



ABN 43 119 759 349

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
30 JUNE 2024**

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Directors

Mr. Ross Ashton (Executive Chairman)
Mr. Kevin Wilson (Non-Executive Director)
Mr. Christopher van Wijk (Non-Executive Director)

Joint Company Secretaries

Mr. Christopher Knee
Mr. David McEntaggart

Registered Office

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Mount Hawthorn, WA 6016
Australia

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Auditor

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Stock Exchange Listing

LCL Resources Limited shares are listed on the Australian Securities Exchange
(ASX Code: LCL)

Company Website

lclresources.au

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The Directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the **Consolidated Entity, Consolidated Group** or the **Group**), consisting of LCL Resources Limited (referred to hereafter as **LCL, the Company** or the **Parent Entity**) and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

Directors

The names of the Directors in office at any time during, or since the end of the financial half-year are:

Ross Ashton	Executive Chairman (appointed 19 February 2024, previously Non-Executive Chairman)
Kevin Wilson	Non-Executive Director
Christopher van Wijk	Non-Executive Director (appointed 12 April 2024)
Michael Allen	Executive Director (appointed 19 February 2024, resigned 31 May 2024)
Jason Stirbinskis	Managing Director (resigned 19 February 2024)

The names of the company secretaries in office at any time during, or since the end of the financial half-year are:

David McEntaggart	Joint Company Secretary (appointed 1 May 2024)
Christopher Knee	Joint Company Secretary (appointed 1 May 2024)
Michael Allen	Company Secretary (resigned 1 May 2024)

Principal Activities

The Company, listed in the Australian Securities Exchange (**ASX**) under the code 'LCL', is a gold and base metals and explorer with projects in Papua New Guinea (**PNG**) and Colombia.

The Company's focus during the half-year was predominantly mineral exploration for gold, copper and nickel in PNG. A review of the operations of the Group during the half-year and the results of those operations are set out in the Review of Operations on pages 4 to 13 of this report.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-years.

Review of Operations

The loss for the consolidated entity after providing for income tax amounted to \$1,117,547 (30 June 2023: loss of \$1,843,168).

The Company ended the half year with \$1.7M cash and 964,878,026 shares on issue.

LCL is pleased to provide the following report for the half year January to June 2024:

Papua New Guinea - LCL 100%

In November 2022, as a consequence of uncertain investment climate in Colombia, the Company acquired a 100% interest in a significant portfolio of gold, copper and nickel projects in PNG from Footprint Resources Pty Ltd¹. 2023 initial PNG exploration focus was directed at Kusi within the Ono Project which lies within the same structural belt as the Hidden Valley gold mine and the Wafi-Golpu copper/gold project (Figure 1).

¹ ASX:25 November 2022

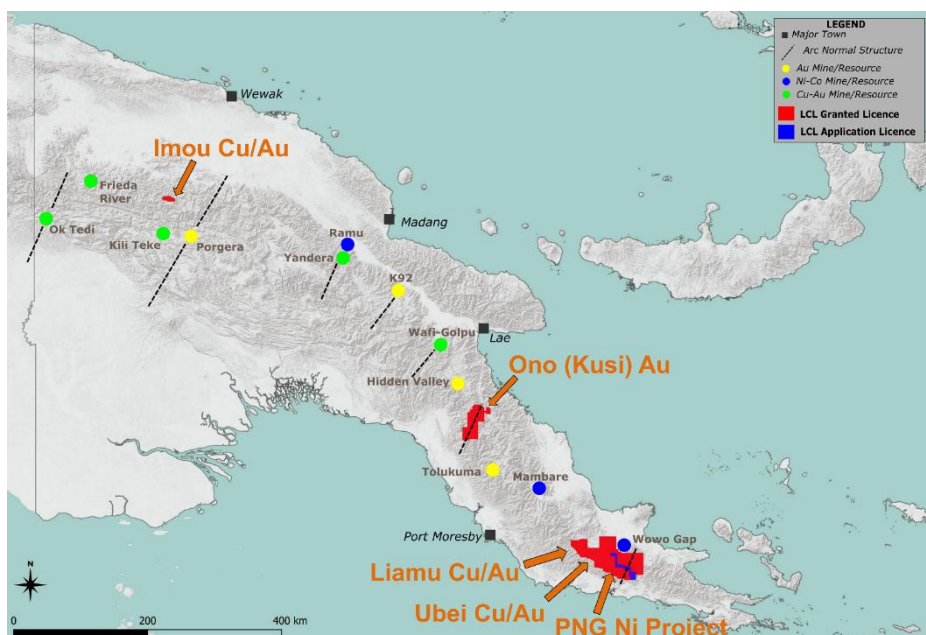


Figure 1: LCL's project locations with PNG mineral resource projects

A maiden 3,287m, 15-hole diamond drilling program identified a substantial area (~300m x ~600m) of near surface skarn style gold mineralization at Kusi including:

- **KU23DD004, 52m @ 3.65g/t Au from 164m including: 6.68m @ 10.91g/t Au from 171.75m**
- **KU23DD005, 77.9m @ 1.53g/t Au from 118.1m²**

Whilst significant potential remains at Kusi and elsewhere within the Ono Project, in early 2024 the Company elected to re-focus PNG exploration expenditure on other projects within the Footprint portfolio targeting the source of large (up to 1m diameter) high grade massive nickel sulphide creek float boulders within the evolving PNG Nickel Project.

PNG Nickel Project

Prior to this reporting period the Company completed the acquisition of key strategic licences from third parties³, and made two licence applications expanding the PNG Nickel Project to 3,400km⁴ thereby securing a dominant regional control of prospective nickel hosting lithologies of the Papuan Ultramafic Belt (Figure 3).

During the reporting period activity was focused proximal to the Keveri Fault which is believed to be a regional structural control for high grade nickel sulphide mineralisation. To date five areas of interest (Veri Veri, Aniau, Iyewe, Doriri and Olei Creek) have been defined, represented by multiple high grade nickel sulphide (+gold) outcrop and float along a 20km strike proximal to the Keveri Fault (Figure 2).

² ASX: 30 October 2023

³ ASX: 26 June 2023

⁴ ASX: 27 July 2023

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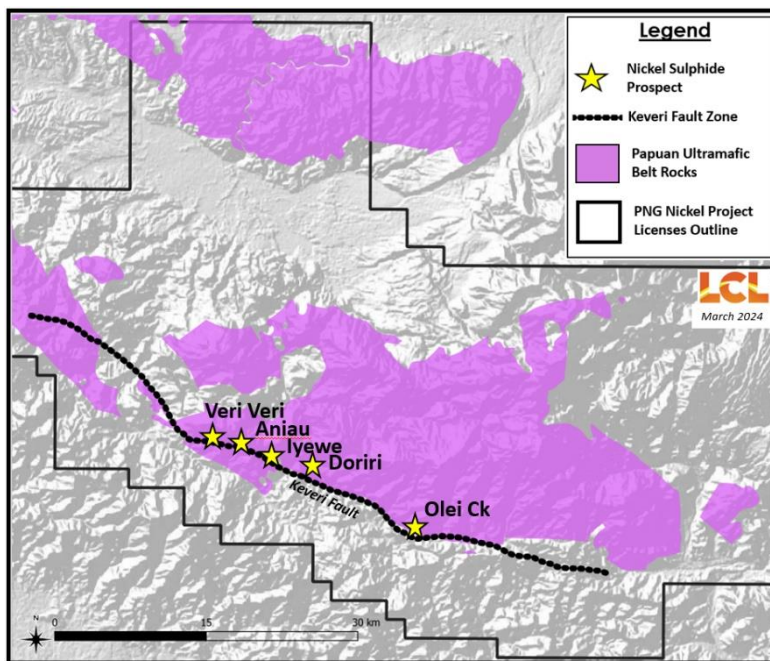


Figure 2: Location plan of part of LCL's PNG Nickel Project, highlighting the known nickel sulphide prospects with respect to the Keveri Fault and the distribution of the prospective Papuan Ultramafic Belt rocks.

