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2020

ANNUAL REPORT

ACN 617 789 732

CORPORATE INFORMATION



Directors

Leonard Dean
NON-EXECUTIVE CHAIR

Duncan Chessell
MANAGING DIRECTOR

Andrew Shearer
NON-EXECUTIVE DIRECTOR

Craig Farrow
NON-EXECUTIVE DIRECTOR

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Jaroslaw (Jarek) Kopias

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Home Stock Exchange

Australian Securities Exchange
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SYDNEY NSW 2000

ASX Codes

RML – fully paid ordinary shares
RMLOA – quoted options exercise price
\$0.10 and expiry 30 June 2022

Share Registry

Automic
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Resolution Minerals Ltd ACN 617 789 732

This Annual Report covers Resolution Minerals Ltd (“Resolution Minerals”, “Resolution” “RML” or the “Company”) – formerly Northern Cobalt Ltd. The financial report is presented in the Australian currency.

The Company is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Resolution Minerals Ltd
 Level 4
 29-31 King William Street
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CHAIR'S LETTER



I am pleased that I can report to shareholders that despite a one in a hundred year pandemic and the difficult operating conditions in Alaska, the Company has been able to significantly advance shareholders' interests on your Company's flagship 64North Project. This project holds 30 known gold prospects with multiple high priority drill ready targets. During 2020, we have been methodically testing the primary West Pogo Block and at the time of writing we are highly encouraged by the geology with assays pending on multiple drill holes. The current all-time highs in the gold price have seen well supported capital raises and the company is well positioned to continue drilling and news flow.

The Company underwent a name change in late 2019 from Northern Cobalt to Resolution Minerals to reflect the broader view of economic mineral exploration the Company is undertaking. In response to a subdued vanadium price, during 2019, the Company switched focus from the vanadium-magnetite Snettisham Project to acquire the highly prospective 64North Project which surrounds the high grade operating Pogo Gold Mine (owned by Northern Star) with an endowment of 10.7 Moz Au. We have a US\$20m earn-in agreement with project partner Millrock Resources to acquire potentially 80% of the project. This is an audacious move for a junior Australian mineral explorer and has required our absolute focus. I acknowledge that our executive staff have given this exciting project the required focus and the Company is and will benefit from it.

While we are very positive for the copper, cobalt and uranium potential of the Wollgorang Project, we have not had the resources or access, due to the COVID-19 pandemic, to explore in 2019-20. We are actively seeking alternative funding to

advance the Wollgorang Project in 2021 during the May to November dry season and allow funding to focus on the 64North Project in the immediate term.

Resolution currently holds three projects, all in top tier mining jurisdictions of Australia and USA, prospective for gold, copper, cobalt, vanadium, magnetite and uranium. This puts the Company in an excellent position with rising gold prices at all-time highs and a steadily rising copper price and increasing demand for battery metals.

This year will also mark the end of my tenure as the Chairman of Resolution Minerals at this year's AGM, as I will be retiring after a 50-year career in the steel and mining industry. I thank shareholders for the support over the last 3.5 years. I leave the Company well positioned under the leadership of the Managing Director, Duncan Chessell and incoming new Chair Craig Farrow and the dynamic Resolution geology team, with prospective projects in multiple in-demand commodities in top tier mining jurisdictions.

Thank you to the shareholders for your support of Resolution over the last 12 months and I firmly believe the company is well positioned for the future.

A handwritten signature in black ink, appearing to read 'Len Dean', written in a cursive style.

Len Dean
Chair
Resolution Minerals Ltd

REVIEW OF OPERATIONS



Overview

Resolution's flagship 64North Project in the Tintina Gold Province, Alaska has been the focus of exploration efforts since 17 October 2019 when the company entered into a binding agreement to earn-in to the highly prospective project. The 64North Project surrounds the world-class high-grade operating Pogo Gold Mine, owned by Northern Star Resources Ltd (ASX: NST) and the western zone or "West Pogo Block" has been the focus of diamond core drilling activities. This is a result of the price of gold reaching all-time highs of over US\$2,000/oz and the camp scale potential of the brown-fields project.

Resolution's second project is the Wologorang project in the Northern Territory Australia (the asset the company listed on in late 2017), which is prospective for copper, cobalt and uranium and hosts the Stanton Cobalt Deposit. The fall in cobalt price in late 2018 and subdued copper price forced the Company to put the project under review. With the steady rise in copper price from April 2020, the Company will be seeking alternative funding to advance the project to unlock shareholder value.

The Company's Snettisham Project, which is prospective for vanadium, titanium and magnetite and contains three historic gold mines from the early 1900s is part of the Juneau Gold Belt in southern Alaska. Resolution acquired the project in late 2018 as the price of vanadium was rising dramatically. The Company undertook an air-borne magnetic geophysics survey and

identified drill targets focussed on defining a vanadium bearing higher grade magnetite prospect. As the price of vanadium dropped significantly in early 2019 and given the early stage nature and location of the project, a decision was made to put the project under review and seek a more advanced project. A desktop review in 2020 of the historic gold mines has identified prospective areas for follow up via a program of early stage work (soils and mapping), however, the Company's focus is the compelling brown-field 64North Project for allocation of resources and we are seeking a funding partner to advance the Ti-V-Fe and/or gold potential at this time.

The Company is fortunate to have multiple highly prospective projects across a range of commodities all in top tier jurisdictions, which de-risks commodity fluctuations and reduces sovereign risk considerably (Table 1).

Table 1 RML project summary.

| Project | Commodity | Location | Stage |
|------------|-------------|--|--------------------------------------|
| 64North | Au | 120 km east of Fairbanks, Alaska, USA | Brownfields exploration |
| Wologorang | Co-Cu, U | 850 km south-east of Darwin, NT, Australia | Resource and greenfields exploration |
| Snettisham | Ti-V-Fe, Au | 50 km south of Juneau, Alaska, USA | Greenfields exploration |

64 NORTH GOLD PROJECT, ALASKA USA

On 17 October 2019, Resolution announced that the Company entered into a binding term sheet with Millrock Resources Inc (Millrock TSXV: MRO) to acquire, via joint venture earn-in, up to 80% in the 64North Project in Alaska (Table 2). The Project completely surrounds Northern Star's Pogo Gold Mine (Figure 1), which has a total endowment of over 10 million ounces of gold and has produced over 4 million ounces of gold since commencing production in 2006 at an average rate of ~300,000 ounces per annum. The 64North Project lies in the highly prospective Tintina Gold Province, which hosts over 100 Moz of gold across a 2,000 km east-west arc from the Yukon to the west coast of Alaska.

Resolution holds a dominant 660 km² land package surrounding the Pogo Gold Mine (Figure 3) and is on track to earn-in to a 30% interest in year 1 in line with the earn-in agreement. Field activities at the time of writing are ongoing and summarised below.

Table 2 Terms of the sole funding earn-in agreement summary.

| Stage | RML Expenditure US\$ (million) | % Earn in RML | Cash to MRO US\$ ('000) | RML Shares to MRO (million) |
|-----------------|-----------------------------------|---------------|----------------------------|--------------------------------|
| Commence | - | - | - | 5 |
| Drilling target | 7,500m drilling (diamond core) | | | 5 |
| Year 1 | 5 | 30% | 50 | 10 |
| Year 2 | 5 | 42% | 50 | 10 |
| Year 3 | 5 | 51% | 50 | 4 |
| Year 4 | 5 | 60% | 50 | 4 |
| Total | 20 | 60% | 200 | 38 |

Resolution can elect to earn up to 80% on one block of the Company's choosing, by fully funding the BFS and loan-carrying MRO to first production. The remainder of the property would be subject to a co-funded JV.



Figure 1 Deposit sizes stated as Endowment (Resources & Reserves plus historic production) *sourced from company websites.

Regional geology

The 64North Project coincides with Devonian-Mississippian Fairbanks-Chena assemblages (amphibolite facies) basement, intruded by the mid-Cretaceous Goodpaster batholith. The project falls within the Goodpaster Gold District, which includes the 10 Moz Pogo Au Mine. The Goodpaster District is bound by the Shaw Creek Fault to the north-west and the Black Mountain Tectonic Zone to the south-east (both left lateral conjugate faults trending south-west to north-east). The tectonic setting of the 64North Project is within the Yukon-Tanana Upland, a Devonian-Mississippian continental margin assemblage bounded to the north by the Tintina Fault and to the south by the Denali Fault (Figure 1). The main mineralising event for the 2,000 km wide Tintina Gold Province is the mid-Cretaceous granite intrusions (age 90–105 Ma) and these are present in abundance across the 64North Project.

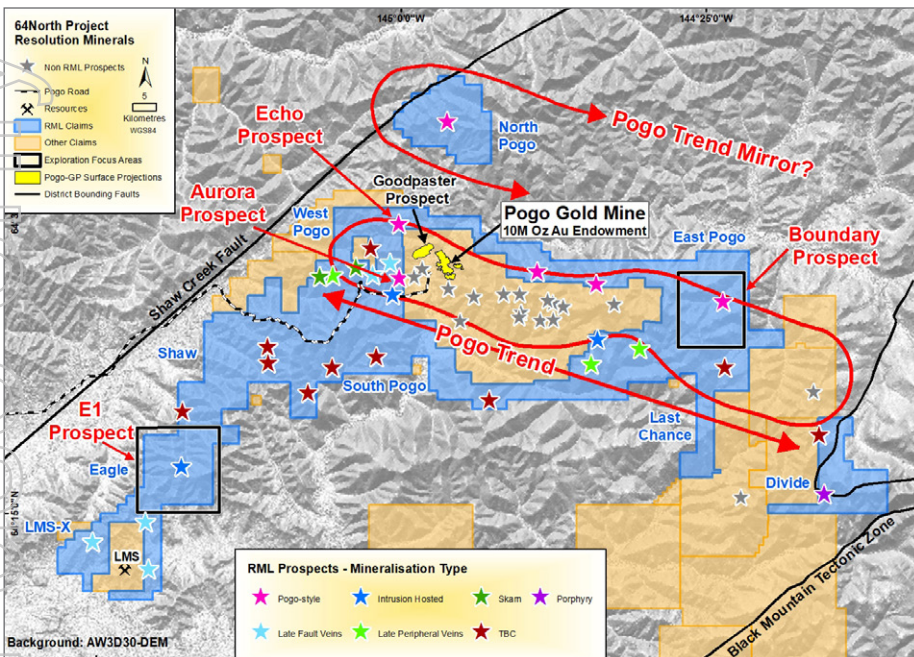


Figure 2 The 64North Project prospects map; RML claims in blue, others in tan (See ASX announcement "Investor Presentation" on 13 July 2020).

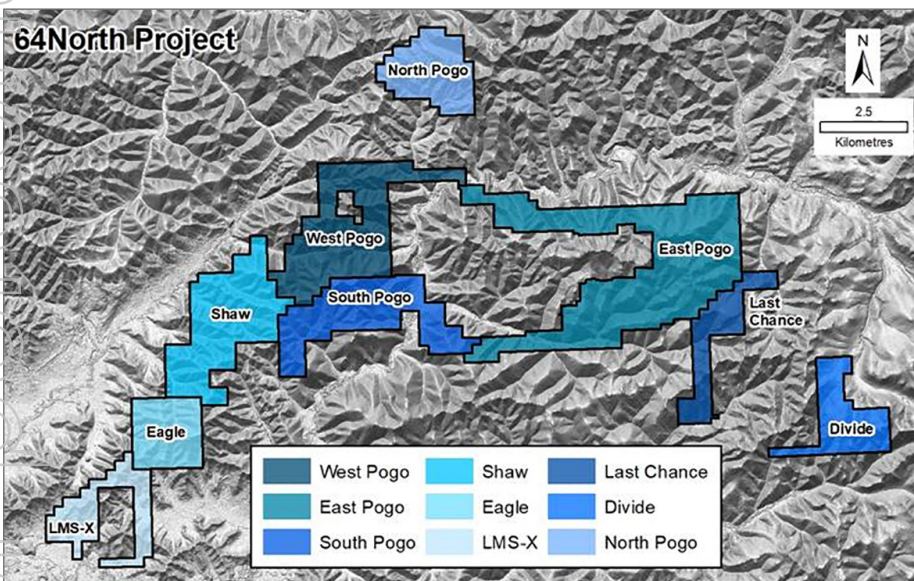


Figure 3 The 64North Project is split into 9 blocks.

