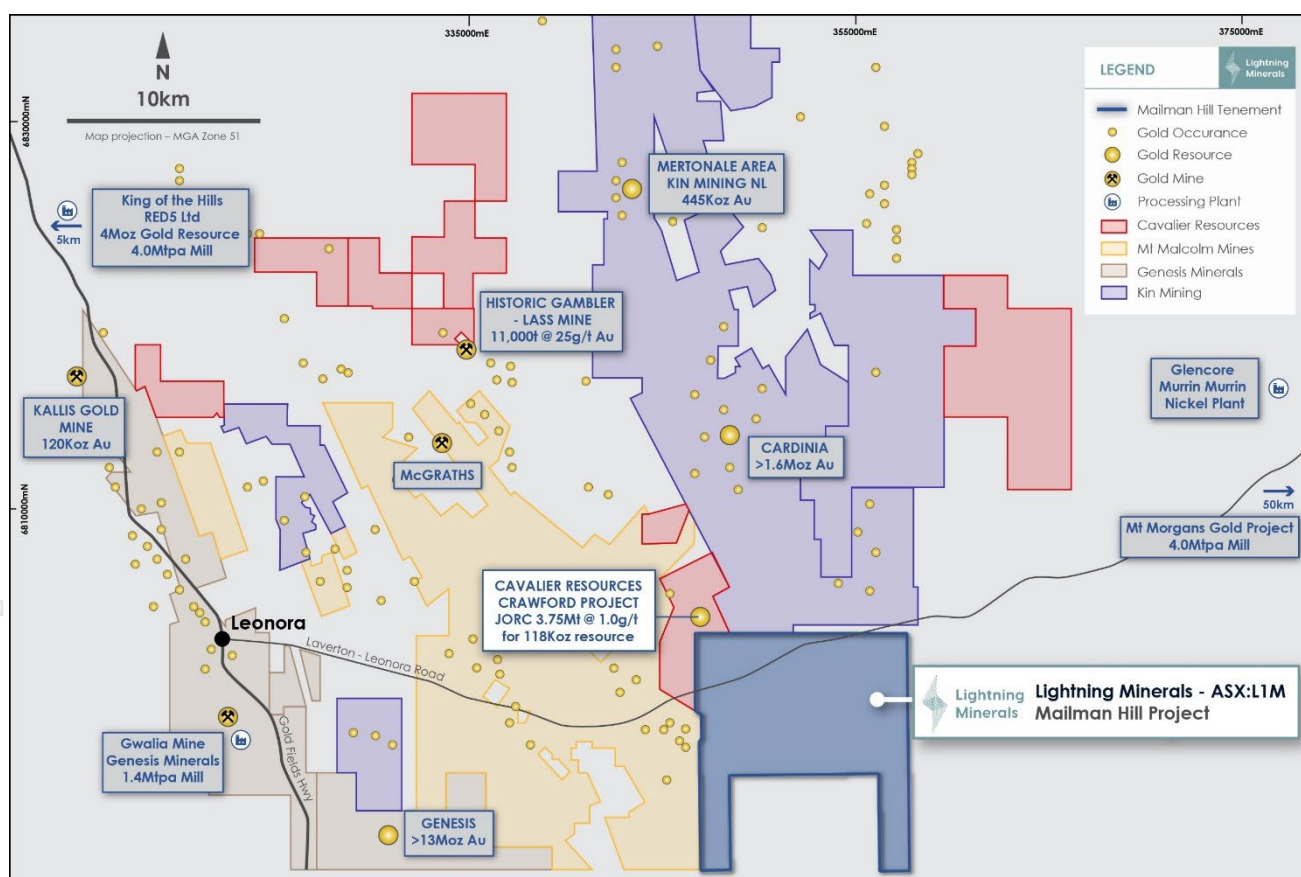
### RELEVANT ANNOUNCEMENTS DURING THE YEAR

Announcement Date	Title
11/06/2024	Auger Sampling to Test Priority Gold Targets at Mailman Hill

The Group completed an auger drilling program in June 2024 identify drill targets which may be an extension to Cavalier Resources' (ASX: CVR) Crawford Gold Project which hosts 3.75Mt @ 1.0g/t for 118Koz (Inferred + Indicated) and initial Probable Ore Reserve of 1.00Mt @ 0.91g/t for 29Koz.

The Mailman Hill asset is a project that was part of the Group's IPO on the ASX in November 2022. Following in-depth data review the Group is excited about the gold potential the Mailman Hill asset may present. While the Group is still focused on its lithium projects in Australia, Brazil and Canada it is important that all our projects are reviewed and appropriate works are completed.

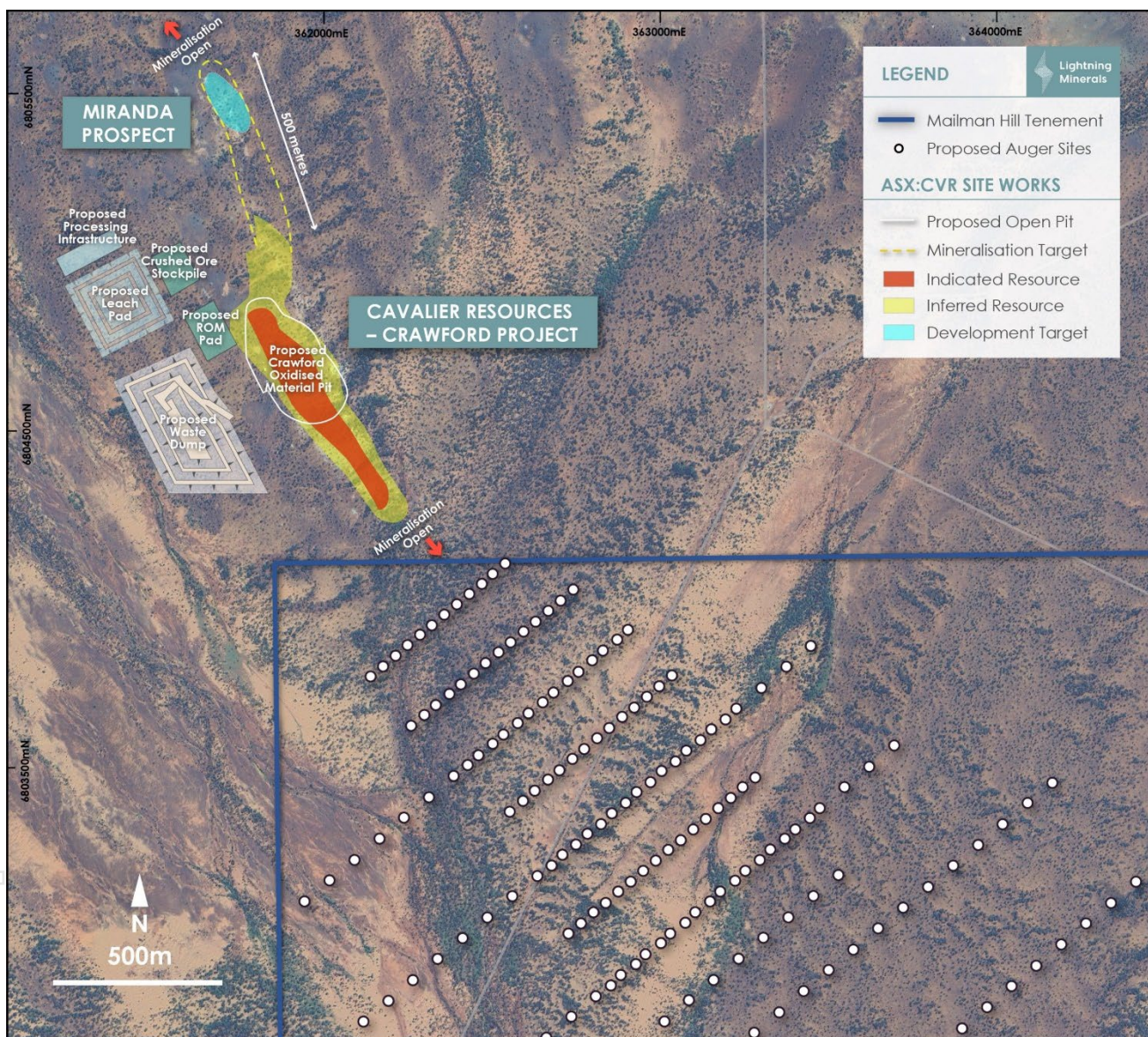
**Figure 17: Mailman Hill Project location**



Mineralisation at the Crawford project is associated with intense alteration (sericite-fuchsite-silica-carbonate-sulphide) within a shear zone that broadly correlates with the eastern boundary of the Keith-Kilkenny Tectonic Zone (KKTZ). The KKTZ lineament is a major structural feature within the Eastern Goldfields Superterrane and has a strong association with various gold deposits within the region.

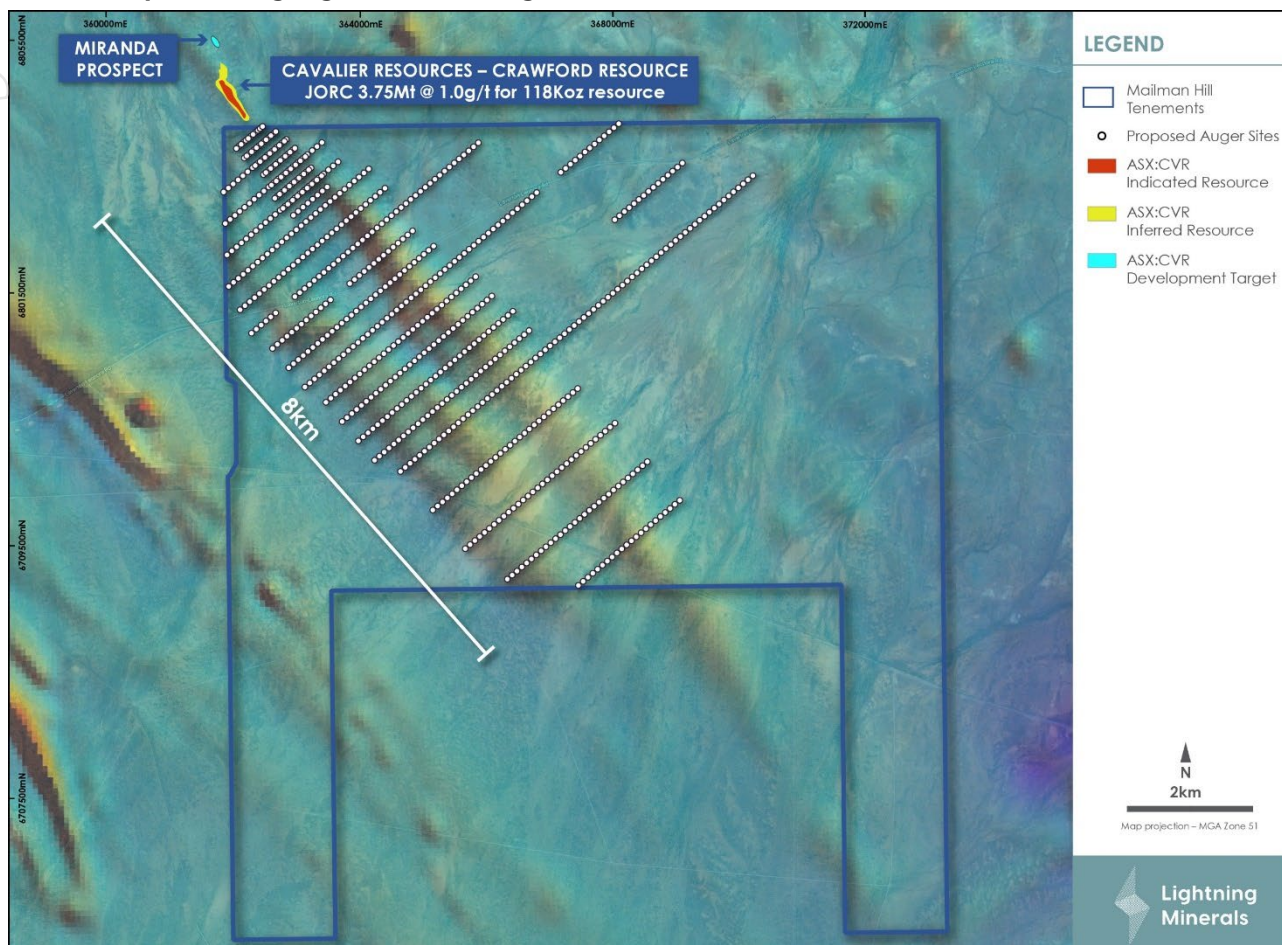
Public domain aeromagnetic geophysical data for the local area demonstrates that north-westerly orientated magnetic trends continue from Crawford on the Mailman Hill tenure. The magnetic trends seen in the aeromagnetic geophysics often highlight zones with structural reworking, and the interpretation is that the eastern boundary of the KKTZ is interpreted to continue from the Crawford project into the western portion of the Mailman Hill tenement.

**Figure 18: Crawford Deposit immediately along strike to the north west and planned auger drilling**



The proposed auger sampling program will test the geophysical trend extensions over a spatial footprint of approximately 41km<sup>2</sup>, including an 8km stretch of prospective strike extension south east of the Crawford project. Samples are to be collected from depths of up to 5 metres beneath alluvial cover and analysis will utilise the CSIRO developed Labwest UltraFine+™ analysis technique which will aid in seeing through the cover sequences. It is expected that the tenor of results may be subdued due to the presence of this cover so any elevated results for gold or pathfinder elements that are grouped or appear to reflect the underlying geology will be considered as targets for follow up Aircore drilling.

**Figure 19: Geophysical signatures of underlying geology at Mailman Hill, showing Cavalier Resources – Crawford Deposit along regional scale magnetic trends**



## OTHER PROJECTS - WORKS SUMMARY

### RELEVANT ANNOUNCEMENTS DURING THE YEAR

#### MT JEWELL PROJECT

The Group has continued to evaluate the potential of the Mt Jewell project during the year. No material work programs have been completed but data review and prospectivity evaluation continue.

