



LUSTRUM
MINERALS LIMITED

ABN 83 609 594 005

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2019

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2019

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	4
INDEPENDENT AUDITOR'S REVIEW REPORT	5
DIRECTORS' DECLARATION	7
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO THE INTERIM FINANCIAL STATEMENTS	12

CORPORATE DIRECTORY

DIRECTORS

David Prentice (Non-Executive Chairman)
Piers Lewis (Non-Executive Director)
Luke Hall (Non-Executive Director)

COMPANY SECRETARY

Loren King

REGISTERED OFFICE

C/- Cicero Corporate Services Pty Ltd
Suite 9, 330 Churchill Avenue
Subiaco WA 6008

POSTAL ADDRESS

PO Box 866
Subiaco WA 6904

PRINCIPAL PLACE OF BUSINESS

Suite 9, 330 Churchill Avenue
Subiaco WA 6008

CONTACT INFORMATION

Tel: +61 8 6489 1600
Fax: +61 8 6489 1601

AUDITORS

[HLB Mann Judd](#)
Level 4, 130 Stirling Street
Perth WA 6000

SHARE REGISTRY

[Automatic Share Registry](#)
Level 2, 267 St Georges Terrace
Perth WA 6000

1300 288 664 (Local)
+61 2 9698 5414 (International)
www.automic.com.au

BANKER

[National Australia Bank](#)
Level 1 / 1238 Hay Street
West Perth WA 6005

SECURITIES EXCHANGE LISTING

[Australian Securities Exchange \(ASX\)](#)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX CODE: LRM

DIRECTORS' REPORT

The directors of Lustrum Minerals Limited (**ASX:LRM**) (**Company** or **Lustrum**) and its controlled entities (**Group**), for the half-year ended 31 December 2019 (**Period**) and the auditor's review report thereon. This report has been prepared in accordance with AASB 134 Interim Financial Reporting.

DIRECTORS

The names and particulars of the directors of the Company in office during the Period and until the date of this report are as follows. Directors were in office for the entire Period unless otherwise stated.

Director	Position
Mr David Prentice	Non-Executive Chairman
Mr Josh Puckridge	Non-Executive Director (Resigned 3 December 2019)
Mrs Loren King	Non-Executive Director (Resigned 3 December 2019)
Mr Luke Hall	Non-Executive Director (Appointed 3 December 2019)
Mr Piers Lewis	Non-Executive Director (Appointed 3 December 2019)

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

Company Secretary	Position
Mrs Loren King	Company Secretary

OPERATING RESULTS

The Group has incurred a net loss after tax for the half-year ended 31 December 2019 of \$309,662 (31 December 2018: \$323,202).

REVIEW OF OPERATIONS

PROJECT AND EXPLORATION SUMMARY

Lustrum's Consuelo Project is comprised of three (3) Coal Exploration Permits (EPCs 2327, 2318 and 2332, together the EPCs or Project) located south of the town of Rolleston in Queensland's Bowen Basin adjacent to the Rolleston thermal coal mine.

STATUS OF COMPANY OPERATIONS

The Company requested the voluntary suspension of its securities pending a response to a query letter received from the ASX on 22 August 2019 (**Query Letter**). The Company has since responded to the Query Letter and to further queries that were included in a subsequent letter from ASX dated 2 September 2019.

At the end of the Period, Lustrum's securities remain suspended.

Notwithstanding the suspension of its securities, the Company continued to pursue a number of opportunities to create shareholder value. With this in mind the Company has engaged SRK Consulting (Australasia) Pty Ltd (**SRK Consulting**) to complete an independent technical report on the Consuelo Project. The report will review and summarise the exploration work and results to date, comment on the projects prospectivity and potential and provide recommendations for the ongoing exploration of the project. The SRK Consulting report is expected to be completed in the March quarter of 2020.

CORPORATE

Lustrum's Annual General Meeting (**Meeting**) was held on Friday the 29th of November 2019 at 1:00pm (WST). All resolutions put to Shareholders at the Meeting were passed by a show of hands. The Notice of Meeting dated 25 October 2019 is available on the Company's website: https://lustrumminerals.com.au/wp-content/uploads/austocks/lrm/2019_11_29_LRM_8f8d423c71cce88d9edd9c7d63a24e4c.pdf

On December 3, Lustrum welcomed the appointments of Mr Piers Lewis and Mr Luke Hall as Non-Executive Directors of the Company. Coinciding with these appointments was the retirement of Non-Executive Directors Mr Josh Puckridge and Mrs Loren King. Loren will continue her position as Lustrum's company secretary.

