

Lumira Energy Limited

(Formerly Hawkley Oil and Gas Limited)

Interim Financial Report

A.B.N. 68 115 712 162

For the Half-Year Ended 31 December 2021

Lumira Energy Limited

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For the Half-Year Ended 31 December 2021

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Lumira Energy Limited

Directors' Report

For the Half-Year Ended 31 December 2021

Your directors submit their report, together with the interim financial statements of Lumira Energy Limited (previously Hawkley Oil and Gas Limited) (the Company) for the half year ended 31 December 2021.

Directors

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

Names	Position
Mr. Joseph Naemi	Non-Executive Chairman – appointed 16 August 2021
Mr. Cosimo Damiano	Executive Director – appointed 1 July 2021
Mr. Murray Wylie	Non-Executive Director
Mr. Thomas Fontaine	Managing Director – resigned 19 August 2021
Mr. Kane Marshall	Non-Executive Director – resigned 20 July 2021

Company Secretary

Mr. Murray Wylie

Principal activities

The principal activities of the Company during the period consisted of seeking to restructure the Company's debt and acquire a suitable oil and gas project to support recapitalisation of the Company and the return to trading of its securities on the Australian Securities Exchange (ASX).

Operating results

The loss of the Company for the half year ended 31 December 2021 amounted to \$622,647 (31 December 2020: \$731,099).

Review of operations

During 2021, Mr. Cosimo Damiano began assisting the Company with efforts to restructure its debt and explore possible transactions to recapitalise the Company and seek a new listing on the ASX. On 1 July 2021 he joined the Board as an Executive Director. 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. He has extensive experience in oil and gas investments throughout North and South America. More recently Mr. Damiano was the Managing Director of Xstate Resources Limited, an ASX listed junior oil and gas company with operations onshore northern California.

In May 2021, the Company began raising additional funds via convertible notes to provide working capital to pursue a new acquisition and IPO listing on ASX. The Company raised its maximum target of \$1,200,000 through the convertible notes. The convertible notes earn interest of 10% per annum. Subject to obtaining any necessary approvals, conversion into shares is mandatory at the earlier of 5 business days after the Company receives conditional approval from ASX for its securities to be admitted for quotation or 30 June 2022. The conversion price will be 25% of the of the issue price of shares issued by the Company pursuant to its capital raising conducted in relation to a listing transaction. If ASX listing does not occur before the 30 June 2022, the conversion price will be \$0.01 per share, subject to adjustment for any share reconstruction.

On 7 July 2021, the Company received notification that ASIC had approved the retirement of Ernst & Young as auditor of the Company and the appointment of RSM Australia Partners as the new Company auditor. The change in auditor was sought by the Company and Ernst & Young, as both parties considered that the additional rigour and expense of having audits performed by a first-tier audit firm was no longer justified or in the best interests of shareholders, following the removal of the Company from the ASX Official List.

Mr. Joseph Naemi joined the Board on 16 August 2021 as an independent non-executive chairman. Mr. Naemi has thirty years of international experience across the entire hydrocarbons value chain as a co-founder or director of several oil and gas exploration and production ("E&P") companies, with a proven track record of monetising E&P assets. He has 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.

Directors' Report

For the Half-Year Ended 31 December 2021

Mr. Kane Marshall resigned from his position as a non-executive director on 20 July 2021 after serving the Company in that capacity for around 18 months. Mr. Tom Fontaine also resigned from the Company on 19 August 2021 after serving more than two years as Managing Director during what was a difficult period for the Company.

On 27 July 2021 the Company announced that it had entered into a Binding Letter of Intent ("LOI") to amalgamate with a Canadian company, namely; Persist Oil & Gas Inc. ("Persist"), (the "Merger"). The Merger was to provide the Company with existing reserves (2P +12.5 MMBOE), existing production (+2900 BOEPD), access to high quality facilities and undeveloped land position, with likely significant production increases and yet to be developed resources at a low entry cost. The Merger was subject to certain conditions including management and board changes, and for the Company to undertake a substantial capital raising and obtain admission to ASX.

