



LUMIRA ENERGY LIMITED

ANNUAL REPORT

2023



CONTENTS

CORPORATE DIRECTORY	i
MANAGING DIRECTOR'S REPORT	ii
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CASH FLOWS	13
NOTES TO THE FINANCIAL STATEMENTS	14
DIRECTORS' DECLARATION	34
INDEPENDENT AUDIT REPORT	35



CORPORATE DIRECTORY

DIRECTORS

Mr. Cosimo Damiano

Executive Director

Mr. Benjamin Jacobs

Non-Executive Director

Mr. Andrew Casazza

Non-Executive Director

Mr. Murray Wylie

Non-Executive Director

COMPANY SECRETARY

Mr. Murray Wylie

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 106, Ground Floor
101 Moray Street
South Melbourne, VIC 3205

Phone +61 3 8679 2219
Website www.lumiraenergy.com

CORPORATE GOVERNANCE

The Company has adopted the 4th Edition of the ASX Corporate Governance Recommendations.

A summary statement which has been approved by the Board together with current policies and charters is available on the Company website at www.lumiraenergy.com.

Lumira Energy Limited

ABN 68 115 712 162

AUDITORS

RSM Australia Partners
Level 32, Exchange Tower,
2 The Esplanade, Perth WA 6000

Phone +61 8 9216 9111
Fax +61 8 9216 9100

SHARE REGISTRY

Automic Group
Level 2, 267 St Georges Tce
Perth WA 6000

Phone (within Australia) 1300 288 664
(from overseas) +61 2 9698 5414

BANKERS

National Australia Bank
Level 14, 100 St Georges Terrace
Perth, WA 6000

SOLICITORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street, Perth WA 6000

Phone +61 8 9321 4000
Fax +61 8 9321 4333



MANAGING DIRECTOR'S REPORT

DEAR SHAREHOLDERS

On behalf of the Board, it is my pleasure to present the 2023 Annual Report of Lumira Energy Limited.

I would like to extend my gratitude to all our shareholders for their patience and support during what has been a difficult period for the Company. Due to elevated energy market prices, the Company was unable to secure an attractively priced oil and gas asset.

The Board and Management team undertook a strategic review and pivoted its strategic direction towards meeting the future demand of the energy transition to net zero.

The year was transformative, Lumira concluded the acquisition of the highly attractive Copperhole Creek polymetallic project in Queensland, Australia (the "Project"). Lumira intends to use this Project acquisition as the basis to pursue an Initial Public Offering ("IPO") on the Australian Securities Exchange (ASX) in mid-year 2024. Lumira is also considering additional project opportunities to complement the Copperhole Creek project.

The team has made significant progress in planning and developing the best way forward to unlock value for many exciting opportunities across its portfolio and will continue to update our shareholders throughout the year.

We are working closely with our advisors in order to fund the work commitments and return to trading on the ASX as soon as possible and add new and exciting prospects to our portfolio.

To our shareholders, thank you for your loyalty and support on our exciting growth journey.

We remain committed to delivering shareholder value in 2024 and beyond, and I look forward to sharing our continued progress.

A handwritten signature in black ink, appearing to read "Cosimo Damiano".

Cosimo Damiano

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

30 JUNE 2023

The directors present their report, together with the financial statements of Lumira Energy Limited (referred to hereafter as 'Lumira' or the 'Company') for the year ended 30 June 2023.

DIRECTORS

The names of the directors in office at any time during, or since the end of the year are:

NAMES	POSITION	
Mr. Cosimo Damiano	Executive Director	
Mr. Murray Wylie	Non-Executive Director	
Mr. Benjamin Jacobs	Non-Executive Director	Appointed 1 December 2022
Mr. Andrew Casazza	Non-Executive Director	Appointed 8 February 2023
Mr. Joseph Naemi	Non-Executive Chairman	Resigned 1 December 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr. Murray Wylie was appointed on 3 May 2013. He has more than 35 years' experience in administrative and accounting roles in both the public and private sectors. Mr. Wylie holds a Bachelor of Commerce degree and is a member of the Governance Institute of Australia. He has 15 years' experience as a Company Secretary, including several ASX and AIM listed companies.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year consisted of seeking to acquire a suitable project to support recapitalisation of the Company and an Initial Public Offering of its securities on the ASX.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The net loss of the Company for the financial year after providing for income tax amounted to \$523,709 (2022: \$363,784).