Pogo Gold Mine history

Exploration began relatively recently in the 1980s with prospectors collecting steam sediment samples for assay. During the early 1990s, the first modern exploration commenced as a JV between Sumitomo Metal Mining & Teck, involving follow up of historic pan concentrate anomalies from the early 1980s. In 1994 the first drill holes at Liese Creek missed the main mineralisation on what is now the key gold bearing Liese Zone (L1) at the Pogo Gold Mine. The Liese Zone (L1) was discovered in 1995 when geologists realised there had been a near miss and drilled vertically and intersected the gently dipping thick and high-grade gold bearing quartz veins. By 2000, over 77000 m of drilling was completed on the Pogo Gold Mine claims and first production began in 2006. In 2009 Sumitomo purchased Teck's 40% stake for US\$245m and in the same year the 1st million Au ounces were produced. In 2015 three million Au ounces total production milestone was reached. In 2018 Northern Star purchased the Pogo Gold Mine for US\$260m with the total production history to date of 3.9 Moz Au @ 13.1 g/t Au at rate of ~ 300,000 oz/year. In 2019 Northern Star aggressively added ounces near mine. Presently, Northern Star continues to explore on the Goodpaster Discovery, which is located only 450 m from RML's claim boundary, which has increased the Resource and Reserve to ~6 Moz Au. In 2020 Northern Star announced a \$21m resource drill out plan for the Goodpaster Prospect and updated the total Resource and Reserves to ~6.7 Moz Au.

Exploration history 64North Project

The 64North Project area covers 660 km² and has been the subject of only a decade of modern exploration focussed between 2001 and 2012, not surprisingly this coincides with the Pogo Mine commencing operation and constrained to fluctuations in the gold price. Multiple parties have explored a patch-work of prospects and in total collected over 40,000 surface samples (rock, soil and stream sediment), 8 geophysics surveys and 46 diamond core holes totalling 11,434 m. The previous explorers included: Zeus, Aurora, Hansen, Hyder, Western Keltic, Rimfire, Avalon, Stoneboy, Anglo, Corvus and Alix.

In 2015 Millrock Resources (our project partner) started negotiations to package up key historic prospects and peg open ground surrounding the Pogo Gold Mine. As the sale of Pogo progressed between Sumitomo and Northern Star in late 2018, Millrock stepped in and consolidated the current project area of 660 km² in early 2019, securing a dominant ground position. Millrock undertook a CSAMT survey in the Summer of 2019 using the same technique that lead to the Goodpaster discovery in 2017 under Sumitomo's watch. Millrock Resources is a project generator and their business model is to bring in a JV partner to fund the exploration and retain a long tail interest. The first time the entire potential camp scale system was packed into one project area was in 2019, as the 64North Project, with 30 identified prospects (Figures 2 and 4). This presents Resolution Minerals with an opportunity to explore a brownfields project next to a world-class high-grade operating gold mine in a top tier mining jurisdiction (Alaska was ranked #4 in the world by the Fraser Institute in 2019).

Exploration activities undertaken by Resolution

An extensive desktop data review was undertaken in parallel to construction of a road, in order to provide access the compelling Aurora Prospect for winter drilling in early 2020. The project vendor had secured some of the historic data from previous explorers, which is critical in Alaska, as companies are not required to report exploration data to the government. Historic data review of all available exploration data from 1998 to 2012 included:

- 40,000 surface samples: rock chips, soils and pan concentrates.
- 11,434 m of diamond core drilling across 46 holes.
- Airborne geophysics surveys: magnetics, radio-metrics and EM.
- Ground geophysics: magnetics, NSAMT and VLF-EM.

The results of the desktop review is summarised (below) via a prospect ranking pyramid and a program of works designed for year 1 of the earn-in agreement. As part of the earn-in agreement US\$1 million must be spent on regional exploration, which is defined as the area outside the West Pogo Block (Figure 3). The project's logistical overlay is unique in an Alaskan exploration project with an all-weather, all-year access road servicing the Pogo Gold Mine and prospects immediately adjacent to the road, such as the Aurora Prospect.

Regional prospects requiring helicopter support can be worked during the five-month summer field season from May to September and in certain cases shoulder seasons of Spring and Autumn by use of "winter-over" trails but at an increased cost.

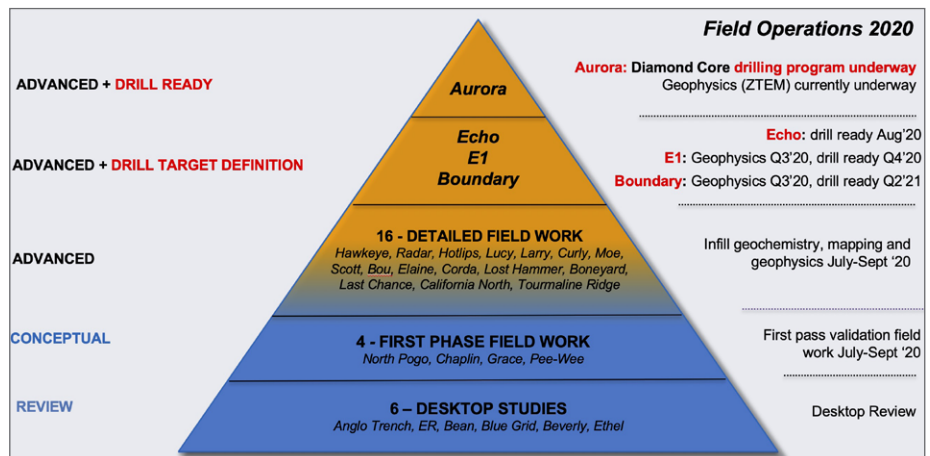


Figure 4 The 64North Project prospect ranking pyramid (See ASX announcement "Investor Presentation" on 13 July 2020).

Table 3 The 2020 field season 1 January 2020 to 10 September 2020 summary, with field operations ongoing.

| Surface samples | | | Drilling | | Geophysics | | |
|-----------------|------------|------------------|-----------------------|----------------|------------|-------|--|
| Soils | Rock chips | Stream sediments | Diamond core drilling | Heli-magnetics | ZTEM | CSAMT | |
| 164 | 142 | 39 | 3724m (7 holes) | 1961 km | 570 km | 18 km | |

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Exploration drilling 2020

Drilling has been focussed on the West Pogo block adjacent to the known gold mineralisation at the Pogo Gold Mine. Road access constructed in late 2019 and extended during 2020 allows for track mounted rigs to work throughout most of the 2 km x 5 km Aurora Prospect, which is a north-west trending valley close to the Pogo Mine road.

The Echo and Reflection Prospects (West Pogo Block) required helicopter support and have been drill tested with HQ diamond core drilling, with assays pending.

Drilling to date has intersected paragneiss rock type, which is the target host rock with significant alteration, sulphides and minor gold mineralisation and associated pathfinder elements of arsenic (As), bismuth (Bi) and elevated tellurium (Te) suggesting the presence of a Pogo-style mineral system on Resolution's 64North Project claims.

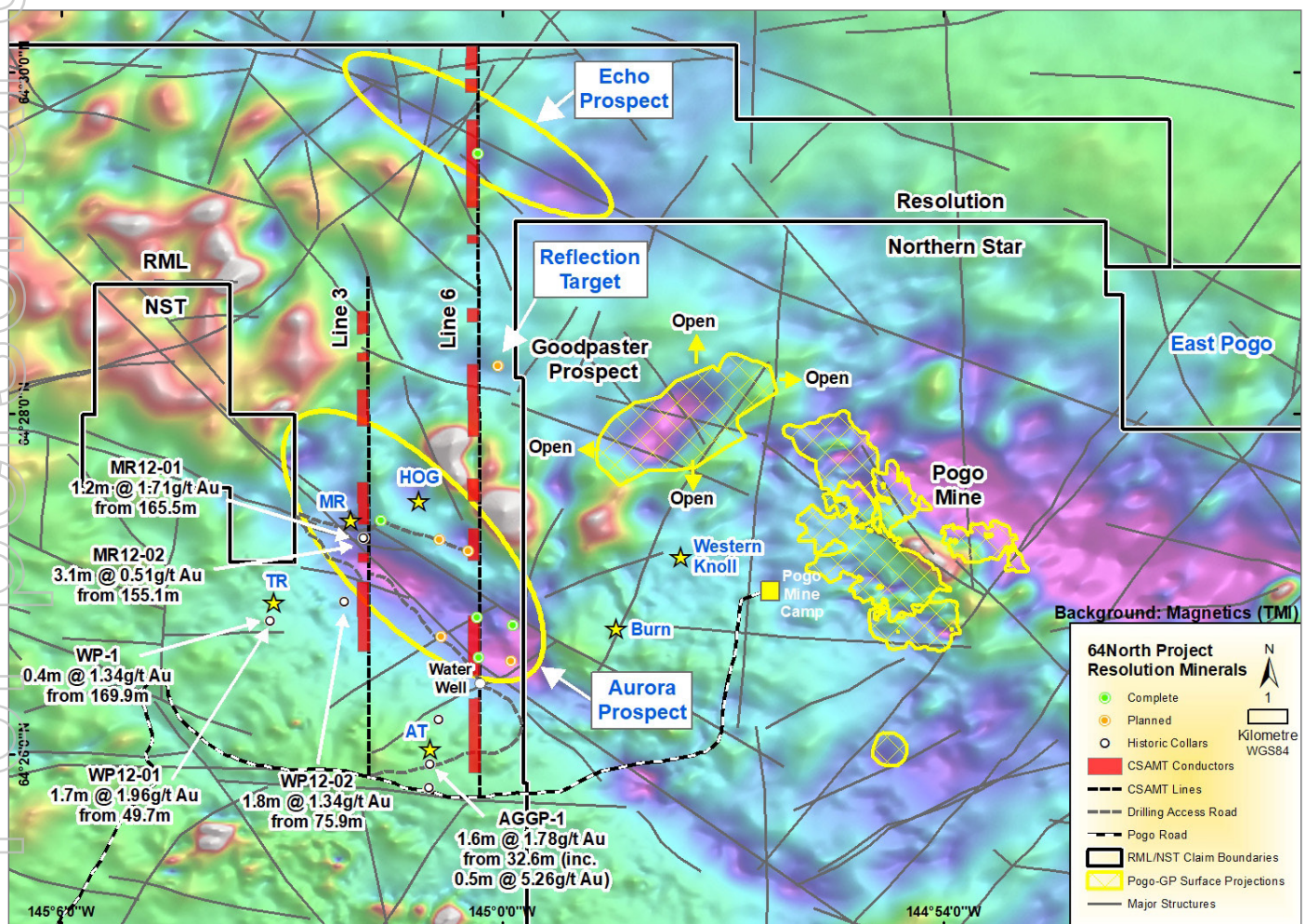


Figure 5 West Pogo Block – Aurora, Reflection and Echo Prospects – strongly de-magnetised Aurora Prospect.

REVIEW OF OPERATIONS, continued

Assays have been received for four (4) out of the seven (7) holes and while to date only minor gold mineralisation has been identified, the right ingredients are all there for a discovery (Figures 5 and 6).

- ✓ Right geology – granitic intrusions, age 80-102 Ma, main mineralising engine room present throughout Tintina Gold Province
- ✓ Brown fields – next to Pogo Gold Mine.
- ✓ Same paragneiss host rocks as Pogo Mine.

- ✓ Large structures – potential fluid pathways.
- ✓ Highly anomalous surface geochemistry – soils, streams and rock chips.
- ✓ Evidence of vertical feeder systems typical of Pogo-style mineralisation in historic drilling (western end of valley), mapping and surface samples.
- ✓ Geophysics – strongly de-magnetised zone mirror of Goodpaster and Pogo.
- ✓ Geophysics – CSAMT and ZTEM surveys, indicate same conductors on RML ground.

Assay results

At the time of writing the assays for drill holes 20EC05, 20RE06 and 20AU07 were pending.

Hole IDs 20AU01 and 20AU02

Assays (ASX announcement “RML Exploration Update – 64North Project – Alaska” on 14 May 2020) and visual logging of drill core confirms a Pogo-style mineral system is present at Resolution’s Aurora Prospect area (Figure 7). Strong sericite and dolomite alteration are present in the biotite-quartz-feldspar paragneiss and are associated with narrow sulphide-bearing quartz veins including arsenopyrite, pyrite, bismuthinite and pyrrhotite. Assays with high levels of arsenic (As), bismuth (Bi) and elevated tellurium (Te) support the geological logging. The correlation between Au-As-Bi-Te is typical of a Pogo-style mineral system. The paragneiss is interpreted to be the same host rock as Northern Star’s Pogo Gold Mine.

