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Locksley Resources Limited
ACN: 629 672 144

Interim Financial Report
for the Period Ended
31 December 2022

LOCKSLEY RESOURCES LIMITED
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LOCKSLEY RESOURCES LIMITED
CORPORATE DIRECTORY

Directors

Non-Executive Chairman
Hon Adam Giles

Managing Director
Mr Stephen Woodham

Non-Executive Director
Mr Stephen Brockhurst

Company Secretary
Mr Alan Armstrong

Registered and Principal Office
Level 8
216 St Georges Terrace
Perth Western Australia 6000

Telephone : +61 (8) 9481 0389
Facsimile : +61 (8) 9463 6103

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco Western Australia 6008

Bankers

National Australia Bank Limited
Ground Floor, 100 St Georges Terrace
Perth Western Australia 6000

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LOCKSLEY RESOURCES LIMITED
DIRECTORS' REPORT

The Directors present their report together with the interim financial statements of Locksley Resources Limited (referred to hereafter as "the Company") for the half year ended 31 December 2022.

Current Directors

The name and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire half year unless stated otherwise.

Hon Adam Giles - Non-Executive Chairman
Mr Stephen Woodham – Managing Director
Mr Stephen Brockhurst - Non-Executive Director

Hon Adam Giles
Non-Executive Chairman

Adam was the 10th Chief Minister of the Northern Territory and held office from 2013 until 2016. During his political career Adam held the portfolios of Northern Australia, Major Projects, Economic Development, Indigenous Affairs, Transport and Infrastructure and Treasury. Prior to politics, Adam had a long career in the Indigenous affairs, housing, training and employment sectors and previously worked as a social and economic policy adviser in the Department of Prime Minister and Cabinet and led Indigenous Economic Policy for the Australian Government. Adam now provides consultancy advice on agriculture and mining, politics, media, Indigenous policy and employment and training.

Mr Stephen Woodham
Managing Director

Mr Woodham has over 30 years' experience in the mining and exploration industry in Western Australia New South Wales and overseas. His area of specialisation includes field logistics and support and land access in rural and remote environments. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was a founding director of YTC Resources (Aurelia) and Centaurus Resources. and managing director of Kingwest Resources and Tellus Resources. .

Mr Stephen Brockhurst
Non-Executive Director

Mr Brockhurst is the founding Director of Mining Corporate Pty Ltd and has over 20 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Principal Activities
The principal activity of the Company during the period was copper exploration.

Operating Results for the Year
The operating result of the Company for the period was a loss of $635,900.

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Review of Operations

The six months to 31/12/2022 saw activities severely affected by repeated, widespread and lethal flooding. Activities were constrained by restrictions related to the waning stages COVID-19 pandemic. Contractors such as drilling and assay companies were also affected leading to delays. Activities were also hampered by illness of key staff.

Helicopter Borne Transient Electromagnetic Survey

A 1066.2 line km helicopter borne magnetic and electromagnetic, (HeliTEM), survey was completed over parts of EL6592, EL9307 and all of EL8384 by Xcalibur Multiphysics. Electromagnetic, (EM), surveys have been highly effective in directly detecting copper orebodies in the region such as at the Tritton Mine and the Constellation Deposit, (Aeris Resources Ltd.). Aims of the survey were:

- ➢ To explore the area under cover between the Tottenham deposits and the CZ Deposit.
- ➢ To explore the area in the core of the Orange Plains Anticline about the Lacey's Tank copper occurrence.
- ➢ To have additional data over previously identified anomalies in the Orange Plains – Effies Ace – Jimmy Woodser areas.
- ➢ To provide further data on untested anomalies in the Ace Mine and Underlay Mine areas.

The HeliTEM results indicate that for parts of EL9307 and EL8384 the overburden is too conductive to allow the anomalies from moderate basement conductors to be discriminated from the strong and highly variable overburden response. The strength of the overburden response is related to saline groundwater as suggested by water bore data from the NSW Office of Water.