At Veri Veri, the western most of the five nickel sulphide occurrences, a 183m long trench excavated perpendicular across the northeast trending nickel mineralised shear zone intersected multiple zones of high grade nickel and gold, associated with ultramafic host rocks. Figure 3. Best intercepts were:

- **20m @ 1.58% Ni, 0.9 g/t Au (from 8-28m)**
- **14m @ 3.24% Ni, 0.71 g/t Au (from 90-104m)**
- **19m @ 2.46% Ni, 0.65 g/t Au (from 131-150m)**
- **14m @ 2.82% Ni, 0.83 g/t Au (from 159-173m)⁵**

Nickel sulphide mineralization is interpreted as hydrothermal in origin, an unusual if not globally distinct style.

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⁵ ASX: 13 March 2024

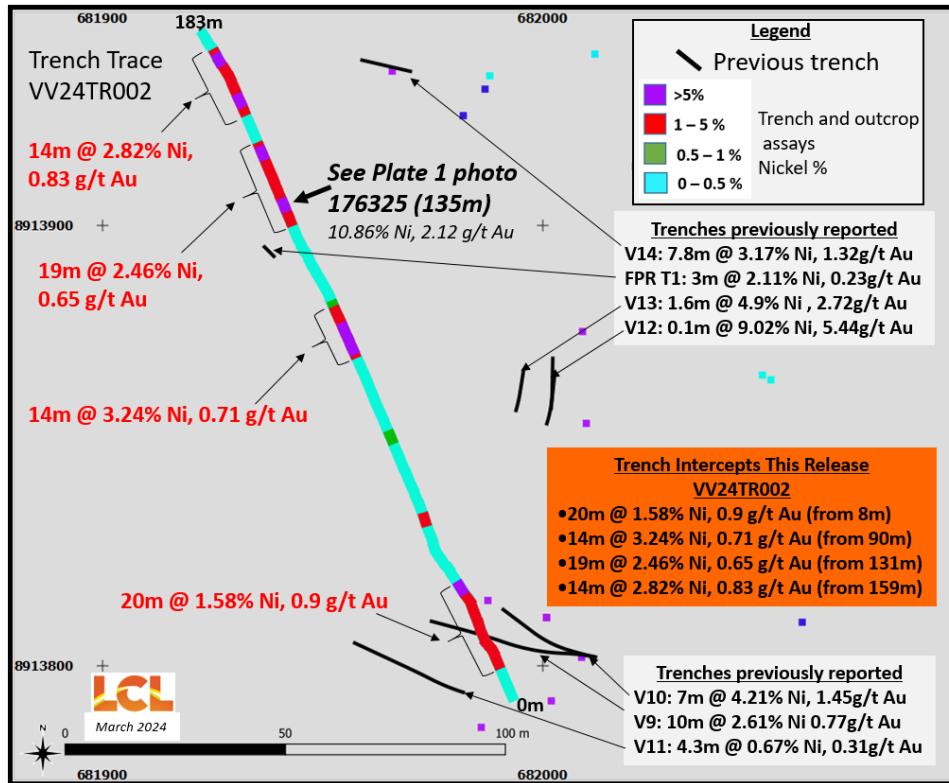


Figure 3: Location plan of Veri Veri Trench (VV24TR002) with significant intercepts highlighted. Previously reported trenches and rock chips included. Note also the close grouping of the two most northerly intercepts, separated by 9m of unaltered dunite, which provides a promising 42m wide target for follow-up.

A geophysical contractor was commissioned to trial new modelling techniques, 2.5D inversion software (Voxi-GEOSOFT), to extract additional information from historical VTEM surveys. The outputs have confirmed VTEM responses from known nickel sulphide exposures at Veri Veri and Iyewe. Terra Resources geophysicists have also identified several additional anomalies for follow-up work, including a high priority conductor between Veri Veri and Iyewe coincident with newly discovered nickel sulphide float - Aniau Prospect⁶.

Initial results of the new inversion modelling are encouraging and may provide a suitable geophysical tool, perhaps in addition to IP, to optimize drill testing of the Veri Veri, Aniau, Iyewe, Doriri and Olei Creek targets and to generate additional targets along the Keveri Fault (Figure 4).

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⁶ ASX: 23 January 2024

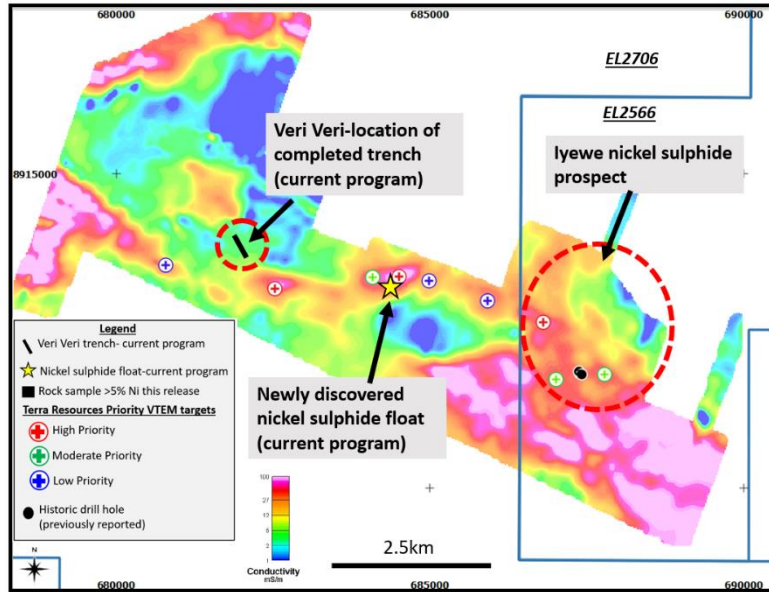


Figure 4: Conductivity image depth slice plan at 200m derived from the 2.5D inversion of historical VTEM data, along with priority VTEM conductors for follow-up. Terra Resources' proposed targets are highlighted along with reconnaissance rock chip samples assaying >5% Ni from the Iyewe Prospect. A nickel sulphide float sample was identified between Veri Veri and Iyewe (Aniau prospect) close to a significant VTEM conductor (yellow star). The 183m long Veri Veri trench is plotted as a black line.