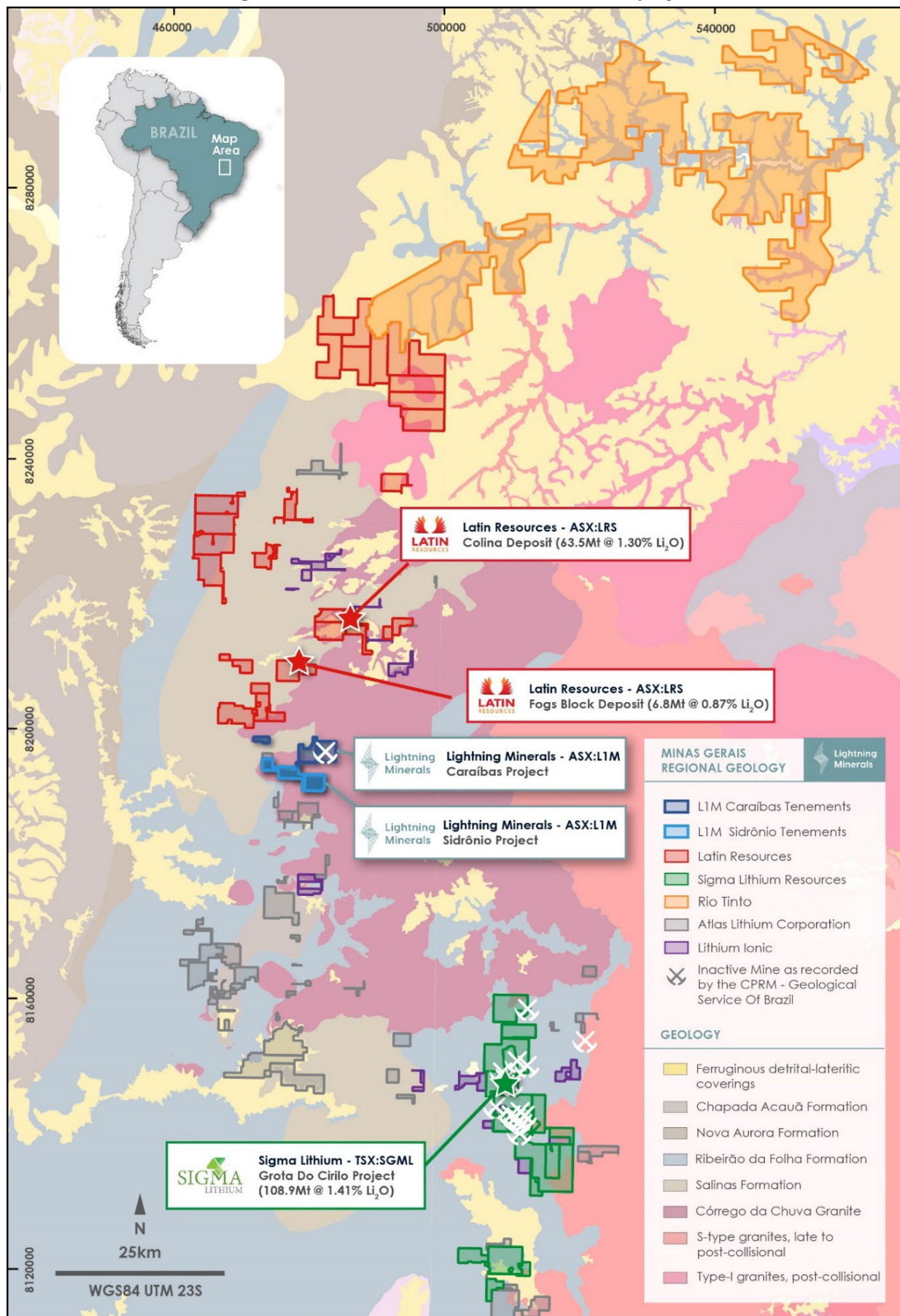
#### MT BARTLE PROJECT

The Group has continued to evaluate the potential of the Mt Bartle project during the year. No material work programs have been completed but data review and prospectivity evaluation continue. The tenements are still pending grant.

## PROJECT GENERATION

During the period the Group received a number of project opportunities, and conducted high-level internal project evaluations. Acquisition of the Dalmas and Hiver projects in Quebec, Canada and the Caraíbas and Sidrônio projects in Minas Gerais, Brazil occurred during the year. This demonstrates the commitment of the Group to build land positions in the most prospective and established lithium jurisdictions globally. The Group continues to evaluate opportunities that add value to its portfolio.

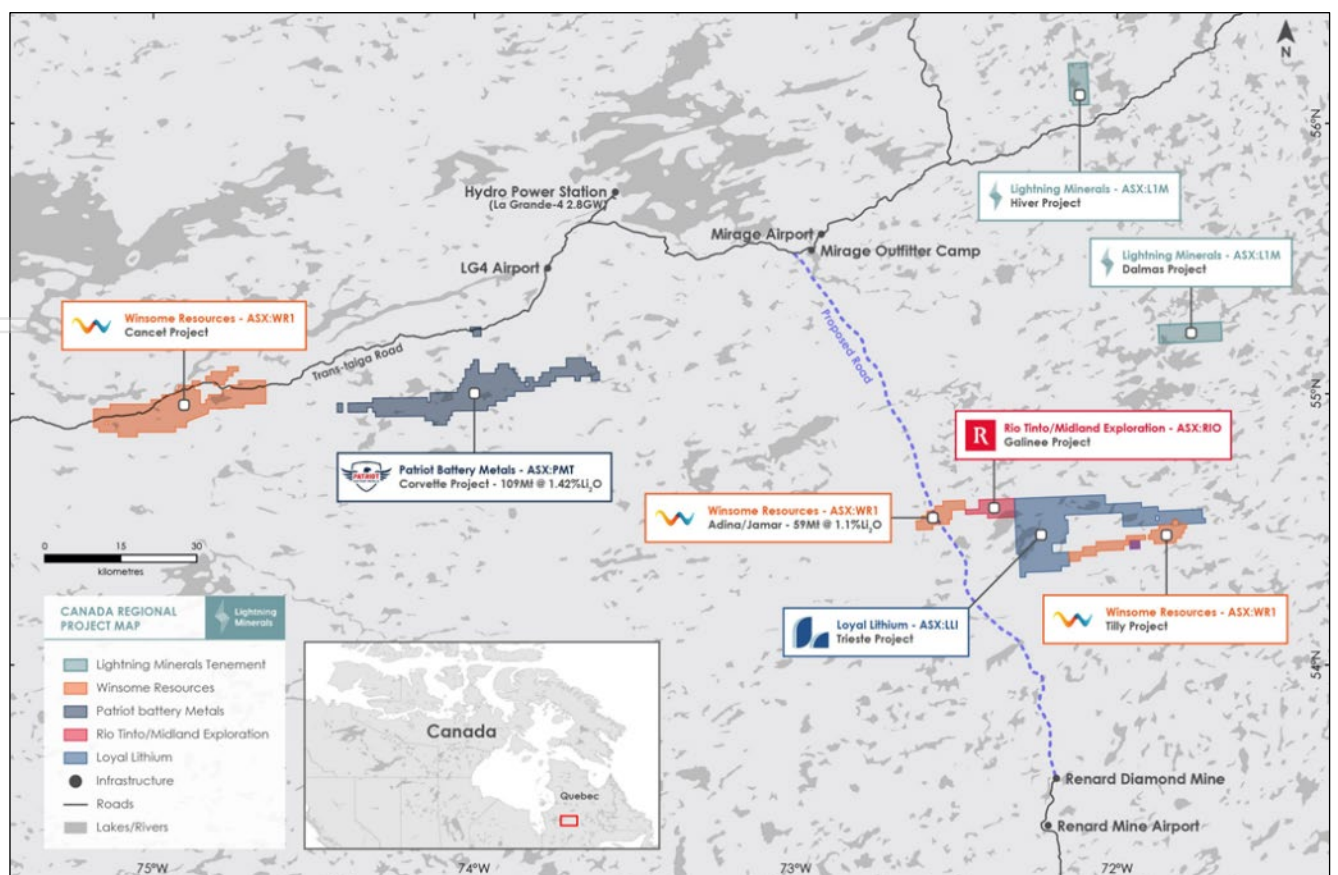
Figure 20: Location of Caraíbas and Sidrônio projects



**Figure 21 and 22: Lightning Minerals' Australian project tenement summary and Dundas Project area**



**Figure 23: Dalmas and Hiver project locations, James Bay, Quebec**



## ABOUT LIGHTNING MINERALS

Lightning Minerals is a mineral exploration company, listed on the Australian Securities Exchange (ASX:L1M) and focused on the exploration of critical minerals and lithium at its tenements across Western Australia. The Group's flagship Dundas project is located in the prolific Dundas region of Western Australia. The recent acquisition of the Caraíbas and Sidrônio projects in Minas Gerais, Brazil are potentially transformational to the Group's success in the lithium sector. The Group also owns the Dalmas and Hiver lithium projects in Quebec, Canada, another significant and evolving lithium region globally as well as other projects in Western Australia which include Mt Jewell, Mt Bartle and Mailman Hill which are 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 Group'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 Group 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 Group and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Group's business and operations in the future. The Group does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Group's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Group or management or beyond the Group's control.

Although the Group 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 Group. 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 Group 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.

## COMPETENT PERSONS STATEMENT

The information contained herein that relates to exploration results is based on information compiled or reviewed by Mr Jarrad Woodland, who is a Competent Person and a member of the Australasian Institute of Mining and Metallurgy. Mr Woodland is a full-time employee of the Group. Mr Woodland has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodland consents to the inclusion of his name in the matters based on the information in the form and context in which it appears. Mr Woodland holds options in Lightning Minerals.

## REFERENCES TO PREVIOUS ANNOUNCEMENTS

The Group confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Group also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## DIRECTORS' REPORT

The Directors hereby present their Annual Report on Lightning Minerals Limited (ASX: L1M) (the Company or L1M) and its controlled entities (the Group or consolidated entity) for the year ended 30 June 2024. To comply with the provisions of the Corporations Act 2001, the Directors report as follows.

### DIRECTORS

Except as otherwise stated below, the following persons were Directors of Lightning Minerals Limited during the whole year and up to the date of this Report as follows.

**Table 5: Directors' details and attendance**

Directors	Title	Appointment Date	Resignation Date	Board Meeting Attendance
Mr Alex Biggs	Managing Director	28 September 2023	N/A	7 of 7 100% (2 attended as CEO, 5 as Managing Director)
Mr Craig Sharpe	Non-Executive Director (Interim Non-Executive Chairman)	08 April 2022  (Appointed Interim Chairman on 28 September 2023)	N/A	7 of 7 100%
Mr Francesco Cannavo	Non-Executive Director	13 December 2021	N/A	7 of 7 100%
Mr Peter McNeil	Non-Executive Director	09 August 2022	28 September 2023	2 of 2 100%
Dr Karen Lloyd	Non-Executive Director	08 April 2022	28 September 2023	2 of 2 100%

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

<b>Mr Alexander Biggs</b>	Managing Director
<b>Qualifications and Experience</b>	Mr Biggs is a qualified Mining Engineer and Mechanical Engineer. He has over 20 years' experience in the engineering and mining sectors including corporate, operations, consulting, finance, deal structuring and significant commercial expertise. Mr Biggs is currently a Non-Executive Director at Metals Australia (ASX:MLS) and previously Managing Director of Critical Resources (ASX:CRR). He has held executive, management and operational positions throughout the industry. Mr Biggs is a Member of the Australian Institute of Mining and Metallurgy and a graduate of the Western Australian School of Mines.
<b>Other Directorships in listed entities:</b>	Non-Executive Director Metals Australia Limited (ASX: MLS) Non-Executive Chairman Maverick Minerals

<b>Former Directorships in listed entities in last 3 years:</b>	None
<b>Interests in shares, options and performance rights:</b>	597,035 fully paid ordinary shares 132,143 listed share options (L1MO) 750,000 share options 2,995,454 Performance Rights

<b>Mr Craig Sharpe</b>	<b>Non-Executive Chairman</b>
<b>Qualifications and Experience</b>	Mr Sharpe is an investment professional with over 25 years' experience. He holds a Bachelor of Commerce degree specialising in Economics and Finance. In 2005 he completed an MBA at Monash University.  Mr Sharpe has worked across many areas of the finance industry. This includes FX, institutional, retail, corporate and management. He spent a period of time in senior management roles running private client businesses. Over the 25 years he has advised and worked with many companies in relation to IPO's, equity raisings and strategy. More recently, Mr Sharpe has spent the last 11 years at Macquarie and Bell Potter.
<b>Other Directorships in listed entities:</b>	Non-Executive Chairman Mithril Resources Limited (ASX: MTH)
<b>Former Directorships in listed entities in last 3 years:</b>	Thomson Resources Ltd (ASX: TMZ, resigned 7 March 2023)
<b>Interests in shares, options and performance rights:</b>	1,200,000 fully paid ordinary shares 450,000 listed share options (L1MO) 1,400,000 share options 436,364 Performance Rights

<b>Mr Frank Cannavo</b>	<b>Non-Executive Director</b>
<b>Qualifications and Experience</b>	Mr Cannavo is an experienced public company director with significant business and investment experience working with companies operating across various industries, including in particular mining exploration companies, and has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of investment capital and the acquisition of assets.  Mr Cannavo is an entrepreneur with a strong network of investors and industry contacts in the public company sector throughout the Asia-Pacific region and has extensive experience in capital raisings, investment activities and IPOs.
<b>Other Directorships in listed entities:</b>	Golden Mile Resources Ltd (ASX: G88); Western Mines Group Ltd (ASX: WMG); BPH Global Ltd (ASX: BP8, formerly Stemcell United Ltd, ASX: SCU)
<b>Former Directorships in listed entities in last 3 years:</b>	Agri Skylight Limited (formerly I-Global Holdings Limited NSX: AGS, resigned 13 September 2022); IPB Petroleum Limited (ASX: IPB, resigned 30 June 2024); Lifespot Health Limited (ASX: LSH, resigned 20 July 2021)

<b>Interests in shares, options and performance rights:</b>	3,410,714 fully paid ordinary shares 1,655,357 listed share options (L1MO) 1,400,000 share options 436,364 Performance Rights
---	--

<b>Mr Peter McNeil</b>	Non-Executive Chairman (Resigned 28 September 2023)
<b>Qualifications and Experience</b>	BSc in Geology, MSc in Geochemistry Mr McNeil has a B.Sc. in geology, an M.Sc. in geochemistry, forty years continuous experience as a mineral exploration geologist and thirty-one years of corporate-commercial experience; he has excellent technical, commercial, finance (capital raisings & IPOs), general legal (contracts, joint ventures & RTOs) and stakeholder liaison (indigenous landowners, JV partners and shareholders). Mr McNeil was a member of the Australian Institute of Geoscientists for approximately 25 years & Society of Economic Geologists for 32 years.

<b>Dr Karen Lloyd</b>	Non-Executive Director (Resigned 28 September 2023)
<b>Qualifications and Experience</b>	BSc (Hons) Geology, MBA, PhD (Mining and Metallurgical Engineering), FAusIMM Dr Lloyd is a geologist, mineral economist and mining engineer with 26 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in mineral asset valuation and provides consulting and advisory in support of project finance for merger and acquisition activity. Dr Lloyd is a Fellow of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

## COMPANY SECRETARY

Mr Justyn Stedwell has acted as the Group's Company Secretary during the year.

Mr Stedwell has over fifteen years' experience as a Company Secretary of ASX listed companies. He has completed a Bachelor of Commerce (Economics & Management) from Monash University, a Graduate Diploma of Accounting from Deakin University and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

## PRINCIPLE ACTIVITIES

The Group holds the rights to and options to acquire several resource tenements in Western Australia, Quebec, Canada and Minas Gerais, Brazil and is actively exploring the tenements for lithium, gold and base metals.