CAPITAL MANAGEMENT

The Company maintains 33,851,450 fully paid ordinary shares on issue and \$1,751,512 in net cash as at the end of the Period.

BUSINESS DEVELOPMENT

During the Period the Company spent significant time reviewing opportunities to create shareholder value via the acquisition of further projects. These potential acquisitions are natural developments of the Company's business strategy and operations and should any of these opportunities consummate, the Company's board believes they have the potential to create significant value for shareholders.

At the time of this report, all discussions currently remain confidential, non-binding and incomplete.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

At the time of this report there were no further events subsequent to the reporting date that required disclosure.

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

During the Period there was a change of directors that occurred from the 3rd of December 2019. There were no other significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out on page 4 of this report.

This report is presented in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



David Prentice

Non-Executive Chairman

Perth, Western Australia this 12th day of March 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Lustrum Minerals Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
12 March 2020



N G Neill
Partner

hl**b.com.au**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lustrum Minerals Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Lustrum Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 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*.

Directors' responsibility for the interim financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 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*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2020



N G Neill
Partner

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes are in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 1.2, the financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the entity as at 31 December 2019 and of its performance for the Period ended on that date.

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

This declaration is made in accordance with a resolution of the directors.

For, and on behalf of, the Board of the Company,



David Prentice

Non-Executive Chairman

Perth, Western Australia this 12th day of March 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2019

	Half-Year Ended 31 Dec 2019 \$	Half-Year Ended 31 Dec 2018 \$
Income		
Interest income	-	19,314
Total Income	-	19,314
Expenses		
Audit and accounting fees	(19,848)	(14,470)
Corporate compliance costs	(90,645)	(83,257)
Corporate fees	(20,000)	(69,502)
Directors' fees, salaries, superannuation, and consulting costs	(89,996)	(79,996)
Insurance expense	(9,753)	(10,739)
Legal fees	(40,534)	(3,520)
Other expenses from ordinary activities	(25,105)	(5,654)
Exploration expenditure expensed	(13,779)	(25,378)
Exploration acquisition costs expensed	-	(50,000)
Total Expense	(309,660)	(342,516)
Income tax (benefit)/expense	-	-
Loss after tax from continuing operations	(309,660)	(323,202)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss net of tax for the Period	(309,660)	(323,202)
Basic and diluted loss per share (\$)	(0.01)	(0.01)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	As At 31 Dec 2019 \$	As At 30 Jun 2019 \$
Current assets			
Cash and cash equivalents		1,751,512	2,078,872
Trade and other receivables		10,787	39,503
Total current assets		1,762,299	2,118,375
Total assets			
		1,762,299	2,118,375
Current liabilities			
Trade and other payables	2	30,383	76,799
Total current liabilities		30,383	76,799
Total liabilities			
		30,383	76,799
Net Assets			
		1,731,916	2,041,576
Equity			
Issued capital	3	6,140,048	6,140,048
Accumulated losses		(4,408,132)	(4,098,472)
Total Equity			
		1,731,916	2,041,576

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2019

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	6,790,249	(3,475,680)	3,314,569
Loss for the Period	-	(323,202)	(323,202)
Total comprehensive loss for the Period	-	(323,202)	(323,202)
Shares issued during the Period	(650,201)	-	(650,201)
Capital raising costs	-	-	-
Balance as at 31 December 2018	6,140,048	(3,798,882)	2,341,166
Balance at 1 July 2019	6,140,048	(4,098,472)	2,041,576
Loss for the Period	-	(309,660)	(309,660)
Total comprehensive loss for the Period	-	(309,660)	(309,660)
Shares bought back during the Period	-	-	-
Capital raising costs	-	-	-
Balance at 31 December 2019	6,140,048	(4,408,132)	1,731,916

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2019

	Half-Year Ended 31 Dec 2019 \$	Half-Year Ended 31 Dec 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees	(327,360)	(427,029)
Interest received	-	19,314
<i>Net cash used in operating activities</i>	(327,360)	(407,715)
Cash flows from investing activities		
Proceeds from loan receivable	-	69,000
<i>Net cash generated by investing activities</i>	-	69,000
Cash flows from financing activities		
Shares buy-back	-	(650,201)
<i>Net cash (used in)/generated by financing activities</i>	-	(650,201)
Net (decrease)/ increase in cash and cash equivalents	(327,360)	(988,916)
Cash and cash equivalents at the beginning of the Period	2,078,872	3,292,303
Cash and cash equivalents at the end of the Period	1,751,512	2,303,387