A meeting of the Company's shareholders on 15 December 2021 approved the proposed Merger with Persist, consolidation of the Company's existing shares and options on a 20 to 1 basis, and the change of the Company's name from Hawkley Oil & Gas Limited to Lumira Energy Limited.

Lumira and Persist continued to work together to obtain shareholder and court approvals and ASX in-principle approval for listing. Considerable effort and expense were incurred preparing a prospectus and obtaining the associated independent technical, financial, legal, and title reports.

Significant changes in the state of affairs

On 21 December 2021, the Company officially changed its name from Hawkley Oil and Gas Limited to Lumira Energy Limited.

Events subsequent to balance sheet date

After having obtained all the necessary approvals, independent reports and consents, a prospectus was lodged with ASIC on 19 January 2022 to raise a minimum of \$12,000,000 up to a maximum of \$15,000,000. An application for admission to trading was lodged with ASX shortly after. Brokers advised that the prospectus was receiving strong investor support after completion of the 7-day ASIC exposure period; however, Persist advised that they no longer wished to proceed with the Merger. On 9 February 2022, Lumira withdrew the prospectus and arranged for the return of all investor funds that had been received.

Under the terms of a settlement agreement executed by Lumira and Persist on 25 February 2022, Persist agreed to pay the A\$150,000 break-fee plus additional funds to reimburse a substantial portion of the expenses incurred in Canada that were associated with the prospectus and assumption of liability for the unpaid balance for the relevant Canadian legal fees. Payment of the settlement funds of \$353,876 was received by Lumira in March 2022. The Company has also received a refund from the ASX of \$113,273 for the balance of the ASX listing fees that were paid in January 2022 at the time of lodging its listing application.

On 6 April 2022, a revised settlement agreement was executed with Emco Capital Pty Ltd (Emco), an entity associated with a former director, 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 31 December 2022 or settlement in cash on 31 December 2022.

The directors of Lumira have commenced discussions with stakeholders and other parties and are reviewing a number of potential opportunities for an alternative transaction that would be suitable for recapitalisation and relisting on the ASX.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the half-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.

Directors' Report
For the Half-Year Ended 31 December 2021

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2021 has been received and can be found on page 7 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.



Director:
Mr. Cosimo Damiano

Dated: 12 May 2022



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Lumira Energy Limited for the half-year ended 31 December 2021, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 12 May 2022

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Lumira Energy Limited

Statement of Comprehensive Income For the Half Year Ended 31 December 2021

		31 December 2021 \$	31 December 2020 \$
Other income	4	11	47,002
Administrative expenses	4	(680,579)	(774,915)
Interest expense		(6,440)	(3,025)
Fair value gain on derivative liability		63,906	-
Gain/(loss)on foreign currency		455	(161)
Loss before income tax		(622,647)	(731,099)
Income tax expense		-	-
Loss after tax for the half year		(622,647)	(731,099)
Total comprehensive loss for the half year		(622,647)	(731,099)
Loss per share			
Basic loss per share	7	(0.14)	(0.18)
Diluted loss per share	7	(0.14)	(0.18)

The accompanying notes form part of these financial statements.

Lumira Energy Limited

Statement of Financial Position

As at 31 December 2021

	31 December 2021	30 June 2021
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	598,297	45,617
Trade and other receivables	8,936	2,864
TOTAL CURRENT ASSETS	<u>607,233</u>	<u>48,481</u>
TOTAL ASSETS	<u>607,233</u>	<u>48,481</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	715,213	515,849
Financial liabilities	5 1,240,084	258,049
TOTAL CURRENT LIABILITIES	<u>1,955,297</u>	<u>773,898</u>
TOTAL LIABILITIES	<u>1,955,297</u>	<u>773,898</u>
NET LIABILITIES	<u>(1,348,064)</u>	<u>(725,417)</u>
EQUITY		
Issued capital	6 40,079,911	40,079,911
Reserves	4,120,562	4,120,562
Accumulated losses	<u>(45,548,537)</u>	<u>(44,925,890)</u>
TOTAL SHAREHOLDERS' DEFICIT	<u>(1,348,064)</u>	<u>(725,417)</u>

The accompanying notes form part of these financial statements.