Further discussion on the Company's operations now follows.

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

30 JUNE 2023

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR (CONTINUED)

Throughout 2022/23, the directors of Lumira explored a number of opportunities in oil and gas and in other sectors, looking for a suitable transaction that would support recapitalisation of the Company and a new listing on the ASX. Whilst no transaction was completed during 2022/23, the Company announced on 11 September 2023 that it has entered into an exploration and option agreement with Bespoke Minerals PTY Limited, a subsidiary of EMX Resources Limited, to potentially acquire 100% of the Copperhole Creek polymetallic exploration project in Queensland, Australia.

The Copperhole Creek project covers 12,300 hectares and is located approximately 300km from the major cities of Townsville and Cairns in Queensland. The project area contains extensive historic workings however limited modern exploration has been undertaken. There are multiple styles of mineralization including Cu-Ag quartz breccias and veins, Sn-Cu-Mo Greisen-style mineralization and pegmatites.

Under the agreement, Lumira has paid an option fee of A\$20,000 for a two-month period commencing on 11 September 2023 while it completes due diligence. If the Company proceeds, a further A\$30,000 will be paid to acquire full ownership of the project. The agreement includes a 2.5% royalty interest, exploration expenditure commitments, annual advance royalty payments, and a number of milestone payments.

Mr. Joseph Naemi decided to resign from his position as independent non-executive chairman of the Company on 1 December 2022 in order to focus on other commitments.

Mr. Benjamin Jacobs joined the Board as an independent non-executive director on 1 December 2022. Mr. Jacobs is based in Melbourne and has a diverse background in law and financial services in the areas of corporate law, general insurance, property, construction, wealth management and not for profits including experience with mergers & acquisitions and commercial contract review.

Mr. Andrew Casazza joined the Board as an independent non-executive director on 8 February 2023. Mr. Casazza is based in Denver, Colorado, and is the chief financial officer and co-founder of Windy Cove Energy II. He is the former vice president of Paxton U.S., heading up business development activities in enhanced oil recovery and was previously chief operating officer of Rancher Energy.

643,750 options with an exercise price of \$1.00 per share expired on 30 June 2023. The Company has no other options on issue.

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

30 JUNE 2023

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the Company's state of affairs during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

On 14 September 2023 the Company entered into an exploration and option agreement with Bespoke Minerals PTY Limited, a subsidiary of EMX Resources Limited, to potentially acquire 100% of the Copperhole Creek exploration project in Queensland, Australia.

On 21 September 2023, the Company extended the term of the loan with Emco from 30 September 2023 to 30 September 2024 while maintaining the other terms and conditions.

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

FUTURE DEVELOPMENTS

The likely developments in the operations of the Company and the expected results of those operations in future financial years are subject to successfully acquiring a suitable project or corporate transaction to recapitalise the Company and obtain a new ASX listing.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

30 JUNE 2023

INFORMATION ON DIRECTORS

Mr. Cosimo Damiano

Executive Director

Experience

Mr. Damiano's experience involves the strategic analysis and merger and acquisition of oil and gas companies for global investment banks and energy commodity trading companies in a principal investment role. Mr. Damiano has a strong commercial understanding and analytical analysis of financing oil and gas assets across various geographic and fiscal regimes. He has extensive experience in North America, representing the Mercuria Group as a Director of Upstream Investments and represented Mercuria's Board interests in the company's oil and gas investments throughout North and South America. More recently Cosimo was the Managing Director of Xstate Resources Limited, an ASX listed junior oil and gas company with operations onshore northern California.

Mr. Murray Wylie

Non-Executive Director

Experience

Mr. Wylie has more than 35 years' experience in administrative and accounting roles in both the public and private sectors. He has more than 14 years' experience as company secretary for AIM and ASX listed entities, including serving as company secretary of Lumira since May 2013. He previously served as director of Lumira from February 2016 until March 2017. Mr. Wylie holds a Bachelor of Commerce degree and is a member of the Governance Institute of Australia.