The survey generated 10 Priority 1 and 15 Priority 2 targets. Most of these are on the Underlay, Effies Ace and Jimmy Woodser trends. Outside of this area, anomalies at Lacey's Tank represent the greatest likelihood of bedrock conductors. The location of these anomalies is shown in the attached figure. Details were previously reported, see ASX: LKY 26/9/2022

Rock Sampling

<u>September 2022 Programme</u>
Results were received for 46 rock samples from EL6592 and EL6656. Anomalous to ore grade results were returned from several areas. For further details see ASX: LKY 12/9/2022.

Burdenda
The Burdenda Prospect is located on EL6656. Outcrop is very sparse on this licence with sampling largely restricted to excavated material from farm dams and grain pits. 11 samples of metasediment and residual quartz lag were assayed with no anomalous results.

Orange Plains Mine
Previously, a single scout sample of ferruginised psammite float from ~270m north of the Orange Plains core yard returned anomalous values of 0.22ppm Au, 8ppm Ag, 326ppm Cu, 28ppm Mo. This area is well into the footwall of the Orange Plains deposit, in an area of no previous work. An additional 10 samples were collected from this area with several low-level anomalous results for Ag, Au, Cu, Fe, Mo and Zn. Best values include 0.15 ppm Au, 1ppm Ag, 0.19% Cu, 17ppm Mo, 371ppm Zn.