Lumira Energy Limited

Statement of Changes in Equity
For the Half-Year Ended 31 December 2021

31 December 2020

	Ordinary Shares \$	Accumulated losses \$	Convertible Note Equity Reserve \$	Share Based Payment Reserve \$	Total \$
Balance at 1 July 2020	39,349,788	(44,014,403)	(656,612)	4,730,974	(590,253)
Loss for the period	-	(731,099)	-	-	(731,099)
Total other comprehensive loss	-	(731,099)	-	-	(731,099)
Transactions with owners in their capacity as owners:					
Shares issued	570,000	-	-	-	570,000
Equity based payment	-	-	-	46,200	46,200
Balance at 31 December 2020	39,919,788	(44,745,502)	(656,612)	4,777,174	(705,152)

31 December 2021

	Ordinary Shares \$	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 for the period	-	(622,647)	-	-	(622,647)
Total other comprehensive loss	-	(622,647)	-	-	(622,647)
Balance at 31 December 2021	40,079,911	(45,548,537)	(656,612)	4,777,174	(1,348,064)

The accompanying notes form part of these financial statements.

Lumira Energy Limited

Statement of Cash Flows

For the Half-Year Ended 31 December 2021

	31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(486,629)	(37,445)
Interest received	11	2
Sundry income	-	47,000
Net cash (used in)/from operating activities	<u>(486,618)</u>	<u>9,557</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,060,000	-
Costs of raising borrowings	(20,500)	-
Net cash from financing activities	<u>1,039,500</u>	<u>-</u>
Net increase in cash and cash equivalents held	552,882	9,557
Cash and cash equivalents at beginning of year	45,617	15,943
Effects of exchange rate changes on cash and cash equivalents	(202)	(155)
Cash and cash equivalents at end of the half year	<u>598,297</u>	<u>25,345</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2021

1 Basis of preparation

This interim financial report for the half year ended 31 December 2021 is a general purpose condensed financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Lumira Energy Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year for the Company. This interim financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2021, together with any public announcements made during the half year.

On 21 December 2021, the Company changed its name from Hawkley Oil and Gas Limited to Lumira Energy Limited.

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 of Interpretation that are not yet mandatory have not been early adopted.

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 half year ended 31 December 2021, the Company incurred a loss of \$622,647 and had cash outflows from operating activities of \$486,618. As at 31 December 2021, the Company had cash and cash equivalents of \$598,297 and net current liabilities of \$1,348,064. Current liabilities of \$1,955,297 at 31 December 2021, includes \$1,120,522 for convertible notes, \$348,328 in outstanding fees owed to current and former directors and \$119,562 for a loan from Emco Capital Pty Ltd (Emco), an entity associated with a former director.

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) The \$1,200,000 principal for the convertible notes is subject to mandatory conversion on or before 30 June 2022, with the Company's cash obligation limited to payment of the 10% coupon interest.
- ii) The settlement agreement with Persist in February 2022 provided a settlement fee of \$353,876.
- iii) In April 2022, the Company received a cash refund of \$113,273 from the ASX.
- iv) Current and former directors have agreed to extend agreements to accept \$75,000 cash and \$75,000 in shares as settlement of \$329,560 that is owed to them.
- v) 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 settlement 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 31 December 2022 or settlement in cash on 31 December 2022.

Following the withdrawal of its prospectus on 9 February 2022, the Company has settled with Persist and worked to settle or restructure its debts and is actively looking for suitable targets to seek future relisting on the ASX. The Company would likely need to source additional working capital in order to pursue a new transaction and to continue as a going concern.