Mr. Benjamin Jacobs

Non-Executive Director

(Appointed 1 December 2022)

Experience

Mr. Jacobs has a diverse background in law and financial services in the areas of corporate law, general insurance, property, construction, wealth management and not for profits. In his current and previous legal roles, Ben's duties have included mergers & acquisitions, commercial contract review, direct stakeholder engagement, policy work and strategic advice to internal clients. Ben practices law, specifically focusing on corporate strategic planning, structuring of deals, corporate re-structures, private capital raises, share sale agreements, business and asset sale agreements, corporate documents (resolutions) for private and ASX listed companies. Ben holds a Bachelor of Commerce, from University of Western Australia and Juris Doctor (Masters of Laws) from Monash University.

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

30 JUNE 2023

Mr. Andrew Casazza

Non-Executive Director

(Appointed 8 February 2023)

Experience

Mr. Casazza is the chief financial officer and co-founder of Windy Cove Energy II. Andy is the former vice president of Paxton U.S., heading up business development activities in enhanced oil recovery. Previously, he was chief operating officer of Rancher Energy, where he oversaw the land, business development, and finance departments. Andy holds a B.A. degree from Claremont McKenna College.

Mr. Joseph Naemi

Non-Executive Chairman

(Resigned 1 December 2022)

Experience

Mr. Naemi has thirty years of international experience across the entire hydrocarbons value chain as a founder or co-founder of a series of oil and gas exploration and production (“E&P”) companies, with a proven track record of monetising E&P assets. He has successfully completed several E&P mergers and acquisitions, consummated complex trade-sale transactions, negotiated joint ventures, and facilitated equity and debt capital raisings. He is a highly adaptive leader, having worked in a wide range of jurisdictions including The Americas, North Africa, Middle East, Central Asia, and South East Asia. He has previously served on the board of publicly listed oil & gas and mining companies in Australia, Canada, and Mongolia.

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

30 JUNE 2023

MEETINGS OF DIRECTORS

During the financial year, 1 meeting of directors was held. Board decisions were primarily enacted via circulating resolutions. Due to the Company's current status, the Board has elected not to appoint separate committees as all directors are involved in reviewing and directing the operations of the Company, including audit and remuneration matters. Attendances by each director during the year were as follows:

	DIRECTORS' MEETINGS	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr. Cosimo Damiano	1	1
Mr. Murray Wylie	1	1
Mr. Ben Jacobs	0	0
Mr. Andrew Casazza	0	0
Mr. Joseph Naemi	1	1

INDEMNITY AND INSURANCE OF OFFICERS

The Company has not entered into any insurance contracts for the indemnification of Directors and Officers of the Company.

INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

OPTIONS/PERFORMANCE RIGHTS

At the date of this report, there no unissued ordinary shares of Lumira Energy Limited under option.

During the year ended 30 June 2023, no ordinary shares of Lumira Energy Limited (2022: nil) were issued on the exercise of performance rights. There were no ordinary shares of Lumira Energy Limited issued on the exercise of options (2022: nil).

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no non-audit services provided by the external auditors in the current or prior period.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2023 has been received and included after this report.

LUMIRA ENERGY LIMITED

DIRECTORS' REPORT

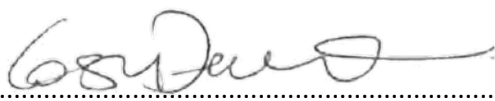
30 JUNE 2023

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors:

Director:

Mr. Cosimo Damiano

Dated 24 October 2023



RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lumira Energy Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 24 October 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

LUMIRA ENERGY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		\$	\$
Other income	2(a)	2,893	340,799
Administrative expenses	2(b)	(525,123)	(687,387)
Interest expense		(1,500)	(20,002)
Gain on foreign currency differences		21	2,806
Loss before tax		(523,709)	(363,784)
Income tax expense	3(a)	-	-
Loss for the year		(523,709)	(363,784)
Other comprehensive loss, net of income tax		-	-
Total comprehensive loss for the year		(523,709)	(363,784)