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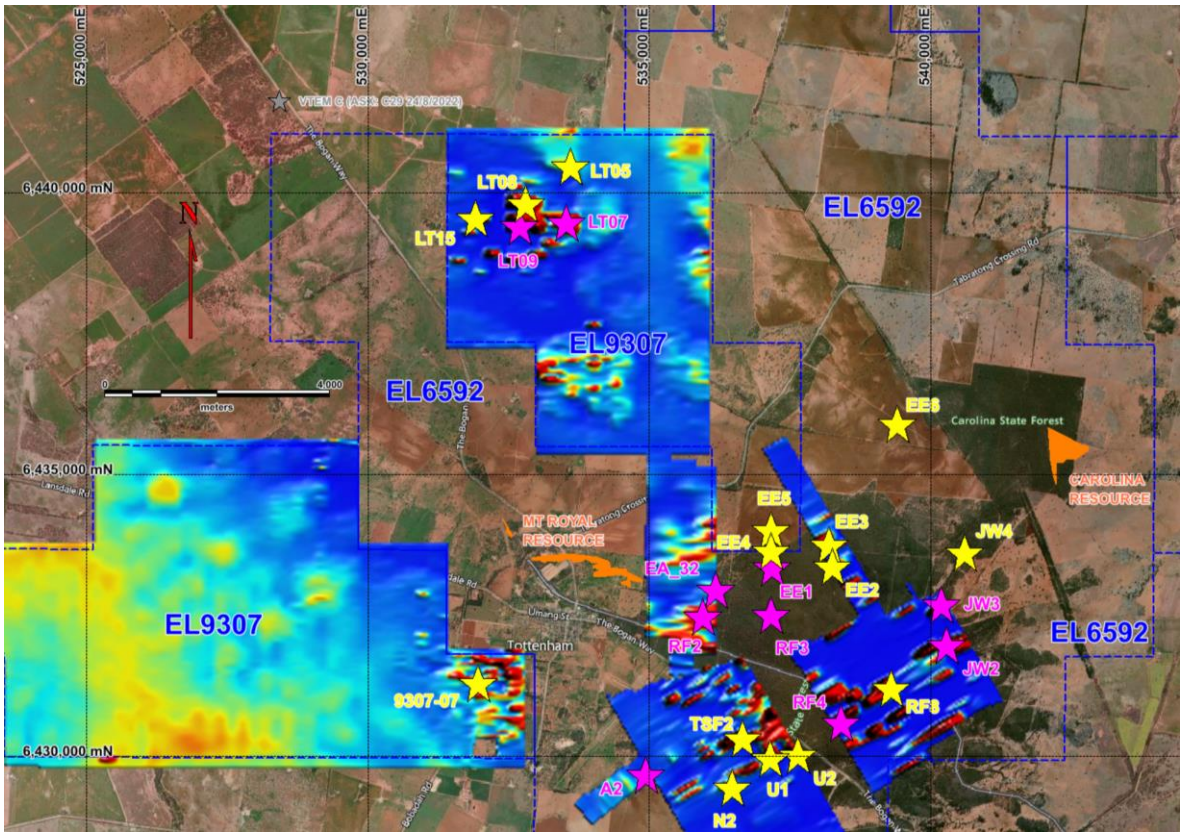
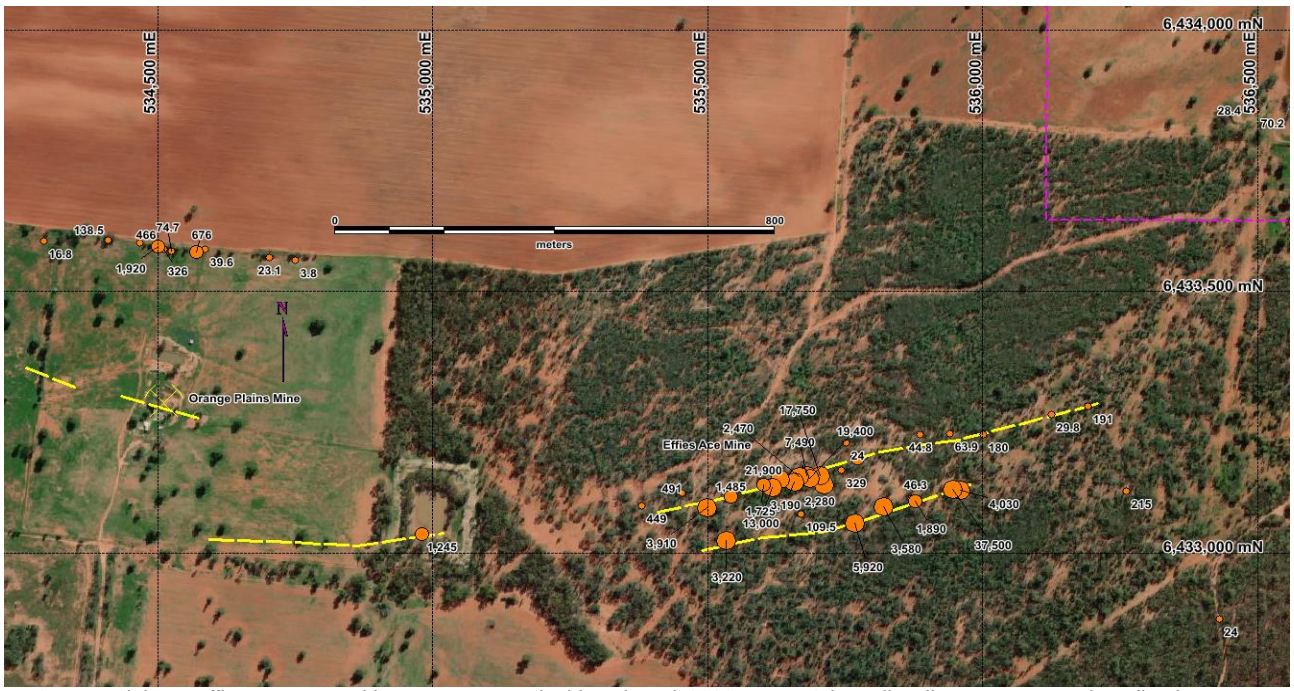


Priority 1 (magenta) and Priority 2 (yellow) HeliTEM anomalies in the Tottenham area with current resources shown in Orange. Background is the maximum calculated time constant as supplied by Xcalibur Multiphysics. (Map Grid Australia 1994, zone 55)



Orange Plains – Effies Ace Area with ppm copper rock chip values (10000ppm = 1%). Yellow lines represent mineralised horizons.
Map Grid Australia zone 55