The PNG Nickel Project is also prospective for nickel laterite at Wedei (7km x 4km Ni >0.25% stream sediment anomaly) and Safia (3km x 2km Ni >0.25% stream sediment anomaly), located ~25km southwest and west respectively of Wowo Gap, a nickel laterite project in advanced stages of feasibility (Figure 5).

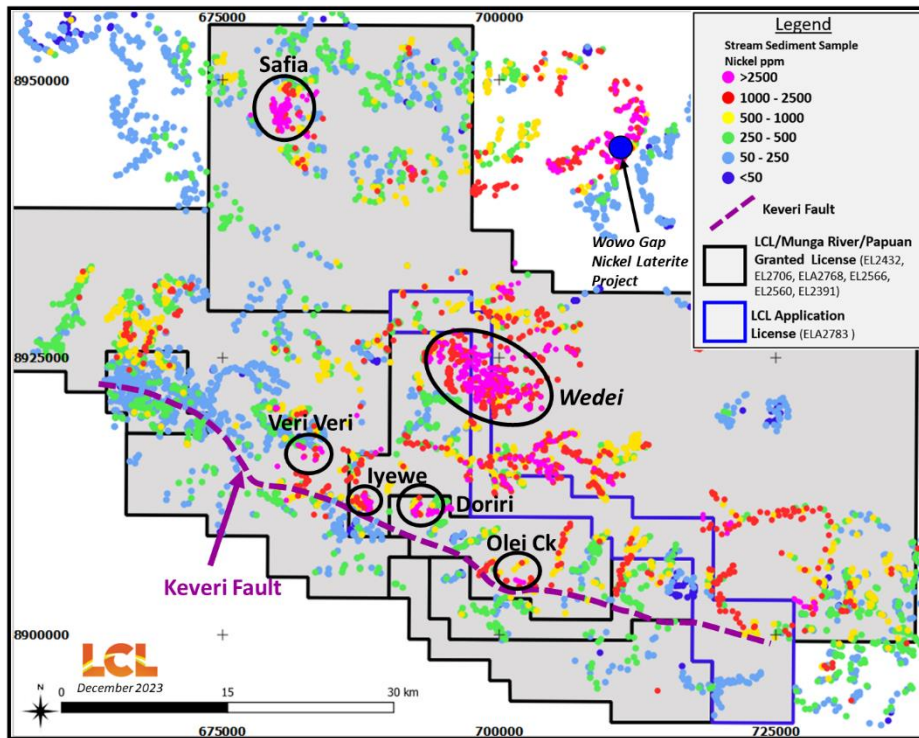


Figure 5: LCL's 3,400km² nickel exploration portfolio includes laterite nickel targets. Figure shows stream sediment geochemical assays from the PNG Mineral Resources database plus LCL's exploration licences and applications.

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No field work was conducted on the Liamu and Imou gold-copper projects during the reporting period. Desk top studies continue at the Imou project where a 2023 trenching campaign encountered **32m at 0.49% Cu and 0.46g/t Au** in a new porphyry located about 300m to the east of the Imou main zone where historical drilling in 2019 encountered a maiden drill hit of **305m @ 0.37% Cu and 0.37g/t Au from 5m, including 14m at 2.43% Cu and 2.78g/t Au from 186m⁷** (Figure 1).

At Dada within the Liamu Project, historical trenching of a 600m x 400m >0.1g/t Au surface sampling anomaly revealed intense 40 veins/m porphyry quartz stockwork 'A' and 'B' veining over a width of **96m grading 0.41g/t Au** open in all directions⁸ which will be followed up early in August 2024 (Figure 1).

Colombia

Quinchia Gold Project - LCL 100%

The Quinchia Gold Project comprises a cluster of porphyry and epithermal gold-copper targets each located within a 3km radius (Figure 6), underpinned by Mineral Resources of 2.6Moz @ 1g/t Au from three deposits Tesorito, Miraflores and Dosquebradas. Miraflores is an advanced component of the Quinchia Gold Project with a 457koz Reserve grading 3.3g/t Au describing an underground mining operation^{9 10}.

In 2022 global mining consultancy Ausenco Ltd investigated production options for the Quinchia deposits considering mining sequence, plant size/cost, open pit/underground permutations, and other variables^{11 12}. Subsequently the Quinchia Project was placed in care and maintenance pending improvement in Colombia investor interest and the Ausenco study recommendations were not pursued.

In October 2023 the Company announced receipt of an Environmental Licence for the Miraflores gold deposit subject to the issue of a Forest Use Permit. Subsequently in early 2024 the Company announced the Forest Use Permit was granted representing a major milestone in final approval for underground development of the Miraflores gold deposit^{13 14}.

Early 2024 saw an increased investor interest in LCL's Colombian assets. In response the portfolio of Quinchia exploration targets were reviewed and in May 2024 the Company reported results of a high level review of the 2021 drilling program at the Ceibal prospect¹⁵.

⁷ ASX: 28 August 2023

⁸ ASX: 25 November 2022

⁹ Contains a mix of Inferred, Indicated and Measured Resources. Using Tesorito MRE of 1.3Moz @ 0.81 g/t Au. The Miraflores Reserve is included in the Miraflores Resource. Refer ASX announcement dated 14 March 2017 (Miraflores Resource) and 27 November 2017 (Miraflores Reserve) and 25 February 2020 (Dosquebradas Resource) and 22 March 2022 (Tesorito Resource). The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

¹⁰ The Miraflores Reserve is included in the Miraflores Resource which also includes an Inferred Resource. Refer ASX announcement dated 14 March 2017 (Miraflores Resource) and 27 November 2017 (Miraflores Reserve and DFS). The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements, and that all material assumptions and technical parameters underpinning the estimates continue to apply.