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

LUMIRA ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	261,273	490,550
Other receivables	6	2,391	4,136
TOTAL CURRENT ASSETS		<u>263,664</u>	<u>494,686</u>
NON-CURRENT ASSETS			
Plant and equipment	7	1,753	2,659
TOTAL NON-CURRENT ASSETS		<u>1,753</u>	<u>2,659</u>
TOTAL ASSETS		<u><u>265,417</u></u>	<u><u>497,345</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	890,638	600,357
Financial liabilities	9	72,204	70,704
TOTAL CURRENT LIABILITIES		<u>962,842</u>	<u>671,061</u>
TOTAL LIABILITIES		<u>962,842</u>	<u>671,061</u>
NET CURRENT LIABILITIES		<u>(699,178)</u>	<u>(176,375)</u>
NET LIABILITIES		<u><u>(697,425)</u></u>	<u><u>(173,716)</u></u>
EQUITY			
Issued capital	10	40,995,396	40,995,396
Reserves	11	4,120,562	4,120,562
Accumulated losses		(45,813,383)	(45,289,674)
TOTAL DEFICIENCY IN EQUITY		<u><u>(697,425)</u></u>	<u><u>(173,716)</u></u>

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

LUMIRA ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	ISSUED CAPITAL	ACCUMULATED LOSSES	CONVERTIBLE NOTE EQUITY RESERVE	SHARE BASED PAYMENT RESERVE	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2021	40,079,911	(44,925,890)	(656,612)	4,777,174	(725,417)
Loss attributable to members of the Company	-	(363,784)	-	-	(363,784)
Total other comprehensive income for the year	-	(363,784)	-	-	(363,784)
<i>Transactions with owners in their capacity as owners:</i>					
Conversion of convertible notes	915,485	-	-	-	915,485
Balance at 30 June 2022	40,995,396	(45,289,674)	(656,612)	4,777,174	(173,716)
	ISSUED CAPITAL	ACCUMULATED LOSSES	CONVERTIBLE NOTE EQUITY RESERVE	SHARE BASED PAYMENT RESERVE	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2022	40,995,396	(45,289,674)	(656,612)	4,777,174	(173,716)
Loss attributable to members of the Company	-	(523,709)	-	-	(523,709)
Total other comprehensive income for the year	-	(523,709)	-	-	(523,709)
Balance at 30 June 2023	40,995,396	(45,813,383)	(656,612)	4,777,174	(697,425)

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

LUMIRA ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$	2022 \$
CASH FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(141,543)	(709,881)
Interest received		2,893	85
Sundry income		-	150,000
Interest paid		(90,648)	(2,655)
Net cash used in operating activities	19	<u>(229,298)</u>	<u>(562,451)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for plant and equipment		-	(2,715)
Net cash used in financing activities		<u>-</u>	<u>(2,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from borrowings		-	1,060,000
Repayment of borrowings		-	(50,000)
Net cash from financing activities		<u>-</u>	<u>1,010,000</u>
Net cash (decrease)/increase in cash and cash equivalents		(229,298)	444,834
Foreign exchange differences		21	99
Cash and cash equivalents at beginning of financial year		<u>490,550</u>	<u>45,617</u>
Cash and cash equivalents at end of financial year	5	<u><u>261,273</u></u>	<u><u>490,550</u></u>

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

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

This financial report includes the financial statements and notes of Lumira Energy Limited ("Company") during the year ended 30 June 2023.

Lumira Energy Limited is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purpose of preparing the financial report.

BASIS OF PREPARATION

The financial report is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report also complies with International Financial Reporting Standards ('IFRS') as issue by the International Accounting Standards Board.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These financial statements are presented in Australian dollars, rounded to the nearest dollar. Both functional and presentation currency is Australian dollars.

