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# Red Mountain Mining Ltd and Controlled Entities



## Interim Consolidated Financial Report For the Half-Year Ended 31 December 2018

These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian equivalent to International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

# Red Mountain Mining Ltd and its controlled entities

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# Red Mountain Mining Ltd and its controlled entities

## Directors' Report

The Directors of Red Mountain Mining Ltd present their Report together with the financial statements of the consolidated entity, being Red Mountain Mining Ltd (“**Red Mountain**” or “the **Company**”) and its controlled entities (“the **Group**”) for the half year ended 31 December 2018 and the Independent Auditor’s Review Report thereon.

### Director details

The following persons were Directors of the Company during and since the end of the half-year:

- Mr Jeremy King
- Mr Lincoln Ho
- Mr Robert Parton

### Review of operations and financial results

The Group has recorded an operating loss of \$0.66M for the half year ended 31 December 2018 (2017: \$0.54M loss).

### Financial position

As at 31 December 2018, the Company had cash balances of \$2.7M (30 June 2018: \$2.9M) and net assets of \$3.6M (30 June 2018: \$3.9M).

### Commentary

#### Mukabe-Kasari Cobalt-Copper Project

The Company in conjunction with its technical consultants is still continuing to assess the prospectivity of the Mukabe-Kasiri Cobalt-Copper Project with a focus on a review of the extensive Copper soil sampling programme carried out by the Company during the prior quarters.

#### Batangas Gold Project

The Company retains its leverage to the Philippines based Batangas Gold project by way of its 1% NSR production royalty and as at the end of the Relevant Quarter held approximately 5.5 million shares in London listed Bluebird Merchant Ventures Ltd (share price as at 31 December 2018: 1.77 pence per share).

### Business Development

As announced 13 March 2019 the Company has entered into an exclusive joint-venture agreement with Uganda registered Crane Copper Mining in relation to a Copper-Cobalt slag dump located in Jinja, Uganda.

Over recent months, Crane Mining has been in negotiations with Kilembe Mining Ltd (KML). KML is the owner of the Kilembe Copper-Cobalt mine. This mine was a formerly globally significant copper-cobalt mine which operated from the mid 1950s to the early 1970s. The ore or concentrate from the Kilembe Copper-Cobalt mine was processed at a copper smelter at Jinja, an industrial town situated approximately 80 kms to the east of Uganda’s capital, Kampala (see Figure 1).

# Red Mountain Mining Ltd and its controlled entities

## Directors' Report



**Figure 1: Location of Jinja, Uganda**

The board of KML have formally approved terms by which Crane has the exclusive right to conduct due diligence and to acquire the right to develop and process minerals from the smelter slag in place at Jinja (Jinja Copper Project).

By way of its joint-venture agreement, RMX may acquire 70% of Crane in exchange for funding due diligence and the consideration payable to KML. The consideration payable to KML varies according to the grade of the Jinja Copper Project as determined during due diligence, as follows:

Copper grade of between 1.5% to 4.9%:	US\$450,000
Copper grade of between 5% to 7.49%:	US\$700,000;
Copper grade of between 7.5% to 9.9%:	US\$900,000
Copper grade greater than 10%:	US\$1.35m

Should RMX elect to proceed with the transaction, Crane Mining shall be free carried in respect of its ownership interest, provided that RMX shall be repaid first for all due diligence, acquisition and capital expenditure (including sustaining capital expenditure) costs together with any project debt out of the revenues and/or sale proceeds of the Jinja Copper Project.

### **Corporate**

During the period the Company raised \$500,000 (before costs) via a placement from professional and sophisticated investors. The Placement was undertaken using the Company's available placement capacity. 100,000,000 shares were issued on 12 December 2018 at an issue price of \$0.005.

The funds raised will be directed towards continuing maintenance and assessment of the Mokabi-Kasiri Project, assessment of new opportunities, general working capital and any costs of the offer.

# Red Mountain Mining Ltd and its controlled entities

## Directors' Report

### Significant and subsequent events and transactions

As announced 13 March 2019 the Company has entered into an exclusive joint-venture agreement with Uganda registered Crane Copper Mining in relation to a Copper-Cobalt slag dump located in Jinja, Uganda.

The board of KML have formally approved terms by which Crane has the exclusive right to conduct due diligence and to acquire the right to develop and process minerals from the smelter slag in place at Jinja (Jinja Copper Project).

By way of its joint-venture agreement, RMX may acquire 70% of Crane in exchange for funding due diligence and the consideration payable to KML. The consideration payable to KML varies according to the grade of the Jinja Copper Project as determined during due diligence, as follows:

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Should RMX elect to proceed with the transaction, Crane Mining shall be free carried in respect of its ownership interest, provided that RMX shall be repaid first for all due diligence, acquisition and capital expenditure (including sustaining capital expenditure) costs together with any project debt out of the revenues and/or sale proceeds of the Jinja Copper Project.