Jimmy Woodser Mine – Crystal Shaft
At Jimmy Woodser recent clearing has allowed quartz – magnetite rocks and minor gossan to be traced for 900m to the NNE from the old workings. This zone is up dip of a historic EM conductor plate that is intended to be tested by drilling. 3 areas of anomalous samples were detected[3]:

i. South shaft area with values to 0.38ppm Au, 2ppm Ag, 0.81% Cu, 0.15% Zn
ii. North Shaft (Main Shaft) area with values to 0.42ppm Au, 3ppm Ag, 1.13% Cu, 0.16% Zn
iii. A former railway cutting with values to 0.14ppm Au, 0.51% Cu, 0.12% Zn

6 additional samples were collected further to the north east in the vicinity of Crystal Shaft which is a collapsed prospecting shaft in quartz veined mafic schist. No significant values were returned.

Effies Ace Mine
At Effies Ace, multiple shafts, pits and costeans trace a gossan horizon for ~800m before being obscured by cover to both the east and west. Ore grade copper results were previously returned from multiple samples with values to 2.2% Cu. Gold values were consistently in the range of 0.5ppm Au to 1.4ppm Au. The rock chips outline 2 separate mineralised horizons at surface. An additional 12 samples were collected that extend the mineralised horizons to the east with values up to 4ppm Ag, 1.05ppm Au, 3.75% Cu, 76ppm Mo, 0.12% Zn. (See attached plan).

Carolina Deposit
7 samples were collected to the west of the Carolina Deposit to examine historic VTEM and IP anomalism footwall to the Carolina resource. Outcrop was sparse with metasediment and metabasalt located. A small gossan occurrence returned anomalous values of 0.27ppm Au, 2ppm Ag, 883ppm Cu in an area of no previous drilling.

<u>December 2022 Programme</u>
Results were received for 71 rock samples at the end of the period, collected from a variety of areas about Tottenham. Much of this work was done on foot when vehicle access was not possible. Anomalous to ore grade values were returned from several areas. For further details see ASX: LKY 5/1/2023.

Burdenda - Hunts Road
2 lag samples were collected close to the Burdenda Prospect with no anomalous results. Most of this area is under transported cover with historic hole TMAC003 returning 14m @ 0.3% Cu. (ASX MCR Quarterly Report 23/10/2012). 3 samples were collected along Hunts Road close to a historic anomalous sample. No anomalous values were returned.

Bogan River
2 samples of reverberatory furnace slag were sampled at the Bogan River Mine. These returned higher than expected values up to 0.7ppm Au, 8ppm Ag, 1.53% Cu, and 2% S.

Bogan Way
3 samples collected from road cuttings, along the Bogan Way, of intensely folded psammite with no anomalous results.

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Laceys Tank
16 rock samples were collected about the Lacey's Tank Prospect in an area of sporadic and limited exposure. A series of prospecting pits were located that agree with historic descriptions. These are approximately 600m from the supposed location in government data sets and are close to anomalies identified in the recent helicopter borne electromagnetic (EM), survey. The samples show a WSW-ENE trending mineralised fault zone with quartz veining and gossan that is traceable for over 200m at surface. The mineralisation post-dates regional deformation and metamorphism and is of a different style to the main Tottenham deposits. The setting and style are similar to the Iron Duke Deposit. Samples are anomalous in Au (to 0.38ppm), and Cu (to 0.18%). Elevated values are also present for Ag, As, Bi, In, Mo, Sb, Sn, Zn. The Laceys Tank area has had minimal historic exploration with no previous drilling.

Jimmy Woodser
14 samples were collected to the south and west of the Jimmy Woodser Mine. These samples were collected as reconnaissance about a helicopter borne EM anomaly, (see ASX LKY announcement 26/9/2022). Gossanous psammite from a prospecting pit returned elevated values of 0.14ppm Au, 0.08% Cu, 0.05% Zn. This work adds to previous Locksley sampling and historic sampling by Mincor Resources (see ASX LKY announcement 12/9/2022). Of particular interest are anomalous copper results along strike to the WSW of the Jimmy Woodser Mine.