Going concern

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

For the year ended 30 June 2023, the Company incurred a loss of \$523,709. As at 30 June 2023, the Company had cash and cash equivalents of \$261,273 and net liabilities of \$697,425. Current liabilities of \$962,842 at 30 June 2023, includes \$856,543 in outstanding fees owed to current and former directors and an unsecured loan of \$72,204 from a former related party.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will reduce its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

Following its removal from the ASX Official List on 9 June 2020, the Company has been looking to restructure its debts and pursue suitable acquisition and development opportunities that would support recapitalisation and a new listing on the ASX. The Company needs to source additional working capital in order to pursue its objectives and to continue as a going concern.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 SIGNIFICANT ACCOUNTING POLICIES

Notwithstanding the above the directors consider they have a reasonable basis to prepare the financial statements on a going concern basis after having regard to the following:

- i) On 6 April 2022, a revised settlement agreement was executed with Emco in relation to an unsecured loan. Emco agreed to accept repayment of the \$100,000 unsecured loan principal and waive the accumulated interest of more than \$19,000. In accordance with the agreement, \$50,000 was repaid in cash on 7 April 2022 and the remaining \$50,000 is to be converted into shares if the Company is admitted to trading on the ASX before 30 September 2024 or else settled in cash on 30 September 2024;
- ii) Former directors have agreed to extend agreements to accept \$90,000 cash and \$90,000 in shares as settlement of approximately \$382,000 that is owed to them if the Company is admitted to trading on the ASX before 30 September 2024; and
- iii) Current directors have agreed to accept \$110,000 cash and \$110,000 in shares as settlement for their accrued director fees of approximately \$470,000 at 30 June 2023 if the Company is admitted to trading on the ASX before 30 September 2024.

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

The financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

INCOME

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

INCOME TAX

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 SIGNIFICANT ACCOUNTING POLICIES

Current and deferred tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

EMPLOYEE BENEFITS

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cashflows.

PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised through the profit or loss.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits held at call with banks with original maturities of three months or less.

IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

GOODS AND SERVICES TAX (GST)

Other income, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

SHARE-BASED PAYMENT TRANSACTIONS

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity-settled transactions and the corresponding increase in equity is measured at the fair value of the goods or services acquired. Where the fair value of the goods or services received cannot be reliably estimated, the fair value is determined indirectly by the fair value of the equity instruments using the Black Scholes option valuation technique.

Equity-settled transactions that vest after employees complete a specified period of service are recognised as services are received during the vesting period with a corresponding increase in equity.

OTHER RECEIVABLES

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. In the opinion of the Directors, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

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.

2 LOSS FOR THE YEAR

(A) OTHER INCOME

	2023	2022
	\$	\$
Interest income	2,893	85
Sundry income - Persist break fee	-	150,000
Gain on fair value adjustment on derivative financial liability	-	190,714
	<u>2,893</u>	<u>340,799</u>

(B) ADMINISTRATIVE EXPENSES

	2023	2022
	\$	\$
Corporate and administrative expenses	90,331	343,755
Depreciation expense	906	56
Director and employee benefits expense	416,198	329,790
Travel and accommodation expenses	-	44
Short term lease payments	17,688	13,742
	<u>525,123</u>	<u>687,387</u>

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

3 INCOME TAX EXPENSE

(A) THE COMPONENTS OF TAX EXPENSE COMPRISE:

	2023	2022
	\$	\$
Current tax expense	-	-
Deferred tax expense arising from the movement in temporary differences	-	-
	<u>-</u>	<u>-</u>

(B) THE PRIMA FACIE TAX ON LOSS BEFORE INCOME TAX IS RECONCILED TO THE INCOME TAX AS FOLLOWS:

	2023	2022
	\$	\$
Prima facie tax benefit on loss before income tax at 25% (2022: 25%)	<u>(130,927)</u>	<u>(90,946)</u>
- Non deductible expenses	95,692	28,757
- Current year losses not recognised as a deferred tax asset	35,235	59,178
- Effects of changes in tax rates	-	3,011
	<u>-</u>	<u>-</u>
- Income tax expense	<u>-</u>	<u>-</u>