No other matter or circumstance has arisen subsequent to 31 December 2018 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included within this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



.....  
Jeremy King  
Executive Director

Perth, Western Australia

Dated this 15th day of March 2019

**RSM Australia Partners**

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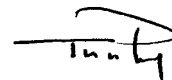
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Red Mountain Mining Ltd for the half-year ended 31 December 2018, 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: 15 March 2019

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# Red Mountain Mining Ltd and its controlled entities

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2018

	Notes	31 December 2018 \$	31 December 2017 \$
<b>Revenue</b>			
Other income	3	47,122	25,799
<b>Expenses</b>			
Professional fees		(125,086)	(196,086)
Consultancy costs		(120,000)	(147,161)
Depreciation expense		-	(652)
Employee benefits expenses		(90,000)	(70,000)
Exploration and evaluation expense		(97,181)	(17,074)
Legal fees		(14,610)	(4,312)
Travelling expenses		(3,876)	-
Finance costs		(1,282)	(7,141)
Net foreign exchange gain/(loss)		-	1,168
(Loss)/gain on financial instrument revaluation		(107,520)	90,571
Other expenses		(147,678)	(212,938)
<b>Loss before income tax</b>		<b>(660,111)</b>	<b>(537,826)</b>
Income tax benefit		-	-
<b>Net loss for the period</b>		<b>(660,111)</b>	<b>(537,826)</b>
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		-	-
<b>Other comprehensive loss for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period (net of tax)</b>		<b>(660,111)</b>	<b>(537,826)</b>
Loss attributable to:			
Members of the parent entity		(660,111)	(537,826)
Non-controlling interest		-	-
		<b>(660,111)</b>	<b>(537,826)</b>
Total comprehensive loss attributable to:			
Members of the parent entity		(660,111)	(537,826)
Non-controlling interest		-	-
		<b>(660,111)</b>	<b>(537,826)</b>
Basic and diluted loss per share attributable to members of Red Mountain Mining Ltd	6	<b>Cents (0.10)</b>	Cents (0.12)

The accompanying notes form part of these financial statements.

# Red Mountain Mining Ltd and its controlled entities

## Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 \$	30 June 2018 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		2,732,973	2,951,942
Trade and other receivables		175,971	144,239
Available for sale financial assets	5	192,672	300,192
<b>Total current assets</b>		<b>3,101,616</b>	<b>3,396,373</b>
<b>Non-current</b>			
Exploration and evaluation expenditure	4	652,051	641,208
Trade and other receivables		43,590	38,840
<b>Total non-current assets</b>		<b>695,641</b>	<b>680,048</b>
<b>Total assets</b>		<b>3,797,257</b>	<b>4,076,421</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		126,188	174,986
<b>Total current liabilities</b>		<b>126,188</b>	<b>174,986</b>
<b>Non-current</b>			
Trade and other payables		43,590	38,840
<b>Total non-current liabilities</b>		<b>43,590</b>	<b>38,840</b>
<b>Total liabilities</b>		<b>169,778</b>	<b>213,826</b>
<b>Net assets</b>		<b>3,627,479</b>	<b>3,862,595</b>
<b>Equity</b>			
Contributed equity	7	41,645,235	41,220,240
Reserves		10,681,892	10,681,892
Accumulated losses		(48,699,648)	(48,039,537)
<b>Equity attributable to the owners of Red Mountain Mining Ltd</b>		<b>3,627,479</b>	<b>3,862,595</b>
<b>Total equity</b>		<b>3,627,479</b>	<b>3,862,595</b>

The accompanying notes form part of these financial statements.