¹¹ ASX: 16 October 2023

¹² ASX: 23 January 2023

¹³ ASX: 16 October 2023

¹⁴ ASX: 3 May 2024

¹⁵ ASX: 3 May 2024

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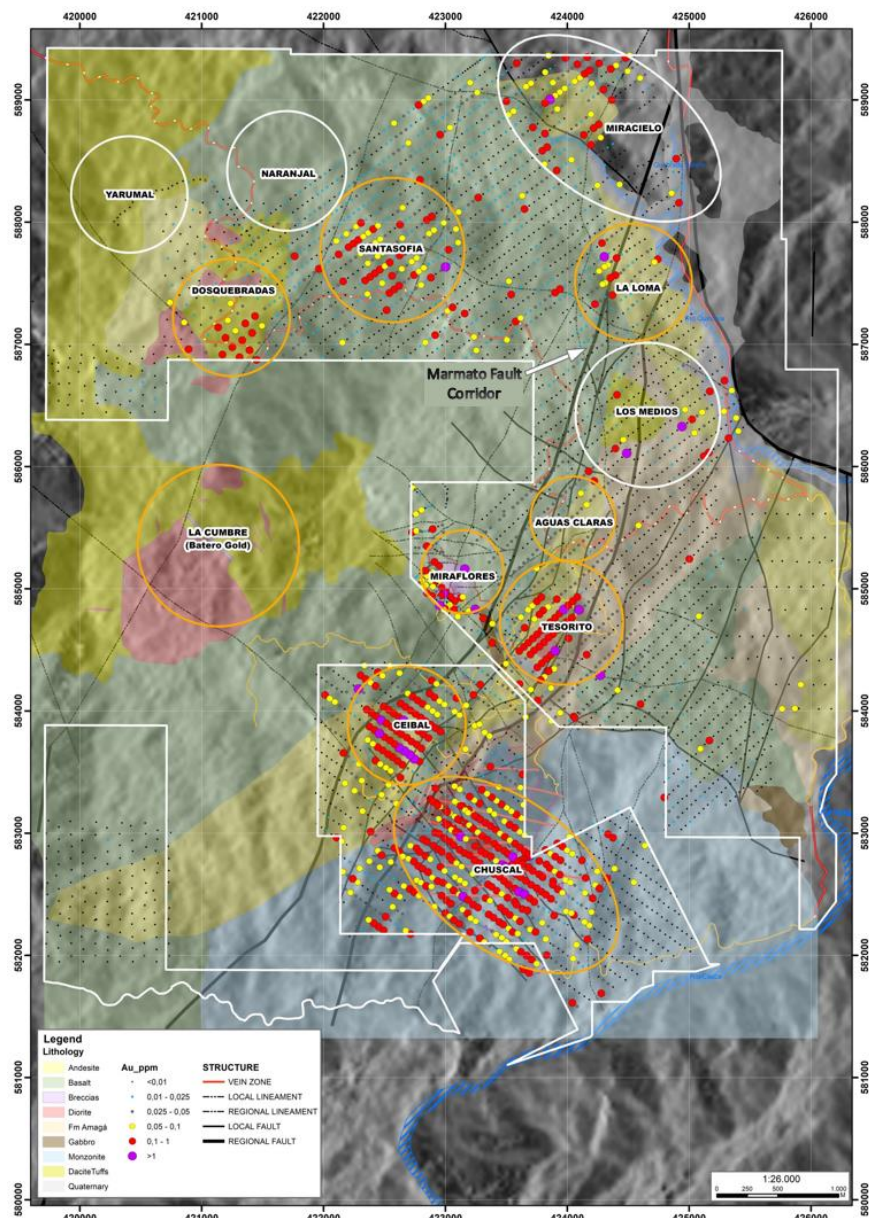


Figure 6: The Quinchia Gold Project contains multiple targets at various levels of investigation each within a ~3km radius. This image reveals the major known target areas (orange circles) and earlier stage targets (white circles) over gold geochemistry in soils anomalism and major structures. Note: Ceibal and Tesorito share similar structural characteristics and are ~1km apart.

The Ceibal gold-copper exploration target, also located within the 3km radius, was not considered in the Ausenco study as a contributor to any future production scenarios given its early exploration status. Ceibal has been identified as a promising target for more detailed review with potential to add additional resources which can be integrated into various production options.

LCL drilled six diamond drill holes beneath the surface anomalism in 2022 and reported encouraging intersections of:

- CEDDH001, **500m @ 0.52g/t Au** from surface
- CEDDH002, **586m @ 0.51g/t Au** from surface including 14m @ 1.02g/t Au from 572.5m to EOH
- CEDDH005, **512m @ 0.36 g/t Au** from surface

These intersections were recorded from intrusive dacite porphyry and country rock basalts rich with porphyry signatures. A comprehensive review of Ceibal exploration data, including re-logging of all drill core (approximately 5,600m) plus a review of the full suite of porphyry vectors indicated the causative porphyry may lie NW and SW of the area drilled. Follow up mapping, trenching and sampling in the target area was constrained by deep and extensive colluvium (locally transported outwash materials). A follow up drilling program is required to test the revised model (Figure 7).

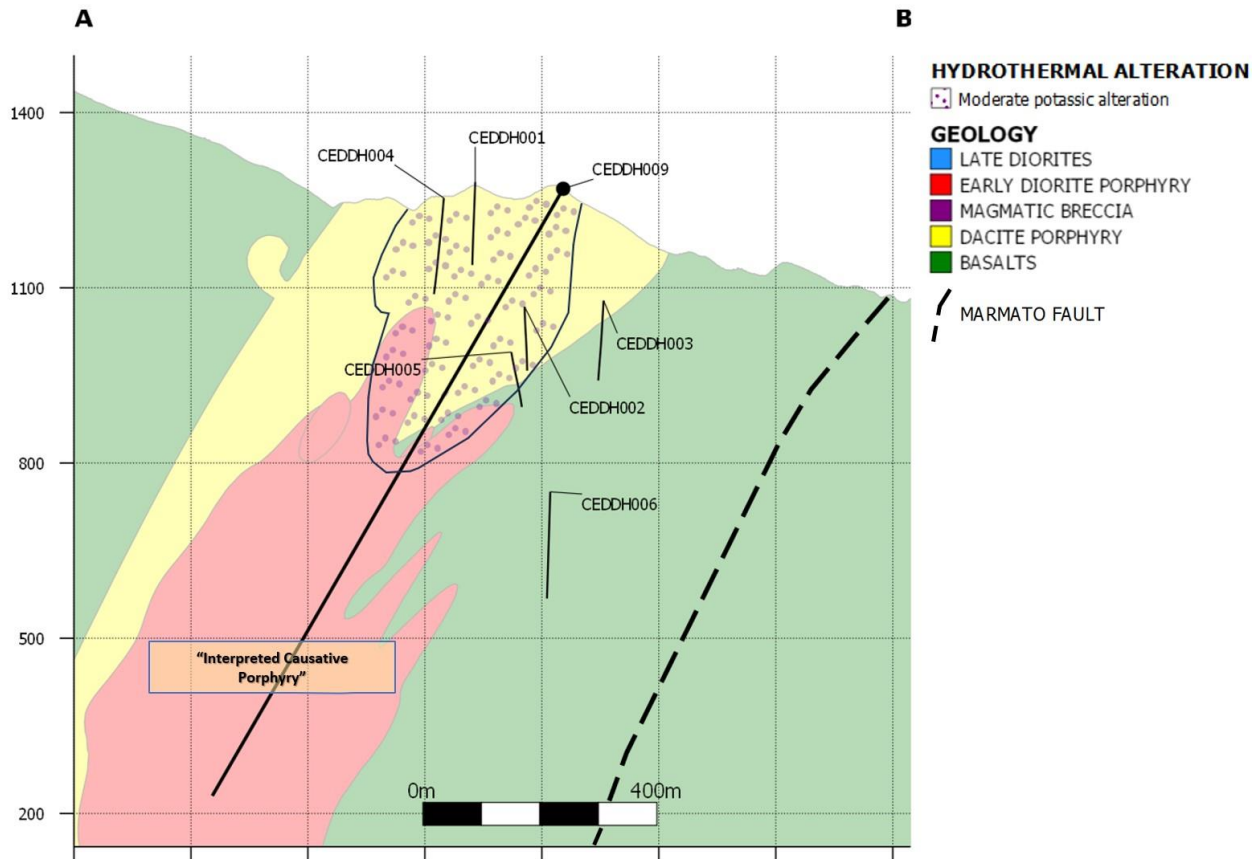


Figure 7: Ceibal Target showing a potential drill hole designed to test for the predicted causative porphyry.