## REVIEW OF OPERATING RESULT AND FINANCIAL POSITION

During the year the Group made a loss after tax of \$3,316,853 (2023: \$2,176,477). The Group's net assets increased to \$7,376,866 (2023: \$6,490,934), attributable in the main to the Group raising \$1,500,000 from the issue of equity before costs and the issue of shares to acquire exploration and evaluation assets. Cash and cash equivalents at 30 June 2024 amounted to \$3,123,338 (2023: \$3,694,346) and the Group's net current assets amounted to \$3,328,521 (2023: \$4,378,601). The Group's interests in exploration and evaluation assets amounted to \$4,024,528 (2023: 2,041,899), and the Group also held an option to acquire Brazilian lithium projects acquired through the acquisition of Bengal Mining Pty Ltd. The acquisition of the Canada and Brazil based assets were accounted for as asset acquisitions for accounting purposes. The Groups' exploration assets are located in Western Australia, Canada and, as noted above, Brazil. The carrying value of the assets amounted to:

- Western Australia \$3,441,589 (2023: \$2,041,899)
- Canada \$582,939 (2023; Nil)
- Brazil \$nil

## SIGNIFICANT CHANGE IN STATE OF AFFAIRS

During the year the Group completed the acquisition of Lithium Rabbit Quebec Pty Ltd ("LRQ") in order to acquire 100% interest in two Lithium projects in the James Bay area of Quebec, Canada. The purchase consideration paid for the interests was satisfied via the payment of \$220,000 and the issue of 1,406,864 ordinary shares to the vendors of LRQ, at a fair value of \$250,000.

On 28 September 2023, Peter McNeil and Karen Lloyd resigned from the Board and Alexander Biggs was appointed as Managing Director, with Craig Sharpe appointed Non-Executive Chairmen.

The Group raised \$1,500,000 from the issue of 21,428,571 shares during the year. The shares issued were provided with one free attaching option for every two shares subscribed for.

In June 2024 the Group completed the acquisition of Brazilian exploration assets, acquiring the share capital of Bengal Mining Pty Ltd which owns a Brazilian based subsidiary, which in turn owns the option to acquire two lithium projects in the Minas Gerais region of Brazil. The purchase consideration paid was a cash payment of \$25,000 plus the issue of 22,142,857 ordinary shares at \$0.07 each, 6,000,000 share options with an exercise price of \$0.105 expiring 3 years from the date of issue plus 39,999,999 performance rights that vest upon the achievement of various milestones. Details are contained in the Performance Rights section of this report below.

Other than the above matters, there are no other significant changes during the period.

## AFTER BALANCE DATE EVENTS

On 14 August 2024 the Group announced the signing of a binding exclusive call option agreement ("Option Agreement") providing the Group with the Option to acquire The Esperança project from BRS Hill Stones Mineracao e Transportes Ltda ("BRS"). The project is located near to the Caraíbas and Sidrônio lithium projects, acquired during the year by the Group. Key terms of the option agreement include payments to BRS as follows:

- a fixed amount of BRL\$100,000, with BRL\$50,000 paid upon signing of the Option Agreement (Stage 1 payment) and BRL\$50,000 to be paid within 12 months from the start of the Option Agreement (Stage 2 payment).
- A monthly amount of BRL\$5,000 for the 24 month period of the Option Agreement (Monthly payments). The Group can exercise the option any time in the 24 month period, and the payments will cease.

In the event that the Group exercises its option and proceed with the acquisition of the Esperança project the Group will be required to pay to BRS:

- An amount of BRL\$1,000,000 (Option Exercise Payment) within 30 days of the Option Exercise; and
- A deferred milestone amount of BRL\$2,000,000 upon and subject to Tigre reporting a mineral resource estimate (of inferred or greater confidence) on the Esperança project of at least 10Mt, reported in accordance with the JORC code, with at least 1.3% of Li<sub>2</sub>O (Milestone consideration)

The Group has also agreed to issue 1,000,000 ordinary shares to Leandro Gobbo for services provided in facilitating the acquisition noted above.

The Group also announced the issue of 4,000,000 ordinary shares to consultants for services provided in relation to the Caraíbas and Sidrônio projects.

## **FUTURE DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Group's strategic focus will continue to be the development of its Western Australian exploration assets with specific focus on the results of the drilling programme at the Dundas project. The recent acquisition of the Caraíbas and Sidrônio lithium projects in Brazil will now become a key focus of the business over the next 12-months. Interests in the Mailman Hill, Mt Jewell and Mt Bartle project are maintained as is the Group's expansion into James Bay in Canada with the Dalmas and Hiver projects. The Group is focused on the green energy and lithium thematic and now holds projects in three of the most prolific lithium regions globally.

## **INDEMNITY AND INSURANCE OF OFFICERS**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## ENVIRONMENTAL ISSUES

The Group's activities involve exploration activities in Western Australia, Australia, Quebec, Canada and Minas Gerais, Brazil. As such, the Group would be subject to the laws and regulations in those jurisdictions relating to such activities including environmental approvals as may be required from time to time.

## SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

At the date of this report the Group had 54,222,829 shares under option, as follows:

Grant Date	Date of Expiry	Exercise Price	Number on Issue	Number Escrowed	Escrow Date
13/03/2023	13/03/2028	\$0.25	37,442,829	-	-
22/08/2022	14/11/2026	\$0.25	5,000,000	5,000,000	22/11/2024
22/08/2022	27/11/2027	\$0.25	5,200,000	5,200,000	22/11/2024
01/12/2022	06/04/2027	\$0.30	80,000	-	-
01/12/2022	06/04/2027	\$0.40	110,000	-	-
01/12/2022	06/04/2027	\$0.50	140,000	-	-
28/09/2023	27/09/2027	\$0.25	250,000	-	-
19/06/2024	19/06/2027	\$0.105	6,000,000	-	-

Share options do not provide the holder with the same rights as shareholders. Share options do not provide the rights to participate in rights issues, dividends, or enable the holder to vote at General Meetings.

No options were exercised during the year.

## PERFORMANCE RIGHTS

Performance rights at the date of this report are as follows:

	Grant Date	Date of Expiry	Exercise Price	Number On Issue
CLASS A	18/11/2022	18/11/2027	\$0.00	4,800,000
CLASS B, C, D	28/09/2023	23/11/2028	\$0.00	1,250,000
CLASS E	19/06/2024	18/06/2027	\$0.00	14,285,714
CLASS F	19/06/2024	18/06/2028	\$0.00	14,285,714
CLASS G	19/06/2024	18/06/2029	\$0.00	11,428,571

These performance rights will vest and become exercisable on the later of:

### CLASS A

- (a) 12 months from the date of the Company's admission to the official list of the ASX; or
- (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 20 consecutive trading days on which the shares are recorded on the ASX.

#### CLASS B

250,000 performance rights vesting upon the Company's shares achieving a volume weighted average price per share of at least 50 cents over any 20 consecutive trading days on which the shares have actually traded on ASX.

#### CLASS C

500,000 performance rights vesting upon the Company's shares achieving a volume weighted average price per share of at least 75 cents over any 20 consecutive trading days on which the shares have actually traded on ASX.

#### CLASS D

500,000 performance rights vesting upon the Company's shares achieving a volume weighted average price per share of at least \$1 over any 20 consecutive trading days on which the shares have actually traded on ASX.

#### CLASS E

14,285,714 issued when a mineral resource of a minimum of 5Mt at a grade of at least 1% lithium is declared for Caraibas or Sidronio project expiring 18 June 2027.

#### CLASS F

14,285,714 issued when a mineral resource of a minimum of 10Mt at a grade of at least 1% lithium is declared for Caraibas or Sidronio project expiring 18 June 2028.

#### CLASS G

11,428,571 issued when a mineral resource of a minimum of 30Mt at a grade of at least 1% lithium is declared for Caraibas or Sidronio project expiring 18 June 2029.

### DEFERRED CONSIDERATION SHARES

At the Company's Annual General Meeting held on 21 November 2023 Shareholders approved the issue of deferred consideration shares for the acquisition of Lithium Rabbit Quebec Pty Ltd. The deferred consideration shares, subject to the satisfaction of the Milestones, having a total value of \$1,200,000 comprising the following three separate tranches:

- i. the number of shares having a total value of \$300,000 (**Milestone One Shares**), subject to the Group (using commercially reasonable efforts) obtaining 5 rock samples from the Dalmas and the Hiver Projects, with each rock sample being spaced no less than 50 metres from each other and having a grade in excess of 1.0% Li<sub>2</sub>O, within 5 years from completion of the Transaction (**Milestone One**).

The Milestone One Shares will be issued within 5 business days of the satisfaction of Milestone One, at a deemed issue price equal to the 20-day VWAP prior to the date on which the successful results are announced to ASX by the Group, subject to a floor issue price of \$0.0925 per Share.

- ii. the number of shares having a total value of \$400,000 (**Milestone Two Shares**), subject to the Group (using commercially reasonable efforts) obtaining a 5-meter channel sample or a 5-meter true width drilling intercept from the Dalmas and the Hiver Projects, with either the sample or the intercept having a grade in excess of 1.0% Li<sub>2</sub>O, within 5 years from completion of the Transaction (**Milestone Two**).

The Milestone Two Shares will be issued within 5 business days of the satisfaction of Milestone Two, at a deemed issue price equal to the 20-day VWAP prior to the date on

which the successful results are announced to ASX by the Group, subject to a floor issue price of \$0.0925 per Share.

- iii. the number of shares having a total value of \$500,000 (**Milestone Three Shares**), subject to the Group (using commercially reasonable efforts) obtaining an independently verified JORC-compliant resource of 5 million tonnes at Dalmas and the Hiver Projects, with a grade of 1.0% Li<sub>2</sub>O or equivalent (using a cut-off grade of 0.4% Li<sub>2</sub>O or equivalent) (**Milestone Three**).

(The resource estimate being classified in either inferred, indicated or measured category and the equivalence in commodities being calculated in accordance with section 50 of the 2012 edition of the JORC Code).

The Milestone Three Shares will be issued within 5 business days of the satisfaction of Milestone Three, at a deemed issue price equal to the 20-day VWAP prior to the date on which the successful results are announced to ASX by the Group, subject to a floor issue price of \$0.0925 per Share.

The maximum number of deferred consideration shares that can be issued is capped at 12,972,972.

None of the above Milestones have been reached and the issue of all deferred consideration shares remains subject to the achievement of the Milestones within 5 years from the date of completion of the acquisition of Lithium Rabbit Quebec Pty Ltd, being 16 October 2028.

The Group has obtained a waiver from the ASX Listing Rule 7.3.4 to the extent necessary to permit the Group to issue the deferred consideration shares within 5 years from the date of completion of the acquisition of Lithium Rabbit Quebec Pty Ltd.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court under Section 327 of the Corporations Act 2001 to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any proceedings during the year.

## REMUNERATION REPORT (AUDITED)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION
- B. DETAILS OF REMUNERATION
- C. PROPORTION OF REMUNERATION LINKED TO PERFORMANCE
- D. SHARE-BASED COMPENSATION

- E. ADDITIONAL INFORMATION
- F. ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL
- G. LOANS FROM KMP
- H. OTHER TRANSACTIONS WITH KMP

## **A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION**

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives. To that end, the Group embodies the following principles in its remuneration framework:

- Aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders
- Placing a portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Board's policy for determining the nature and amount of remuneration for Key Management Personnel ("KMP") for the Group is based on the following:

- The remuneration policy is to be developed and approved by the Board after professional advice is sought from independent external consultants (where applicable).
- All executive KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives, where appropriate.
- Performance incentives (in the form of a cash bonus) are generally only paid once predetermined key performance indicators (KPIs) have been met.
- Apart from those detailed in this report no other share-based/options/performance rights incentives have been offered to KMP during this reporting financial year.
- The Board, which also serves as the remuneration committee, reviews the remuneration packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage / alignment of executive compensation; and
- Transparency.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

KMP or closely related parties of KMP are prohibited from entering hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration. In addition, the Board's remuneration policy prohibits Directors and KMP from using the company's shares as collateral in any financial transaction.

## **Engagement of Remuneration Consultants**

During the year, the Group did not engage any remuneration consultants.

## Remuneration Structure

The structure of Non-Executive Director, Executive Director and Senior Manager remuneration is separate and distinct.

### Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors of \$350,000 was approved by shareholders at the 2023 AGM.

Each Director receives a fee for being a Director of the Company.

### Executive Remuneration

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group to:

- Reward Executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group;
- Ensure total remuneration is competitive by market standards; and
- Executive remuneration is designed to support the Group's reward philosophies and to underpin the Group's growth strategy. The program comprises the following available components:
  - Fixed remuneration component;
  - Variable remuneration component including cash bonuses paid; and
  - Share based payments

### Fixed Remuneration

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The fixed (primary) remuneration is provided in cash.

### Variable Remuneration

The performance of KMP is measured against criteria agreed annually with each Executive. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

The objective of the Short-Term Incentive ("STI") program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level to provide sufficient incentive to achieve the operational targets and such that the cost to the Group is reasonable.

Actual STI payments granted depend on the extent to which specific operating targets are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance.

On an annual basis, the individual performance of each executive is rated and taken into account when determining the amount, if any, of the short-term incentive pool allocated to each executive. The

aggregate of annual STI payments available for executives across the Group are usually delivered in the form of a cash bonus.

The long-term incentives ('LTI') include long service leave and share-based payments. Options and performance rights are awarded to executives based on long-term incentive measures. These include increase in shareholders value relative to the entire market.

## B. DETAILS OF REMUNERATION

Details of the remuneration of the Directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Group) are set out in the tables on pages 38 and 39.

### Key Management Personnel – Directors and Executives

<i>Non-Executive Directors</i>	
Craig Sharpe	Non-Executive Director / Non-Executive Chairman (Appointed 28 September 2023)
Frank Cannavo	Non-Executive Director
Peter McNeil	Non-Executive Chairman (Resigned 28 September 2023)
Dr Karen Lloyd	Non-Executive Director (Resigned 28 September 2023)
<i>Executive Directors</i>	
Alexander Biggs	Managing Director (Appointed 28 September 2023, Formerly Chief Executive Officer Appointed 01 September 2022)

### Key Management Personnel – Service Agreements

#### Managing Director / Chief Executive Officer – Alexander Biggs

The key terms of the contract are as follows:

##### Position of Chief Executive Officer (up to 28 September 2023)

- o Salary of \$220,000 per annum, plus superannuation and other benefits;
- o Contract commenced on 1 September 2022 with no fixed term. 3 months' notice for termination is required;
- o 500,000 unlisted share options provided with the following terms:
- o Expiry date of 5 years from the date of the Company's admission to the official list of the ASX;
- o Exercise price of \$0.25 to convert one share option to one ordinary share;
- o Share options vest immediately.
- o 1,745,454 performance rights provided with the following terms vesting and becoming exercisable on the later of:
- o 12 months from the date of the Company's admission to the official list of the ASX; and
- o 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 the ASX.
- o The performance rights expire 5 years from the date of issue.