# Red Mountain Mining Ltd and its controlled entities

## Consolidated Statement of Changes in Equity For the half-year ended 31 December 2018

	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Total	Non-controlling interest	Total
<b>Balance at 1 July 2018</b>	<b>41,220,240</b>	<b>(48,038,537)</b>	<b>4,933,208</b>	<b>5,699,997</b>	<b>48,687</b>	<b>3,862,595</b>	-	<b>3,862,595</b>
Loss for the period	-	(660,111)	-	-	-	(660,111)	-	(660,111)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(660,111)</b>	-	-	-	<b>(660,111)</b>	-	<b>(660,111)</b>
<i>Transactions with owners in their capacity as owners:</i>								
Issue of share capital	500,000	-	-	-	-	500,000	-	500,000
Share issue cost	(75,005)	-	-	-	-	(75,005)	-	(75,005)
<b>Balance at 31 December 2018</b>	<b>41,645,235</b>	<b>(48,699,648)</b>	<b>4,933,208</b>	<b>5,699,997</b>	<b>48,687</b>	<b>3,627,479</b>	-	<b>3,627,479</b>
<b>Balance at 1 July 2017</b>	<b>38,986,385</b>	<b>(44,256,531)</b>	<b>4,933,208</b>	<b>5,391,374</b>	<b>48,687</b>	<b>5,103,123</b>	<b>(2,434,017)</b>	<b>2,669,106</b>
Loss for the period	-	(537,826)	-	-	-	(537,826)	-	(537,826)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(537,826)</b>	-	-	-	<b>(537,826)</b>	-	<b>(537,826)</b>
<i>Transactions with owners in their capacity as owners:</i>								
Issue of share capital	973,000	-	-	-	-	973,000	-	973,000
Share issue cost	(96,054)	-	-	-	-	(96,054)	-	(96,054)
Non-controlling interest assumed by parent entity upon disposal by subsidiary	-	(2,434,017)	-	-	-	(2,434,017)	2,434,017	-
<b>Balance at 31 December 2017</b>	<b>39,863,331</b>	<b>(47,228,374)</b>	<b>4,933,208</b>	<b>5,391,374</b>	<b>48,687</b>	<b>3,008,226</b>	-	<b>3,008,226</b>

The accompanying notes form part of these financial statements.

# Red Mountain Mining Ltd and its controlled entities

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2018

	Notes	31 December 2018	31 December 2017
<b>Operating activities</b>			
Payments to employees and suppliers		(680,243)	(765,464)
Interest received		9,622	25,799
Sub-lease income received		37,500	-
Net cash (outflow) from operating activities		<u>(633,121)</u>	<u>(739,665)</u>
<b>Investing activities</b>			
Payments for exploration and evaluation expenditure		(10,843)	(316,027)
Net cash (outflow) from investing activities		<u>(10,843)</u>	<u>(316,027)</u>
<b>Financing activities</b>			
Proceeds from issue of shares		500,000	735,000
Share issue costs		(75,005)	(103,510)
Net cash inflow from financing activities		<u>424,995</u>	<u>631,490</u>
<b>Net decrease in cash held</b>		<b>(218,969)</b>	<b>(424,202)</b>
Net foreign exchange difference		-	1,168
Cash at the beginning of period		<u>2,951,942</u>	<u>2,416,752</u>
<b>Cash at the end of period</b>		<b><u>2,732,973</u></b>	<b><u>1,993,718</u></b>

The accompanying notes form part of these financial statements.

# Red Mountain Mining Ltd and its controlled entities

## Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2018

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

Red Mountain Mining Ltd (the **Company**) is domiciled in Australia.

The consolidated interim financial report of the Company as at and for the six months ended 31 December 2018 comprised the Company and its subsidiaries (together referred to as (the **Group**)).

For the purpose of preparing the consolidated financial report, the Group is a for profit entity.

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates.

#### Statement of compliance

The interim consolidated financial statements ("the interim financial statements") of the Group are for the six months ended 31 December 2018 and are presented in Australian dollar (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim financial statements do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

#### Accounting Policies

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period for which the Group has adopted:

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

There is no impact on the Group for the period ended 31 December 2018 and the prior year financial statements did not have to be restated as a result.

# Red Mountain Mining Ltd and its controlled entities

## Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2018

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *AASB 15 Revenue from contracts with Customers*

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

#### *AASB 9 Financial Instruments*

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

#### Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

#### Impairment

From 1 July 2018 the Group assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

#### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

# Red Mountain Mining Ltd and its controlled entities

## Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2018

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### **Significant accounting judgments and key estimates**

The preparation of half-year financial report 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.

### 2 SEGMENT REPORTING

Red Mountain Mining Ltd operates predominantly in one segment, being the mining and exploration industry.

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

### 3 OTHER INCOME

	31 December 2018	31 December 2017
	\$	\$
Interest received	9,622	32,426
Subleasing income	37,500	-
Fee income	-	4,373
	<u>47,122</u>	<u>25,799</u>

# Red Mountain Mining Ltd and its controlled entities

## Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2018

### 4 EXPLORATION AND EVALUATION EXPENDITURES

The following tables show the movements in exploration and evaluation expenditures.

	31 December 2018	30 June 2018
	\$	\$
<b>Carrying amount at 1 July</b>	<b>641,208</b>	99,171
Additions	<b>10,843</b>	372,037
Cost of earn in to Mukabe Kasari Project	-	170,000
<b>Carrying amount at end of period</b>	<b>652,051</b>	641,208

### 5 AVAILABLE FOR SALE FINANCIAL ASSETS

	31 December 2018	30 June 2018
	\$	\$
Financial assets at fair value through profit or loss		
- Current		
1,440,000 (2018: 1,440,000) fully paid ordinary shares held in Greenpower Limited (1)	<b>5,760</b>	7,200
960,000 options held in Greenpower Limited (3)	<b>960</b>	-
5,595,652 (2018: 5,595,652) fully paid ordinary shares held in Bluebird Merchant Ventures Ltd (LSE: BMV) (2)	<b>185,952</b>	292,992
	<b>192,672</b>	300,192