Andes Gold Project - LCL 90%

No exploration activities were conducted on the Andes Project during the half year ending 30 June 2024.

Environment, Social and Governance (ESG)

In November 2022, LCL won the Colombian Gold Symposium ESG award. The award assesses the calibre of social engagement in terms of both procedures and real-world success. The award was in acknowledgement of the Miraflores Somos Todos (We are all Miraflores) program created by LCL and co-led with the community to deliver alternative income, entrepreneurial and assistance programs, in the local area.

LCL strives to meet the principles and practices of ESG and believes that an active, integrated and engaged approach to sustainability and ESG is essential in meeting our responsibilities to shareholders, employees, communities and the environment. LCL's approach to ESG leverages the Global Reporting Initiative (GRI) framework and standards prioritised via materiality assessments conducted across our stakeholder groups. LCL also considers the United Nations' 17 Sustainable Development Goals (SDGs) in formulating its path forward, building on the ESG foundations the Company has in place and the real-world positive impacts we deliver through our 5 Principals of Engagement.

1. Employ local/engage local
2. Train local
3. Look after our employees
4. Be open and transparent; and
5. Model behaviour

In 2022, LCL formalised its **Environmental Policy** which is a framework around LCL's established systems and behaviours and a process towards environment risk management. LCL believes it has demonstrated its commitment to the environment under its policy in the following real-world examples.

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- 100% of Colombian drill platforms rehabilitated including planting of endemic plant species.
- Minimising disruption through drilling multiple drill holes from one pad. Drill pads used in 2023 Kusi (PNG) drilling are currently being rehabilitated.
- Environment inductions for all staff and contractors covering operations and escalation protocols.
- Completing baseline and ongoing monitoring of environment factors as part of the Miraflores Project EIA approach, including flora, fauna, water, air, noise and land use surveys of the region. The Miraflores Environmental Licence was granted October 2023.
- Kusi (PNG) camp constructed by LCL (Plate 1) includes sophisticated water purification, wastewater management/containment, and thorough solid waste management protocols. Regional baseline water samples were collected in areas of activity prior to operations (global best practice).



Plate 1. The Kusi (PNG) semi-permanent camp includes sophisticated water and solid waste management systems.

Due to the areas in which LCL operate, the Company believes it has a significant opportunity to make very material and long-lasting positive impacts on the people and communities engaged. LCL takes is aware of the importance to make an investment in **social initiatives**. Performance metrics against the Company's Five Principles of social engagement are: employ local/engage local; train local; look after our employees; model behaviour.

As a public listed company, LCL has a number of regulatory frameworks and standards in addition to internal measures to ensure **good governance**, examples of which include:

Outward facing

- LCL governance is consistent with the ASX Corporate Governance Principles and Recommendations 4th Edition
- Policy on External Auditors
- Shareholder Communication Policy
- Social Media Policy
- Anti-bribery & anti-corruption Policy
- Compliance with Corporations Act, ASX rules, AISC, AASB, IFRS, IPA (PNG equivalent of FIRB).

Inward facing

- LCL Constitution
- Corporate Governance Statement and Corporate Governance Plan
- Code of Conduct
- Continuous Disclosure Policy
- Diversity Policy
- Performance Evaluation Policy

- Risk Management Policy
- Whistleblower Policy
- Social Development Plan
- Environmental Policy
- Securities Trading Policy

Significant Changes in the State of Affairs

On 14 February 2024, the Company issued 105,263,146 listed options (ASX: LCLO) exercisable at \$0.019 on or before 11 February 2026.

On 11 June 2024, the Company has completed acquisition of PNG exploration licenses EL2391 and EL2560 through the issue of 9,652,509 ordinary shares to the vendor.

On 5 June 2024, the Company has announced change of its registered office and principal place of business to Suite 6, Level 1, 389 Oxford Street, Mount Hawthorn, WA 6019.

As disclosed on page 4, Michael Allen and Jason Stirbinskis resigned from the Board of Directors and Chris van Wijk was appointed as non-executive Director.

Other than the above, there were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters Subsequent to the End of the Financial Half-Year

There were no matters or circumstances that have arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

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 immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors:



Ross Ashton
Executive Chairman
12 September 2024

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Auditor's Independence Declaration

To the Directors of LCL Resources Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of LCL Resources Ltd for the half-year ended 30 June 2024. I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 12 September 2024

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LCL Resources Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 30 June 2024



	30 June 2024	30 June 2023
	\$	\$
Income		
Interest income	39,456	86,748
Other income	7,605	3,807
	<u>47,061</u>	<u>90,555</u>
Expenses		
Exploration and evaluation expenditure	-	(7,420)
Administration expense	(276,788)	(453,958)
Employee benefits expense	(398,865)	(757,561)
Share based payment expense	(100,006)	(311,719)
Consulting fees	(84,465)	(139,899)
Impairment of receivables	(70,438)	(227,126)
Foreign exchange loss, net	(14,143)	(19,592)
Depreciation and amortisation expense	(8,002)	(5,947)
Occupancy	(5,012)	(10,501)
Finance costs	(597)	-
Loss on the sale of assets	(206,292)	-
Total expenses	<u>(1,164,608)</u>	<u>(1,933,723)</u>
Loss Before Income Tax Expense	(1,117,547)	(1,843,168)
Income tax expense	-	-
Loss After Income Tax Expense for the Half-Year Attributable to the Owners of LCL Resources Limited	(1,117,547)	(1,843,168)
Other Comprehensive (Loss) Income	-	-
Items That May Be Reclassified Subsequently to Profit or Loss		
Foreign currency translation (loss) gain	(935,872)	4,554,268
Other Comprehensive (Loss) Income for the Half-Year, Net of Tax	<u>(935,872)</u>	<u>4,554,268</u>
Total Comprehensive Income for the Half-Year Attributable to the Owners of LCL Resources Limited	(2,053,419)	2,711,100
Basic and diluted loss per share	<u>3 (0.12)</u>	<u>(0.27)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

LCL Resources Limited
Consolidated Statement of Financial Position
As at 30 June 2024



	Note	30 June 2024 \$	31 December 2023 \$
Assets			
Current Assets			
Cash and cash equivalents		1,668,129	3,716,523
Other receivables		85,356	225,272
Other current assets		69,268	160,590
Total Current Assets		1,822,753	4,102,385
Non-Current Assets			
Property, plant and equipment		534,451	726,763
Exploration and evaluation	4	13,026,573	13,000,000
Total Non-Current Assets		13,561,024	13,726,763
Total Assets		15,383,777	17,829,148
Liabilities			
Current Liabilities			
Trade and other payables	5	168,361	615,054
Provisions		16,186	189,511
Total Current Liabilities		184,547	804,565
Non-Current Liabilities			
Provisions		-	28,228
Total Non-Current Liabilities		-	28,228
Total Liabilities		184,547	832,793
Net Assets		15,199,230	16,996,355
Equity			
Issued capital	6	399,594,016	399,437,728
Reserves	8	2,167,592	4,498,292
Accumulated losses		(386,562,044)	(386,939,331)
Total Equity Attributable to the Shareholders of LCL Resources Limited		15,199,564	16,996,689
Non-controlling interests		(334)	(334)
Total Equity		15,199,230	16,996,355