Best intervals Hole 1: 20AU001

- 0.55 m @ 0.52 g/t Au from 94.31 m
- 0.12 m @ 0.94 g/t Au from 276.88 m
- 0.12 m @ 0.63 g/t Au from 326.88 m
- 1.01 m @ 1.59 g/t Au from 389.80 m
- 0.77 m @ 1.23 g/t Au from 430.65 m
- 2.59 m @ 0.37 g/t Au from 432.36 m
- 0.39 m @ 0.51 g/t Au from 458.21 m

Best intervals Hole 2: 20AU002

(*note hole 2 is incomplete due to COVID-19 shutdown)

- 0.65 m @ 0.53 g/t Au from 72.83 m
- 1.33 m @ 0.40 g/t Au from 98.25 m

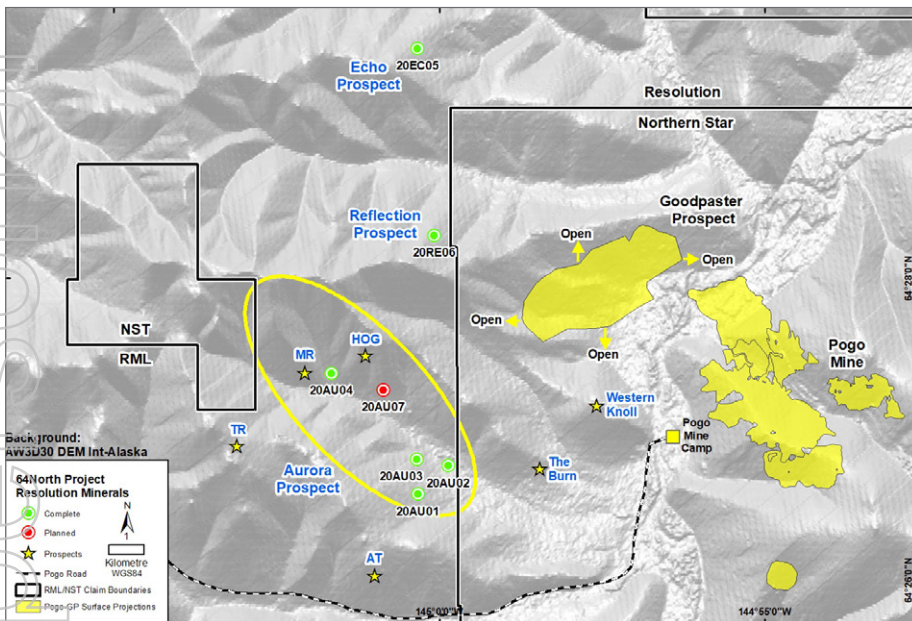


Figure 6 Drill collar locations West Pogo Block 2020 drilling.

Hole IDs 20AU03 and 20AU04

Assays from Aurora drill holes #3 and hole #4 (ASX announcement “Assays and Operations Update 64North Project Alaska” on 10 September 2020), indicate minor gold mineralisation as detailed below (Figures 7 and 8). The alteration observed in the drill core matched the CSAMT and ZTEM geophysics anomalies. The Company is encouraged by the strong alteration, presence of minor gold mineralisation, para-gneiss host rocks and presence of sulphides indicating the strong fertility of the system. We interpret that correct structural “dilation” event, or opening of “space”, to allow thick high-grade gold mineralisation did not occur at these locations. We conclude these holes intersected thick zones that were clearly the fluid pathways for a large mineralising system and further drilling will target potential high-grade zones of gold mineralisation nearby.

Intervals Hole 20AU003

- 0.86 m @ 0.35 g/t Au from 19 m depth
- 0.86 m @ 0.44 g/t Au from 423 m depth

Intervals Hole 20AU004

- 0.78 m @ 0.41 g/t Au from 522 m depth
- 1.19 m @ 0.76 g/t Au from 762 m depth

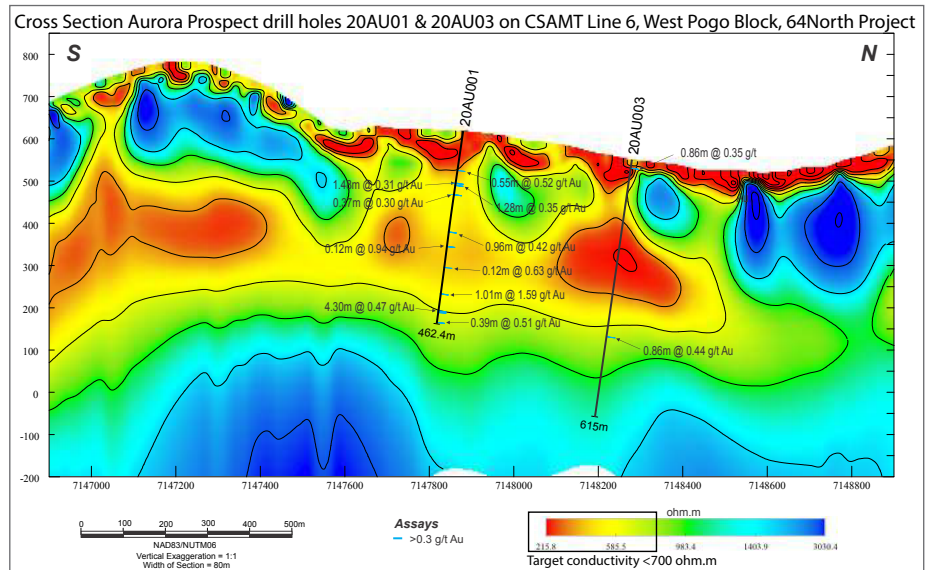


Figure 7 20AU004 cross section, West Pogo Block 2020 drilling (See ASX announcement “Assays and Operations Update 64North Project Alaska” on 10 September 2020).

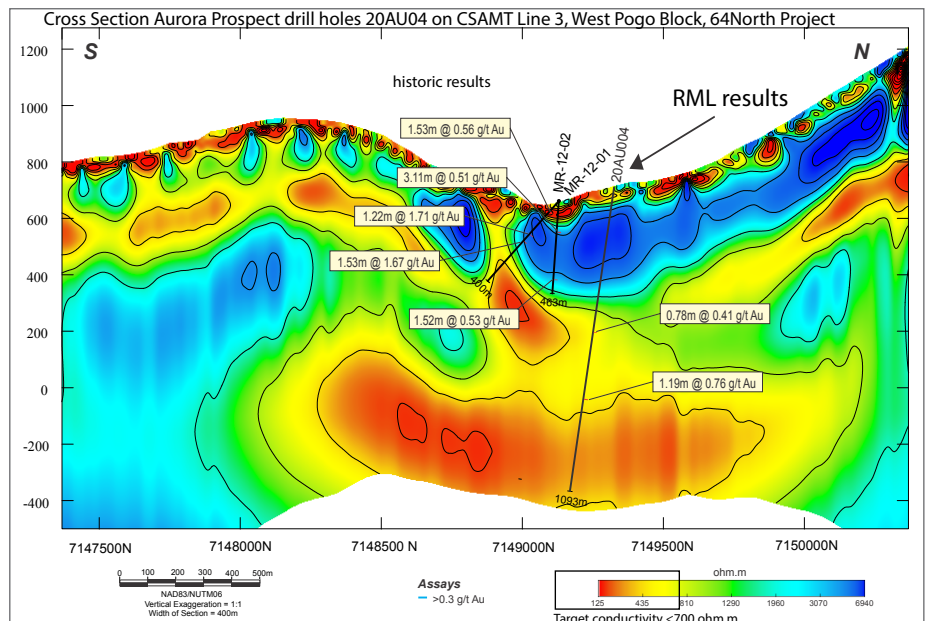


Figure 8 20AU004 cross section, West Pogo Block 2020 drilling (See ASX announcement “Assays and Operations Update 64North Project Alaska” on 10 September 2020).

WOLLOGORANG PROJECT, NORTHERN TERRITORY

Location

The Wollogorang Project covers 3,825 km² (Figure 10) located on pastoral land, along the Northern Territory – Queensland border, on the Gulf of Carpentaria and sits wholly on the NT side of the border (Figure 9). The Project area is most readily accessible from the Wollogorang and Pungalina Stations. The nearest substantial population centre is Borroloola 180 km to the north-west which supports the world class lead-zinc McArthur River Mine owned by Glencore and speaks to the prospectivity for base metals of the McArthur Basin in which the project lies. The capital city of Darwin is 850 km to the north-west. Access to the area is possible in the dry season between May to November via gravel roads and station tracks, airports in QLD at Borroloola and Burketown have regular scheduled flights, allowing for crew changes only a few hours' drive from the project.

Regional geology

The Wollogorang Cobalt Project occurs on the “Wearyan Shelf” of the Proterozoic to Mesoproterozoic McArthur Basin, a 5–12 km thick unmetamorphosed sedimentary succession containing dolostone, sandstone and shale units with minor felsic and mafic volcanics. The McArthur Basin unconformably overlies various Palaeoproterozoic terrains, such as the Pine Creek Orogen, and is host to mineral deposits such as the McArthur River zinc-silver-lead mine. The main geological units of interest in the Project area are the Wollogorang Formation (carbonaceous shales, sandstone and

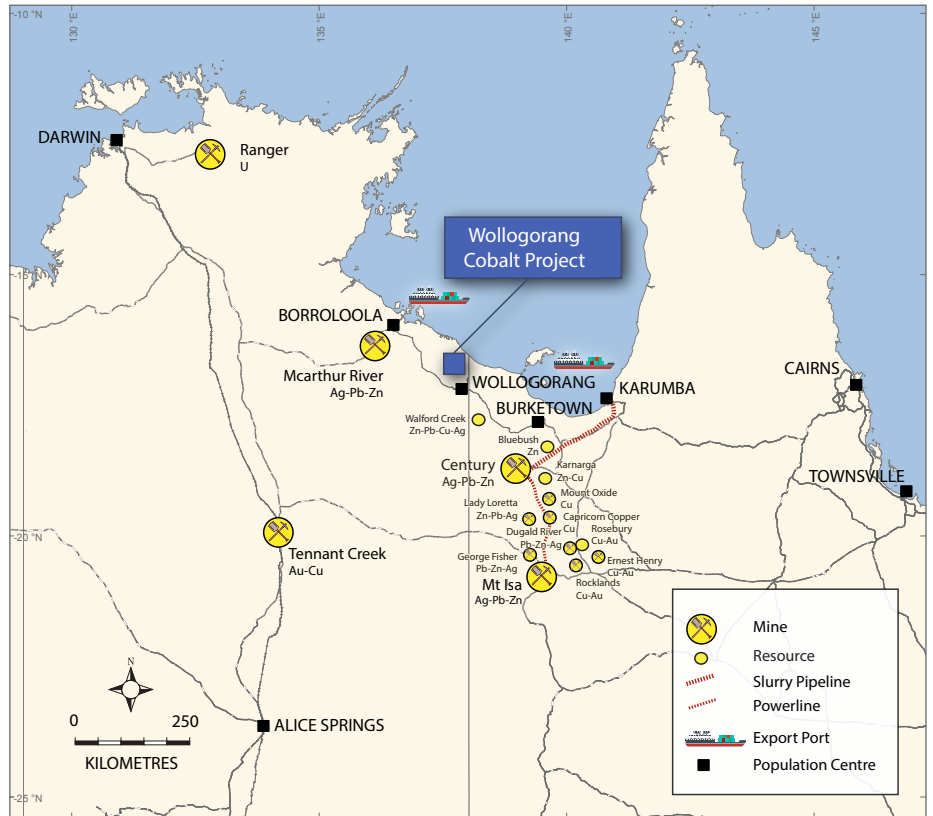


Figure 9 Location map.

dolostone) and Gold Creek Volcanics (interlayered basalt lavas and sediments). In the west, these formations are overlain by the flat-lying 250m-thick Pungalina Member-Echo Sandstone couplet and, in turn, by the Karns Dolomite.

In 2020 a Geoscience Australia research team identified a 170 km deep continent scale feature on which empirical data suggests >90% of the world's large scale (often blind) sediment hosted base metal deposits occur on this line (Figures 11 and 12). This feature is known as the “170 km LAB” or Lithosphere-Asthenosphere Boundary and it runs underneath Resolution’s Wollogorang Project (Figure 12). It is possible that

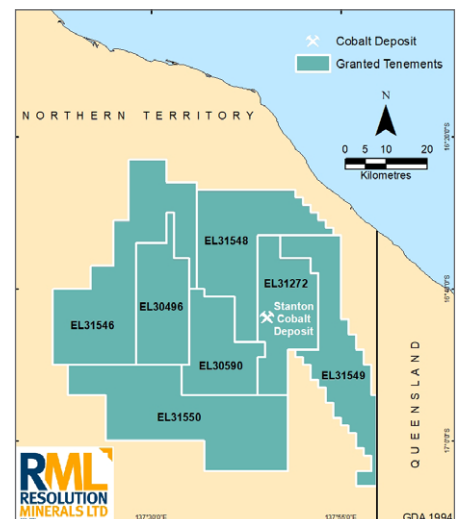


Figure 10 Tenement map showing 3,825 km² of granted exploration tenements.