Railway Forest
4 samples were collected between the Bogan Way and the Tottenham Branch Railway, over EM response RF4. Banded quartz-magnetite rocks present with values to 0.06%Cu, 0.06% Zn. Nearby historic Mincor Resources samples assay up to 0.24% Cu, 0.37ppm Au.

Underlay Mine - Nelson Mine
26 samples were collected in the general vicinity of the Underlay and Nelson Mines. Anomalous to ore grade results were reported in several places:

- Nelson Mine, west shaft. Up to 1.68% Cu, 0.38ppm Au, 0.12% Zn
- Nelson Mine, east shaft. Up to 1.97% Cu, 1.82ppm Au, 4ppm Ag, 0.12% Zn
- 400m WNW of the Underlay Mine, 0.24% Cu.

These results add to previous anomalous sampling by Mincor Resources.

Historic Drilling
19 historic drill holes, for over 2600m of drilling, from the Tottenham Project are stored at the W B Clarke Geoscience Centre (NSW Core Library) at Londonderry in western Sydney. Two diamond drill holes from the Nelson Mine area, (N-DDH2, NL1), were logged and sampled. Historically both holes report intervals of moderate grade results with values to 2.39ppm Au, 21ppm Ag, 0.49% Cu, 0.19% Zn. Both holes are dominated by metabasalt and meta-volcaniclastics with a distinct high magnetite horizon in each hole. The dominance of mafic rocks in this area indicates a volcanic centre with increased prospectivity for sulphide deposits. Insufficient sample remained to resample the main mineralised areas and no significant results were reported from additional sampling. All archived holes from the Tottenham Project have now been reassessed.

Over 10000m of previous diamond drilling is stored at the Orange Plains field camp in Tottenham. Many of these holes contain unsampled intervals of mineralisation. Two diamond drill holes, (TMD023, TMD024), were relogged. TMD023 was drilled in 2011 by Mincor Resources at the Jimmy Woodser Mine to test for plunge extensions to the south. Only moderate mineralisation was observed in two zones. It is now thought that mineralisation plunges to the east and TMD023 has drilled below the main mineralised trend. TMD024 was drilled in 2011 by Mincor Resources at the Underlay Mine to test for depth extensions to the south east. Only weak mineralisation was observed.

Watsons Creek Project

The Watsons Creek Project is a 162.4km^2 licence, located 15km north-west of the town of Bendemeer in northern NSW. The Watson's Creek alluvial cassiterite deposit commences at the foot of Giant's Den Hill and has been intensively exploited for at least 3km downstream, including the use of floating dredges with concentrations of alluvial tin for a further 12km downstream until Watson's Creek joins the MacDonald River. The Watson's Creek alluvial deposits are sourced from the Giants Den Greisen. The Giant's Den mineralisation is as cassiterite in sheeted quartz-greisen veins, over an area of 400m x 600m. Greisen veins have been exploited to a depth of ~30m. Alluvial tin has also been exploited in Giants Den Creek which drains to the south. Alluvial tin production is reported from Fish Creek, 6km to the ESE of Giant's Den. This area is in a separate drainage to the Giant's Den greisen and the source of the tin has not been identified. Work has consisted of data review and compilation and establishing a drill database containing over 120 holes.