4 DEFERRED TAX ASSETS AND LIABILITIES

	ASSETS		LIABILITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Provisions and accruals	220,976	125,284	-	-	95,692	28,757
Carried forward losses	2,916,526	2,834,894	-	-	81,632	(220,681)
Deferred tax assets not recognised	(3,137,502)	(2,960,178)	-	-	(177,324)	191,924
Total	-	-	-	-	-	-

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

4 DEFERRED TAX ASSETS AND LIABILITIES

Estimated unused tax losses at 30 June 2023 of \$11,666,104 (2022: \$11,525,143), which are available indefinitely for offsetting against future taxable profits, have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the entities satisfying requirements imposed by the relevant regulatory authorities in the respective jurisdictions in which the Company operates. The benefits of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions of deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

5 CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	261,273	490,550
	<u>261,273</u>	<u>490,550</u>

6 OTHER RECEIVABLES

	2023	2022
	\$	\$
GST receivable	675	-
Other receivables	1,716	4,136
	<u>2,391</u>	<u>4,136</u>

Terms and conditions of the above financial assets

- Due to the short term nature of these receivables, their carrying value approximates their fair value;
- The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

There was no expected credit loss provided for the receivables as management considers the impact to be insignificant.

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7 PLANT AND EQUIPMENT

	2023	2022
	\$	\$
PLANT AND EQUIPMENT		
- at cost	2,715	2,715
- accumulated depreciation	(962)	(56)
	<u>1,753</u>	<u>2,659</u>

(A) MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	PLANT AND EQUIPMENT
	\$
Balance at 30 June 2022	
Balance at the beginning of year	2,659
Additions	-
Depreciation expense	(906)
Balance at 30 June 2023	<u>1,753</u>
 Balance at 30 June 2021	
Balance at the beginning of year	-
Additions	2,715
Depreciation expense	(56)
Balance at 30 June 2022	<u>2,659</u>

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8 TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
CURRENT		
Trade payables	6,734	7,022
Other payables	883,904	593,335
	<u>890,638</u>	<u>600,357</u>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months.

9 FINANCIAL LIABILITIES

	2023	2022
	\$	\$
CURRENT		
Unsecured loan	72,204	70,704
	<u>72,204</u>	<u>70,704</u>

Terms and conditions of the above financial liabilities:

Unsecured loan:

The unsecured loan refers to the loan from Emco Capital Pty Ltd and incurs interest of 3% to be repaid in cash at settlement.

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9 FINANCIAL LIABILITIES (CONTINUED)

On 6 April 2022, a revised settlement agreement was executed with Emco in relation to an unsecured loan. Emco agreed to accept repayment of the \$100,000 unsecured loan principal and waive the accumulated interest of more than \$19,000. In accordance with the agreement, \$50,000 was repaid in cash on 7 April 2022 and the remaining \$50,000 is to be converted into shares if the Company is admitted to trading on the ASX before 30 September 2024 or else settled in cash on 30 September 2024.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable, either directly (i.e. as prices), or indirectly (i.e. derived from prices);
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

10 ISSUED CAPITAL

	2023	2022
	\$	\$
124,436,033 (2022: 124,436,033) Ordinary shares	45,070,623	45,070,623
Share issue costs	(4,075,227)	(4,075,227)
	<u>40,995,396</u>	<u>40,995,396</u>

ORDINARY SHARES

	2023	2022
	NO.	NO.
At the beginning of the reporting period	124,436,033	88,711,653
Reduction due to share consolidation on 1 for 20 basis	-	(84,275,620)
Shares issued on conversion of loan notes	-	120,000,000
At reporting date	<u>124,436,033</u>	<u>124,436,033</u>

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10 ISSUED CAPITAL (CONTINUED)

OPTIONS

- (i) For information relating to Lumira Energy Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 21.

CAPITAL MANAGEMENT

The Company's policy is to effectively manage its capital structure so that it would continue to operate as a going concern. The Company manages its contributed equity and reserves as part of its capital. The Company is not subject to any externally imposed capital requirements.

As is similar with many other exploration companies, the operational requirements of the Company are funded through equity and debt raised in various tranches. The overall capital management policy of the Company remains unchanged and is consistent with prior years.