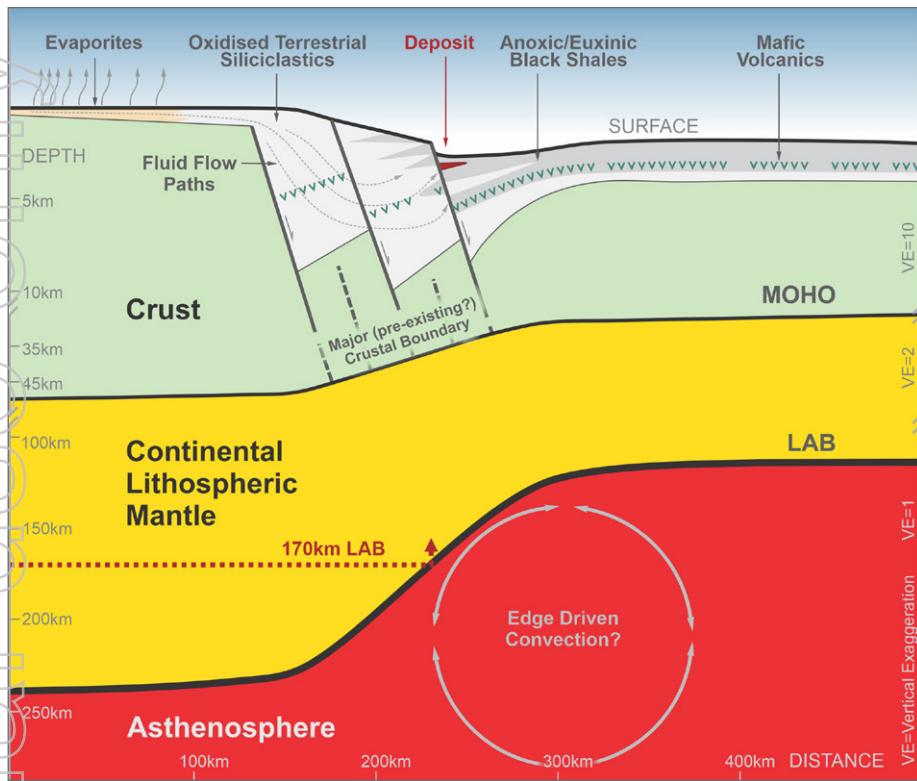


Figure 11 Mineralisation system for genesis of large scale sediment-hosted base metal deposits (Hoggard et al 2020).

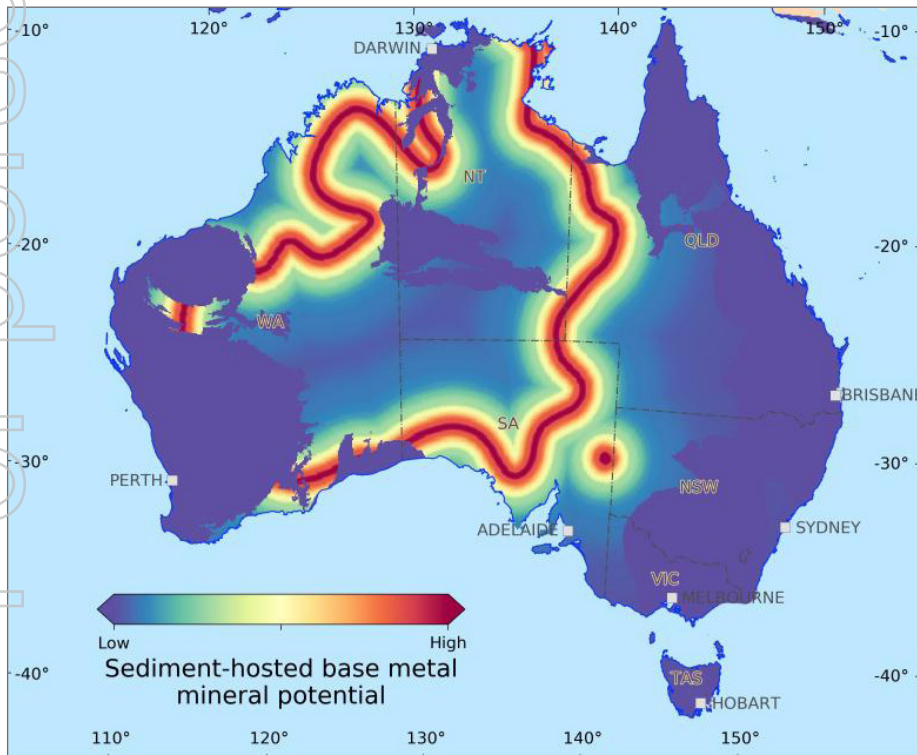


Figure 12 The 170 km “LAB” line empirical data collected by Geoscience Australia suggest 90% of the world’s large scale sediment hosted base metal deposits sit on the 170 km LAB line – which includes Resolution’s Wollongorang Project deposits (Hoggard et al 2020).

the LAB is linked to anomalous copper found on Resolution’s tenements and that modern-day explorers have only scratched the surface of a potential larger scale copper system. Further understanding of this new concept will be undertaken and incorporated into future exploration planning.

Historic exploration

The Wollongorang Cobalt Project consists of the Stanton-Running Creek Co-Cu-Ni prospects and Stanton Cobalt Deposit, which occur within EL31272. From the period 1987 to 1996, W.J. Fisher and CRAE identified about 10 individual breccia pipes, up to 100m diameter, in a “cluster”.

The first mineralisation was discovered in the area by Mt Isa Mines Limited who mined secondary copper from a small open pit in the 1930s. Other companies explored in the region for various commodities, including uranium and diamonds, but it was not until the late 1980s that W.J. Fisher, a consultant geologist, identified breccia pipes in the region. CRA Exploration Pty Ltd (CRA) joint ventured into the Project between 1990 and 1996 undertaking an extensive amount of exploration including 21,468m in 257 drill holes, various geophysical surveys, soil geochemistry and metallurgical testing. When CRA merged with Rio Tinto, in 1997, the Project was no longer a focus for the company, and it was divested to Chemmet Pty Ltd. The company commissioned a resource calculation between 1999 and 2000 along with a scoping study for development options. In 2000 Mineral Estates Pty Ltd, a wholly subsidiary of Hydromet Ltd, acquired the Project and undertook an

independent Mineral Resource estimate.

The company also commissioned a scoping study of mining and processing options by Resource Engineers Pty Ltd.

The tenements were then acquired by Toro Energy Ltd who were exploring for uranium and then dropped as uranium prices fell. Coolabah Group acquired the ground in 2013 and this became the basis for Resolution's IPO on the ASX in late 2017 (as Northern Cobalt Limited).

Exploration and drilling programs

During 2017 and 2018 the Company undertook significant exploration activities aiming to define additional cobalt resources in the vicinity of the Stanton Cobalt Deposit. The two best prospects Gregjo and Running Creek are described below.

In 2019 a subdued cobalt and copper price instigated a change in focus to other projects and no substantial field work was undertaken.

The 2020 pandemic closed access to remote areas of the NT and despite rising copper prices from May 2020 no field work was able to be undertaken.

Deposits

The Stanton Cobalt Deposit contains an Indicated and Inferred Resource of 942,000 t @ 0.13% Co, 0.06% Ni and 0.12% Cu (JORC 2012) (ASX announcement "Stanton Resource Upgrade Increases Contained Cobalt" on 9 April 2018). This deposit occurs within one of many breccia pipes known to occur within EL31272. The Stanton Cobalt Deposit was originally discovered by CRA exploration in 1995-96 and was of similar size as a pre-JORC deposit to what the Company defined in the 2018 Resource statement (9 April 2018).

RUNNING CREEK PROSPECT, NORTHERN TERRITORY

The Running Creek Prospect is 2 km from the Stanton Cobalt Deposit and was discovered and drill tested by CRA in the 1990s and although a Resource was not defined, the system appears to be copper dominant rather than cobalt. The best mineralisation (ASX announcement "Copper Intersection Confirms New Model at Running Creek" on 9 October 2018) was identified in 2018 with drill hole 18RAB102 which contained a thick intersection of high-grade copper mineralisation with associated cobalt mineralisation from surface to the end of hole at 55 m, highlights:

- 55 m @ 0.78% Cu from 0m to TD (hole 18RAB102)
 - including 33 m @ 1.08% Cu from 11 m,
 - including 13 m @ 2.01% Cu from 11 m
 - and 12 m @ 380 ppm Co from 22 m

GREGJO PROSPECT, NORTHERN TERRITORY

The Gregjo Prospect is located approximately 3.4 km south of the Stanton Cobalt Deposit, is associated with a north-west trending structure. The Gregjo Prospect was originally identified by CRA in the 1990s, as a surface geochemical anomaly with minor copper mineralisation, with limited extent. Reinterpretation of the main controls of mineralisation by the Company along north-west trending structures and subsequent drill testing in 2018, has identified the source of the copper mineralisation causing the surface geochemical anomaly. In late 2018 an IP survey was undertaken across the Gregjo Prospect to define possible depth extensions to copper mineralisation. The results of the IP survey identified a large chargeable feature beneath the currently identified mineralisation. Resolution Minerals interprets this feature to represent an extension of high-grade

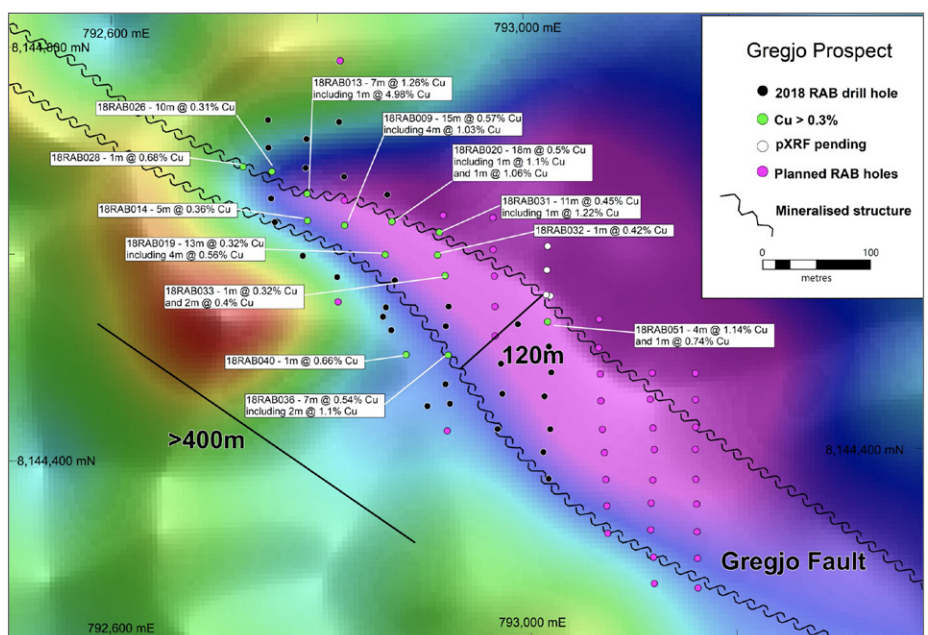


Figure 13 2018 RAB hole locations and copper results (See ASX announcement "Copper Discovery Grows at Gregjo Prospect" on 19 September 2019.) with background RTP magnetic image.

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SNETTISHAM IRON ORE / VANADIUM PROJECT, ALASKA USA

oxide copper mineralisation identified at surface as primary mineralisation at depth. Assay results (ASX announcement “Copper Discovery Grows At Gregjo Prospect” on 19 September 2018) from shallow RAB drilling confirm copper mineralisation along the Gregjo Fault with at least five (5) drill holes along the fault intersecting mineralisation over 1% Cu along a distance of >300 m (Figure 13). Drilling plans and statutory approvals are in place and the prospect is at “Drill Ready” status to test the compelling copper targets.

Highlights of 2018 RAB drilling by the Company include:

- 18RAB013
 - 7 m @ 1.23% Cu from 1 m including 1 m @ 4.24% Cu
- 18RAB009
 - 15 m @ 0.53% Cu from 5 m including 4 m @ 1.08% Cu
- 18RAB020
 - 20 m @ 0.72% Cu from 1 m including 1 m @ 1.4% Cu and 3 m @ 1.67% Cu
- 18RAB031
 - 11 m @ 0.65% Cu from 16 m including 1 m @ 1.97% Cu
- 18RAB051
 - 3 m @ 1.57% Cu from 13 m and 1 m @ 0.78% Cu

Resolution Minerals Ltd has staked 48 mineral claims over the Snettisham Vanadium Project in south-western Alaska in late 2018 (Figure 14). The Company identified the potential for large scale vanadium-magnetite mineralisation and its unique position regarding fundamental infrastructure requirements such as cheap electricity, transport options and proximity to the mining town of Juneau in southern Alaska. The Snettisham Vanadium Project occurs within titaniferous magnetite, concentrated within an Alaskan-style mafic-ultramafic intrusion, extending over 3.2 km along the coast of the Snettisham Peninsula and up to 1.5 km inland.

The Snettisham Project contains several critical infrastructure requirements for processing a vanadium-rich magnetite concentrate and exporting it to market. These include:

- Close proximity to cheap electricity to undertake magnetic separation and operation of grinding facilities, a high voltage transmission line and several existing and proposed hydropower projects nearby.
- Access to bulk material handling and transport facilities to move the concentrate to steel markets in either the USA or China, deep water channel adjacent to project.
- Access to an experienced mining workforce to support year-round operations.

