

**LAKE RESOURCES N.L.**

**ABN 49 079 471 980**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2012**

**LAKE RESOURCES N.L.**

**ABN 49 079 471 980**

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**LAKE RESOURCES NL**  
ABN 49 079 471 980

**DIRECTORS' REPORT**

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Your Directors submit the financial report of the company for the half-year ended 31 December 2012.

**DIRECTORS**

The names of Directors who held office during or since the end of the half-year and to the date of this report are:

Peter J. Gilchrist  
James G. Clavarino  
Ross Johnston

**OPERATING RESULT AND REVIEW OF OPERATIONS**

The operating loss after applicable income tax for the half-year to 31 December 2012 was \$115,376 (2011: \$93,534 loss). During the half-year the company continued work on its exploration projects in Pakistan with particular emphasis on the targets in Balochistan. Refer also to the Quarterly Reports released by the company for the periods July to September 2012 and October to December 2012.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the half year ended 31 December 2012 has been received and is located in this financial report.

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



**P J Gilchrist**  
**Director**

Dated: 7 March 2013

**LAKE RESOURCES NL**  
ABN 49 079 471 980

**DIRECTORS' DECLARATION**

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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 Australian Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. 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.



P J Gilchrist  
Director

Dated: 7 March 2013

# LAKE RESOURCES NL

ABN 49 079 471 980

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 \$	31 December 2011 \$
Revenue	2	8,597	47,074
Less Expenses:			
Administrative costs		(46,061)	(25,948)
Corporate costs		(71,912)	(108,660)
Occupancy costs		(6,000)	(6,000)
Loss before income tax	3	(115,376)	(93,534)
Income tax expense		-	-
<b>Loss for the period, attributable to members of the company</b>		<b>(115,376)</b>	<b>(93,534)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period attributable to members of the company</b>		<b>(115,376)</b>	<b>(93,534)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		(0.16)	(0.13)
Diluted earnings per share (cents per share)		(0.16)	(0.13)
Dividends		-	-

The accompanying notes form part of these financial statements.

**LAKE RESOURCES NL**  
ABN 49 079 471 980

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

	Note	31 December 2012 \$	30 June 2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		263,743	513,874
Trade and other receivables		83,524	44,859
Other current assets		12,699	1,251
<b>Total Current Assets</b>		<b>359,966</b>	<b>559,984</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,241	18,158
Exploration and evaluation expenditure	7	6,212,984	6,042,045
<b>Total Non-Current Assets</b>		<b>6,219,225</b>	<b>6,060,203</b>
<b>TOTAL ASSETS</b>		<b>6,579,191</b>	<b>6,620,187</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		91,304	16,924
<b>Total Current Liabilities</b>		<b>91,304</b>	<b>16,924</b>
<b>TOTAL LIABILITIES</b>		<b>91,304</b>	<b>16,924</b>
<b>NET ASSETS</b>		<b>6,487,887</b>	<b>6,603,263</b>
<b>EQUITY</b>			
Issued capital		8,690,935	8,690,935
Reserves		1,051,609	1,051,609
Accumulated losses		(3,254,657)	(3,139,281)
<b>TOTAL EQUITY</b>		<b>6,487,887</b>	<b>6,603,263</b>

The accompanying notes form part of these financial statements.

**LAKE RESOURCES NL**  
ABN 49 079 471 980

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Note	Issued Capital \$	Capital Profits Reserve \$	Asset Revaluation Reserve \$	Retained Earnings/ (Accumulated Losses) \$	Total \$
<b>Balance 1 July 2011</b>		8,690,935	4,997	1,046,612	(3,002,531)	6,740,013
Total comprehensive income/(loss) for period		-	-	-	(93,534)	(93,534)
Subtotal		8,690,935	4,997	1,046,612	(3,096,065)	6,646,479
Dividends paid or provided for		-	-	-	-	-
Capital Raised		-	-	-	-	-
<b>Balance 31 December 2011</b>		8,690,935	4,997	1,046,612	(3,096,065)	6,646,479
<b>Balance 1 July 2012</b>		8,690,935	4,997	1,046,612	(3,139,281)	6,603,263
Total comprehensive income/(loss) for period		-	-	-	(115,376)	(115,376)
Subtotal		8,690,935	4,997	1,046,612	(3,254,657)	6,487,887
Dividends paid or provided for		-	-	-	-	-
<b>Balance 31 December 2012</b>		8,690,935	4,997	1,046,612	(3,254,657)	6,487,887

The accompanying notes form part of these financial statements.