##### Position of Managing Director (from 28 September 2023 to current)

- o Salary of \$250,000 per annum, plus superannuation and other benefits;
- o Contract commenced on 28 September 2023 with no fixed term. 3 months' notice for termination is required;
- o Retains all options and performance rights as per Chief Executive Officer contract with additional incentives as follows:
- o 250,000 Options with an exercise price of A\$0.25 per option expiring 27 September 2027 and vesting upon issue;
- o 250,000 Performance Rights which vest and become exercisable (convert to shares) on the Company's shares achieving a volume weighted average price per share of at least A\$0.50 cents over any 20 consecutive trading days on which the shares have actually traded on ASX.

- 500,000 Performance Rights which vest and become exercisable (convert to shares) on the Company's shares achieving a volume weighted average price per share of at least A\$0.75 cents over any 20 consecutive trading days on which the shares have actually traded on ASX.
- 500,000 Performance Rights which vest and become exercisable (convert to shares) on the Company's shares achieving a volume weighted average price per share of at least A\$1.00 over any 20 consecutive trading days on which the shares have actually traded on ASX

#### *Non-Executive Director / Non-Executive Chairman Service Agreement - Craig Sharpe*

The key terms of the contract are as follows:

##### **Position of Non-Executive Director / Non-Executive Chairman;**

- Fees of \$50,000 per annum, plus of superannuation;
- Commenced on 15 September 2022 with no fixed term.

#### *Non-Executive Director Service Agreement - Francesco Cannavo*

The key terms of the contract are as follows:

##### **Position of Non-Executive Director;**

- Fees of \$50,000 per annum, inclusive of superannuation;
- Commenced on 2 August 2022 with no fixed term.

#### *Details of Remuneration for the year ended 30 June 2024*

The individual remuneration for key management personnel of the Group during the year was as follows:

	SHORT TERM EMPLOYMENT BENEFITS			POST EMPLOYMENT	EQUITY BASED PAYMENTS		TOTAL
	Cash Salary and Fees	Leave provision	Cash Bonus	Superannuation Contributions	Options	Performance rights	
	\$	\$		\$	\$	\$	\$
<b>Non - Executive Directors</b>							
C Sharpe	50,000	-	-	5,500	-	28,462	83,962
F Cannavo	55,500	-	-	-	-	28,462	83,962
P McNeil <sup>1</sup>	21,750	-	-	1,375	-	28,462	51,587
K Lloyd <sup>2</sup>	21,750	-	-	1,375	-	113,848	136,973
<b>Sub-Total</b>	<b>149,000</b>	<b>-</b>	<b>-</b>	<b>8,250</b>	<b>-</b>	<b>199,234</b>	<b>356,484</b>
<b>Executive Directors</b>							
A Biggs <sup>3</sup>	242,500	18,995	-	26,675	14,958	212,058	515,186
<b>Sub-Total</b>	<b>242,500</b>	<b>18,995</b>	<b>-</b>	<b>26,675</b>	<b>14,958</b>	<b>212,058</b>	<b>515,186</b>
<b>Total</b>	<b>391,500</b>	<b>18,995</b>	<b>-</b>	<b>34,925</b>	<b>14,958</b>	<b>411,292</b>	<b>871,670</b>

1. Peter McNeil resigned 28 September 2023.
2. Dr Karen Lloyd resigned 28 September 2023.
3. Alexander Biggs was appointed on 1 September 2022 as Chief Executive Officer and appointed Managing Director 28 September 2023

### Details of Remuneration for the year ended 30 June 2023

	SHORT TERM EMPLOYMENT BENEFITS			POST EMPLOYMENT	EQUITY BASED PAYMENTS		TOTAL
	Cash Salary and Fees	Leave provision	Cash Bonus	Superannuation Contributions	Options	Performance rights	
	\$	\$		\$	\$	\$	\$
<b>Non - Executive Directors</b>							
P McNeil <sup>1</sup>	30,278	-	-	3,179	61,860	54,098	149,415
K Lloyd <sup>2</sup>	30,278	-	-	3,179	173,208	216,392	423,057
C Sharpe	45,833	-	-	4,813	173,208	54,098	277,952
F Cannavo	50,646	-	-	-	173,208	54,098	277,952
<b>Sub-Total</b>	<b>157,035</b>	<b>-</b>	<b>-</b>	<b>11,171</b>	<b>581,484</b>	<b>378,686</b>	<b>1,128,376</b>
<b>Executive Directors</b>							
A Biggs <sup>3</sup>	183,333	13,889	-	19,250	61,860	216,392	494,724
<b>Sub-Total</b>	<b>183,333</b>	<b>13,889</b>	<b>-</b>	<b>19,250</b>	<b>61,860</b>	<b>216,392</b>	<b>494,724</b>
<b>Total</b>	<b>340,368</b>	<b>13,889</b>	<b>-</b>	<b>30,421</b>	<b>643,344</b>	<b>595,078</b>	<b>1,623,100</b>

1. Peter McNeil was paid from the date the company was admitted to the official list of the ASX.
2. Dr Karen Lloyd was paid from the date the company was admitted to the official list of the ASX.
3. Alexander Biggs was appointed on 1 September 2022.

### C. PROPORTION OF REMUNERATION LINKED TO PERFORMANCE

The proportion of remuneration linked to performance and the fixed proportion is as follows:

	2024			2023		
	Fixed remuneration	At risk - STI	At risk - LTI	Fixed remuneration	At risk - STI	At risk - LTI
P McNeil	44.8%	-	55.2%	22.4%	-	77.6%
K Lloyd	16.9%	-	83.1%	7.9%	-	92.1%
C Sharpe	66.1%	-	33.9%	18.2%	-	81.8%
F Cannavo	66.1%	-	33.9%	19.6%	-	80.4%
A Biggs	58.9%	-	41.1%	43.8%	-	56.2%

Long term incentives include:

- performance rights issued on listing to all executives and vesting over multiple years
- share options issued on listing to all executives vesting immediately
- share options and performance rights issued to the Managing Director on appointment to the Board.

### D. SHARE-BASED COMPENSATION

During the year the Group granted share options affecting remuneration for the year to the Managing Director under the terms of his new employment contract. The share options granted was determined to have a fair value of \$0.0568 per option and had the following terms and conditions:

	No. of options	Exercise Price	Vesting period	Expiry
Share Options	250,000	\$0.25	Immediately	27/09/2027

The Managing Director was also granted performance rights with details as follows:

Class	No. of rights	Vesting conditions	Expiry	Fair Value
Class B	250,000	Vesting upon the Company's shares achieving a volume weighted average price per share of at least 50cents over any 20 consecutive trading days on which the shares have actually traded on ASX.	23 November 2028	\$0.0947
Class C	500,000	Vesting upon the Company's shares achieving a volume weighted average price per share of at least 75cents over any 20 consecutive trading days on which the shares have actually traded on ASX.	23 November 2028	\$0.0799
Class D	500,000	Vesting upon the Company's shares achieving a volume weighted average price per share of at least \$1 over any 20 consecutive trading days on which the shares have actually traded on ASX.	23 November 2028	\$0.0692

Options and performance rights granted carry no dividend or voting rights.

All options and performance rights were granted over unissued fully paid ordinary shares in the company. Options and performance rights are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options and performance rights other than on their potential exercise.

No options or rights were exercised during the year.

## E. ADDITIONAL INFORMATION

Relationship between remuneration policy and Group performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The chosen method to achieve this aim is providing shares and share options to link future benefits to the performance of the Group's share price. The Group believes this policy will be effective in increasing shareholder's wealth. The earnings of the Group for the current reporting period are summarised below, along with details that are considered to be factors in shareholder returns:

	30 June 2024	30 June 2023
Income \$	63,224	10,985
Net profit/(loss) after tax \$	(3,316,853)	(2,176,477)
Share price at year end \$	\$0.069	\$0.155
Net tangible assets per share \$	\$0.08	\$0.13

## F. ADDITIONAL INFORMATION IN RELATION TO KEY MANAGEMENT PERSONNEL SHAREHOLDING

Ordinary shares held in Lightning Minerals Limited (number) 30 June 2024:

	Balance 1 July 2023	Granted as payment of Remuneration	On-market changes	Off-market changes	Other changes	Balance 30 June 2024
Alexander Biggs	96,941	-	500,094	-	-	597,035
Craig Sharpe	850,000	-	350,000	-	-	1,200,000
Frank Cannavo	3,025,000	-	385,714	-	-	3,410,714
	3,971,941	-	1,235,808	-	-	

Share options held in Lightning Minerals Limited (number) 30 June 2024:

	Balance 1 July 2023	Granted as payment of Remuneration	On-market changes	Off-market changes	Other changes <sup>1</sup>	Balance 30 June 2024
Alexander Biggs	500,000	250,000	132,143	-	-	882,143
Craig Sharpe	1,775,000	-	75,000	-	-	1,850,000
Frank Cannavo	2,912,500	-	-142,857	-	-	3,055,357
Peter McNeil	500,000	-	-	-	(500,000)	-
Dr Karen Lloyd	1,400,000	-	-	-	(1,400,000)	-
	7,087,500	250,000	350,000	-	(1,900,000)	5,787,500

<sup>1</sup> Peter McNeil and Dr Karen Lloyd resigned during the year.

Performance Rights held in Lightning Minerals Limited (number) 30 June 2024:

	Balance 1 July 2023	Granted as payment of Remuneration	On-market changes	Off-market changes	Other changes	Balance 30 June 2024
Alexander Biggs	1,745,454	1,250,000	-	-	-	2,995,454
Craig Sharpe	436,364	-	-	-	-	436,364
Frank Cannavo	436,364	-	-	-	-	436,364
Peter McNeil	436,364	-	-	-	(436,364)	-
Dr Karen Lloyd	1,745,454	-	-	-	(1,745,454)	-
	4,800,000	1,250,000	-	-	(2,181,818)	3,868,182

<sup>1</sup> Peter McNeil and Dr Karen Lloyd resigned during the year.

## G. LOANS FROM KMP

There are no loans to or from KMP.

## H. OTHER TRANSACTIONS WITH KMP

There are no other transactions with KMP.

This concludes the remuneration report, which has been audited.

## NON-AUDIT SERVICES

During the current year HLB Mann Judd, the Group's auditor, performed certain other services in addition to their statutory duties. The Directors were satisfied that the provision of these non-audit services by the auditor (or by another person or firm on the auditor's behalf) was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Details of amounts paid or payable are as follows:

	2024	2023
	\$	\$
Auditing the financial report	39,560	36,972
Non-audit services		
Independent Accountant's Report	-	20,458
Tax compliance services	3,760	4,600
	43,320	62,030

The Directors were of the opinion that the services as disclosed above did not compromise the external auditor's independence for the following reasons:

- All non-audit services were reviewed and approved by the Board to ensure that they did not impact the integrity and objectivity of the auditor, and

None of the services undermined the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Profession and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing economic risks and rewards.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 43.

## AUDITOR

HLB Mann Judd continues in accordance with section 327 of the Corporations Act 2001. There are no officers of the Group who are former audit partners of HLB Mann Judd.

## DIVIDENDS

No dividend was paid or declared during the year.

## CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of Corporate Governance. The Company continued to follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement. The Company's Corporate Governance statement is available on the Company's website at [www.lightningminerals.com.au](http://www.lightningminerals.com.au)

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



**Mr A Biggs**  
**Managing Director**

30 September 2024

### Auditor's independence declaration

As lead auditor for the audit of the consolidated financial report of Lightning Minerals Ltd ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Lightning Minerals Ltd and the entities it controlled during the year.



**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
30 September 2024



**Jude Lau**  
**Partner**

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated 2024 \$	2023 \$
<b>Continuing operations</b>			
Interest income		<b>63,224</b>	10,985
Exploration expenditure expensed		<b>(65,780)</b>	(38,719)
Directors' fees and salaries and wages	<b>12(b)</b>	<b>(962,782)</b>	(1,680,332)
General and administrative expenses	<b>12(b)</b>	<b>(191,773)</b>	(129,002)
Corporate expenses	<b>12(b)</b>	<b>(450,257)</b>	(294,001)
Depreciation and amortisation	<b>12(b)</b>	<b>(66,244)</b>	(38,519)
Finance expense		<b>(6,438)</b>	(6,889)
Option fee		<b>(30,000)</b>	-
Premium paid on acquisition of project	<b>12(b)</b>	<b>(1,606,803)</b>	-
<b>Loss before income tax</b>		<b>(3,316,853)</b>	(2,176,477)
Income tax expense	<b>13</b>	-	-
<b>Net Loss for the year</b>		<b>(3,316,853)</b>	(2,176,477)
<b>Other Comprehensive income/(loss)</b>			
Other comprehensive loss net of tax		-	-
<b>Total comprehensive loss</b>		<b>(3,316,853)</b>	(2,176,477)
Basic loss per share (cents per share)	<b>14</b>	<b>(6.26)</b>	(6.46)
Diluted loss per share (cents per share)	<b>14</b>	<b>(6.26)</b>	(6.46)

*The above statement should be read in conjunction with the accompanying notes*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2024 \$	2023 \$
<b>Current Assets</b>			
Cash and cash equivalents	3(a)	3,123,338	3,694,346
Trade and other receivables	4	75,860	45,717
Prepayments		351,475	34,070
Other financial assets	5	-	1,000,000
<b>Total Current Assets</b>		<b>3,550,673</b>	<b>4,774,133</b>
<b>Non-Current Assets</b>			
Plant and equipment		2,221	3,701
Exploration and evaluation assets	6	4,024,528	2,041,899
Right of use asset	7	21,596	86,360
<b>Total Non-Current Assets</b>		<b>4,048,345</b>	<b>2,131,960</b>
<b>Total Assets</b>		<b>7,599,018</b>	<b>6,906,093</b>
<b>Current Liabilities</b>			
Trade and other payables	8	147,667	309,036
Lease liability	9	23,466	69,401
Employee provisions		51,019	17,095
<b>Total Current Liabilities</b>		<b>222,152</b>	<b>395,532</b>
<b>Non-Current Liabilities</b>			
Lease liability	9	-	19,627
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>19,627</b>
<b>Total Liabilities</b>		<b>222,152</b>	<b>415,159</b>
<b>Net Assets</b>		<b>7,376,866</b>	<b>6,490,934</b>
<b>Equity</b>			
Issued capital	10	9,766,248	6,526,499
Accumulated losses		(5,551,863)	(2,235,010)
Reserves	11	3,162,481	2,199,445
<b>Total Equity</b>		<b>7,376,866</b>	<b>6,490,934</b>

The above statement should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>At 1 July 2022</b>		<b>563,632</b>	<b>-</b>	<b>(58,533)</b>	<b>505,099</b>
Loss for the year		-	-	(2,176,477)	(2,176,477)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss) for the year		-	-	(2,176,477)	(2,176,477)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares, net of costs	10	5,337,833	-	-	5,337,833
Issue of share options, net of costs		-	24,229	-	24,229
Share based payments					
- cost of equity	11	320,000	919,023	-	1,239,023
- options granted	11	-	661,115	-	661,115
- performance rights granted	11	-	595,078	-	595,078
- acquisition of assets	10	305,034	-	-	305,034
<b>As at 30 June 2023</b>		<b>6,526,499</b>	<b>2,199,445</b>	<b>(2,235,010)</b>	<b>6,490,934</b>
	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>Consolidated At 1 July 2023</b>		<b>6,526,499</b>	<b>2,199,445</b>	<b>(2,235,010)</b>	<b>6,490,934</b>
Loss for the year		-	-	(3,316,853)	(3,316,853)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss) for the year		-	-	(3,316,853)	(3,316,853)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares, net of costs	10	1,106,861	-	-	1,106,861
Issue of share options, net of costs		-	258,963	-	258,963
Share based payments					
- director options	11	-	14,958	-	14,958
- ESOP expense	11	-	11,098	-	11,098
- consultants	11	310,745	101,755	-	412,500
- performance rights	11	-	411,293	-	411,293
- acquisition of assets	10	1,822,143	164,969	-	1,987,112
<b>As at 30 June 2024</b>		<b>9,766,248</b>	<b>3,162,481</b>	<b>(5,551,863)</b>	<b>7,376,866</b>