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LIST OF TENEMENTS

Tenement ID	Tenement Type	Name	Location	Units	Area (km^2)	Holder	% Locksley	Expiry	Notes
EL6592	Exploration Licence (NSW 1992 act)	Tottenham	Tottenham, NSW	50	145.0	Locksley Resources Ltd.	100	29/06/2026	Main Tottenham licence hosting Carolina and Mt Royal – Orange Plains resources.
EL6656	Exploration Licence (NSW 1992 act)	Tottenham North	14km NNE of Tottenham, NSW	10	29.0	Locksley Resources Ltd.	100	27/10/2026	Host northern extensions of the Carolina Trend.
EL8384	Exploration Licence (NSW 1992 act)	Collerina	Collerina, 30km NW of Tottenham, NSW	12	34.8	Locksley Resources Ltd.	100	28/07/2026	Directly east Of the CZ copper deposit
EL9307	Exploration Licence (NSW 1992 act)	Bulbodney Creek	4 separate areas; 20km NW, 1km west, 5km north and 13km east of Tottenham, NSW	90	261.0	Locksley Resources Ltd.	100	16/10/2027	
EL9400	Exploration Licence (NSW 1992 act)	Watsons Creek	15km NW of Bendemeer, NSW	56	162.4	Locksley Resources Ltd.	100	10/5/2028	Hosts former alluvial tin mines on Stone Dam Creek and Fish Creek and hard rock tin mines at Giants Den

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COMPLIANCE STATEMENTS

Cautionary Statement

With reference to previously reported Exploration results and mineral resources, the company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should,", "further" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in additional Mineral Resources.

Competent Persons

Except where indicated, exploration and technical information above have been reviewed and compiled by Ian Cooper BSc (Hons), BE (Mining), MSc, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy, (Member Number 106609) with over 35 years of experience in metallic minerals mining, exploration and development, and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cooper is a full time employee and shareholder of Locksley Resources Limited and consents to the inclusion of this technical information in the format and context in which it appears.

Previously Reported information for reference

This report includes information that relates to announcements previously made to the ASX including exploration Results and Mineral Resources prepared and first disclosed under JORC Code 2012. Information was extracted from the Company's previous ASX announcements as follows:

- *LKY ASX Announcement 5 January 2023 MULTIPLE ANOMALIES FROM RECONNAISSANCE SAMPLING*
- *LKY ASX Announcement 26 September 2022 MULTIPLE ANOMALIES FROM HELICOPTER EM SURVEY*
- *LKY ASX Announcement 12 September 2022 EXPLORATION UPDATE*
- *LKY ASX Announcement 30 June 2022 AIRBORNE EM SURVEY COMPLETE AND UPDATE*
- *LKY ASX Announcement 5 Apr 2022 EXPLORATION UPDATE*
- *LKY ASX Announcement 1 Apr 2022 9.8Mt RESOURCE AT TOTTENHAM*
- *LKY ASX Announcement 11 Jan 2022 EXPLORATION UPDATE*
- *LKY ASX Announcement 25 Nov 2021 TOTTENHAM DRILLING SUPPORTS RESOURCE DEFINITION*
- *LKY:ASX Announcement 30 Sept 2021 RC DRILLING COMMENCES AT THE TOTTENHAM COPPER PROJECT, EXPLORATION UPDATE*
- *LKY:ASX Announcement 24 Aug 2021 "EXPLORATION UPDATE DRILLING COMMENCES AT TOTTENHAM"*
- *Locksley Resources (LKY) Prospectus 6 Jul 2021*

Significant Events after Reporting Date

On 9 February 2023 the Company lodged an Entitlement Issue Prospectus for the issue of 1 new share for every 4 shares held by eligible shareholders at an issue price of $0.06 per share, to raise approximately $840,000 (before costs). On 3 March 2023 the Company announced it had closed the Entitlement Issue Prospectus and issued 6,502,192 ordinary shares, the balance of 7,497,808 shortfall shares are expected to be issued within the coming weeks.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the directors:

Hon Adam Giles
Non-Executive Chairman

Dated this 15th day of March 2023

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To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Locksley Resources Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 15th day of March 2023
Perth, Western Australia

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LOCKSLEY RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Dec 2022 $	Dec 2021 $
Revenue		34,138	12,000
Administration expenses		(332,514)	(150,785)
Consulting and corporate advisory fees		(30,030)	(122,118)
Depreciation and amortisation		(34,995)	(33,119)
Director Fees		(23,600)	(25,600)
Exploration and evaluation expenses		(208,752)	(1,344,456)
Finance cost		(1,242)	(1,733)
Legal fees		(10,916)	(6,033)
Travel and accommodation		(27,989)	(28,546)
Profit/(loss) before income tax		**(635,900)**	**(1,700,390)**
Income tax expense		-	-
Net profit/(loss) for the year		**(635,900)**	**(1,700,390)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**(635,900)**	**(1,700,390)**
(Loss) per share			
Basic and diluted (loss) per share (cents)		(1.14)	(3.10)