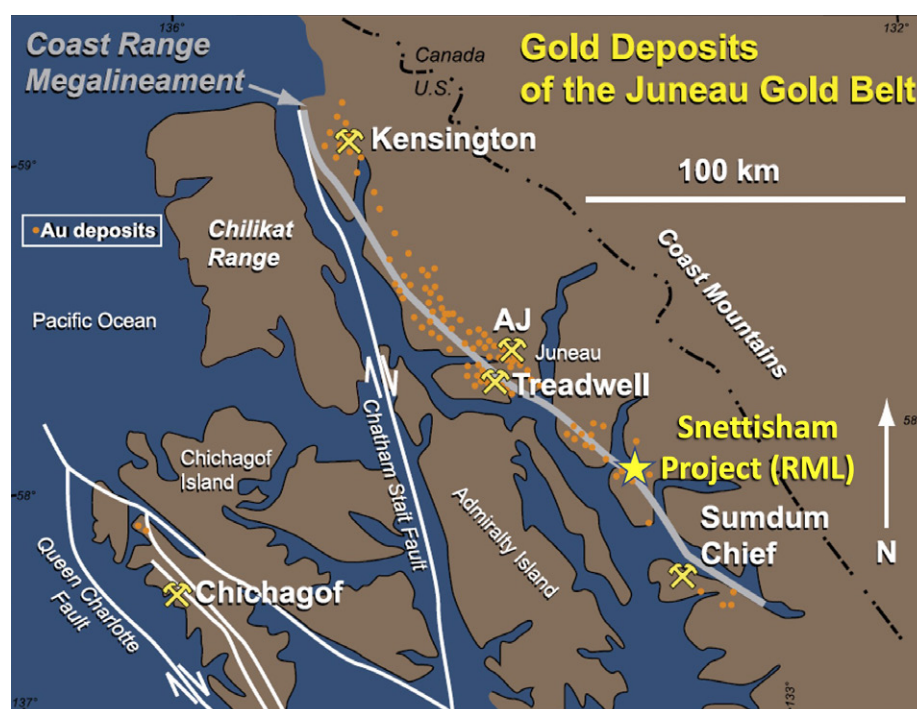


Figure 14. Location map. Kensington/Jualin Mine ~1.48M oz Au Resource & Reserves is currently being mined by Coeur Mining Inc; producing 127k ounces of gold in 2019 @ 6.8 g/t Au -source Coeur Mining Company Website (30 June 2020)

Project geology

The body in Port Snettisham is an elliptical intrusion about 3.2 kilometres maximum outcrop that is mainly composed of hornblende-magnetite clinopyroxenite, biotite-magnetite pyroxenite, and hornblende-biotite-magnetite clinopyroxenite. There appear to be numerous metasomatic replacement episodes. The pyroxenite locally grades into diorite. As in several other such bodies in south-eastern Alaska, the magnetite content is locally high enough to be considered as a source of iron, titanium, vanadium, and possibly platinum-group elements.

Most of the claim area is composed of an igneous rock termed pyroxenite. At the northern end near Sentinel Point, the vanadium bearing magnetite pyroxenite is bordered by phyllite and the borders to the south and southwest are composed mostly of diorite. The main vanadium bearing phase is in the form of magnetite as an accessory mineral in the pyroxenite. Pacific Rim Minerals visited the project in November 2010 and documented the following description of magnetite in the pyroxenite; "Massive magnetite is easily located with a simple pencil magnet along the coast by the Port of Snettisham and to the north near Sentinel Point. Moving into the interior from Port Snettisham and up to the 300+ metre elevation, outcrops of massive magnetite are well exposed along the coast and in cliffs and ledges that are found in the steeper hill sides along the southeast portions of the claim block".

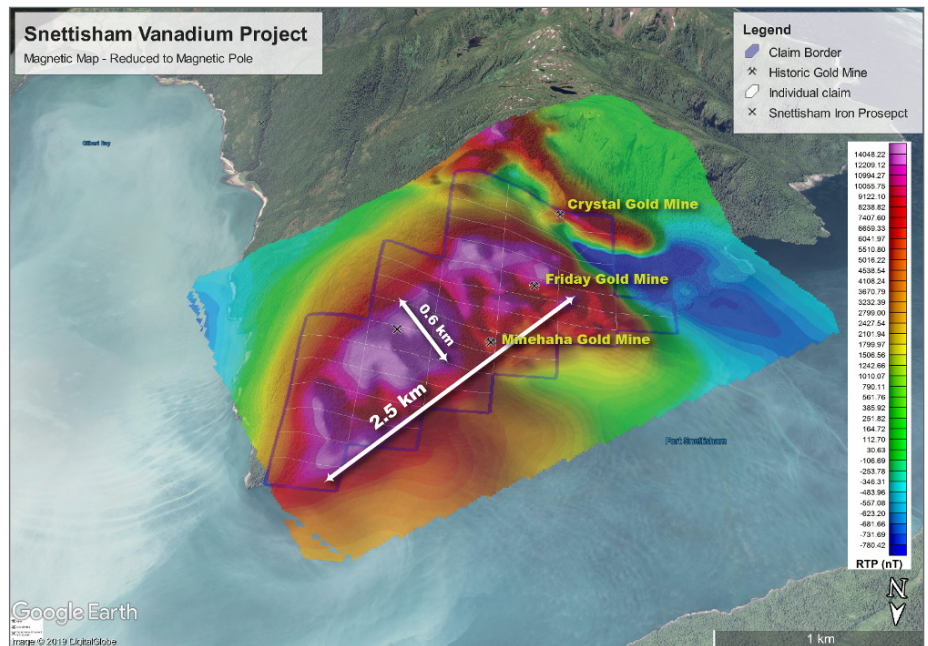


Figure 15 Snettisham Project (48 claims) overlain on Google Earth with 2018 acquired air-magnetic geophysics survey (RTP), location of three historic gold mines and 2.5 km x 0.6 km highly magnetic body interpreted to be a magnetite up to 2 km deep (ASX announcement "N27 Magnetic Survey Identifies Vanadium and Iron Ore Potential" on 2 February 2019).

Exploration history and acquisition of the property:

The Snettisham Project has been a focus of magnetite style iron ore exploration since the early 1950s.

Based on work undertaken from 1950 to 1956, the U.S. Bureau of Mines produced a report titled "Studies of the Snettisham Magnetite Deposit South East Alaska, Bureau of Mines Report of Investigations 5195", United States Department of the Interior, February 1956. In this report they completed a magnetic survey, drilled 11 holes for a total depth of 1,995 metres (in 1953), completed detailed geochemistry and petrographic studies and collected enough samples to beneficiate the iron ore using dry magnetic separation.

In 1969 Marcona Corporation completed a drilling program and feasibility study for production with Marubeni Corporation, unfortunately no reports from this work have been found.

In 2011, Arrowstar Resources (Arrowstar) entered into an option agreement with Gulfside Minerals to acquire 100% of the property. Arrowstar undertook a detailed ground magnetic survey, rock chip sampling and Davis Tube Separation studies. A sharp decline in the iron ore price in 2013 led them to relinquish all interest in the project.

In 2013 Arrowstar commissioned Burton Consulting Limited to undertake a NI43-101 Technical report on the Port Snettisham Iron Ore Property. In this report they detail eight rock chip samples of magnetite bearing pyroxenite sampled from scree and outcrop along the beach.

Gold potential

The Snettisham Project is within the Juneau Gold Belt of south-east Alaska (Figure 14), which has produced over 7 Moz (million ounces). The historical Crystal, Friday and Minehaha Gold mines all occur with the boundary of the project area. In the late 1800s to early 1900s the Alaska Snettisham Gold Mining Company had a 20-stamp mill in the township of Snettisham processing ore from the local mines. As a result of the recently flown magnetic survey (Figures 15 and 16), Resolution Minerals has identified significant potential for further gold mineralisation within the project area.

The local geology is well suited to hosting Juneau Gold Belt style mineralisation, which occurs as lode gold within fault and shear structures in the host rocks. At Snettisham a mafic-ultramafic intrusive complex and granite intrude layered metasediments and metavolcanics. This geological scenario, when subjected to deformation and metamorphism during the gold producing event, produces an ideal environment for the deposition of gold mineralisation in space forming structures. These structures are produced as a result of the contrasting competency of the intrusive rocks and metasediments where deformation is focussed around the margins of the intrusive bodies and in discrete zones within them. The Crystal, Friday and Minehaha Gold Mines appear to occur on these types of structures.

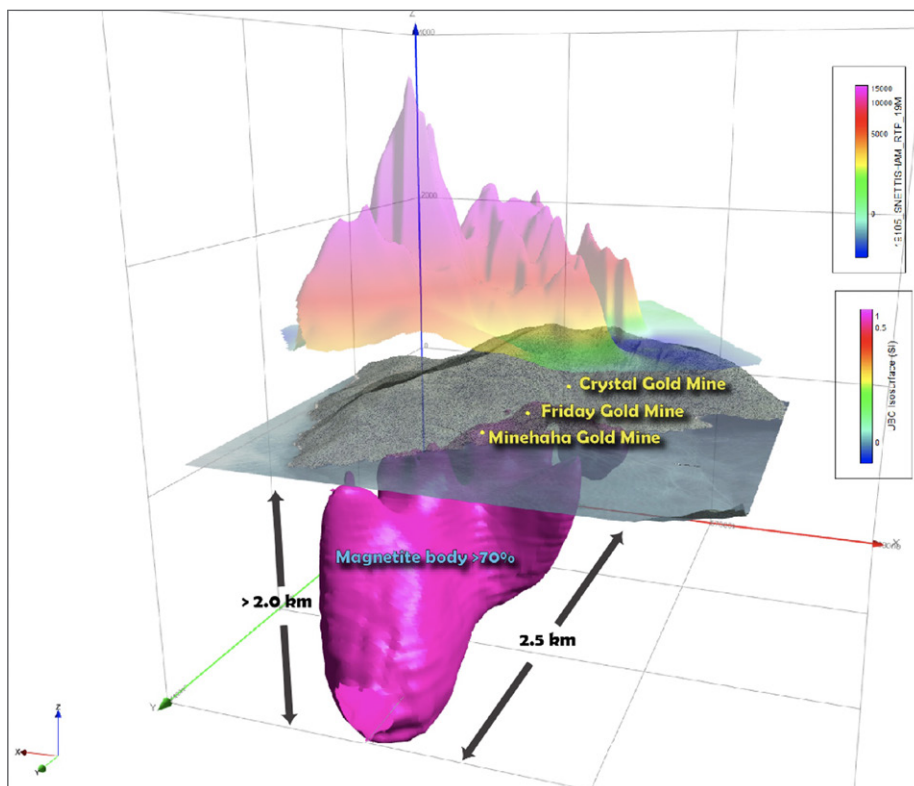


Figure 16 3D model of Snettisham – reduced to magnetic pole of Snettisham Vanadium Project on Google Earth image on UBC inversion of >70% magnetite shell (ASX announcement “3D Model Confirms Vanadium and Gold Potential at Snettisham” on 14 March 2019).

MINERAL RESOURCE STATEMENT

30 June 2019 and 30 June 2020 (unchanged)

STANTON COBALT MINERAL RESOURCE, NORTHERN TERRITORY

| Weathering | Tonnage (tonnes) | Cobalt (ppm) | Nickel (ppm) | Copper (ppm) |
|------------------|---------------------|-----------------|-----------------|-----------------|
| Inferred | | | | |
| Oxide | 8,000 | 500 | 300 | 2,100 |
| Transition | 242,000 | 800 | 400 | 800 |
| Indicated | | | | |
| Oxide | 406,000 | 1,200 | 500 | 1,600 |
| Transition | 286,000 | 1,800 | 900 | 900 |
| Total | 942,000 | 1,300 | 600 | 1,200 |

The information in this release that relates to the Estimation and Reporting of Mineral Resources at 30 June 2019 and 30 June 2020 is based on, and fairly represents, information and supporting documentation compiled by Dr Graeme McDonald. Dr McDonald acts as an independent consultant to Resolution Minerals Ltd on the Stanton Deposit Mineral Resource estimation. Dr McDonald is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Dr McDonald consents to the inclusion in this report of the contained technical information relating to the Mineral Resource Estimation in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Duncan Chessell who is a member of the Australasian Institute of Mining and Metallurgy. Mr Duncan Chessell is a full-time employee of the company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Duncan Chessell consents to the inclusion in the report of the matters based on his information in the form in which it is appears and confirms that the data reported as foreign estimates are an accurate representation of the available data and studies of the material mining project. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.

Additional details including JORC 2012 reporting tables, where applicable can be found in the following relevant announcements lodged with the ASX and the Company is not aware of any new data or information that materially affects the information included in the announcements listed in this Annual Report and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed.

Ownership structure 64North Project: Vendor Millrock Resources TSXV:MRO, 4 year earn-in US\$5m/yr and JV agreement to earn 60% interest, with pathway to earn up to 80%. Mandatory exploration spend \$1M / year outside West Pogo Block. A one-off grace period of 6 months allowed through the term of the earn-in (See ASX announcement "Binding Agreement earning 80% of Gold Project in Alaska" 17 October 2019).