The above statement should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Consolidated 2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Interest received		67,842	6,367
Payments to suppliers and employees		(1,179,718)	(886,104)
Interest paid		(6,438)	(6,889)
Net cash (used in) operating activities	3(c)	<u>(1,118,314)</u>	<u>(886,626)</u>
<b>Cash flows from investing activities</b>			
Payments for property and equipment		-	(4,885)
Exploration and evaluation expenditure and acquisition		(1,924,847)	(1,345,730)
Receipts from other financial assets		1,000,000	-
Payments for other financial assets		-	(1,000,000)
Net cash acquired		153,420	-
Net cash (used in) investing activities		<u>(771,427)</u>	<u>(2,350,615)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		1,235,787	7,023,000
Proceeds from issue of share options		258,963	24,229
Cost of issuing shares		(110,455)	(415,395)
Repayment of lease liabilities		(65,562)	(35,112)
Net cash provided by financing activities		<u>1,318,733</u>	<u>6,596,722</u>
<b>Net (decrease) / increase in cash held</b>		<b>(571,008)</b>	<b>3,359,481</b>
Cash and cash equivalents at the beginning of the period		3,694,346	334,865
Cash and cash equivalents at the end of the period	3(a)	<u><b>3,123,338</b></u>	<u>3,694,346</u>

*The above statement should be read in conjunction with the accompanying notes.*

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*, as appropriate for-profit oriented entities

The financial statements cover the consolidated entity for the year ended 30 June 2024. The Company is a company limited by shares, incorporated and domiciled in Australia.

Except for the Statement of Cash Flows, the financial statements have been prepared on the accruals basis.

The financial statements were authorised for issue by the Directors on 30 September 2024.

The Group's principal activities are the exploration for and evaluation lithium, gold and base metals in Western Australia.

#### (a) Basis of Preparation of the Financial Statements

##### **Compliance with IFRS**

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

##### **Historical Cost Convention**

The financial statements have been prepared under the historical cost convention, modified where appropriate by the measurement of fair value of selected non-current assets. All amounts are presented in Australian dollars unless otherwise noted.

#### (b) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

During the current year, the Group acquired the share capital of two separate entities and incorporated another company, which necessitated the preparation of consolidated accounts for the first time. The comparative information disclosed throughout these financial statements represent the financial information of the Lightning Minerals Limited (the company or parent entity).

#### (c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the company as at 30 June 2024 and the results of all subsidiaries for the period then ended. The company and its subsidiaries together are referred to in these financial statements as the 'Group' or the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**(d) Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

**(e) Going concern basis**

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 ordinary course of business. For the year ended 30 June 2024, the Group incurred a loss of \$3,316,853 and had negative cash flows from operating activities of \$1,118,314 and from investing activities of \$771,427.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern due to the following factors:

- In order to advance its projects by investing in exploration and evaluation programs the Group intend to utilise the company's 15% capacity to effect a capital raise of up to \$1,000,000 over the next 12 months;
- Managing expenditure on its exploration and evaluation assets to ensure all tenement commitments are fully met, and all projects are advanced effectively within the Group's available cash reserves. At the date of this report the Group has met all of its current expenditure requirements in relation to its Australian tenements.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that the Group is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the Group's ability to continue as a going concern and its ability to recover assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might be necessarily incurred should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

**(f) Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**(g) Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## **2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities can be found in the following notes:

- Note 6 Exploration and evaluation assets
- Note 11 Reserves

In addition the following matters are impacted by management judgements and estimates:

*Acquisition of Lithium Rabbit Quebec Pty Ltd ("LRQ")*

The said acquisition was considered to be an asset acquisition as opposed to a business combination due to the fact LRQ was not considered to be a business. To this end, the fair value of the consideration paid/payable was recognised as exploration and evaluation assets in note 6.

*Accounting for contingent milestone payments payable*

In respect of the milestone amounts payable, due consideration and assessment was made at the time of the acquisition to arrive at the conclusion that the probability of the milestone conditions being met by the Group was less than 50%, resulting in the Group not recognizing the said balances. The details of the contingent amount payable are outlined in note 17.

*Acquisition of Bengal Mining Pty Ltd ("Bengal")*

As with LRQ, Bengal did not operate a business, but rather exited to hold an option over lithium projects in Brazil, via its subsidiary Tigre Mineracao, Ltda ("Tigre"). The assets held did not qualify as exploration and evaluation assets under AASB 6 "Exploration for and Evaluation of Mineral Resources", being cash held and options held over two lithium projects in Brazil. The option and the excess of the consideration over the net assets recognised of Bengal recognised in profit or loss as an expense. Details are contained in note 6 and note 12.

*Accounting for the consideration and contingent milestone payments payable*

The consideration paid for Bengal included shares, share options and performance rights. The share options are calculated using an appropriate option valuation model, and is discussed in note 6 and note 12. The performance rights are valued based on the probability of meeting a series of milestones. At completion of the acquisition it was determined by management that the probability of the milestone conditions being met was considered less than 50% probable given the early stage of the project. The details of the milestones are described in note 17. No value was assigned to the performance rights.

### 3. CASH AND CASH EQUIVALENTS

	<b>Consolidated 2024</b>	Company 2023
	<b>\$</b>	<b>\$</b>
Cash at bank	<b><u>3,123,338</u></b>	<u>3,694,346</u>

#### (a) Accounting Policies

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

#### (b) Financial Instrument Risk Management

The Group manages its exposure to key financial risks relating to cash and cash equivalents and term deposits in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from cash and cash equivalents is interest rate risk. The Directors manage risk by monitoring levels of exposure to interest rate and consider cash requirements in relation to ongoing cash flow budgets.

#### *Interest Rate Risk*

Exposure to interest rate risk arises on financial instruments whereby a future change in interest rates will affect future cash flows of variable rate financial instruments. At 30 June 2024, the Group had variable rate cash balances of \$3,123,338 earning interest of between 0% and 1.35% per annum (2023: \$3,694,346 at 0% to 1.55%). The risk attached to the interest income for the year ended 30 June 2023 was not considered material.

### *Credit Risk*

The Group banks primarily with Westpac and considers the bank's credit worthiness appropriate to mitigate credit risk associated to the bank deposits. Westpac's credit rating is "AA-" (Fitch, Standard & Poor-). Credit risk is managed by the Board in accordance with its policy. The Board is satisfied that banking with an institution with A+ credit rating sufficiently mitigates credit risk attached to cash deposits.

### *Foreign Currency Risk*

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. At 30 June 2024 the Group held cash in foreign currencies of \$49,475 (Brazilian REAL R\$179,326) and at the balance date did not consider currency risk as being significant.

### *Fair value*

The fair value of the cash balances approximates fair value due to the short-term nature of the deposits.

### **(c) Reconciliation of operating cash flows to operating result**

	<b>Consolidated 2024 \$</b>	Company 2023 \$
Operating loss after income tax:	<b>(3,316,853)</b>	(2,176,477)
Premium paid on acquisition of subsidiaries	<b>1,606,801</b>	-
Share based payments	<b>437,349</b>	1,256,193
Depreciation	<b>66,244</b>	38,519
Change in net operating assets and liabilities:		
Decrease / (Increase) in receivables	<b>(25,824)</b>	(45,717)
Decrease in interest receivable	<b>4,618</b>	-
Decrease / (Increase) in prepayments	<b>10,720</b>	(34,070)
(Decrease) / Increase in trade and other payables relating to operating expenditure	<b>64,707</b>	57,831
Increase in provisions	<b>33,924</b>	17,095
Net cash (outflow) from operating activities	<b>(1,118,314)</b>	(886,626)

### **(d) Non-cash financing and investing activities**

During the year, the Group settled amounts payable to the lead manager and vendors of certain tenements acquired via the issuance of shares, options and performance right. The details are set out below:

- Shares issued to vendors of Canadian tenements amounting to a fair value of \$250,000.
- Shares, options and performance rights issued to vendors of Bengal Mining Pty Ltd amounting to a fair value of \$1,737,112.

### **(e) Changes in liabilities arising from financing activities**

	<b>Consolidated 2024 \$</b>	Company 2023 \$
Opening balance	89,028	-
Acquisition of leases	-	124,140
Net cash from/(used in) financing activities	(65,562)	(35,112)
Closing balance	23,466	89,028

#### 4. TRADE AND OTHER RECEIVABLES

	<b>Consolidated 2024</b>	Company 2023
	<b>\$</b>	<b>\$</b>
GST recoverable	<b>70,610</b>	41,099
Accrued interest	-	4,618
Sundry receivable	<b>5,250</b>	-
	<b>75,860</b>	45,717

##### **Accounting Policies**

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Receivables expected to be collected within 12 months are classified as current assets. All other receivables are classified as non-current assets.

##### **Financial Instrument Risk management**

Amounts are recoverable from the ATO, and credit risk is considered low. No risk management policy is in place.

#### 5. OTHER FINANCIAL ASSETS

	<b>Consolidated 2024</b>	Company 2023
	<b>\$</b>	<b>\$</b>
Term deposit	-	1,000,000

At 30 June 2023 the Group had a fixed deposit of \$1,000,000 with an interest rate of 3.92% that matured in November 2023 and was not renewed.

##### **Accounting Policies**

Other financial assets are initially measured at fair value and are subsequently measured at amortised cost.

#### 6. EXPLORATION AND EVALUATION ASSETS

	<b>Consolidated 2024</b>	Company 2023
	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of movements during period</b>		
Costs carried forward in respect of areas of interest at cost	<b>2,041,899</b>	252,000
Tenements and projects acquired <sup>1</sup>	<b>470,000</b>	532,319
Exploration and evaluation expenditure capitalised during the period	<b>1,512,629</b>	1,257,580
	<b>4,024,528</b>	2,041,899

Costs carried forward in respect of areas of interest

<sup>1</sup> During the year the Group acquired exploration assets in the James Bay area of Canada by acquiring the share capital Lithium Rabbit Quebec Pty Ltd. The acquisition was accounted for as an asset purchase.

##### **(b) Accounting Policies**

Exploration and evaluation expenditures incurred are accumulated in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recouped through the successful development of the area or sale, or where exploration and evaluation activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made. In addition, a provision is raised against exploration and evaluation expenditure where the directors are of the opinion that the carried forward cost may not be recoverable. Any such provision is charged against the results for the year.

When production commences, the accumulated costs for the relevant area of interest are reclassified to mining assets and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of the relevant stage. Provisions are made for the estimated costs of restoration relating to areas disturbed during the mines operation up to reporting date but not yet rehabilitated. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with local laws and relevant clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates of the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that any restoration will be completed within one year of abandoning the site.

**(c) Critical Judgements**

The ultimate recoupment of capitalised expenditure in relation to each area of interest is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas the results of which are still uncertain.

**(d) Commitments for expenditure**

To maintain current rights of tenure to the exploration tenements, the Group is required to meet the minimum expenditure requirements of the Department of Mining. Minimum expenditure commitments may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts. The Group has committed to spend a total of \$691,000 over the periods of the granted permit areas in respect of these exploration programs. Expenditure commitment is for the term of the permit renewal. The total commitment in relation to the permits is as follows:

	<b>Consolidated 2024</b>	Company 2023
	\$	\$
Expenditure commitments within 1 year	<b>281,000</b>	281,000
Expenditure commitments 2 - 5 years	<b>410,000</b>	843,000
	<b>691,000</b>	1,124,000

**(e) Impairment**

The directors have reviewed the projects and available resources and are satisfied that no impairment is required.

**7. RIGHT-OF-USE ASSET**

	<b>Consolidated 2024</b>	Company 2023
	\$	\$
Office accommodation - at cost	<b>124,139</b>	124,139
Accumulated depreciation	<b>(102,543)</b>	(37,779)
	<b>21,596</b>	86,360

The company entered into a sub-lease for office accommodation on 1 December 2022, running until 30 October 2024. There is no option to extend the lease.

**Accounting policy**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred,

and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## 8. TRADE AND OTHER PAYABLES

	<b>Consolidated 2024</b>	Company 2023
	\$	\$
Trade payables	<b>97,586</b>	105,217
Accruals and other payables	<b>50,081</b>	203,819
	<b>147,667</b>	309,036

Amounts due are unsecured and non-interest bearing.

### **Significant Accounting Policies**

Trade payables and other payables are carried at amortised 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.

### **Financial Instrument Risk management**

The main risks arising from trade and other payables is liquidity risk. The Directors manage risk by monitoring levels of obligations arising from liabilities and commitments and consider cash requirements in relation to ongoing cash flow budgets.

#### *Liquidity Risk*

All payables are current and payable within 30 days. Accordingly, management has ensured that the Group has sufficient cash resources to meet the liabilities as and when they are due.

## 9. LEASE LIABILITY

	<b>Consolidated 2024</b>	Company 2023
	\$	\$
Lease for right-of-use asset - current	<b>23,466</b>	69,401
Lease for right-of-use asset - non-current	-	19,627
	<b>23,466</b>	89,028

### **Accounting policy**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## 10. ISSUED CAPITAL

	<b>Consolidated 2024</b>		<b>Company 2023</b>	
	<b>Number of shares</b>	<b>\$</b>	<b>Number of shares</b>	<b>\$</b>
Ordinary shares – fully paid (no par value)	<b>99,328,319</b>	<b>9,766,248</b>	48,457,170	6,526,499

### (a) Reconciliation of issued capital

	<b>Shares</b>	<b>Price \$</b>	<b>\$</b>
Ordinary shares			
At 30 June 2022	<b>10,132,000</b>		<b>563,632</b>
Additional seed capital	200,000	0.10	20,000
Shares issued in IPO	35,000,000	0.20	7,000,000
Acquisition of exploration assets	1,500,000	0.20	300,000
Settlement of IPO costs	1,600,000	0.20	320,000
Settlement of exploration asset acquisition	25,170	0.20	5,034
Cost of issuing equity			(1,682,167)
At 30 June 2023	48,457,170		6,526,499
Acquisition of exploration assets	1,406,864	0.18	250,000
Shares issued in capital raise	7,479,605	0.05 <sup>1</sup>	394,418
Shares issued to settle consultancy fees	5,892,857	0.05 <sup>1</sup>	310,745
Shares issued in capital raise	13,948,966	0.06 <sup>1</sup>	846,619
Acquisition of subsidiary	22,142,857	0.07	1,572,143
Cost of issuing equity			(134,176)
As at 30 June 2024	<b>99,328,319</b>		<b>9,766,248</b>

<sup>1</sup> Shares were issued at \$0.07 with one free attaching option for every two shares subscribed for. Consequently part of the price was allocated to the Issued Option reserve.