The accompanying notes form part of these financial statements

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LOCKSLEY RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Dec 2022 $	Jun 2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,180,232	1,905,730
Trade and other receivables		423,475	579,999
Prepayments		13,113	851
TOTAL CURRENT ASSETS		1,616,820	2,486,580
NON-CURRENT ASSETS			
Exploration Expenditure	4	4,574,500	4,574,500
Plant and equipment		164,861	174,397
Right-of-use asset		55,160	80,618
TOTAL NON-CURRENT ASSETS		4,794,521	4,829,515
TOTAL ASSETS		**6,411,341**	**7,316,095**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	408,717	653,051
Borrowings		1,805	1,805
Lease liabilities – current		50,383	49,486
TOTAL CURRENT LIABILITIES		**460,905**	**704,342**
NON-CURRENT LIABILITIES			
Lease liabilities – non-current		4,282	29,699
TOTAL NON-CURRENT LIABILITIES		**4,282**	**29,699**
TOTAL LIABILITIES		**465,187**	**734,041**
NET ASSETS		**5,946,154**	**6,582,054**
EQUITY			
Issued capital	6	9,297,301	9,297,301
Reserves	7	574,500	574,500
Accumulated losses		(3,925,647)	(3,289,747)
TOTAL EQUITY		**5,946,154**	**6,582,054**

The accompanying notes form part of these financial statements

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LOCKSLEY RESOURCES LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Dec 2022 $	Dec 2021 $
Cash flows from operating activities		
Payments to suppliers and employees	(336,671)	(436,197)
Interest paid	(1,302)	(1,733)
Payments for exploration expenses	(396,040)	(1,335,059)
Receipts from other income	33,034	-
Net cash flows from/(used in) operating activities	(700,979)	(1,772,989)
Cash flows from investing activities		
Payments for plant and equipment	-	(133,753)
Net cash flows from/(used in) investing activities	-	(133,753)
Cash flows from financing activities		
Proceeds from issue of shares in the Company (net of costs)	-	476,500
Repayment of lease liabilities	(24,519)	(19,100)
Net cash flows from / (used in) financing activities	(24,519)	457,400
Net (decrease)/ increase in cash and cash equivalents	(725,498)	(1,449,342)
Cash and cash equivalents at the beginning of the year	1,905,730	4,288,939
Cash and cash equivalents at the end of the year	1,180,232	2,839,597

The accompanying notes form part of these financial statements

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LOCKSLEY RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Issued Capital $	Options Reserve $	Other Equity $	Accumulated Losses $	Total $
Balance at 1 July 2021	**602,301**	**-**	**4,218,500**	**(534,779)**	**4,286,022**
Loss for the period	-	-	-	(1,700,390)	(1,700,390)
	-	-	-	(1,700,390)	(1,700,390)
Issue of shares (net of costs)	8,695,000	-	(4,218,500)	-	4,476,500
Share based payment	-	574,500	-	-	574,500
Total transactions with equity holders in their capacity as owners	**8,695,000**	**574,500**	**(4,218,500)**	**-**	**5,051,000**
Balance at 31 December 2021	**9,297,301**	**574,500**	**-**	**(2,235,169)**	**7,636,632**

	Issued Capital $	Options Reserve $	Other Equity $	Accumulated Losses $	Total $
Balance at 1 July 2022	**9,297,301**	**574,500**	**-**	**(3,289,747)**	**6,582,054**
Loss for the period	-	-	-	(635,900)	(635,900)
	-	**-**	**-**	(635,900)	**(635,900)**
Issue of shares (net of costs)	-	-	-	-	-
Total transactions with equity holders in their capacity as owners	-	-	-	-	-
Balance at 31 December 2022	**9,297,301**	**574,500**	**-**	**(3,925,647)**	**5,946,154**

The accompanying notes form part of these financial statements

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1. CORPORATE INFORMATION

This financial report of Locksley Resources Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 15 March 2023.