**LAKE RESOURCES NL**

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**STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	31 December 2012 \$	31 December 2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(87,789)	(82,394)
Interest received	8,597	47,074
Net cash provided by (used in) operating activities	<u>(79,192)</u>	<u>(35,320)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration, evaluation and development expenditure	<u>(170,939)</u>	<u>(219,580)</u>
Net cash provided by (used in) investing activities	<u>(170,939)</u>	<u>(219,580)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
Share issue applications not yet allotted	-	-
Transaction costs on issue of shares	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash held	(250,131)	(254,900)
Cash at start of period	513,874	1,357,672
Cash at end of period	<u>263,743</u>	<u>1,102,772</u>

The accompanying notes form part of these financial statements.



# LAKE RESOURCES NL

ABN 49 079 471 980

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose interim financial statements for the half year reporting period ended 31 December 2012 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Lake Resources NL. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Lake Resources NL during the half year.

#### **Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the 30 June 2012 financial report. The critical estimates and judgements in these financial statements are consistent with those applied in the June 2012 report.

#### **Continued Operations and Future Funding**

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2012, the company's balance sheet shows total assets of \$6,579,191, total liabilities of \$91,304 and net assets of \$6,487,887. Current assets total \$359,966 and include cash assets of \$263,743. Net current assets total \$268,662. Minimum exploration expenditure commitments in the next twelve months total \$199,154. In addition the company will need to cover general overheads.

As outlined in previous financial reports and disclosures by the company, the ongoing activities will concentrate on the exploration program in Pakistan. Historically the company has financed these activities through equity.

The company's ability to continue with its planned exploration activities is dependent on having finance available. The next phase of exploration activities will necessitate the sourcing of additional working capital to undertake these planned activities. Directors are confident that further funds can be raised when required. However no commitment has yet been made as to the source of any additional funding.

The directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

# LAKE RESOURCES NL

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 December 2012	31 December 2011
	\$	\$
<b>NOTE 2: REVENUE</b>		
Interest received from other parties	8,597	47,074
Total revenue	8,597	47,074

### NOTE 3: LOSS FOR THE HALF YEAR

The following expense items are relevant in explaining the financial performance for the interim period:

Key management personnel remuneration	30,000	60,000
Depreciation	11,917	13,925
Rental expense on operating leases	6,000	6,000

### NOTE 4: COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES

#### Exploration Commitments

Under the terms of the company's new leases for its exploration tenements it has to meet annual rent and undertake exploration for the 3 years from 10 September 2012. The commitments are as follows:

31 December 2012	Rent \$	Exploration \$	Total \$
Not later than 1 year	11,154	188,000	199,154
Later than 1 year but not later than 5 years	22,309	-	22,309
	33,463	188,000	221,463

  

30 June 2012	Rent \$	Exploration \$	Total \$
Not later than 1 year	8,804	86,000	94,804
Later than 1 year but not later than 5 years	26,413	-	26,413
	35,217	86,000	121,217

#### Contingent liabilities

Under the terms of the exploration licences originally granted in September 2009, and renewed in September 2012, the company must elect to grant the Balochistan Government a maximum 25% investment in the licences. The Government has advised that a draft agreement is being finalised. At reporting date the company has capitalised \$6,212,984 of expenditure in respect of these areas of interest (note 7). These financial statements do not reflect the financial effect of this grant should it proceed.

There were no other material contingent liabilities at the end of the reporting period.

### NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2012, no event has arisen that would be likely to materially affect the operations or the state of affairs of the disclosing entity.

**LAKE RESOURCES NL**  
ABN 49 079 471 980

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 6: SEGMENT INFORMATION**

The company operates entirely in the mineral exploration industry with all tenements in Pakistan and corporate operations in Australia. Accordingly, the information provided to the Board of Directors is prepared using the same measures used in preparing the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position.