*Tintina Gold Province Endowment Map & Juneau Gold Belt Map – source of data: Pebble (Northern Dynasty, www.northerndynastyminerals.com), Pogo (Northern Star Resources, www.nsr ltd.com), Fort Knox (Kinross, www.kinross.com), Donlin Creek (NovaGold, www.novagold.com), Livengood (International Tower Hill Mines, www.ithmines.com), Eagle & Dublin Gulch (Victoria Gold Corp, www.vgcx.com), Brewery Creek (Golden Predator, www.goldenpredator.com), White Gold (White Gold Corp, whitegoldcorp.ca), Coffee (Newmont, www.newmont.com), Kensington (Coeur Mining, www.coeur.com)

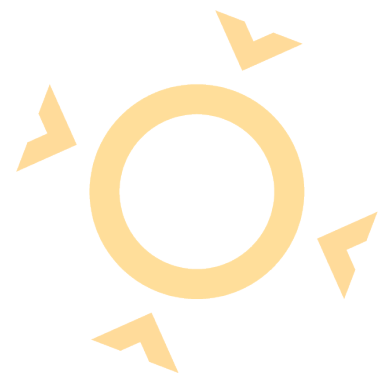
The Stanton Project Mineral Resource Estimate at 30 June 2019 has remained unchanged as at 30 June 2020. The information related to the Stanton Project Mineral Resource Estimate at 30 June 2019 and 30 June 2020 was detailed in the market announcement released as “Stanton Resource Upgrade Increases Contained Cobalt” on 9 April 2018. Resolution Minerals confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Resolution Minerals relies on drilling results from accredited laboratories in providing assay results used to estimate Mineral Resources.

The Company ensures that all Mineral Resource estimates are subject to appropriate levels of governance and internal controls. Exploration results are collected and managed by an independent competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management. Mineral Resource estimates are prepared by qualified independent Competent Persons. If there is a material change in the estimate of a Mineral Resource, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons. The Company reports its Mineral Resources on an annual basis in accordance with JORC Code 2012.

TENEMENT SCHEDULE

At 30 June 2020

| Tenement name | Tenement number | Status | Equity |
|--------------------------------------|---|---------|--------|
| Australia, Northern Territory | | | |
| WOLLOGORANG | | | |
| Karns | EL30496 | Granted | 100% |
| Selby | EL30590 | Granted | 100% |
| Stanton / Running Creek | EL31272 | Granted | 100% |
| Calvert | EL31546 | Granted | 100% |
| Sandy Creek | EL31548 | Granted | 100% |
| Camel Creek | EL31549 | Granted | 100% |
| Madulgina Creek | EL31550 | Granted | 100% |
| USA, Alaska | | | |
| SNETTISHAM | | | |
| Snettisham | AKAA 095408 - ACAA 095455 | Granted | 100% |
| 64NORTH | | | |
| 64North | Resolution is earning into to a 60% interest in the 64North Project which is owned by Millrock Resources (TSXV:MRO) the details of which were announced 17 October 2019 by the Company. | | |



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DIRECTORS' REPORT



The Directors of Resolution Minerals Ltd (formerly Northern Cobalt Limited) have pleasure in submitting their report on the Group for the year ended 30 June 2020.

DIRECTORS

The names and details of Directors in office at any time during the reporting period are:

Leonard Dean

BSc Metallurgy, MAICD

NON-EXECUTIVE CHAIR
(appointed 6 March 2017)

EXPERIENCE AND EXPERTISE

Mr Dean has over 50 years' experience across various operational, marketing and management roles in the resources industry covering a number of jurisdictions.

Mr Dean has previously held senior roles with BHP including as Marketing Director Iron Ore and Group General Manager Minerals Marketing. Following his career at BHP Billiton, Mr Dean consulted to a number of companies providing marketing, commercial and technical services to the iron ore industry.

Mr Dean has held a number of board positions including Managing Director of Sesa Goa Ltd, Indian's largest publicly listed iron ore company and Non-Executive Director of WPG Resources Limited.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

None

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

None

INTEREST IN SHARES

454,478 Ordinary Shares held directly and by an entity in which Mr Dean has a beneficial interest.

INTEREST IN OPTIONS AND RIGHTS

48,810 quoted options with exercise price of \$0.10 and expiry of 30 June 2022 (RMLA).

1,000,000 unquoted options with exercise price of \$0.2493 and expiry of 21 March 2021.

500,000 unquoted vested performance rights expiring on 31 December 2024.

Duncan Chessell

BSc, GAICD, MAusIMM, MAIG

MANAGING DIRECTOR
(appointed 6 March 2017)
(appointed as Managing Director on 14 October 2019)

EXPERIENCE AND EXPERTISE

Mr Chessell is a geologist with over 20 years' experience in business and in oil, gas and mineral exploration. He was Managing Director of Endeavour Group from 2010 to 2016 making new gold discoveries in the Gawler Craton, conducting precious and base metals exploration in South Australia and project generation in Papua New Guinea.

He is a Graduate of the Australian Institute of Company Directors, Member of the Australian Institute of Mining & Metallurgy and Member of Australian Institute of Geoscientists. He was co-founder and Chair of project generator Coolabah Group, the project vendor of the Wollongorng Project (Northern Territory) on which Resolution Minerals undertook its IPO in 2017 (as Northern Cobalt Limited). He is currently non-executive Director of The Outdoor Education Group Ltd, the largest outdoor

education provider across Australia. He was the founding Chair of the Himalayan Development Foundation Australia Inc, a not-for-profit entity delivering assistance to the people of Nepal.

Mr Chessell also has a decade of international business experience in adventure tourism in New Zealand, Australia, Papua New Guinea and the Himalaya. He is also a triple Mt Everest summiter and leader of numerous adventures including 'world firsts' in Antarctica and has guided the "Seven Summits" – the highest peak on each continent.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

None

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

None

INTEREST IN SHARES

1,320,719 Ordinary Shares held directly and by entities in which Mr Chessell has a beneficial interest.

INTEREST IN OPTIONS, RIGHTS AND PERFORMANCE SHARES

697,500 unquoted options with exercise price of \$0.2493 and expiry of 21 March 2021.

1,800,000 class A performance shares subject to exploration based performance hurdles expiring on 6 September 2022.

658,125 class B performance shares subject to exploration based performance hurdles expiring on 6 September 2022.

500,000 unquoted vested performance rights expiring on 31 December 2024.

4,000,000 unquoted performance rights subject to KPI based vesting conditions and an expiry between 31 December 2024 and 31 December 2026.

Andrew Shearer

BSc (Geology), Hons (Geophysics), MBA

NON-EXECUTIVE DIRECTOR

(appointed 6 March 2017)

EXPERIENCE AND EXPERTISE

Mr Shearer has been involved in the mining and finance industries for 25 years. With a geoscientific and finance background he has experience in the resources industry from exploration through to development. As a Resources Analyst, Mr Shearer has been exposed to the global resources sector covering small to mid-cap resource stocks across a broad suite of commodities. Prior to moving into the finance sector he spent over a decade working in the minerals exploration industry in technical and senior management roles. Mr Shearer brings to Resolution Minerals strong professional skills and experiences in equity research, investor relations, valuations, supply and demand analysis and capital markets.

Mr Shearer's experience includes roles with PAC Partners Pty Ltd, Phillip Capital, Austock, South Australian Government, Mount Isa Mines Limited and Glengarry Resources Limited.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Andromeda Metals Limited (ASX:ADN) from 27 October 2017.

Investigator Resources Limited (ASX:IVR) from 14 July 2020.

Okapi Resources Limited (ASX:OKR) from 20 July 2020.

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

None

INTEREST IN SHARES

940,000 Ordinary Shares held directly and by an entity in which Mr Shearer has a beneficial interest.

INTEREST IN OPTIONS, RIGHTS AND PERFORMANCE SHARES

50,000 quoted options with exercise price of \$0.10 and expiry of 30 June 2022 (RMLOA).

450,000 unquoted options with exercise price of \$0.2493 and expiry of 21 March 2021.

800,000 class A performance shares subject to exploration based performance hurdles expiring on 6 September 2022.

325,000 class B performance shares subject to exploration based performance hurdles expiring on 6 September 2022.

500,000 unquoted vested performance rights expiring on 31 December 2024.

Michael Schwarz

BSc (Hons) Geology, AIG

MANAGING DIRECTOR

(appointed 6 March 2017 and resigned as Director 26 August 2019)

EXPERIENCE AND EXPERTISE

Mr Schwarz has over 20 years' senior experience in mineral exploration spanning industry and government as a geologist and director of several exploration companies. Mr Schwarz has extensive experience both at a senior corporate level and in the hands-on roles of a geologist. He has high level negotiation and communication skills, and has managed competing stakeholder interests successfully, specifically balancing the needs of shareholders, land owners, corporate financiers, joint venture

partners and government to ensure a positive outcome for his organisations. Mr Schwarz has significant technical knowledge and experience in South Australian and Northern Territory geology and mineralisation styles and has led research projects with State Governments, Geoscience Australia and various universities.

He was a founding Director and Executive Director Exploration for Core Exploration Limited (ASX:CXO), founding Managing Director of Monax Mining Ltd (ASX:MOX) and was also a founding Director of Marmota Energy Ltd (ASX:MEU).

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

None

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

None

INTEREST IN SHARES

None

INTEREST IN OPTIONS AND RIGHTS

3,000,000 unquoted options with exercise price of \$0.2493 and expiry of 21 March 2021.

COMPANY SECRETARY

Jaroslav (Jarek) Kopias

BCom, CPA, AGIA, ACIS

COMPANY SECRETARY / CHIEF FINANCIAL OFFICER
(appointed 6 March 2017)

Mr Kopias is a Certified Practising Accountant and Chartered Secretary. Mr Kopias has over 20 years' industry experience in a wide range of financial and secretarial roles within the resources industry. As an accountant, Mr Kopias worked in numerous financial roles for companies, specialising in the resource sector – including 5 years at WMC Resources Limited's (now BHP) Olympic Dam operations, 5 years at Newmont Mining Corporation - Australia's corporate office and 5 years at oil and gas producer and explorer, Stuart Petroleum Limited (prior to its merger with Senex Energy Limited).

He is currently the Company Secretary of Core Lithium Ltd (ASX: CXO), Iron Road Limited (ASX: IRD) and Lincoln Minerals Limited (ASX: LML). Mr Kopias has held similar roles with other ASX entities in the past and has other business interests with numerous unlisted public and private entities.

PRINCIPAL ACTIVITIES

Resolution Minerals' ongoing principal activities are the exploration for gold in Alaska (USA), copper, cobalt and other battery metals in the Northern Territory and gold, vanadium and iron ore in Alaska (USA).

OPERATING AND FINANCIAL REVIEW

The net loss of the Group for the year after providing for income tax amounted to \$1,281,967 (2019: \$1,370,357) primarily due to administrative costs, employee benefit expense and preliminary exploration expenditure not capitalised.

During the year, the Group raised a further \$6.0 million through share placements and \$96,000 via exercise of options to progress its existing and newly acquired exploration tenements.

The risks associated with the projects listed below are those common to exploration activities generally. Exploration targets are conceptual in nature such that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

The main environmental and sustainability risks that Resolution Minerals currently faces are through ground disturbance when undertaking sampling or drilling activities. The Group's approach to exploration through environmental, heritage and other clearances allows these risks to be minimised.

The financial impact of the projects listed below is a requirement for further expenditure where successful exploration leads to follow-up activities. All exploration activities may be funded by the Group's own cash reserves or through joint venture arrangements.

Further technical detail on each of the prospects listed below is in the Review of Operation in the Annual Report.

The 64North Project in Alaska has been the focus of exploration efforts since October 2019 when the company entered into a binding agreement to earn-in to the project. The 64North Project surrounds the world-class high-grade operating Pogo Gold Mine, owned by Northern Star Resources Ltd (ASX: NST) and the West Pogo Block has been, and continues to be the focus of diamond core drilling activities beyond 30 June 2020. The Group holds a land package of 660 km² surrounding the Pogo Gold Mine and is on track to earn-in to a 30% interest in year 1 in line with the earn-in agreement. In parallel to undertaking drilling activities, the Group continues to explore the regional potential of the 64North project targeting advanced prospects in addition to the Wet Pogo Block. Resolution has the ability to earn up to 60% in the project via a total of US\$20 million in expenditure at the project and a further 20% thought funding BFS and development activities.

The future strategy at the 64North Project is to continue drilling at the West Pogo Block and regional exploration activities, maturing prospects across the 9 block portfolio and continuing to increase its interest in the project.

The Wollogorang copper and cobalt project covers 3,824 km² of pastoral land in the north-eastern corner of the Northern Territory – NT Exploration Licences EL30496, EL30590, EL31272, EL31546, EL31548, EL31549 and

EL31550. The project area adjoins the Queensland border with the main focus of operations occurring on the Wollogorang Station (Northern Territory). The Project is approximately 1,000 km by road from Darwin and a similar distance from Cairns in Queensland. The MacArthur River Mine is approximately 200 km to the west and the large mining service centre of Mount Isa lies 500 km to the southeast in Queensland. Other smaller service centres are Borroloola and Burketown, 150 km to the west and east respectively. The Stanton cobalt Mineral Resource Estimate has been upgraded as announced on 9 April 2018 as “Stanton Resource Upgrade Increases Contained Cobalt”.

The future strategy at the Wollogorang copper and cobalt project is for Resolution to focus on seeking project partners to increase the global Mineral Resource inventory and to assess further exploration targets in the vicinity of the Stanton resource.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group that occurred during the reporting period that have not otherwise been disclosed in this report or the financial statements.