Locksley Resources Limited is a public company listed on the ASX, incorporated and domiciled in Australia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The interim financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report does not include all of the information required for a full annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(b) New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

(d) Going Concern

The half year financial report has been prepared on the going concern basis which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2022 the Company incurred a loss of $635,900 (2021: $1,700,390) and net cash outflows from operating activities of $700,979 (2021: $1,772,989).

Since the half-year end, the Company has raised $390,132 through the applications received under the Entitlement Issue Offer and expects to raise a further $449,868 through the issue of the remaining 7,497,808 shortfall shares, expected to occur by the end of March 2023.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

3. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Board considers that it has only operated in one segment, being mineral exploration in Australia.

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4. EXPLORATION EXPENDITURE

	31 December 2022 $	30 June 2022 $
Exploration and evaluation assets		
Balance at the beginning of period	4,574,500	-
Issue of shares to acquire the Tottenham Project[1]	-	4,000,000
Issue of options to acquire the Tottenham Project[2]	-	574,500
Balance at the end of reporting period	4,574,500	4,574,500

[1]The issue of 20 million shares at a deemed price of 20 cents per share to the vendors of the Tottenham Project.

[2]The value of the 5 million options granted to the vendors of the Tottenham Project has been determined using the Black-Scholes Valuation Method, using the following inputs:

Exercise Price	*$0.25*
Grant Date	*6/7/2021*
Expiry Date	*6/7/2024*
Share Price at Grant	*$0.20*
Risk Free Rate	*0.07%*
Volatility	*100%*

5. TRADE AND OTHER PAYABLES

	31 December 2022 $	30 June 2022 $
Trade creditors	320,047	464,919
Accruals	60,612	153,727
Provisions for annual leave	28,058	34,405
	408,717	653,051

All trade creditors are unsecured, non interest bearing and are due and payable within 12 months.

6. CONTRIBUTED EQUITY

	31 December 2022 $	30 June 2022 $
Ordinary shares		
Issued and fully paid	9,297,301	9,297,301

	No.	*$*
Movement in ordinary shares on issue		
On issue at 1 July 2022	56,000,001	9,297,301
On issue at 31 December 2022	56,000,001	9,297,301

7. RESERVES

	31 December 2022	30 June 2022
Share based payment (option) reserve	574,500	574,500
	574,500	574,500

The share based payment (option) reserve is used to record the fair value of options issued.

8. RELATED PARTY DISCLOSURE

In the opinion of the directors, there were no significant changes in related party transactions during the period ended 31 December 2022.

9. COMMITMENTS

In the opinion of the directors, there were no significant changes in commitments during the period ended 31 December 2022.

10. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there were no significant changes in contingent assets or liabilities during the period ended 31 December 2022.

11. EVENTS AFTER REPORTING DATE

On 9 February 2023 the Company lodged an Entitlement Issue Prospectus for the issue of 1 new share for every 4 shares held by eligible shareholders at an issue price of $0.06 per share, to raise approximately $840,000 (before costs). On 3 March 2023 the Company announced it had closed the Entitlement Issue Propspectus and issued 6,502,192 ordinary shares, the balance of 7,497,808 shortfall shares are expected to be issued within the coming weeks.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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LOCKSLEY RESOURCES LIMITED
DIRECTORS' DECLARATION

In the opinion of the Directors of Locksley Resources Limited:

(a) The attached financial statements and notes:

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

(ii) give a true and fair view of the Company's financial position as at 31 December 2022 and of the Company's performance, for the half-year ended on that date.

(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.

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

Hon Adam Giles
Non Executive Chairman

Dated this 15th day of March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LOCKSLEY RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Locksley Resources Limited ("the Company") which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

a. Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated the 15th day of March 2023
Perth, Western Australia