(a) Performance by geographical region	Australia		Pakistan		Economic Entity	
	31 December		31 December		31 December	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Interest	8,597	47,074	-	-	8,597	47,074
Total segment revenue	8,597	47,074	-	-	8,597	47,074
Total Revenue	8,597	47,074			8,597	47,074
Segment Result	(115,376)	(93,534)	-	-	(115,376)	(93,534)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(115,376)	(93,534)	-	-	(115,376)	(93,534)

	31 December 2012 \$	30 June 2012 \$
(b) Assets by geographical region		
Australia	338,364	571,008
Pakistan	6,240,827	6,049,179
	<u>6,579,191</u>	<u>6,620,187</u>

**NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE**

Exploration and evaluation costs carried forward in respect of areas of interest are:

- at cost	<u>6,212,984</u>	<u>6,042,045</u>
Movement during the year in exploration and evaluation expenditure:		
At cost:		
Carrying amount at beginning of period	6,042,045	5,299,507
Capitalised exploration and evaluation expenditure	<u>170,939</u>	<u>742,538</u>
Carrying amount at the end of period	<u><u>6,212,984</u></u>	<u><u>6,042,045</u></u>

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of minerals, or alternatively through the sale of the areas of interest. Tenements have been renewed in the current period, see note 8.

**LAKE RESOURCES NL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

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**NOTE 8: ECONOMIC DEPENDENCY**

The company is dependent on the Government of Pakistan continuing to allow exploration on tenements which have been granted to the company. Tenements were renewed for 3 years during the current period. In addition, the tenements are subject to a grant of 25% to government (see note 4).

**NOTE 9: RELATED PARTY TRANSACTIONS**

The company undertakes transactions with related parties in the normal course of business. In the current period arrangements with related parties continue to be in place, consistent with those reported in the 30 June 2012 annual financial report.

**NOTE 10: NEW AND REVISED ACCOUNTING REQUIREMENTS APPLICABLE TO THE CURRENT HALF-YEAR REPORTING PERIOD**

*Presentation of Items of Other Comprehensive Income*

The company has adopted AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income on 1 July 2012. AASB 2011-9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

AASB 2011-9 amends the presentation requirements of other comprehensive income. It requires items of other comprehensive income to be grouped between:

- items that will not be reclassified subsequently to profit and loss; and
- those that will be reclassified subsequently to profit or loss when specific circumstances occur.

It also requires, when items of other comprehensive income are presented before the related tax effects with a single amount shown for the aggregate amount of income tax relating to those items, the amount of tax effect to be allocated between:

- items that will not be reclassified subsequently to profit and loss; and
- those that might be reclassified subsequently to profit or loss.

AASB 2011-9 also amends AASB 101 to change the title "income statement" to "statement of profit or loss" under the two-statement approach. Other titles are also permitted, the company has decided to use the title "statement of profit or loss and other comprehensive income".

The adoption of AASB 2011-9 only changed the presentation of the company's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the company's financial statements.



**Hayes Knight**

Accountants, Advisors & Auditors

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## **Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001**

### **To the Directors of Lake Resources NL**

As lead auditor for the review of Lake Resources NL for the half-year ended 31 December 2012 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Hayes Knight Audit (Qld) Pty Ltd*

**Hayes Knight Audit (Qld) Pty Ltd**

*Nigel Bamford*

**N D Bamford**  
Director

Date: 7 March 2013



**Hayes Knight**

Accountants, Advisors & Auditors

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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the members of Lake Resources NL**

#### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Lake Resources NL (the company), which comprises the statement of financial position as at 31 December 2012 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year-ended on that date, 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 (including Australian Accounting Interpretations) 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 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 2012 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 Lake Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the 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.

#### **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 Lake Resources NL as attached to the directors' report, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Independent auditor's review report to the members of Lake Resources NL  
(continued)**

**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 Lake Resources NL 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 2012 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.

**Emphasis Of Matter - Continued Operations and Future Funding**

Without qualifying our conclusion, we draw attention to Note 1 in the financial statements which indicates that the company's ability to continue with its planned exploration activities is dependent on having finance available.

As indicated in the note, the company had net current assets totalling \$268,662 at balance date and has minimum exploration commitments in the next twelve months of \$199,154. In addition the company will need to cover its general overheads. On the basis of planned activities continuing, further funds will need to be raised. Directors are confident that funding initiatives will be successful, however no commitment has yet been made as to the source of any additional funding. The Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

The outcome of further financing initiatives taken by Directors cannot be presently determined with any certainty. The company's ability to continue as a going concern will be dependent on obtaining future finance.

The financial statements do not include any adjustments to the amount and classification of assets and liabilities that would be necessary if the company could not continue as a going concern.

*Hayes Knight Audit (Qld) Pty Ltd*

**Hayes Knight Audit (Qld) Pty Ltd**

*Nigel Bamford*

**N D Bamford**

Director

Level 19, 127 Creek Street,  
Brisbane, QLD, 4000

Date: 7 March 2013