DIVIDENDS

There were no dividends paid or declared during the reporting period or to the date of this report.

EVENTS ARISING SINCE THE END OF THE REPORTING YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than those described below.

On 28 July, the Company issued 51,608,421 shares under a placement to raise \$3.6 million (before costs) followed by an SPP, issuing 21,428,682 shares on 11 August 2020 to raise a further \$1.5 million.

On 17 August 2020, the Company announced the appointment of Mr Craig Farrow as a non-executive director transitioning to Chair following the 2020 AGM.

LIKELY DEVELOPMENTS

The Group continues its exploration program focussed on gold and battery metals and will assess other complementary projects.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the reporting period and the number of meetings attended by each Director is as follows:

| Directors | Board meetings | | Audit and risk committee meetings | | Remuneration committee meetings | |
|--------------|----------------|----|-----------------------------------|---|---------------------------------|---|
| | A | E | A | E | A | E |
| L A Dean | 18 | 19 | 1 | 2 | 1 | 1 |
| D C Chessell | 19 | 19 | 2 | 2 | 1 | 1 |
| A N Shearer | 19 | 19 | 2 | 2 | 1 | 1 |
| M P Schwarz | 4 | 4 | - | - | - | - |

A = Attended, E = Entitled to attend

UNISSUED SHARES UNDER OPTION

Unissued ordinary Shares of Resolution Minerals under option at the date of this report are:

| Date options granted | Expiry date | Exercise price of options | Number under option |
|-------------------------------|------------------|---------------------------|---------------------|
| 21 March 2017 | 21 March 2021 | \$0.2493 | 6,450,000 |
| 6 September 2017 | 6 September 2021 | \$0.2493 | 5,800,000 |
| 27 November 2019* | 30 November 2022 | \$0.06 | 13,400,000 |
| Total unquoted options | | | 25,650,000 |
| 25 June 2019 | 30 June 2022 | \$0.10 | 6,098,225 |
| Total quoted options | | | 6,098,225 |
| Total options on issue | | | 31,748,225 |

* Exercise price \$0.06 if exercised on or before 30 November 2020, \$0.08 if exercised on or before 30 November 2021 and \$0.10 if exercised on or before 30 November 2022. Expiry 30 November 2022.

During the year, 15,000,000 unquoted options were issued to brokers as remuneration – of these, 1,600,000 were exercised during the year.

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

PERFORMANCE RIGHTS

Unissued ordinary Shares of Resolution Minerals subject to vesting and exercise of performance rights at the date of this report are:

| Date rights granted | KPI vesting | Expiry date | Number of rights |
|------------------------------|------------------|------------------|------------------|
| 28 September 2018 | Vested | 31 December 2024 | 2,000,000 |
| 27 November 2019 | 31 December 2021 | 31 December 2024 | 2,000,000 |
| 27 November 2019 | 31 December 2023 | 31 December 2026 | 2,000,000 |
| 13 February 2020 | 31 January 2021 | 31 January 2024 | 500,000 |
| 13 February 2020 | 31 March 2022 | 31 December 2024 | 500,000 |
| 23 March 2020 | 31 January 2021 | 31 January 2024 | 250,000 |
| 23 March 2020 | 31 March 2022 | 31 December 2024 | 250,000 |
| Total rights on issue | | | 7,500,000 |

During the year, unquoted performance rights with performance based vesting conditions were issued as remuneration under the Company's Performance Share Plan as follows:

- 4,000,000 rights to the Managing Director
- 1,000,000 rights to the Exploration Manager
- 500,000 rights to technical consultants

These rights do not entitle the holders to participate in any share issue of the Company or any other body corporate.

PERFORMANCE SHARES

The Company has on issue 13,175,000 class A and class B performance shares as detailed in the table below:

| Class of performance shares | Grant date | Expiry date | Exercise price of shares | Number on issue |
|---------------------------------|------------------|------------------|--------------------------|-------------------|
| Class A | 4 September 2017 | 4 September 2022 | \$Nil | 9,600,000 |
| Class B | 4 September 2017 | 4 September 2022 | \$Nil | 3,575,000 |
| Total performance shares | | | | 13,175,000 |

There were no performance shares converted or cancelled during the reporting period and no vesting conditions were met during the reporting period.

DIRECTORS' REPORT, *continued*

REMUNERATION REPORT (AUDITED)

The Directors of Resolution Minerals Ltd present the Remuneration Report in accordance with the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* (Cth).

The Remuneration Report is set out under the following main headings:

Principles used to determine the nature and amount of remuneration

- A. Details of remuneration
- B. Service agreements
- C. Share-based remuneration
- D. Other information

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The Group's remuneration policy has been designed to align objectives of key management personnel with objectives of shareholders and the business, by providing a fixed remuneration component and offering specific long-term incentives through the issue of options and / or performance rights. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel and Directors to run and manage the Group. The key management personnel of the Group are the Board of Directors, Company Secretary and Executive Officers.

The Board's policy for determining the nature and amount of remuneration for its members and key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board. All

key management personnel are remunerated on a consultancy or salary basis based on services provided by each person. The Board annually reviews the packages of key management personnel by reference to the Group's performance and comparable information from industry sectors and other listed companies in similar industries.

- The Board may exercise discretion in relation to approving incentives, bonuses, options and performance rights. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.
- Key management personnel are also entitled to participate in the Company's Share Option Plan and Performance Share Plan as disclosed to shareholders in the Company's IPO prospectus and announced to the ASX.
- The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders (currently \$400,000). Fees for non-executive Directors are not linked to the performance of the Group, except in relation to exploration based KPI performance shares issued

as part of the IPO process. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the Company's Share Option Plan and Performance Share Plan, which may exist from time to time.

During the reporting period, performance reviews of senior executives were not conducted. There were no remuneration consultants used by the Group during the period.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board will have regard to a number of key performance metrics such as profitability, shareholders' equity and the Company's share price.

Performance based remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and other key management personnel. Currently, this is facilitated through the issue of options and/or performance rights to key management personnel to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Voting and comments made at the Company's 2019 Annual General Meeting

Resolution Minerals received 99.8% "yes" votes on its remuneration report for the 2019 financial year. The Group did not receive any specific feedback at the AGM on its remuneration report.

DIRECTORS' REPORT, continued
REMUNERATION REPORT (AUDITED)

B. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the remuneration of the Group's key management personnel (KMP) are shown below:

All KMP were appointed on 6 March 2017. All directors were issued with KPI based performance rights during the 2018/19 year and Mr Chessell was issued with KPI based performance rights during the 2019/20 year.

Director and other key management personnel remuneration

| 2020 | Short term benefits | | | Post-employment benefits | Share-based payments | Total \$ | At risk ¹ % |
|---------------------------------------|-----------------------|-------------------------|----------------------|--------------------------|------------------------|----------------|---------------------------|
| | Salary and fees \$ | Contract payments \$ | Other benefits \$ | Superannuation \$ | Options / rights \$ | | |
| Non-executive directors | | | | | | | |
| L Dean | 56,371 | - | - | - | - | 56,371 | - |
| A Shearer | 33,283 | - | - | 3,162 | - | 36,445 | - |
| Executive directors | | | | | | | |
| D Chessell ² | 157,682 | - | - | 14,980 | - | 172,662 | - |
| M Schwarz ³ | 118,574 | - | - | 10,396 | (22,057) | 106,913 | - |
| Other key management personnel | | | | | | | |
| J Kopias ⁴ | - | 127,365 | - | - | - | 127,365 | - |
| Total | 365,910 | 127,365 | - | 28,538 | (22,057) | 499,756 | |

¹ Represents share based payments linked to performance conditions.

² Mr Chessell was appointed Managing Director on 15 October 2019.

³ Mr Schwarz resigned as director on 26 August 2019 – salaries and fees includes a termination payment for M Schwarz.

⁴ Contract payments are made to Kopias Consulting – an entity associated with Mr Kopias.

| 2019 | Short term benefits | | | Post-employment benefits | Share-based payments | Total \$ | At risk ⁶ % |
|---------------------------------------|-----------------------|-------------------------|----------------------|--------------------------|-------------------------------------|----------------|---------------------------|
| | Salary and fees \$ | Contract payments \$ | Other benefits \$ | Superannuation \$ | Options / rights ⁵ \$ | | |
| Non-executive directors | | | | | | | |
| L Dean | 60,000 | - | - | - | 22,057 | 82,057 | 27 |
| D Chessell ⁷ | 98,678 | - | - | 9,374 | 22,057 | 130,109 | 17 |
| A Shearer | 31,964 | - | - | 3,036 | 22,057 | 57,057 | 39 |
| Executive directors | | | | | | | |
| M Schwarz ⁸ | 161,333 | - | - | 15,327 | 22,057 | 198,717 | 11 |
| Other key management personnel | | | | | | | |
| J Kopias ⁹ | - | 109,063 | - | - | 22,057 | 131,120 | 17 |
| Total | 351,975 | 109,063 | - | 27,737 | 110,285 | 599,060 | |

⁵ Performance rights issued in September 2018 as approved at the 2018 AGM.

⁶ Represents share based payments linked to performance conditions.

⁷ Mr Chessell acted in the capacity of an executive director to 17 November 2018.

⁸ Mr Schwarz reduced his time to 4 days per week commencing 1 February 2019.

⁹ Contract payments are made to Kopias Consulting – an entity associated with Mr Kopias.

C. SERVICE AGREEMENTS

Remuneration and other terms of employment for the Executive Directors and other KMP are formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below:

| Name | Base remuneration | Unit of measure | Term of agreement | Notice period | Termination benefits |
|-------------------------------------|-------------------|----------------------|-------------------|---------------|----------------------|
| D Chessell Managing Director | \$225,000 | Salaried employee | Indefinite | Two months | Three months |
| J Kopias CFO & Company Secretary | variable | hourly rate contract | Unspecified | One month | None |

Termination payments

During the year, the employment contract of former Managing Director, Mr Schwarz, was terminated in accordance with the terms of the agreement. As a result, Mr Schwarz received a termination payment of his employment entitlements, in accordance with his employment contract of \$97,138.

D. SHARE-BASED REMUNERATION

Details of performance rights convertible to ordinary shares in the Company that were granted as remuneration to each KMP during the year are set out below. All performance rights refer to a right to convert one right to one ordinary share in the Company, under the terms of the performance rights. Details of performance rights convertible to ordinary shares in the Company that were granted as remuneration to each KMP during the year are set out below:

| 2020 Granted | Number granted | Grant date | Fair value at grant date | | First vesting date ¹ | Last vesting date |
|-----------------|------------------|------------|--------------------------|---------------|---------------------------------|-------------------|
| | | | per right | Full value \$ | | |
| D Chessell | 2,000,000 | 27/11/2019 | \$0.0484 | 96,872 | 0.5 Moz Au resource | 31/12/2021 |
| D Chessell | 2,000,000 | 27/11/2019 | \$0.0449 | 89,575 | 1.0 Moz Au resource | 31/12/2023 |
| Total | 4,000,000 | | | | | |

¹ Meeting criteria of the KPI listed below determines vesting of rights.

Resource (0.5 million ounces) KPI - 2,000,000 Managing Director Performance Rights

The vesting of Director Performance Rights under this KPI is tied to the announcement by 31 December 2021 of at least 0.5 million ounce JORC Mineral Resource (in the Inferred category or better) with a grade of at least 5 g/t equivalent from all of the Company's current or future mineral leases. The vesting of this KPI must be determined by the Board by 31 March 2022 and, if vested, the Performance Rights will expire on 31 December 2024.

Resource (1.0 million ounces) KPI - 2,000,000 Managing Director Performance Rights

The vesting of Director Performance Rights under this KPI is tied to the announcement by 31 December 2023 of at least 1.0 million ounce JORC Mineral Resource (in the Inferred category or better) in total with a grade of at least 5 g/t equivalent from all of the Company's current or future mineral leases. The vesting of this KPI must be determined by the Board by 31 March 2024 and, if vested, the Performance Rights will expire on 31 December 2026.

DIRECTORS' REPORT, continued

REMUNERATION REPORT (AUDITED)

Share holdings of key management personnel

The number of ordinary shares of Resolution Minerals Ltd held, directly, indirectly or beneficially, by each Director and Company Secretary, including their personally-related entities as at reporting date:

| Directors and company secretary | Held at 30 June 2019 | Movement during year | Options / rights exercised | Held at 30 June 2020 |
|---------------------------------|----------------------|----------------------|----------------------------|----------------------|
| L Dean ¹ | 390,478 | 64,000 | - | 454,478 |
| M Schwarz ² | 405,335 | (405,335) | - | - |
| D Chessell ³ | 4,908,750 | (3,588,031) | - | 1,320,719 |
| A Shearer | 940,000 | - | - | 940,000 |
| J Kopias | 440,000 | - | - | 440,000 |
| Total | 7,084,563 | (3,929,366) | - | 3,155,197 |

¹ Movement represents an on-market purchase.

² Movement represents resignation as director.