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2019

1. BASIS OF PREPARATION

1.1. BASIS OF PREPARATION

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Lustrum Minerals Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

1.2. STATEMENT OF COMPLIANCE

The interim financial statements were authorised for issue on 12 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

1.3. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact (if any) of the new and revised Standards and Interpretations effective 1 July 2019 as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

1.4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2019

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019, except for the impact (if any) of the new and revised Standards and Interpretations effective 1 July 2019 as disclosed below.

1.5. NEW AND REVISED ACCOUNTING STANDARDS

New Standards and Interpretations applicable for the half year ended 31 December 2019

In the Period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies. Specifically, the Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information. The adoption of AASB 16 did not have any impact on the group financials.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the Period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

2. TRADE AND OTHER PAYABLES

	As At 31 Dec 2019	As At 30 Jun 2019
Current	\$	\$
Trade and sundry payables ⁽ⁱ⁾	36,810	133,150

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

3. ISSUED CAPITAL

	As At 31 Dec 2019	As At 30 Jun 2019
Fully paid ordinary shares	No. 33,851,450	No. 33,851,450

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2019

3.1. FULLY PAID ORDINARY SHARES

	As At 31 Dec 2019		As At 30 Jun 2019	
	No.	\$	No.	\$
Opening Balance	33,851,450	6,140,048	33,851,450	6,140,048
Balance at end of the Year	33,851,450	6,140,048	33,851,450	6,140,048

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

3.2. PERFORMANCE SHARES

	As At 31 Dec 2019 No.	As At 30 Jun 2019 No.
Class A Performance Shares ⁽ⁱ⁾⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	15,000,000	15,000,000
Class C Performance Shares ⁽ⁱ⁾⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	15,000,000	15,000,000

⁽ⁱ⁾ No value has been ascribed to the deferred consideration as the Company has not yet reached a stage where it can reliability estimate the likelihood of the milestones being achieved.

⁽ⁱⁱ⁾ A Class A Performance Share in the relevant class will convert into one Share upon the delineation of an "indicated mineral resource" (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 50 million tonnes of coal at greater than 5,000 kcal/kg at the Project on or before 30 June 2021.

⁽ⁱⁱⁱ⁾ A Class C Performance Share in the relevant class will convert into one Share upon the delineation of an "indicated mineral resource" (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 150 million tonnes of coal at greater than 5,000 kcal/kg at the Project on or before 30 June 2021.

4. SEGMENT REPORTING

The Group has adopted AASB 8 'Operating Segments' which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports.

During the Period, the Group operated predominantly in one segment being the mineral exploration sector in Queensland. Accordingly, under the 'management approach' outlined above only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2019

5. SUBSEQUENT EVENTS

At the time of this report there were no further events subsequent to the reporting date that required disclosure.

6. FAIR VALUE MEASUREMENT

The Directors consider that the carrying amount of other financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

7. RELATED PARTY TRANSACTIONS

During the half-year ended 31 December 2019 the following related party transaction was undertaken between the Group and director related entities:

The company has an agreement with Cicero Corporate Services Pty Ltd (**CCS**), of which Mrs Loren King is a shareholder, (**Corporate Services Agreement**). Pursuant to the Corporate Services Agreement, the CCS was appointed to provide corporate and administrative services to the Company. The fee payable by the Company to CCS in consideration for performing the services under the Corporate Services Agreement is A\$120,000 per annum.

The Company has not sought Shareholder approval for the execution of the proposal despite CCS being a related party of the Company on the basis that the Proposal has been negotiated at arm's length and contains standards commercial terms and therefore falls within the exception on section 210 of the Corporations Act.

8. COMMITMENTS AND CONTINGENT LIABILITIES

8.1. TENEMENT RELATED COMMITMENTS AND CONTINGENCIES

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

	As At 31 Dec 2019 \$	As At 30 Jun 2019 \$
Within one year	650,000	650,000
After one year but not more than five years	425,000	425,000
More than five years	-	-
	<u>1,075,000</u>	<u>1,075,000</u>