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

LCL Resources Limited
Consolidated Statement of Changes in Equity
For the Half-Year Ended 30 June 2024



2024					Equity		
Consolidated	Issued Capital	Share-Based	Foreign	Accumulated	attributable to	Non-	Total Equity
	\$	Payment	Currency	Losses	the	Controlling	\$
		Reserves	Translation	\$	Shareholders	Interests	
		\$	Reserve		of LCL	\$	
			\$		Resources		
					Limited		
					\$		
Balance at 1 January 2024	399,437,728	2,958,823	1,539,469	(386,939,331)	16,996,689	(334)	16,996,355
Loss after income tax expense for the half-year	-	-	-	(1,117,547)	(1,117,547)	-	(1,117,547)
Other comprehensive income for the half-year, net of tax	-	-	(935,872)	-	(935,872)	-	(935,872)
Total comprehensive income for the half-year	-	-	(935,872)	(1,117,547)	(2,053,419)	-	(2,053,419)
Shares issued during the period, net of transaction costs	156,288	-	-	-	156,288	-	156,288
Share-based payments	-	100,006	-	-	100,006	-	100,006
Transfer of forfeited performance rights to accumulated losses	-	(1,026,834)	-	1,026,834	-	-	-
Transfer of expired options to accumulated losses	-	(468,000)	-	468,000	-	-	-
Balance at 30 June 2024	399,594,016	1,563,995	603,597	(386,562,044)	15,199,564	(334)	15,199,230

2023					Equity		
Consolidated	Issued Capital	Share-Based	Foreign	Accumulated	attributable to	Non-	Total Equity
	\$	Payment	Currency	Losses	the	Controlling	\$
		Reserves	Translation	\$	Shareholders	Interests	
		\$	Reserve		of LCL	\$	
			\$		Resources		
					Limited		
					\$		
Balance at 1 January 2023	394,355,750	2,549,014	(5,155,229)	(355,921,033)	35,828,502	(334)	35,828,168
Loss after income tax expense for the half-year	-	-	-	(1,843,168)	(1,843,168)	-	(1,843,168)
Other comprehensive income for the half-year, net of tax	-	-	4,554,268	-	4,554,268	-	4,554,268
Total comprehensive income for the half-year	-	-	4,554,268	(1,843,168)	2,711,100	-	2,711,100
Shares issued during the period, net of transaction costs	2,316,483	-	-	-	2,316,483	-	2,316,483
Share-based payments	-	311,719	-	-	311,719	-	311,719
Transfer of expired performance rights to retained earnings	-	(9,215)	-	9,215	-	-	-
Balance at 30 June 2023	396,672,233	2,851,518	(600,961)	(357,754,986)	41,167,804	(334)	41,167,470

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

LCL Resources Limited
Consolidated Statement of Cash Flows
For the Half Year Ended 30 June 2024



	30 June 2024	30 June 2023
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(951,267)	(993,870)
Interest received	36,612	186,770
Income tax paid	(44)	-
Net cash used in operating activities	<u>(914,699)</u>	<u>(807,100)</u>
Cash Flows from Investing Activities		
Payments for exploration and evaluation	(1,246,538)	(3,879,918)
Proceeds from the sale of plant and equipment	163,271	22,762
Net cash used in investing activities	<u>(1,083,267)</u>	<u>(3,857,156)</u>
Cash Flows from Financing Activities		
Proceeds from issue of shares, net of transaction costs	20,000	2,212,348
Transactions costs associated with the issue of shares	(14,232)	(115,865)
Net cash (used)/from financing activities	<u>5,768</u>	<u>2,096,483</u>
Net decrease in cash and cash equivalents	(2,032,198)	(2,567,773)
Cash and cash equivalents at the beginning of the financial half-year	3,716,523	8,400,438
Effects of exchange rate changes on cash and cash equivalents	(16,196)	(20,262)
Cash and Cash Equivalents at the End of the Financial Half-Year	<u>1,668,129</u>	<u>5,812,403</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Significant Accounting Policies

These general-purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with the Australian Accounting Standard (**AASB**) 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(a) New or Amended Accounting Standards

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

(b) New Accounting Standards and Interpretations Not Yet Mandatory

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2024. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(c) Going Concern

During the half-year ended 30 June 2024 the Group incurred a net loss after tax of \$1,117,547 (2023: \$1,843,168). The Group's net cash used in operations was \$914,699 during the period ended 30 June 2024 (2023: \$807,100); its net cash used in investing activities was \$1,083,267 (2023: \$3,857,156).

The Group had a cash balance of \$1,668,129 as at 30 June 2024 (31 December 2023: \$3,716,523). The Group is in the process of an exploration program in Papua New Guinea and the Directors intend to raise further capital to provide additional funds before the end of the financial year.

If additional capital is not obtained, material uncertainty exists on the ability to continue as a going concern, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

Note 2. Operating Segments

Identification of Reportable Operating Segments

The Company's primary activity is mineral exploration in the geographic areas of Papua New Guinea and Colombia. This focus is consistent with the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers (**CODM**)) in assessing performance and determining the allocation of resources.

The Group is managed primarily for the sole purpose of mineral exploration.

Intersegment Transactions

There are no intersegment transactions.

Note 2. Operating Segments (Continued)

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Head office income / expenses and related assets / liabilities

Operating Segment Information

Consolidated - 30 June 2024	Mineral exploration \$	Non-core Reconciling Items \$	Total \$
EBITDA*	(362,141)	(701,682)	(1,063,823)
Impairment of receivables	(19,781)	(50,657)	(70,438)
Foreign exchange loss, net	-	(14,143)	(14,143)
Depreciation and amortisation	(7,239)	(763)	(8,002)
Finance costs	(448)	(149)	(597)
Interest revenue	1,862	37,594	39,456
Loss before income tax expense	(387,747)	(729,800)	(1,117,547)
Income tax expense			-
Loss after income tax expense			(1,117,547)
Assets			
Segment assets	13,857,386	1,815,966	15,673,352
Total assets			15,673,352
Liabilities			
Segment liabilities	120,488	64,059	184,547
Total liabilities			184,547



Note 2. Operating Segments (Continued)

Consolidated - 30 June 2023	Mineral exploration \$	Non-core Reconciling Items \$	Total \$
EBITDA*	(51,041)	(1,626,210)	(1,677,251)
Impairment of non-current receivables	(227,126)	-	(227,126)
Net foreign exchange (loss)/gain	(36,292)	16,700	(19,592)
Depreciation and amortisation	(5,186)	(761)	(5,947)
Interest revenue	5,739	81,009	86,748
Loss before income tax expense	(313,906)	(1,529,262)	(1,843,168)
Income tax expense			-
Loss after income tax expense			(1,843,168)
Assets			
Segment assets	36,445,107	5,634,930	42,080,037
Total assets			42,080,037
Liabilities			
Segment liabilities	572,307	340,259	912,566
Total liabilities			912,566

*Earnings before income tax, depreciation, and amortisation ("EBITDA")

Geographical Information

	Geographical non-current assets	
	30 June 2024 \$	31 December 2023 \$
Australia	424,894	26,839
Papua New Guinea	3,478,528	3,000,000
Colombia	9,947,177	10,699,924
	13,850,599	13,726,763

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 3. Loss per Share

	30 June 2024 \$	30 June 2023 \$
Loss after income tax attributable to the owners of LCL	1,117,547	1,843,168
	\$	\$
Basic and diluted loss per share	0.12	0.27
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	953,180,031	695,372,826

At 30 June 2024 and 30 June 2023, options and performance rights over ordinary shares were excluded from the calculation of weighted average number of shares used in calculating diluted loss per share due to being anti-dilutive, as the Group reported a loss for both periods.