11 RESERVES

(A) CONVERTIBLE NOTE EQUITY RESERVE

The equity reserve arose on issue and subsequent buy-back of convertible note issued by Ukraine Gas Investments Limited. It also recognises the equity component of the convertible loan agreement with Emco Capital Pty Ltd.

	2023	2022
	\$	\$
Convertible note equity reserve	(656,612)	(656,612)

(B) SHARE BASED PAYMENT RESERVE

The share based payment reserve records items recognised as expenses on valuation of share options and performance rights.

	2023	2022
	\$	\$
Share based payment reserve	4,777,174	4,777,174

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12 COMMITMENTS

	2023	2022
	\$	\$
Operating lease commitments:		
Payable:		
- within 12 months*	8,639	9,277
- 1 to 5 years	3,974	-
	<u>12,613</u>	<u>9,277</u>

* Operating lease commitments relate to the lease of a serviced office in Melbourne for 12 months to December 2023.

13 FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The totals for each category of financial instruments, measured in accordance with the accounting policies to these financial statements, are as follows:

	NOTE	2023	2022
		\$	\$
Financial Assets			
Cash and cash equivalents	5	261,273	490,550
Other receivables	6	2,391	4,136
Total Financial Assets		<u>263,664</u>	<u>494,686</u>
Financial Liabilities			
Trade and other payables	8	890,638	600,357
Borrowings (interest bearing)	9	72,204	70,704
Total Financial Liabilities		<u>962,842</u>	<u>671,061</u>

The carrying amounts of these financial instruments approximate their fair values.

FINANCIAL RISK MANAGEMENT POLICIES

Exposure to key financial risks is managed in accordance with the Company's risk management policy with the objective to ensure that the financial risks are identified and then managed or kept as low as reasonably practicable.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

The main financial risks that arise in the normal course of business are market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensuring capital can be raised in advance of shortages. Interest rate risk is managed by limiting the amount of interest bearing loans entered into by the Company. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit exposure to price risk.

Primary responsibility for identification and control of financial risks rests with the Chairman and Company Secretary, under the authority of the Board. The Board is appraised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables approximate fair value due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

(A) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

The Company trades only with recognised, creditworthy third parties.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At balance date cash and deposits were held with National Australia Bank with an S&P credit rating of AA-. The significant concentration of credit risk is in relation to cash and cash equivalents.

(B) LIQUIDITY RISK

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

It is the Company's policy to maintain sufficient funds in cash and cash equivalents to meet the ongoing operational requirements of the business. Furthermore, the Company monitors its ongoing cash requirements and raises equity or debt funding as and when appropriate to meet its requirements. Trade payables are due within 3 months. The loan amount of \$72,204 with a former related party is to be converted into \$50,000 in shares if the Company is admitted to trading on the ASX before 30 September 2024 or else settled by payment of \$50,000 in cash on 30 September 2024.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

As disclosed in Note 1 *Going Concern*, the Company has a net deficiency of assets of \$697,425. This comprises current assets of \$263,664, non-current assets of \$1,753 and current liabilities of \$962,842. Current liabilities include creditors with an outstanding balance at 30 June 2023 of \$853,043 who have advised the Company that they will not seek repayment of monies owing to them until the Company has the financial capacity to do so, and a loan amount of \$72,204 from a former related party.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations.

Financial liability maturity analysis

	WEIGHTED AVERAGE INTEREST RATE	WITHIN 1 YEAR		1 TO 5 YEARS		TOTAL CONTRACTUAL CASH FLOW	
		2023	2022	2023	2022	2023	2022
		\$	\$	\$	\$	\$	\$
Financial liabilities due for payment							
Trade and other payables	-	890,638	600,357	-	-	890,638	600,357
Borrowings (interest bearing)	3%	72,204	161,352	-	-	72,204	161,352
Total contractual outflows		962,842	761,709	-	-	962,842	761,709

(C) MARKET RISK

i. Interest rate risk

The effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant, would have an immaterial effect.

ii. Foreign exchange risk

Following the disposal of the Company's operations in the Ukraine in 2016, the Company no longer has significant payments and receipts denominated in foreign currencies. Accordingly the Company's statement of financial position is no longer considered to be subject to significant foreign exchange risk. There is no formal policy in place to protect or hedge the Company from adverse movements in foreign currency rates.