### (b) Significant Accounting Policies

Issued capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

### (c) Terms and conditions of issued capital

#### Ordinary shares

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

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts 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. The Company does not have a limit on number of shares authorised.

#### (d) Escrow

At 30 June 2024, there were 7,638,970 ordinary shares in voluntary escrow (2023: 9,238,970). The escrow periods vary and are up to 2 years from the date of the Company listing on the ASX.

#### (e) Capital Management

The Company considers its capital to be total equity plus net debt.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. To achieve this objective, the Company seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. During the exploration and evaluation phase of operations the Group does not anticipate utilising any loan funding and will rely upon capital raisings. The capital risk management policy remains unchanged from 30 June 2022.

The Group is not subject to any externally imposed conditions.

## 11. RESERVES

	<b>Consolidated 2024 \$</b>	<b>Company 2023 \$</b>
Issued options (a)	<b>384,947</b>	24,229
Option reserve (b)	<b>1,771,163</b>	1,580,138
Performance rights reserve (c)	<b>1,006,371</b>	595,078
	<b><u>3,162,481</u></b>	<b><u>2,199,445</u></b>

### (a) Issued Options

#### *Nature and Purpose of Reserves*

The reserve is used to record the fair value of cash received for the issue of share options.

#### *Option details*

<i>Option series</i>	<i>Expiry date</i>	<i>Exercise price</i>
L1MO	13 March 2028	\$0.25

<i>Movement in reserve</i>	<b>Share options issued</b>		<b>\$</b>
At 30 June 2022	-		-
Issued as free attaching options	24,228,543	0.01	24,229
As at 30 June 2023	24,228,543		24,229
Issued as free attaching options	3,739,803	0.03	129,154
Issued as free attaching options *	2,946,429	0.03	101,755
Issued as free attaching options	6,974,483	0.02	129,809
As at 30 June 2024	<b><u>37,889,258</u></b>		<b><u>384,947</u></b>

\* 2,946,429 share options granted to consultants have not yet been issued, and will require shareholder approval for issue.

### (b) Option reserve

#### *(i) Nature and Purpose of Reserves*

The reserve is used to record the value of equity granted to employees and directors as part of their remuneration, and other parties as part of compensation for their services rendered to the Group.

<i>Movement in reserve</i>	<b>Share options issued</b>	<b>\$</b>
At 30 June 2022	-	-
Issued to directors	4,700,000	581,484
Issued to executives	500,000	61,860
Issued to lead manager	5,000,000	557,100
Issued to employees	330,000	17,769
Issued to lead manager (loyalty option issue)	2,500,000	361,925
As at 30 June 2023	13,030,000	1,580,138
Granted and issued to directors	250,000	14,958

Previously granted to employees and vesting over time

Share options lapsed unvested\*

Acquisition of Bengal Mining Pty Ltd

As at 30 June 2024

-	13,641
(75,000)	(2,543)
6,000,000	164,969
<b>19,205,000</b>	<b>1,771,163</b>

### (c) Performance rights reserve

Movement in reserve

**Consolidated**  
**2024**

Company  
2023

	\$	\$
At beginning of the period	595,078	-
Performance rights previously granted and vesting	313,082	595,078
Performance rights granted during the period	98,211	
At end of the period	<b>1,006,371</b>	<b>595,078</b>

### Nature and Purpose of Reserves

The reserve is used to record the value of performance rights issued to employees and directors as part of their remuneration, and other parties as part of compensation for their services.

### (d) Share based payments

During the year the Company granted share options as follows:

Option series	Expiry date	Exercise price
Managing Director	27 September 2027	\$0.25
Vendor options	19 June 2027	\$0.105

The inputs into the option valuations were as follows:

	Managing Director	Vendor
Grant date	28 September 2023	19 June 2024
Share price at issue date	\$0.135	\$0.071
Exercise price \$	\$0.25	\$0.105
Risk free rate	3.33%	3.90%
Volatility	75%	71%
Fair value at grant date \$/option	\$0.06	\$0.0275

Set out below are summaries of options granted as share based payments:

Year ended 30 June 2024

### Options

Grant date	Expiry date	Exercise price	Balance at 1 July 2023	Granted	Exercised	Expired / forfeited / other	Balance at 30 June 2024	Exercisable at 30 June 2024
18/11/2022	17/11/2027	\$0.25	5,200,000	-	-	-	5,200,000	5,200,000
18/11/2022	17/11/2026	\$0.25	5,000,000	-	-	-	5,000,000	5,000,000
1/12/2022	1/12/2026	\$0.30	50,000	-	-	-	50,000	50,000
1/12/2022	1/12/2026	\$0.40	75,000	-	-	-	75,000	75,000
1/12/2022	1/12/2026	\$0.50	100,000	-	-	-	100,000	-
6/4/2023	6/4/2027	\$0.30	30,000	-	-	-	30,000	30,000
6/4/2023	6/4/2027	\$0.40	35,000	-	-	(35,000)	- <sup>1</sup>	-

6/4/2023	6/4/2027	\$0.50	40,000	-	-	(40,000)	- <sup>1</sup>	-
13/3/2023	13/3/2028	\$0.25	2,500,000	-	-	-	2,500,000	2,500,000
28/9/2023	27/09/2027	\$0.25	-	250,000	-	-	250,000	250,000
19/06/2024	19/6/2027	\$0.105	-	6,000,000	-	-	6,000,000	6,000,000
			13,030,000	6,250,000	-	(75,000)	19,205,000	19,105,000
Weighted average exercise price			\$0.25	\$0.111	-	-	\$0.208	

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.02 years (2023: 4.04 years).

Year ended 30 June 2023

### Options

Grant date	Expiry date	Exercise price	Balance at 1 July 2022	Granted	Exercised	Expired / forfeited / other	Balance at 30 June 2023	Exercisable at 30 June 2023
18/11/2022	17/11/2027	\$0.25	-	5,200,000	-	-	5,200,000	5,200,000
18/11/2022	17/11/2026	\$0.25	-	5,000,000	-	-	5,000,000	5,000,000
1/12/2022	1/12/2026	\$0.30	-	50,000	-	-	50,000	50,000
1/12/2022	1/12/2026	\$0.40	-	75,000	-	-	75,000	-
1/12/2022	1/12/2026	\$0.50	-	100,000	-	-	100,000	-
6/4/2023	6/4/2027	\$0.30	-	30,000	-	-	30,000	30,000
6/4/2023	6/4/2027	\$0.40	-	35,000	-	-	35,000	-
6/4/2023	6/4/2027	\$0.50	-	40,000	-	-	40,000	-
13/3/2023	13/3/2028	\$0.25	-	2,500,000	-	-	2,500,000	2,500,000
			-	13,030,000	-	-	13,030,000	12,780,000
Weighted average exercise price			-	\$0.25	-	-	\$0.25	

The weighted average share price during the financial year was \$0.20.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.04 years.

### Performance rights

During the year the Company granted 1,250,000 Performance Rights to the managing director, expiring on the date the managing director ceases to act as a director of the Company. The performance rights comprised of three tranches and will vest and become exercisable as follows:

#### Series B

250,000 performance rights vesting upon the Company's shares achieving a volume weighted average price per share of at least 50cents over any 20 consecutive trading days on which the shares have actually traded on ASX.

#### *Series C*

500,000 performance rights vesting upon the Company's shares achieving a volume weighted average price per share of at least 75cents over any 20 consecutive trading days on which the shares have actually traded on ASX.

#### *Series D*

500,000 performance rights vesting upon the Company's shares achieving a volume weighted average price per share of at least \$1 over any 20 consecutive trading days on which the shares have actually traded on ASX.

The inputs into the option valuations were as follows:

	<i>Series B</i>	<i>Series C</i>	<i>Series D</i>
Expiry date	N/A	N/A	N/A
Share price at issue date	\$0.135	\$0.135	\$0.135
Risk free rate	4.142%	4.142%	4.142%
Volatility	77%	77%	77%
Fair value at grant date			
\$/performance	\$0.0947	\$0.0799	\$0.0692

The weighted average share price during the financial year was \$0.122 (2023: \$0.20).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.83 years (2023: 4.38).

The value of the rights and the vesting period were estimated using the Hoadley HSO5 lattice model.

#### **(e) Market conditions**

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

#### **(f) Accounting Policies - share based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

#### **(g) Critical Judgements**

The Group measures the cost of equity-settled transactions with employees and service providers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

## 12. ITEMS INCLUDED IN PROFIT AND LOSS

### (a) Interest Income

#### Accounting Policies

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

### (b) Items included in profit or loss

Included in profit or loss are the following specific items: -

#### (i) Premium paid on acquisition of Bengal Mining Pty Ltd

The Group acquired the share capital of Bengal Mining Pty Ltd, acquiring all of its assets including its Brazilian subsidiary Tigre Mineracao, Ltda ("Tigre"). Tigre holds an exclusive option to acquire the rights to 7 tenements in the Caraibas and Sidrônio lithium projects. The consideration paid for the options amounted to R\$1,029,500 (Brazilian REAL), which has been expensed as part of the acquisition accounting.

#### Consideration paid for Bengal Mining Pty Ltd

The Group completed the acquisition of the share capital of Bengal Mining Pty Ltd in June 2024, and has accounted for the acquisition as an asset purchase. The purpose of the acquisition was to access the Caraibas and Sidrônio projects. The structure of the acquisition was as follows:

	\$	\$
<i>Consideration</i>		
Cash deposit		25,000
22,142,857 ordinary shares issued at \$0.07		1,572,143
6,000,000 share options issued (valued per note 11(b))		164,969
39,999,999 performance rights (no value assigned)		-
Total consideration		1,762,112
<i>Assets acquired:</i>		
Cash and cash equivalent	153,420	
Working capital	1,889	
		(155,309)
Premium paid on acquisition of Bengal Mining Pty Ltd and subsidiary		1,606,803
	<b>Consolidated 2024</b>	<b>Company 2023</b>
	<b>\$</b>	<b>\$</b>
<i>(ii) Share based payments expense</i>		
Directors' fees - share options	14,958	643,344
Director fees - performance rights	411,293	595,078
Employee share options	11,098	17,771
	437,349	1,256,193
<i>(iii) Payroll costs</i>		
Director fees	149,000	157,035
Wages and salaries	573,267	376,109
Wages and salaries - Capitalised to exploration	(271,817)	(159,455)
	450,450	373,689
Superannuation	70,959	50,289
Superannuation - Capitalised to exploration	(29,900)	(16,934)
	41,059	33,355
Annual leave expense	33,924	17,095
Total payroll costs - profit and loss account	525,433	424,139
Total Directors' fees and salaries and wages	962,782	1,680,332

	<b>Consolidated 2024 \$</b>	<b>Company 2023 \$</b>
<i>(iv) General and administrative expenses</i>		
Audit, accounting and other professional fees	78,489	71,422
ASIC fees	6,872	4,896
Office related costs	14,475	14,015
Subscriptions	25,176	6,763
Travel and conferences	57,834	26,269
Other expenses	8,927	5,637
<b>Total General and administrative expenses</b>	<b>191,773</b>	<b>129,002</b>
<i>(v) Corporate expenses</i>		
Advertising and shareholder services	137,076	73,848
Annual General Meeting	3,797	-
ASX fees	42,530	14,169
Company secretary fees	50,400	36,620
Consultants fees	-	35,000
Insurance	79,500	39,860
Legal fees	113,107	44,652
Recruitment fees	-	37,293
Share registry fees	23,847	12,559
<b>Total Corporate expenses</b>	<b>450,257</b>	<b>294,001</b>
<i>(vi) Depreciation amortisation</i>		
Right-of-use asset	64,764	37,779
Computer equipment	1,480	740
<b>Total Depreciation and amortisation</b>	<b>66,244</b>	<b>38,519</b>

### 13. INCOME TAX

#### **Income tax expense**

	<b>Consolidated 2024 \$</b>	<b>Company 2023 \$</b>
Current tax expense	-	-
Deferred tax movements	-	-
	<b>-</b>	<b>-</b>

#### **Reconciliation of income tax expense to prima facie tax on accounting loss**

Loss before income tax expense	<b>(3,316,853)</b>	<b>(2,176,477)</b>
Tax expense at Australian tax rate of 30% (2023: 30%)	<b>(995,056)</b>	<b>(652,943)</b>
Tax effect of amounts relating to		
- Share based payments	<b>145,294</b>	376,858
- Premium paid on investment	<b>482,041</b>	-
- Exploration expenditure	<b>(419,906)</b>	(377,274)
- Capitalised share issue costs	<b>(36,368)</b>	(30,047)
- Other	<b>1,295</b>	6,642
	<b>(822,700)</b>	<b>(676,764)</b>
Unused deferred tax losses not recognised	<b>822,700</b>	<b>676,764</b>
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>

### **Tax Losses**

Unused tax losses for which no deferred tax asset has been recognised

**5,083,624**      2,341,293

### **Potential tax benefit at 30% (2023: 30%)**

**1,525,088**      702,388

The benefit of these losses has not been brought to account at 30 June 2024 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at 30 June 2024. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

- (a) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- (b) The Group continues to comply with the conditions for the deductibility imposed by law; and
- (c) No changes in the tax legislation adversely affect the Group in realising the benefit of the losses.

Australian tax losses are subject to further review by the Group to determine if they satisfy the necessary legislative requirements under the Income Tax legislation for the carry forward and recoupment of tax losses.

### **(d) Accounting Policies**

Current income tax expense is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting years that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted by the end of the reporting year.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised if it arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Group has not formed a Tax Consolidated Group as at 30 June 2024.

## **14. LOSS PER SHARE**

	<b>Consolidated 2024 CENTS</b>	<b>Company 2023 CENTS</b>
Basic (loss) per share	<b>(6.26)</b>	(6.46)
Diluted (loss) per share	<b>(6.26)</b>	(6.46)
	<b>\$</b>	<b>\$</b>
Net loss from continuing operations attributable to the owners of Lightning Minerals Ltd used in calculation of basic and diluted earnings per share.	<b>(3,316,853)</b>	(2,176,477)

	<b>Number</b>	Number
<b>Basic</b>		
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	<b>52,984,735</b>	33,701,829
<b>Diluted</b>		
Weighted average number of ordinary shares and convertible redeemable cumulative preference shares outstanding and performance rights during the period used in the calculation of basic loss per share	<b>52,984,735</b>	33,701,829

The Group made losses during the year. Consequently, any outstanding equity instruments would not have a dilutive in effect.

## **15. DIVIDENDS**

No dividends were proposed or paid during the year.

## **16. COMMITMENTS FOR EXPENDITURE**

### **Capital Commitments**

Other than the exploration commitments set out in note 6(d) the Group has no other capital commitments.

## **17. CONTINGENT LIABILITIES**

The Group has entered into various tenement purchase agreements that include net smelter royalty obligations as consideration payable in the event that certain parameters are achieved. These parameters are production based such that the royalty is only paid when production commences.