Note 4. Non-Current Assets - Exploration and Evaluation

	30 June 2024	31 December 2023
	\$	\$
Exploration and evaluation	13,026,573	13,000,000

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Half-Year to 30 June 2024
	\$
Opening balance	13,000,000
Additions	591,299
Acquisition cost of PNG tenements	106,178
Foreign exchange differences	(670,904)
Closing balance	13,026,573

Exploration and evaluation capitalised at 30 June 2024 represents the mining tenements in Papua New Guinea (PNG) and the Quinchía Gold Project located in Colombia.

Additions for the period includes the issue of shares for the acquisition of PNG tenements (Note 6).

Recoverability of the carrying amount of exploration assets is dependent upon the successful recovery of ore reserves. Impairment indicators in AASB 6 *Exploration for and Evaluation of Mineral Resources* are considered for each area of interest.

Note 5. Current Liabilities - Trade and Other Payables

	30 June 2024	31 December 2023
	\$	\$
Trade payables	73,615	160,504
Other payables	94,746	454,550
	168,361	615,054

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Note 6. Equity - Issued Capital

Movements in ordinary share capital

	30 June 2024		31 December 2023	
	Number of Ordinary Shares	\$	Number of Ordinary Shares	\$
Opening balance - fully paid	951,146,570	399,437,728	715,713,741	394,355,750
Issue of share capital during the year:				
Shares issued for cash	1,052,632	20,000	235,432,829	5,412,347
Shares issued in lieu of Director fees	3,026,315	57,324	-	-
Shares issued for PNG tenements	9,652,509	106,178	-	-
Less: Costs of capital raising	-	(27,214)	-	(330,369)
Closing Balance - fully paid	964,878,026	399,594,016	951,146,570	399,437,728

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

Note 7. Equity - Options and Performance Rights

As at the half-year reporting date, the Company has a series of options and performance rights under issue that entitle holders to one ordinary share in the Parent Entity at a fixed exercise price or upon achievement of certain performance targets. The terms and conditions for each type of option or performance right are listed in the following tables.

(a) Options

Unlisted Options outstanding as at 30 June 2024 and movements during the financial half-year.

Grant Date	Expiry Date	Exercise Price	Outstanding at 31 December 2023	Exercised			Outstanding at 30 June 2024
				Issued during the period	during the period	Lapsed during the period	
20/12/2019	13/09/2024	\$0.1350	10,000,000	-	-	-	10,000,000
23/11/2022	15/11/2026	\$0.0474	13,000,000	-	-	(13,000,000)	-
18/11/2022	16/11/2026	\$0.0500	25,000,000	-	-	-	25,000,000
			48,000,000	-	-	(13,000,000)	35,000,000

Listed Options outstanding as at 30 June 2024 and movements during the financial half-year.

Grant Date	Expiry Date	Exercise Price	Outstanding at 31 December 2023	Exercised			Outstanding at 30 Jun 2024
				Issued during the period	during the period	Lapsed during the period	
12/02/2024	11/02/2026	\$0.025	-	105,263,146	-	-	105,263,146
			-	105,263,146	-	-	105,263,146

Note 7. Equity - Options and Performance Rights (Continued)

(b) Performance Rights

Performance rights outstanding as at 30 June 2024 and movements during the current financial half-year.

Grant Date	Expiry Date	Outstanding at 31 Dec 2023	Issued during the period	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2024	Note
23/10/2020	31/01/2025	5,430,000	-	-	(3,500,000)	1,930,000	(1)
23/10/2020	31/01/2025	5,430,000	-	-	(3,500,000)	1,930,000	(1)
11/06/2021	31/01/2025	255,000	-	-	(100,000)	155,000	(2)
11/06/2021	31/01/2025	620,000	-	-	(250,000)	370,000	(2)
11/06/2021	31/01/2025	620,000	-	-	(250,000)	370,000	(2)
22/10/2021	31/01/2025	770,000	-	-	(770,000)	-	(3)
22/10/2021	31/01/2025	770,000	-	-	(770,000)	-	(3)
23/11/2022	31/12/2025	6,500,000	-	-	-	6,500,000	(4)
22/11/2022	30/06/2024	6,500,000	-	-	(6,500,000)	-	(4)
23/01/2023	31/12/2024	2,325,000	-	-	(2,325,000)	-	(5)
23/01/2023	31/12/2025	2,325,000	-	-	(2,325,000)	-	(5)
23/01/2023	31/12/2025	2,325,000	-	-	(2,325,000)	-	(5)
30/12/2022	31/12/2024	1,100,000	-	-	(1,100,000)	-	(6)
30/12/2022	31/12/2025	1,100,000	-	-	(1,100,000)	-	(6)
12/04/2024	12/04/2026	-	11,875,000	-	-	11,875,000	(8)
30/04/2027	30/04/2027	-	11,875,000	-	-	11,875,000	(8)
		36,070,000	23,750,000	-	(9,925,000)	35,005,000	

(1) Performance rights were issued to the Directors. The vesting conditions were as follows:

- (i) Tranche 1 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.20 on or before 31 December 2024.
- (ii) Tranche 2 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.25 on or before 31 December 2024.

(2) Performance rights were issued to the Company's employees. The vesting conditions were as follows:

- (i) Tranche 1 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.20 on or before 31 December 2024.
- (ii) Tranche 2 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.25 on or before 31 December 2024.
- (iii) Tranche 3 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.30 on or before 31 December 2024.

(3) Performance rights were issued to Michael Allen. The vesting conditions were as follows:

- (i) Tranche 1 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.20 on or before 31 December 2024.
- (ii) Tranche 2 vesting upon the achievement of the Company's shares trading on ASX at a 20-day VWAP of not less than \$0.25 on or before 31 December 2024.

(4) Performance rights were issued to the Company's employees. The vesting conditions were as follows:

- (i) Tranche 1: 6,500,000 performance rights vesting upon the announcement by LCL of its first JORC Inferred Resource at any of the licences known as EL2432 Liamu, EL2548 Imou, EL2665 Ono, EL2673 Tauya, EL2681 Kay Creek, EL2706 Awala, ELA2786 Safia (Assets), of JORC Inferred Resource of at least 1.5 million ounces of gold equivalent at a cut-off grade of not less than 3 grammes per tonne of gold equivalent by 31 December 2025.
- (ii) Tranche 3: 6,500,000 performance rights vesting upon identifying a new project area outside of the Assets existing at the time of the initial Heads of Agreement within Papua New Guinea or elsewhere that supports a greater than \$1 million per year board approved exploration expenditure budget.