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14 OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The accounting policies for internal reporting purposes are consistent with those applied in the preparation of the financial report.

For management purposes, the Company is organised into a sole reporting segment which is the oil and gas segment located wholly within Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The Company operates from one geographic location, being Australia, from where its investing activities are managed.

15 INTERESTS OF KEY MANAGEMENT PERSONNEL

(A) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2023	2022
	\$	\$
Short-term employee benefits	415,073	321,896
Post-employment benefits	1,125	7,894
	<hr/>	<hr/>
	416,198	329,790

(B) OTHER TRANSACTIONS AND BALANCES WITH KMP AND THEIR RELATED PARTIES

Salary and fees for key management personnel includes \$474,000 directors' fees unpaid at 30 June 2023 (\$181,000 unpaid at 30 June 2022).

OPTIONS GRANTED

There were no options granted to key management personnel during the year ended 30 June 2023 (2022: nil).

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16 AUDITOR'S REMUNERATION

	2023	2022
	\$	\$
Remuneration of the auditor of the Company for:		
- Audit services – RSM Australia Partners	29,000	27,000
	<u>29,000</u>	<u>27,000</u>

17 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets at 30 June 2023.

18 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(A) RELATED PARTY BALANCES

	2023	2022
	\$	\$
CURRENT		
- Trade and other payables:		
Amount payable to related individuals	474,000	181,059
Total	<u>474,000</u>	<u>181,059</u>

LUMIRA ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

19 CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX

	2023	2022
	\$	\$
Net (loss) for the year	(523,709)	(363,784)
Adjustments for		
Foreign exchange gains	(21)	(99)
Depreciation and amortisation	906	57
Gain on fair value adjustment on derivative financial liability	-	(190,714)
Interest expense	1,500	2,655
Changes in operating assets and liabilities		
Decrease in trade and other receivables	1,745	278
Increase/(decrease) in trade payables and accruals	290,281	(10,844)
	<u>(229,298)</u>	<u>(562,451)</u>

20 EQUITY-BASED PAYMENTS

During the year, there were no equity based payments.

A summary of the movements of all Company options issued is as follows:

	NUMBER	WEIGHTED AVERAGE EXERCISED PRICE
Options outstanding as at 30 June 2021	12,875,000	\$0.05
1 for 20 share consolidation	(12,231,250)	-
Options outstanding as at 30 June 2022	643,750	\$1.00
Expiry of options on 30 June 2023	(643,750)	\$1.00
Options outstanding as at 30 June 2023	-	-

At 30 June 2023 there were no outstanding options.

LUMIRA ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

21 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 14 September 2023 the Company entered into an exploration and option agreement with Bespoke Minerals PTY Limited, a subsidiary of EMX Resources Limited, to acquire 100% of the Copperhole Creek exploration project in Queensland, Australia.

On 21 September 2023, the Company extended the term of the loan with Emco from 30 September 2023 to 30 September 2024 while maintaining the other terms and conditions.

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

22 COMPANY DETAILS

The registered office and principal place of business of the Company is:

Lumira Energy Limited
Suite 106, Ground Floor, 101 Moray Street
South Melbourne, VIC 3205

Lumira Energy Limited

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial 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.

On behalf of the directors



Mr. Cosimo Damiano

Director

24 October 2023



RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100
F +61 (0) 8 92619111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LUMIRA ENERGY LIMITED**

Opinion

We have audited the financial report of Lumira Energy Limited (the Company), which comprises the statement of financial position as at 30 June 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company incurred a loss of \$523,709 and had net cash outflows from operating activities of \$229,298 for the year ended 30 June 2023. As at that date, the Company had net current liabilities and net liabilities of \$699,178 and \$697,425 respectively. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



Other Information

The directors are responsible for the other information. The other information comprises the directors' report but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Perth, WA
Dated: 24 October 2023


RSM AUSTRALIA PARTNERS


TUTU PHONG
Partner