As outlined in note 2 Critical accounting judgements, estimates and assumptions, in respect of the acquisition of LRQ during the period, the agreement stipulates that 3 sets of milestone payments are payable where the stated conditions have been met and will be satisfied via the issuance of shares, totalling A\$1.2 million as follows:

- Shares to the value of \$300,000 ("Milestone 1 shares"), using VWAP of the previous 20 days, to be issued upon obtaining within 5 years 5 rock samples each spaced no less than 50 meters from each rock chip, each having a grade in excess of Li<sub>2</sub>O;
- Shares to the value of \$400,000 ("Milestone 2 shares"), using VWAP of the previous 20 days, to be issued upon obtaining within 5 years a 5 meter channel sample or a 5 meter true width drilling intercept from the Property, either having a grade in excess of Li<sub>2</sub>O or equivalent;
- Shares to the value of \$500,000 ("Milestone 3 shares"), using VWAP of the previous 20 days, to be issued upon obtaining within 5 years an independently verified JORC compliant resource of 5 million tonnes at a grade in excess of Li<sub>2</sub>O;
- The Directors concluded that the probability of the milestone conditions being met by the Group was less than 50%, resulting in the Group not recognizing the said balances.

None of the above stated conditions have been met at 30 June 2024.

The acquisition of Bengal Mining Pty Ltd also included contingent consideration that has not been recognised as management cannot yet conclude that the probability of achieving the milestones attached to the performance rights was higher than 50%. The milestones stipulated in the acquisition agreement were as follows:

- 14,285,714 issued when a mineral resource of a minimum of 5Mt at a grade of at least 1% lithium is declared by the buyer within 3 years of issue.
- 14,285,714 issued when a mineral resource of a minimum of 10Mt at a grade of at least 1% lithium is declared by the buyer within 4 years of issue.
- 11,428,571 issued when a mineral resource of a minimum of 30Mt at a grade of at least 1% lithium is declared by the buyer within 5 years of issue.

None of the above stated conditions have been met at 30 June 2024.

There are no other matters which the Group considers would result in a contingent liability as at the date of this report.

## 18. SEGMENT INFORMATION

The Group has adopted AASB 8 *Operating Segments* whereby segment information is presented using a 'management approach'. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The principal business segment of the Group is mineral exploration.

*Geographic segment:*

The Group holds non-current assets in Geographic segments as follows:

	Australia \$	Canada \$	Brazil \$
Exploration and evaluation assets	3,441,589	582,939	-
Other non-current assets	23,817	-	-
	<u>3,465,406</u>	<u>582,939</u>	<u>-</u>

At 30 June 2023 the Group's non-current assets were situated exclusively in Australia.

The Board of Directors reviews internal management reports at regular intervals that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required, other than the geographic information set out above, because the information as presented is what is used by the Board of Directors to make strategic decisions including assessing performance and in determining allocation of resources.

## 19. RELATED PARTY DISCLOSURES

### (a) Parent entity

Lightning Minerals Ltd is the parent entity.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 21.

### (c) Key Management Personnel Compensation

The aggregate compensation of the key management personnel of the Group is set out below:

	<b>Consolidated 2024 \$</b>	<b>Company 2023 \$</b>
Short term employment benefits	<b>410,495</b>	354,257
Post-employment benefits	<b>34,925</b>	30,421
Share based payments	<b>426,250</b>	1,238,422
	<u><b>871,670</b></u>	<u>1,623,100</u>

Refer to the Remuneration Report in the Directors' Report for detailed compensation disclosures on key management personnel.

### (d) Director related entities

There were no other transactions with related parties during the year (2023: Nil).

## 20. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

### *Statement of profit or loss and other comprehensive income*

		<b>Parent</b>	
	<b>Note</b>	<b>2024</b> <b>\$</b>	<b>2023</b> <b>\$</b>
Net Loss for the year		<b>(1,710,050)</b>	(2,176,477)
Other Comprehensive income/(loss)		-	-

### *Statement of financial position*

		<b>Parent</b>	
		<b>2024</b>	2023
Total Current Assets		<b>3,393,565</b>	4,774,133
Total Non-Current Assets		<b>5,810,457</b>	2,131,960
Total Assets		<b>9,204,022</b>	6,906,093
Total Current Liabilities		<b>220,353</b>	395,532
Total Non-Current Liabilities		-	19,627
Total Liabilities		<b>220,353</b>	415,159
<b>Equity</b>			
Issued capital	<b>10</b>	<b>9,766,248</b>	6,526,499
Accumulated losses		<b>(3,945,060)</b>	(2,235,010)
Reserves	<b>11</b>	<b>3,162,481</b>	2,199,445
<b>Total Equity</b>		<b>8,983,669</b>	6,490,934

### *Contingent liabilities*

The parent entity had contingent liabilities as set out in note 17.

### *Capital commitments*

The parent entity has commitments related to exploration and evaluation assets, as set out in note 6. There are no other capital commitments.

### *Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

## 21. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>2023</b>	<b>2022</b>
		<b>%</b>	<b>%</b>
Lithium Rabbit Quebec Pty Ltd <sup>1</sup>	Australia	100.00%	-
Lightning Canada Corporation <sup>2</sup>	Canada	100.00%	-
Bengal Mining Pty Ltd <sup>3</sup>	Australia	100.00%	-
Tigre Mineracao Ltda <sup>3</sup>	Brazil	100.00%	-

- <sup>1</sup> The Group acquired 100% of the share capital of Lithium Rabbit Quebec Pty Ltd during the period.
- <sup>2</sup> Lightning Canada Corporation was formed during the year to administer the Group's interests in the tenements held in Canada.
- <sup>3</sup> Tigre Mineracao Ltda is a subsidiary of Bengal Mining Pty Ltd ("Bengal"). Lightning Minerals acquired 85% of the share capital of Bengal pursuant to an agreement with the majority shareholders in Bengal and a subsequent minority agreement with the remaining minority shareholders.

## 22. REMUNERATION OF AUDITORS

Remuneration paid or payable to the auditors for services rendered to the Group include::

	<b>Consolidated 2024 \$</b>	<b>Company 2023 \$</b>
Auditors of the Group:		
Auditing the financial report (a)	<b>39,560</b>	36,972
Non-audit services (b)		
Income tax compliance	<b>3,760</b>	4,600
Independent Accountant's Report	-	20,458
	<b>43,320</b>	62,030

- (a) HLB Mann Judd ("HLB") are the auditors of Lightning Minerals Limited.
- (b) It is the Group's policy to engage HLB on assignments additional to their statutory audit duties where HLB's expertise and experience with the Group are important.

## 23. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

### Financial Instruments

#### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. The Group has no financial instruments classified as "at fair value through profit or loss".

#### Classification and subsequent measurement

The Group classifies its financial instruments based on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at the time of initial recognition. The Group's principal financial instruments comprise receivables, payables, cash, leases and short-term deposits.

At the reporting date, the Group's financial instruments were classified within the following categories.

*Cash and cash equivalents and term deposits – financial assets at amortised cost.*

See note 3 and 5

*Receivables at amortised cost*

See note 4.

*Financial Liabilities at amortised cost*

Financial liabilities include trade payables and other creditors.

All of the Group's financial liabilities are recognised and subsequently measured at amortised cost, using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

### **Impairment of financial assets at amortised cost**

The Group considers all financial assets for recoverability and impairment. Where there are indicators of impairment the Group will review the carrying amount of the financial asset and estimate its recoverable amount. The Group will take all available action to recover the full amounts of financial assets, and once all efforts are exhausted the Group will record an impairment. Any impairment is recorded in a separate allowance account. Any amounts subsequently written off are offset against the impairment allowance.

### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Financial liabilities are derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### **Financial Risk Management**

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group manages its risk informally at Board level. The Board monitors levels of exposure to interest rate and credit risk by banking with reputable banks. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks informally.

Primary responsibility for identification and control of financial risks rests with the Board of Directors ('the Board'). The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk, credit allowances, and future cash flow forecast projections. The Group does not hedge its risks.

The carrying amounts and net fair values of the Group's financial assets and liabilities at balance date are:

	<b>2024</b>		<b>2023</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	3,123,338	3,123,338	3,694,346	3,694,346
Trade and other receivable	5,250	5,250	4,618	4,618
Other financial assets	-	-	1,000,000	1,000,000
<b>Non-Traded Financial Assets</b>	<b>3,128,588</b>	<b>3,128,588</b>	<b>4,698,964</b>	<b>4,698,964</b>
 <b>Financial Liabilities at amortised cost</b>				
Trade and other payables	147,667	147,667	309,036	309,036
Lease liability	23,466	23,466	89,028	89,028
<b>Non-Traded Financial Liabilities</b>	<b>171,133</b>	<b>171,133</b>	<b>398,064</b>	<b>398,064</b>

## **Risk Exposures and Responses**

### **Interest Rate Risk**

Exposure to interest rate risk arises on financial instruments whereby a future change in interest rates will affect future cash flows or the fair value of the fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. At balance date, the Group's exposure to interest rate risk was wholly related to cash and cash equivalents and is disclosed in note 3.

Interest rate risk is managed by monitoring the level of floating rate which the Group is able to secure. It is the policy of the Group to keep the majority of its cash in accounts with floating interest rates.

### *Sensitivity Analysis*

During the current year the interest earned was \$63,224 (2023:\$10,985) and has cash earning interest in an account with floating rates of \$2,952,596. The directors do not consider this material to the result or the overall financial statements and have not disclosed a sensitivity analysis.

### **Foreign Exchange Risk**

The Group holds \$49,475 in foreign currency accounts, being Brazilian REAL R\$179,326 held by Tigre Mineracao Ltda, the subsidiary of Bengal Mining Pty Ltd, the newly acquired subsidiary of the Group. At 30 June 2024 the Group's exposure to foreign exchange risk is not material.

### **Liquidity Risk**

Liquidity Risk is the risk that the Group, although balance sheet solvent, cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. The Group's liquidity risk relates to its trade and other payables. All payables are due within 30 days of the year end.

The Board manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

### **Credit Risk**

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with maximum exposure equal to the carrying amount of these instruments. Exposure at balance date in relation to cash and cash equivalents and term deposit is discussed in note 3. Exposure in relation to trade and other receivables is considered very low as a significant portion (\$70,610) balance relates to GST recoverable where the counterparty is the Australian Tax Office. The remaining receivables are not considered significant or a significant credit risk.

### **Fair Value**

The Group does not record any of its financial assets and liabilities at fair value after initial recognition.

## **24. EVENTS OCCURRING AFTER REPORTING DATE**

On 14 August the Group announced signing a binding exclusive call option agreement ("Option Agreement") providing the Group with the Option to acquire The Esperança project from BRS Hill Stones Mineracao e Transportes Ltda ("BRS"). The project is located near to the Caraíbas and Sidrônio lithium projects, acquired during the year by the Group. Key terms of the acquisition include payments to BRS as follows:

- a fixed amount of BRL\$100,000, with BRL\$50,000 paid upon signing of the Option Agreement (Stage 1 payment) and BRL\$50,000 to be paid within 12 months from the start of the Option Agreement (Stage 2 payment).
- A monthly amount of BRL\$5,000 for the 24 month period of the Option Agreement (Monthly payments). The Group can exercise the option any time in the 24 month period, and the payments will cease.

In the event that the Group exercises its option and proceed with the acquisition of the Esperança project the Group will be required to pay to BRS:

- An amount of BRL\$1,000,000 (Option Exercise Payment) within 30 days of the Option Exercise; and
- A deferred milestone amount of BRL\$2,000,000 upon and subject to Tigre reporting a mineral resource estimate (of inferred or greater confidence) on the Esperança project of at least 10Mt, reported in accordance with the JORC code, with at least 1.3% of Li<sub>2</sub>O (Milestone consideration)

In the event that the Group elects to proceed with the Option Exercise, a 2% Net Smelter Royalty ("NSR") is granted to BRS ("Royalty"). Half of the Royalty (1%) can be purchased at any time by the Group for RRL\$3,000,000. The remaining 1% may be purchased at fair market terms, as determined by an independent auditing firm contracted by the Group.

The Group has also agreed to issue 1,000,000 ordinary shares to Leandro Gobbo for services provided in facilitating the acquisition noted above.

The Group also announced the issue of 4,000,000 ordinary shares to consultants for services provided in relation to the Caraíbas and Sidrônio projects.

The Board is not aware of any other matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

## **25. APPLICABLE ACCOUNTING STANDARDS**

### **(a) New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the year.

### **(b) New, Revised or Amending Accounting Standards and Interpretations Not Yet Adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2024.

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

### Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with s295(3A)(a) of the *Corporations Act 2001* and includes the required information for Lightning Minerals Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

### Tax residency

S295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity as applied the following interpretations:

#### Australian Tax Residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

#### Foreign Tax Residency

The Group has applied current legislation and referred to the Tax Commissioner's public guidance in Tax Ruling TR2018/5 to arrive at the determination of CMAC for Foreign based entities. The overseas subsidiaries do not carry out business in Australia and are therefore considered by management to be Foreign tax residents.

As at 30 June 2024 the details of all entities in the Group are as follows:

Name of entity	Entity Type	Trustee, partner or participant in a Joint Venture	Country of incorporation	Ownership interest	Australian or foreign tax resident	Foreign Jurisdiction of foreign residents
Lightning Minerals Ltd	Body Corporate	N/A	Australia	N/A	Australian	N/A
Lithium Rabbit Quebec Pty Ltd	Body Corporate	N/A	Australia	100.00%	Australian	N/A
Lightning Canada Corporation	Body Corporate	N/A	Canada	100.00%	Foreign	Canada
Bengal Mining Pty Ltd	Body Corporate	N/A	Australia	100.00%	Australian	N/A
Tigre Mineracao Ltda	Body Corporate	N/A	Brazil	100.00%	Foreign	Brazil

## DIRECTORS' DECLARATION

1. In the opinion of the Directors of Lightning Minerals Limited (the "Company") and the entities it controls (the "Group"):
  - (a) The consolidated financial report of the Group is 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 2024 and of its performance for the year ended on that date; and
    - ii. Complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting 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;
2. The consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, as described in Note 1(a) to the financial statements;
3. The information disclosed in the consolidated entity disclosure statement is true and correct; and
4. This declaration has been made after receiving the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the Directors.