Note 7. Equity - Options and Performance Rights (Continued)

- (5) Performance rights were issued to the Company's employees. The vesting conditions were as follows:
- (i) Tranche 1: 6,500,000 performance rights vesting upon the announcement by LCL of its first JORC Inferred Resource at any of the licences known as EL2432 Liamu, EL2548 Imou, EL2665 Ono, EL2673 Tauya, EL2681 Kay Creek, EL2706 Awala, ELA2786 Safia (Assets), of JORC Inferred Resource of at least 1.5 million ounces of gold equivalent at a cut-off grade of not less than 3 grammes per tonne of gold equivalent by 31 December 2025. Tranche 3: 6,500,000 performance rights vesting upon identifying a new project area outside of the Assets existing at the time of the initial Heads of Agreement within Papua New Guinea or elsewhere that supports a greater than \$1 million per year board approved exploration expenditure budget.
- (6) Performance rights were issued to Jason Stirbinskis in 2023. The vesting conditions were as follows:
- (i) Tranche 2 - 2,325,000 performance rights vesting upon the achievement of the greater of the two following milestones:
 - o the Company achieving a 60-day VWAP of not less than \$0.08 on or before 31 December 2024; or
 - o the Company achieving a closing share price that is 105% of the Company's closing share price on the date that a shareholders' resolution approving the issue of the Performance Rights is passed.
 - (ii) Tranche 3 - 2,325,000 performance rights vesting upon the achievement of the greater of the two following milestones:
 - o the Company achieving a 60-day VWAP of not less than \$0.10 on or before 31 December 2025; or
 - o the Company achieving a closing share price that is 105% of the Company's closing share price on the date that a shareholders' resolution approving the issue of the Performance Rights is passed.
 - (iii) Tranche 4 - 2,325,000 performance rights upon the announcement by the Company of a JORC 2012 Resource of an aggregate of at least 1.5 million ounces of gold equivalent at a cut-off grade of not less than 3 grammes per tonne of gold equivalent on or before 31 December 2025.
- (7) Performance rights were issued to Michael Allen. The vesting conditions were as follows:
- (i) Tranche 2: 1,100,000 performance rights vesting upon the Company achieving a 60-day VWAP of not less than \$0.08 on or before 31 December 2024.
 - (ii) Tranche 3: 1,100,000 performance rights vesting upon the Company achieving a 60-day VWAP of not less than \$0.10 on or before 31 December 2025.
- (8) Performance rights were issued to Christopher van Wijk. The vesting conditions were as follows:
- (i) Tranche 1: 11,875,000 performance rights vesting upon the Company achieving a 20-day VWAP of not less than \$0.025 on or before 30 April 2026.
 - (ii) Tranche 2: 11,875,000 performance rights vesting upon the Company achieving a 20-day VWAP of not less than \$0.025 on or before 30 April 2027.

Valuation of options and performance rights issued

For the options and performance rights granted during the current half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

(a) Listed options of 105,263,146 were ascribed a nil value being these are free-attaching options and were issued to shareholders with no goods or services provided.

(b) The performance rights issued to Christopher van Wijk were valued using the Hoadley's Barrier 1 Model and Parisian Model. The principal assumptions used in the valuation of the fair value at grant date of the performance rights were as follows:

	Tranche 1	Tranche 2
Grant date	12 April 2024	12 April 2024
Vesting period ends	30 April 2026	30 April 2027
Share price at grant date	\$0.0110	\$0.0110
Expected volatility	88%	91%
Rights life	2.05 years	3.05 years
Risk-free borrowing rate	3.83%	3.78%
Fair value per performance right at grant date	\$0.0068	\$0.0072
Total value of performance rights	\$80,750	\$85,500

Note 8. Equity - Reserves

	30 June 2024	31 December 2023
	\$	\$
Foreign currency reserve	603,597	1,539,469
Share based payment reserve	1,563,995	2,958,823
	2,167,592	4,498,292

Note 9. Related Party Transactions

Transactions with related parties

There were no transactions with related parties for the half year ended 30 June 2024 (2023: nil).

Receivable from and payable to related parties

As at 30 June 2024, the Group has accrued an amount of \$21,991 representing unpaid fees to KMPs (as at 31 December 2023: \$270,591).

Loans to/from related parties

There are no loans made to KMPs and/or their related parties as at 30 June 2024 (at 31 December 2023: nil).

Note 10. Contingent Liabilities

In 2017, a former Director of Miraflores Compania Minera, a subsidiary of the Company, lodged a claim with the Labour Court in Medellin, Colombia (Juzgado Laboral del Circuito de Medellin) seeking damages in the amount of 4.5 billion in Colombian Pesos (approximately US\$1.63 million as at 30 June 2024) for unpaid directors' fees, including termination fees. The Directors are of the opinion that the claim can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is unlikely. At the hearing dated 24 April 2024, Labour Judge 23 of the Medellin Circuit absolved the Company of all the claims filed against it. The former Director has lodged an appeal to the Superior Court of Medellin which the Company will defend. No date for the appeal has been set. The Directors are of the opinion that the appeal can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is unlikely.

The Group is not aware of any other contingent liabilities as at 30 June 2024.

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Note 11. Commitments

	30 June 2024	31 December 2023
	\$	\$
Exploration Tenement Licence Commitments (a)		
Committed at the reporting date:		
Within one year	91,618	555,202
Between one and five years	-	72,261
Total Commitment	91,618	627,463
Lease Commitments - Operating (b)		
Committed at the reporting date:		
Within one year	362	3,899
Between one and five years	-	-
Total Commitment	362	3,899
Total Commitments		
Committed at the reporting date:		
Within one year	91,980	559,101
Between one and five years	-	72,261
Total Commitments	91,980	631,362

(a) Represents mining and exploration licence fees for tenements held by the Group but not yet capitalised in the financial statements.

(b) The Group has lease commitments over premises in Colombia with terms ranging up to 11 months. Rent is payable monthly in advance.

(c) There is a commitment to issue shares under license purchase deals in PNG upon completion. 8,040,740 shares will be issued to shareholders of Munga River Limited if terms under the sale agreements are met by the vendors. There is also a 2% NSR royalties associated with this transaction and right to buy out the royalties.

(d) There is a 2% NSR royalties associated with the acquisition of PNG tenements during the period (Note 6) and right to buy out the royalties.

The Group has no other material commitments other than the above.

Note 12. Events After the Reporting Period

There were no matters or circumstances that have arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors:



Ross Ashton
Executive Chairman

12 September 2024

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Independent Auditor's Review Report

To the Members of LCL Resources Ltd

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of LCL Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of LCL Resources Ltd does not comply 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 performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group's incurred a net loss of \$1,117,547 during the half year ended 30 June 2024. During the half year ended 30 June 2024 the group's net cash used in operations was \$914,699 and its net cash used in investing activities was \$1,083,267 and, as of that date, the Group's cash balance was \$1,668,129. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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


Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 12 September 2024