Should the directors not be able to achieve the matters set out above, there is significant uncertainty as to whether the Company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2021

2 New and amended accounting standards and interpretations

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.

3 Operating 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 Company is managed primarily on the basis of product category, operating segments are therefore determined on the same basis. The Company's sole reporting segment is the oil and gas business located wholly within Australia.

The accounting policies applied for internal purposes are consistent with those applied in the preparation of these interim financial statements.

4 Loss for the Half-Year

(a) Other income

	31 December 2021 \$	31 December 2020 \$
Interest income	11	2
Sundry income – government assistance received	-	47,000
	<u>11</u>	<u>47,002</u>

(b) Administrative Expenses

	31 December 2021 \$	31 December 2020 \$
Corporate and administrative expenses	583,814	20,554
Equity based payments to corporate advisors	-	616,200
Director and employee benefits expense	94,790	132,161
Lease payments	1,975	6,000
	<u>680,579</u>	<u>774,915</u>

Notes to the Financial Statements
For the Half-Year Ended 31 December 2021

5 Financial liabilities

	31 December 2021 \$	30 June 2021 \$
CURRENT		
Convertible notes host debt liability	73,301	-
Interest expense on host debt liability	4,928	-
Convertible notes derivative financial liability	1,126,699	140,000
Costs of borrowing	(20,500)	-
Fair value adjustment of derivative financial liability	(63,906)	-
Unsecured loan	119,562	118,049
	<u>1,240,084</u>	<u>258,049</u>

Terms and conditions of the above financial liabilities:

Convertible notes:

During 2021, the Company raised \$1,200,000 interim funding through the issue of convertible notes to sophisticated and professional investors. The convertible notes were issued with the following principal terms:

- face value of \$1 each;
- interest rate of 10% p.a.;
- unsecured;
- a conversion price 25% of the issue price of shares issued by the Company pursuant to its capital raising conducted in relation to a Listing Transaction;
- conversion is subject to obtaining any necessary shareholder approvals;
- the notes will convert on or before 30 June 2022; if ASX Listing is not obtained the conversion price will be \$0.01 per share
- except as noted below, the convertible notes can be redeemed by conversion only; and
- the notes have a contingent settlement feature which is triggered in the event of default which includes the appointment of a Receiver or Administrator.

The convertible notes do not meet the fixed for fixed requirement and accordingly the whole convertible notes are recognised as financial liabilities.

Unsecured loan:

The unsecured loan refers to the loan from Emco Capital Pty Ltd

- The financial liabilities relate to an unsecured loan of \$200,000 on 28 June 2018 via a convertible note from an entity associated with a related party at that time.
- The terms of the loan were amended on 28 June 2019 with a replacement loan agreement to extend the term of the loan until 31 December 2019 and to make conversion of the loan at the election of the related party.
- The loan was further amended on 12 March 2020 to remove the conversion rights and extend the loan term until 30 June 2020.
- The lender is no longer considered to be a related party.
- The loan incurs interest of 3% to be repaid in cash at settlement.
- Initially, the Company considered that the convertible note was a compound instrument and in this regard a portion of the convertible note was recognised in equity.
- The loan is now recognised as an unsecured loan facility.

On 30 June 2021, the Company entered into a settlement agreement providing for the loan to be settled by two payments of \$100,000 each, with the accrued interest to be waived. The first payment was made on 30 June 2021. The agreement was amended on 6 April 2022 whereby a further \$50,000 cash was paid 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 31 December 2022 or settlement in cash on 31 December 2022.

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).