**Mr A Biggs**  
**Managing Director**

30 September 2024  
Melbourne

## Independent Auditor's Report to the Members of Lightning Minerals Ltd

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Lightning Minerals Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$3,316,853 and reduced its cash holdings by \$571,008 during the year ended 30 June 2024. As stated in Note 1(e) Going Concern, these events or conditions, along with other matters as set forth in Note 1 (e) Going Concern, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### 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. In addition to the matter described in the *Material Uncertainty Regarding Going*

[hlb.com.au](http://hlb.com.au)

HLB Mann Judd (VIC) Partnership ABN 20 696 861 713

Level 9, 550 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: [mailbox@hlbvic.com.au](mailto:mailbox@hlbvic.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<b>Carrying value of exploration and valuation assets</b> Refer to note 6 of the financial report	
<p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"), for each area of interest, the Group capitalises expenditure incurred in the exploration for and evaluation of mineral resources. These capitalises assets are recorded using the cost model.</p> <p>Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the material assets of the Group.</p> <p>There is a risk that the capitalised expenditure no longer meets the recognition criteria of AASB 6. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• tested the capitalised exploration expenditure incurred in respect of the Group's area of interest by evaluating supporting documentation for consistency to the capitalisation requirements of the Group's accounting policies and the requirements of AASB 6;</li> <li>• we obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying value;</li> <li>• we considered and assessed the Directors' assessment of potential indicators of impairment;</li> <li>• we obtained the exploration budget for 2024/25 and discussed with management the nature of planned on-going activities;</li> <li>• we enquired with management, read ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation of its areas of interest; and</li> <li>• we examined the disclosures made in the financial report against the requirements of applicable Australian Accounting Standards ("AAS").</li> </ul>
<b>Acquisition of the Canadian based exploration tenements ("tenements") and options to acquire exploration tenements based in Brazil ("options")</b> Refer to note 2, 6 and 12 of the financial report	
<p>During the year, the Group effected the acquisition of tenements based in Canada, as well as options via the acquisition of multiple subsidiary companies.</p> <p>The considerations paid/payable in respect of the two acquisitions comprised of multiple elements, including cash, shares, options and performance rights. Some of the equity elements of the consideration payable were conditional on the Group meeting certain non-market based conditions before they became payable.</p> <p>In addition, management had to exercise material judgement to consider if the acquisition of the multiple subsidiary companies was a business combination or an asset acquisition for accounting purposes.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• we read the Binding Share Sale Agreements and other documents in respect of the acquisition of the option, and the Binding Sale Agreement in respect of the acquisition of the tenements to understand the key terms and conditions and nature of the purchase consideration;</li> <li>• we evaluated the adopted accounting treatment (i.e. analysis of applying business combination accounting vs. asset purchase accounting), including the respective purchase considerations against the requirements of AAS;</li> <li>• we considered the Group's determination of the fair value of the purchase consideration paid/payable. We performed testing on the equity elements of the consideration paid/payable by evaluating management's applied judgement, estimates and assumptions for compliance with the requirements of AAS; and</li> <li>• we assessed the adequacy of the Group's adopted disclosures against the requirements of AAS.</li> </ul>

### **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 2024, 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:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of 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, related safeguards.

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 in pages 34 to 41 of the annual report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Lightning Minerals Ltd and its controlled entities for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Group 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.

A handwritten signature in blue ink, likely belonging to a representative of HLB Mann Judd.

**HLB Mann Judd**  
**Chartered Accountants**  
Melbourne  
30 September 2024

A handwritten signature in blue ink, likely belonging to Jude Lau.

**Jude Lau**  
**Partner**

## SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 September 2024.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares Number of holders	% of total shares issued
1 to 1,000	25	0.00%
1,001 to 5,000	105	0.35%
5,001 to 10,000	182	1.54%
10,001 to 100,000	432	15.87%
100,001 and over	133	82.23%
	<b>877</b>	<b>100.00%</b>
Holding less than a marketable parcel	163	0.55%

### Equity security holders

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
BELLRAY HOLDINGS PTY LTD	11,791,454	11.41%
TORONGA PTY LTD	10,300,000	9.97%
S3 CONSORTIUM PTY LTD	5,892,857	5.70%
SHAPE WEALTH PTY LTD	4,387,912	4.25%
APERTUS CAPITAL	3,125,000	3.02%
ROCK THE POLO PTY LTD <ROCK THE POLO A/C>	2,142,857	2.07%
MR PEDRO PEREIRA FONSECA	2,000,000	1.94%
MR RODRIGO MARTINS MENEZES	2,000,000	1.94%
LASCELLES HOLDINGS PTY LTD	1,524,757	1.48%
FMG RESOURCES PTY LTD	1,500,000	1.45%
PITHER INVESTMENTS PTY LTD <PITHER INVESTMENTS A/C>	1,478,777	1.43%
TWO TOPS PTY LTD	1,398,387	1.35%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	1,278,871	1.24%
LEGGETTS LANE CAPITAL PTY LTD	1,250,000	1.21%
MR CRAIG ANDREW SHARPE AND MRS MICHELLE ROSE SHARPE <FUNKY MONKEY SUPER FUND A/C>	1,200,000	1.16%
MR BRUCE ROBERT LEGENDRE	1,025,170	0.99%
MR SCOTT ROBERT WEIR & MRS STEPHANIE CLAIRE WEIR <S R SUPER A/C>	1,000,000	0.97%
NINTIETH PTY LTD < I K CALDWELL & CO STAFF A/C>	1,000,000	0.97%
PAC PARTNERS SECURITIES PTY LTD	950,000	0.92%
MR JOSHUA GALLAGHER & MRS OLIVIA GALLAGHER <GALLAGHER INVESTMENT A/C>	949,194	0.92%
ALLEGRA CAPITAL PTY LTD	903,561	0.87%
KELEMEN NOMINEES PTY LTD <KYNETON PROPERTY A/C>	883,769	0.86%
	<b>57,982,566</b>	<b>56.11%</b>
<b>Total issued capital - selected security class(es)</b>	<b>103,328,319</b>	<b>100.00%</b>

	<b>Share options</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
RED SEA CAPITAL MANAGEMENT PTY LTD <RED SEA CAPITAL A/C>	4,546,764	12.14%
MR CRAIG RUSSELL STRANGER	3,232,736	8.63%
TORONGA PTY LTD	3,189,472	8.52%
APERTUS CAPITAL	1,512,500	4.04%
EMERGING EQUITIES PTY LTD	1,259,353	3.36%
ROCK THE POLO PTY LTD <ROCK THE POLO A/C>	1,071,429	2.86%
BNP PARIBAS NOMS PTY LTD	859,348	2.30%
FMG RESOURCES PTY LTD	750,000	2.00%
RIYA INVESTMENTS PTY LTD	714,572	1.91%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	650,000	1.74%
MR PERRY JULIAN ROSENZWEIG	625,000	1.67%
MR BRETT ANDERSON & MRS CYNTHIA ANDERSON <B & C ANDERSON S/F A/C>	615,888	1.64%
PITHER INVESTMENTS PTY LTD <PITHER INVESTMENTS A/C>	550,000	1.47%
CERTANE CT PTY LTD	535,714	1.43%
MR BENEDICT CARL WILLIAM HOLLAND	535,000	1.43%
KELEMEN NOMINEES PTY LTD <KYNETON PROPERTY A/C>	515,000	1.38%
MR SCOTT ROBERT WEIR & MRS STEPHANIE CLAIRE WEIR <S R SUPER A/C>	500,001	1.34%
TWO TOPS PTY LTD	500,001	1.34%
DEALACCESS PTY LTD	500,000	1.34%
MR CRAIG ANDREW SHARPE + MRS MICHELLE ROSE SHARPE <FUNKY MONKEY SUPER FUND A/C>	450,000	1.20%
MRS BROOKE LAUREN PICKEN	379,677	1.01%
	<b>23,492,455</b>	<b>62.74%</b>
<b>Total issued capital - selected security class(es)</b>	<b>37,442,829</b>	<b>100.00%</b>

*Unquoted equity securities*

	<b>Number on issue</b>	<b>Number of holders</b>
Options over ordinary shares issued	16,780,000	63
Performance rights	46,049,999	57

**Substantial holders**

Substantial holders in the company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
BELLRAY HOLDINGS PTY LTD	11,791,454	11.41%
TORONGA PTY LTD	10,300,000	9.97%
S3 CONSORTIUM PTY LTD	5,892,857	5.70%

### **Voting rights**

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### *Share options*

Option holders do not hold the right to a vote on any poll put before a General Meeting of shareholders..

### **Restricted securities**

<b>Class</b>	<b>Escrow period</b>	<b>Number of shares</b>
Ordinary shares	22/11/24	7,638,970
Share Options expiring 22/11/27	22/11/24	5,200,000
Share Options expiring 16/11/26	22/11/24	5,000,000
Performance Rights	22/11/24	4,800,000
		<u>22,638,970</u>

### **Securities subject to voluntary escrow**

There are no securities subject to voluntary escrow.

## APPENDIX 1 - SCHEDULE OF TENEMENTS AS AT 30 JUNE 2024

### AUSTRALIAN TENEMENTS

Project	Tenement	Status	Area (km <sup>2</sup> )	Grant Date	Expiry Date	Annual Rent (A\$)	Annual Expenditure (A\$)	Royalty	Ownership
<b>Dundas South</b>	E15/1748	Granted	29.13	6/11/2020	05/11/2025	2,750	20,000	1% NSR	100%
	E63/1932	Granted	17.01	30/09/2019	19/09/2024	1,650	20,000	1% NSR	100%
	E63/1993	Granted	29.07	15/05/2020	14/05/2025	2,750	20,000	1% NSR	100%
	E63/2000	Granted	93.10	23/10/2020	22/10/2025	8,800	32,000	1% NSR	100%
	E63/2001	Granted	23.24	23/10/2020	22/10/2025	2,200	20,000	1% NSR	100%
	E63/2028	Granted	46.50	14/05/2021	13/05/2026	2,448	20,000	1% NSR	100%
<b>Dundas North</b>	E28/3027	Granted	160.84	17/05/2021	06/05/2026	8,415	55,000	1% NSR	100%
	E28/3028	Granted	55.51	17/05/2020	16/05/2026	2,907	20,000	1% NSR	100%
<b>Mt Jewell</b>	E27/566	Granted	8.89	8/11/2016	07/11/2026	2,133	30,000	1.5% NSR	100%
<b>Mailman Hill</b>	E37/1408	Granted	101.83	12/05/2021	11/05/2026	5,202	34,000	1% NSR	100%
<b>Mt Bartle</b>	E53/2151	Pending	193.62	(01/10/2020)	-	-	-	1% NSR	100%
	E53/2159	Pending	78.33	(08/09/2020)	-	-	-	1% NSR	100%
	E53/2147	Pending	124.98	(18/12/2020)	-	-	-	1% NSR	100%

\*Applications for Mt Bartle tenements pending

### CANADIAN TENEMENTS - DALMAS PROJECT

Project	Tenement	Status	Area (Ha)	Registration Date	Expiry Date	Annual Rent (C\$)	Annual Expenditure (C\$)	Royalty	Ownership
<b>Dalmas</b>	2699192	Granted	51,19	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699193	Granted	51,19	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699194	Granted	51,19	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699195	Granted	51,19	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699196	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699197	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699198	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699199	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699200	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699201	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699202	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699203	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699204	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699205	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699206	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699207	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699208	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699209	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699210	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699211	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699212	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699213	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699214	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699215	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699216	Granted	51,18	12/12/2022	11/12/2025	\$170	\$135	2%	100%

For personal use only

Project	Tenement	Status	Area (Ha)	Registration Date	Expiry Date	Annual Rent (C\$)	Annual Expenditure (C\$)	Royalty	Ownership
	2699268	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699269	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699270	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699271	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699272	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699273	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699274	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699275	Granted	51.15	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2700192	Granted	51.15	13/12/2022	12/12/2025	\$170	\$135	2%	100%
	2700193	Granted	51.15	13/12/2022	12/12/2025	\$170	\$135	2%	100%
	2700194	Granted	51.15	13/12/2022	12/12/2025	\$170	\$135	2%	100%
	2700195	Granted	51.15	13/12/2022	12/12/2025	\$170	\$135	2%	100%
	2702316	Granted	51.15	19/12/2022	18/12/2025	\$170	\$135	2%	100%
	2702317	Granted	51.15	19/12/2022	18/12/2025	\$170	\$135	2%	100%
	2702318	Granted	51.15	19/12/2022	18/12/2025	\$170	\$135	2%	100%
	2702319	Granted	51.15	19/12/2022	18/12/2025	\$170	\$135	2%	100%

## CANADIAN TENEMENTS - HIVER PROJECT

Project	Tenement	Status	Area (Ha)	Registration Date	Expiry Date	Annual Rent (CAD)	Annual Expenditure (CAD)	Royalty	Ownership
Hiver	2699127	Granted	50,67	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699128	Granted	50,67	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699129	Granted	50,67	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699130	Granted	50,67	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699131	Granted	50,67	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699132	Granted	50,67	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699133	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699134	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699135	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699136	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699137	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699138	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699139	Granted	50,66	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699140	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699141	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699142	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699143	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699144	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699145	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699146	Granted	50,65	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699147	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699148	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699149	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699150	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699151	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699152	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699153	Granted	50,64	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699154	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699155	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699156	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699157	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%

Project	Tenement	Status	Area (Ha)	Registration Date	Expiry Date	Annual Rent (CAD)	Annual Expenditure (CAD)	Royalty	Ownership
	2699158	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699159	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699160	Granted	50,63	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699161	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699162	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699163	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699164	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699165	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699166	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699167	Granted	50,62	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699168	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699169	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699170	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699171	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699172	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699173	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699174	Granted	50,61	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699175	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699176	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699177	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699178	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699179	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699180	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699181	Granted	50,6	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699182	Granted	50,59	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699183	Granted	50,59	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699184	Granted	50,59	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699185	Granted	50,59	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699186	Granted	50,59	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2699187	Granted	50,59	12/12/2022	11/12/2025	\$170	\$135	2%	100%
	2714299	Granted	49,51	2/02/2023	1/02/2026	\$170	\$135	2%	100%

## BRAZILIAN TENEMENTS

Project	Tenement	Status	Area (km <sup>2</sup> )	Grant Date	Notice of Beginning of Research Work	Annual Rent Per Ha (R\$)	Agreement	Royalty	Ownership
Caraibas	830.313/2014	Granted	28.34	13/08/2015	02/12/2015	6.13	Option	Nil	Caraibas Granito Mineracao Exportacao e Importacao Ltda
	831.514/2018	Granted	176.41	21/02/2022	22/02/2022	6.13	Option	Nil	Caraibas Granito Mineracao Exportacao e Importacao Ltda
	832.041/2011	Granted	716.85	18/07/2011	11/08/2011	6.13	Option	Nil	Caraibas Granito Mineracao Exportacao e Importacao Ltda
	831.424/2013	Granted	677.17	29/08/2013	05/09/2013	6.13	Option	Nil	Caraibas Granito Mineracao Exportacao e Importacao Ltda
	832.763/2014	Granted	134.56	20/04/2016	31/05/2016	6.13	Option	Nil	Caraibas Granite Mineracao Exportacao e Importacao Ltda
Sidrônio	830.439/2015	Granted	705.76	17/02/2017	05/04/2017	6.13	Option	Nil	Sidronio Teixeira Filho
	830.440/2015	Granted	932.63	17/02/2017	05/04/2017	6.13	Option	Nil	Sidronio Teixeira Filho

For personal use only



# Lightning Minerals

**ASX : L1M**

**Registered Office**  
Level 11, 40 The Esplanade,  
Perth, WA 6000

 +61 (08) 9429 8806

 [admin@lightningminerals.com.au](mailto:admin@lightningminerals.com.au)