1. Includes impairment of \$1,440 on ordinary shares held.

2. Includes impairment of \$107,040.

3. Listed options.

### 6 LOSS PER SHARE

	31 December 2018	31 December 2017
	Cents	Cents
Basic and diluted loss per share	<b>(0.10)</b>	(0.12)

	31 December 2018	31 December 2017
	\$	\$
Loss used to calculate basic and diluted loss per share	<b>(660,111)</b>	(537,826)

	Number	Number
Weighted average number of shares used in calculating basic and diluted loss per share	<b>680,940,232</b>	456,133,632

# Red Mountain Mining Ltd and its controlled entities

## Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2018

### 7 CONTRIBUTED EQUITY

	31 December 2018 \$	30 June 2018 \$
At the beginning of period	41,220,240	38,986,385
Share based payments during the period		
Shares issued during the period <sup>(1)</sup>	500,000	2,235,160
Exercise of options	-	234
Part consideration for Earn In <sup>(2)</sup>	-	170,000
Shares issued for services provided <sup>(3)</sup>	-	68,000
Share issue costs	(75,005)	(239,539)
<b>Balance at end of period</b>	<b>41,645,235</b>	<b>41,220,240</b>

- (1) On 11 December 2018 100,000,000 fully paid ordinary shares were issued at a consideration price of \$0.005. On 6 September 2017 66,818,182 fully paid ordinary shares were issued to sophisticated and professional investors at a consideration price of \$0.011 per share. On 28 February 2018 111,128,888 fully paid ordinary shares were issued at a share price of \$0.09 per share.
- (2) 10,000,000 fully paid ordinary shares were issued at nil consideration in part consideration for the revised terms of the Company's proposed earn in of up to 90% of the Mokabe Kasari Cobalt-Copper Project.
- (3) 4,000,000 fully paid ordinary shares were issued to the adviser at nil consideration as asset introduction fee in relation to the Mokabe Kasari Cobalt-Copper Project.

The shares deemed fair value was determined by reference to the market value of the shares at grant date.

	31 December 2018 Number	30 June 2018 Number
At the beginning of period	678,036,775	430,518,513
Part consideration for Earn In	-	10,000,000
Shares issued in lieu of services provided	-	4,000,000
Shares issued during the period	100,000,000	233,502,637
Exercise of options	-	15,625
<b>Balance at end of period</b>	<b>778,036,775</b>	<b>678,036,775</b>

### 8 EVENTS SUBSEQUENT TO REPORTING DATE

As announced 13 March 2019 the Company has entered into an exclusive joint-venture agreement with Uganda registered Crane Copper Mining in relation to a Copper-Cobalt slag dump located in Jinja, Uganda.

The board of KML have formally approved terms by which Crane has the exclusive right to conduct due diligence and to acquire the right to develop and process minerals from the smelter slag in place at Jinja (Jinja Copper Project).

By way of its joint-venture agreement, RMX may acquire 70% of Crane in exchange for funding due diligence and the consideration payable to KML. The consideration payable to KML varies according to the grade of the Jinja Copper Project as determined during due diligence, as follows:

Copper grade of between 1.5% to 4.9%:	US\$450,000
Copper grade of between 5% to 7.49%:	US\$700,000;
Copper grade of between 7.5% to 9.9%:	US\$900,000
Copper grade greater than 10%:	US\$1.35m

# Red Mountain Mining Ltd and its controlled entities

## Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2018

### **8 EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)**

Should RMX elect to proceed with the transaction, Crane Mining shall be free carried in respect of its ownership interest, provided that RMX shall be repaid first for all due diligence, acquisition and capital expenditure (including sustaining capital expenditure) costs together with any project debt out of the revenues and/or sale proceeds of the Jinja Copper Project.

No other matter or circumstance has arisen subsequent to 31 December 2018 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

### **9 CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

### **10 COMMITMENTS**

There has been no material change in commitments since the last annual reporting date.

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# Red Mountain Mining Ltd and its controlled entities

## Directors' Declaration

In accordance with a resolution of the Directors of Red Mountain Mining Ltd, in the opinion of the Directors:

- a. The consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- b. 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 the Directors made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Jeremy King  
Executive Director

Perth, Western Australia  
Dated this 15th day of March 2019



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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RED MOUNTAIN MINING LTD

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Red Mountain Mining Ltd which comprises the statement of financial position as at 31 December 2018, 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 of 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.

#### *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 consolidated entity's financial position as at 31 December 2018 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 Red Mountain Mining Ltd, 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 Red Mountain Mining Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

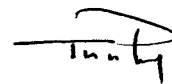
### *Conclusion*

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 Red Mountain Mining Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 15 March 2019

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