Notes to the Financial Statements
For the Half-Year Ended 31 December 2021

6 Issued capital

	31 December 2021	30 June 2021
	\$	\$
4,436,033 (30 June 2021: 88,711,653) Ordinary shares	44,155,138	44,155,138
Share issue costs	(4,075,227)	(4,075,227)
Total	40,079,911	40,079,911

Ordinary Shares

	31 December 2020	30 June 2021
	No.	No.
At the beginning of the reporting period	88,711,653	64,374,230
Reduction due to share consolidation on 1 for 20 basis	(84,275,620)	-
Shares issued for equity based payments	-	19,000,000
Conversion of outstanding fees for former directors	-	5,337,423
At reporting date	4,436,033	88,711,653

7 Loss per share

	31 December 2021	31 December 2020
	\$	\$
Earnings used to calculate basic loss per share	(622,647)	(731,099)
Earnings used in calculation of diluted loss per share	(622,647)	(731,099)

Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	31 December 2021	31 December 2020
	No.	No.
Weighted average number of ordinary shares outstanding during the year - number used in calculating basic and dilutive profit/(loss) per share ⁽ⁱ⁾	4,436,033	4,055,125

- (i) Due to the share consolidation that occurred on 22 December 2021, the loss per share is calculated based on the equivalent number of shares on a post consolidation basis. The share consolidation was 1 new share for every 20 existing shares held.

8 Equity - dividends

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

9 Contingent asset/liabilities

The Company did not have any contingent assets or liabilities at 31 December 2021 (30 June 2021: nil).

Notes to the Financial Statements

For the Half-Year Ended 31 December 2021

10 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:

During the half-year ended 31 December 2021, director's fees of \$94,790 (31 December 2020: \$132,161) were incurred.

(a) Related party balances

	31 December 2021 \$	30 June 2021 \$
CURRENT		
- Trade and other payables:		
Amount payable to related individuals	348,328	310,181
Total	348,328	310,181

11 Events occurring after the reporting date

After having obtained all the necessary approvals, independent reports and consents, a prospectus was lodged with ASIC on 19 January 2022 to raise a minimum of \$12,000,000 up to a maximum of \$15,000,000. An application for admission to trading was lodged with ASX shortly after. Brokers advised that the prospectus was receiving strong investor support after completion of the 7-day ASIC exposure period; however, Persist advised that they no longer wished to proceed with the Merger. On 9 February 2022, Lumira withdrew the prospectus and arranged for the return of all investor funds that had been received.

Under the terms of a settlement agreement executed by Lumira and Persist on 25 February 2022, Persist agreed to pay the A\$150,000 break-fee plus additional funds to reimburse a substantial portion of the expenses incurred in Canada that were associated with the prospectus and assumption of liability for the unpaid balance for the relevant Canadian legal fees. Payment of the settlement funds of \$353,876 was received by Lumira in March 2022. The Company has also received a refund from the ASX of \$113,273 for the balance of the ASX listing fees paid in January 2022 at the time of lodging its listing application.

On 6 April 2022, a revised settlement agreement was executed with Emco Capital Pty Ltd (Emco), an entity associated with a former director, 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 31 December 2022 or settlement in cash on 31 December 2022.

The directors of Lumira are in discussions with stakeholders and other parties and are reviewing a number of potential opportunities for an alternative transaction that would be suitable for recapitalisation and relisting on ASX.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the half year which 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.

12 Fair value measurement

The carrying value of financial assets and financial liabilities approximate their fair values.

Lumira Energy Limited

**Directors' Declaration
For the Half-Year Ended 31 December 2021**

The directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Company 's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
2. Subject to the matters outlined in Note 1, in the directors' opinion, there are reasonable grounds to believe that the Company 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 Board of Directors.



Director:
Mr. Cosimo Damiano

Dated: 12 May 2022



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lumira Energy Limited (the Company) which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2021 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 Lumira Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lumira Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lumira Energy 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 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company incurred a loss of \$622,647 and had cash outflows from operating activities of \$486,618 for the half-year ended 31 December 2021. As at that date, the Company had net current liabilities of \$1,348,064. 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 conclusion is not modified in respect of this matter.

RSM

RSM AUSTRALIA PARTNERS

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

TUTU PHONG
Partner

Perth, WA
Dated: 12 May 2022