³ Movement represents in-specie distribution of registered holder to underlying beneficial holders of Coolabah Group (the original vendor shares from the IPO in 2017), no resultant change in Mr Chessell's beneficial holding. Net movement includes 68,219 Shares purchased on-market on 18 October 2019.

Option holdings of key management personnel

The number of quoted options over ordinary shares in Resolution Minerals Ltd held, directly, indirectly or beneficially, by each specified Director and KMP, including their personally-related entities as at reporting date, is as follows:

UNQUOTED OPTIONS – Exercise price of \$0.2493 and expiry of 21 March 2021

| Directors and company secretary | Held at 30 June 2019 | Granted during year | Disposed during year | Exercised | Held at 30 June 2020 | Vested and exercisable at 30 June 2020 |
|---------------------------------|----------------------|---------------------|----------------------|-----------|----------------------|--|
| L Dean | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 |
| M Schwarz ¹ | 3,000,000 | - | (3,000,000) | - | - | - |
| D Chessell | 697,500 | - | - | - | 697,500 | 697,500 |
| A Shearer | 450,000 | - | - | - | 450,000 | 450,000 |
| J Kopias | 450,000 | - | - | - | 450,000 | 450,000 |
| Total | 5,597,500 | - | (3,000,000) | - | 2,597,500 | 2,597,500 |

¹ Movement represents resignation as director.

QUOTED OPTIONS – Exercise price of \$0.10 and expiry of 30 June 2022

| Directors and company secretary | Held at 30 June 2019 | Granted during year | Disposed during year | Exercised | Held at 30 June 2020 | Vested and exercisable at 30 June 2020 |
|---------------------------------|----------------------|---------------------|----------------------|-----------|----------------------|--|
| L Dean | - | 48,810 | - | - | 48,810 | 48,810 |
| M Schwarz ¹ | - | 50,668 | (50,668) | - | - | - |
| D Chessell | - | - | - | - | - | - |
| A Shearer | - | 50,000 | - | - | 50,000 | 50,000 |
| J Kopias | - | 20,000 | - | - | 20,000 | 20,000 |
| Total | - | 169,478 | (50,668) | - | 118,810 | 118,810 |

¹ Movement represents resignation as director.

Performance rights holdings of key management personnel

The number of performance rights over ordinary shares in Resolution Minerals Ltd held, directly, indirectly or beneficially, by each specified Director and KMP, including their personally-related entities as at reporting date, is as follows:

| Key management personnel | Held at 30 June 2019 | Acquired during year | Disposed during year | Exercised | Held at 30 June 2020 | Vested and exercisable at 30 June 2020 |
|--------------------------|----------------------|----------------------|----------------------|-----------|----------------------|--|
| L Dean | 500,000 | - | - | - | 500,000 | 500,000 |
| M Schwarz ¹ | 500,000 | - | (500,000) | - | - | - |
| D Chessell ² | 500,000 | 4,000,000 | - | - | 4,500,000 | 500,000 |
| A Shearer | 500,000 | - | - | - | 500,000 | 500,000 |
| J Kopias | 500,000 | - | - | - | 500,000 | 500,000 |
| Total | 2,500,000 | 4,000,000 | (500,000) | - | 6,000,000 | 2,000,000 |

¹ Movement represents forfeiture upon resignation as director.

² Represents issue of performance rights as remuneration as approved at the 2019 AGM under the Company's Performance Share Plan.

Performance share holdings of key management personnel

The number of performance shares over ordinary shares in Resolution Minerals Ltd held, directly, indirectly or beneficially, by each specified Director and KMP, including their personally-related entities as at reporting date, is as follows:

| Directors | Held at 30 June 2019 | Acquired during year | Disposed during year | Exercised | Held at 30 June 2020 | Vested and exercisable at 30 June 2020 |
|----------------|----------------------|----------------------|----------------------|-----------|----------------------|--|
| Class A | | | | | | |
| D Chessell | 1,800,000 | - | - | - | 1,800,000 | - |
| A Shearer | 800,000 | - | - | - | 800,000 | - |
| Class B | | | | | | |
| D Chessell | 658,125 | - | - | - | 658,125 | - |
| A Shearer | 325,000 | - | - | - | 325,000 | - |
| Total | 3,583,125 | - | - | - | 3,583,125 | - |

DIRECTORS' REPORT, continued

REMUNERATION REPORT (AUDITED)

E. OTHER INFORMATION

Transactions with key management personnel

Transactions with key management personnel are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Duncan Chessell

Resolution Minerals has sought the provision of consultancy services from Magill Consulting Pty Ltd on commercial terms – prior to Mr Chessell's appointment as Managing Director of Resolution Minerals, Mr Chessell is a director and shareholder of the company. During the year \$28,800 + GST has been paid in relation to these services. The total amount of fees due to Magill Consulting Pty Ltd as at 30 June 2020 was \$Nil (2019: \$Nil).

Andrew Shearer

Resolution Minerals has entered into an agreement with PAC Partners Pty Ltd, the employer of Mr Shearer, joint lead manager in relation to the Company's capital raisings and provider of broker support services. During the year PAC has been paid fees of \$187,450 + GST. The total amount of fees due to PAC Partners Pty Ltd as at 30 June 2020 was \$Nil (2019: \$1,320).

Jarek Kopias

Kopias Consulting, a business of which Jarek Kopias is a Director, was paid consulting fees in relation to the year totalling \$127,365 (2019: \$109,063) and is disclosed in the remuneration report. The total amount of fees due to Kopias Consulting as at 30 June 2020 was \$7,500 (2019: \$9,413).

END OF AUDITED REMUNERATION REPORT

ENVIRONMENTAL LEGISLATION

The Directors believe that the Group has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

The Group's operations are subject to various environmental regulations under the Commonwealth and State Laws of Australia and Alaska, USA. The majority of its activities involve low level disturbance associated with exploration drilling programs. Approvals, licences, hearings and other regulatory requirements are performed, as required, by the Group's management for each permit or lease in which the Group has an interest.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the reporting year, the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the reporting period, except to the extent permitted by law, indemnified, or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.

NON-AUDIT SERVICES

During the reporting period Grant Thornton performed certain other services in addition to its statutory duties.

The Board has considered the non-audit services provided during the reporting period by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Group and its related practices for audit and non-audit services provided during the reporting period are set out in note 13 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* (Cth) is included on page 34 of this Financial Report and forms part of this Directors' Report.



ROUNDING OF AMOUNTS

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

CORPORATE GOVERNANCE

The Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 3rd Edition (ASX Recommendations). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and its development status.

A summary of the Company's ongoing corporate governance practices is set out annually in the Company's Corporate Governance Statement and can be found on the Company's website at www.resolutionminerals.com.

Signed in accordance with a resolution of the Directors.

Leonard Dean

Chair

Adelaide

18 September 2020



AUDITOR'S INDEPENDENCE DECLARATION



Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Resolution Minerals Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Resolution Minerals Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink that reads "J.L. Humphrey".

J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 18 September 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

| | Notes | 30 June 2020 \$ | 30 June 2019 \$ |
|---|-------|-----------------------|-----------------------|
| Interest income | | 890 | 25,030 |
| Government grants | | 50,000 | - |
| Other income | | 44,557 | - |
| Broker and investor relations | | (152,218) | (168,500) |
| Employee benefits expense | | (373,382) | (364,495) |
| Exploration expense | | (51,936) | (121,897) |
| Impairment expense | 7 | (332,424) | (409,601) |
| Depreciation | 8 | (15,316) | (41,360) |
| Loss on sale of assets | | (7,868) | (308) |
| Other expenses | 2 | (444,270) | (289,226) |
| Loss before tax | | (1,281,967) | (1,370,357) |
| Income tax (expense) / benefit | 3 | - | - |
| Loss for the year from continuing operations attributable to owners of the parent | | (1,281,967) | (1,370,357) |
| Other comprehensive income attributable to owners of the parent | | - | - |
| Total comprehensive loss for the year attributable to owners of the parent | | (1,281,967) | (1,370,357) |
| Earnings per share from continuing operations | | | |
| Basic and diluted loss – cents per share | 4 | (1.02) | (2.55) |

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

| | Notes | 30 June 2020 \$ | 30 June 2019 \$ |
|--|-------|-----------------------|-----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 2,161,012 | 741,889 |
| Other assets | 6 | 24,499 | 23,163 |
| Total current assets | | 2,185,511 | 765,052 |
| Non-current assets | | | |
| Exploration and evaluation expenditure | 7 | 10,536,621 | 6,809,980 |
| Plant and equipment | 8 | 75,706 | 137,573 |
| Total non-current assets | | 10,612,327 | 6,947,553 |
| TOTAL ASSETS | | 12,797,838 | 7,712,605 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 540,423 | 138,784 |
| Employee provisions | | 20,871 | 10,930 |
| Derivative financial instruments | | 9,322 | - |
| Total current liabilities | | 570,616 | 149,714 |
| TOTAL LIABILITIES | | 570,616 | 149,714 |
| NET ASSETS | | 12,227,222 | 7,562,891 |
| EQUITY | | | |
| Issued capital | 10 | 14,944,312 | 9,520,723 |
| Reserves | 11 | 1,353,852 | 831,143 |
| Accumulated losses | | (4,070,942) | (2,788,975) |
| TOTAL EQUITY | | 12,227,222 | 7,562,891 |

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year 30 June 2020

| 2020 | Issued capital \$ | Option / rights reserve \$ | Accumulated losses \$ | Total equity \$ |
|---|----------------------|----------------------------------|-----------------------------|-----------------------|
| Opening balance | 9,520,723 | 831,143 | (2,788,975) | 7,562,891 |
| Share placements | 6,048,337 | - | - | 6,048,337 |
| Option exercise | 96,000 | - | - | 96,000 |
| Fair value of shares issued for project acquisition | 245,000 | - | - | 245,000 |
| Exercise of unquoted options | 63,296 | (63,296) | - | - |
| KMP performance rights issued and lapsed | - | (7,398) | - | (7,398) |
| Issue costs | (1,029,044) | 593,403 | - | (435,641) |
| Transactions with owners | 5,423,589 | 522,709 | - | 5,946,298 |
| Comprehensive income: | | | | |
| Total profit or loss for the reporting year | - | - | (1,281,967) | (1,281,967) |
| Total other comprehensive income for the reporting year | - | - | - | - |
| Balance 30 June 2020 | 14,944,312 | 1,353,852 | (4,070,942) | 12,227,222 |
| 2019 | Issued capital \$ | Option / rights reserve \$ | Accumulated losses \$ | Total equity \$ |
| Opening balance | 8,958,098 | 720,858 | (1,418,618) | 8,260,338 |
| Share placement and Rights Issue | 609,820 | - | - | 609,820 |
| Fair value of shares issued for the acquisition of projects | 50,000 | - | - | 50,000 |
| KMP performance rights | - | 110,285 | - | 110,285 |
| Issue costs | (97,195) | - | - | (97,195) |
| Transactions with owners | 562,625 | 110,285 | - | 672,910 |
| Comprehensive income: | | | | |
| Total profit or loss for the reporting year | - | - | (1,370,357) | (1,370,357) |
| Total other comprehensive income for the reporting year | - | - | - | - |
| Balance 30 June 2019 | 9,520,723 | 831,143 | (2,788,975) | 7,562,891 |

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

| | Notes | 30 June 2020 \$ | 30 June 2019 \$ |
|--|-------|-----------------------|-----------------------|
| Operating activities | | | |
| Interest received | | 890 | 30,166 |
| Government grants | | 50,000 | - |
| Other receipts | | 44,557 | - |
| Payments to suppliers and employees | | (935,324) | (832,540) |
| Net cash used in operating activities | 12 | (839,877) | (802,374) |
| Investing activities | | | |
| Payments for capitalised exploration expenditure | | (3,424,765) | (2,926,452) |
| Payments for plant and equipment | | (15,003) | (49,270) |
| Proceeds from sale of plant and equipment | | 5,491 | - |
| Net cash used in investing activities | | (3,434,277) | (2,975,722) |
| Financing activities | | | |
| Proceeds from issue of share capital | | 6,048,337 | 609,820 |
| Proceeds from exercise of options | | 96,000 | - |
| Payments for capital raising costs | | (451,060) | (81,776) |
| Net cash from financing activities | | 5,693,277 | 528,044 |
| Net change in cash and cash equivalents | | 1,419,123 | (3,250,052) |
| Cash and cash equivalents, beginning of the year | | 741,889 | 3,991,941 |
| Cash and cash equivalents, end of year | 5 (a) | 2,161,012 | 741,889 |

This statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Resolution Minerals Ltd is a listed public company, registered and domiciled in Australia. Resolution Minerals Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2020 were approved and authorised by the Board of Directors on 18 September 2020.

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

COMPARATIVES

Comparative information for 2019 is for the full year commencing on 1 July 2018.

The significant policies which have been adopted in the preparation of this financial report are summarised below.

a) Principles of consolidation

Subsidiaries

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2020. Subsidiaries are all entities (including structured entities) over which the Group control. The Group controls an entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is fully transferred to the Group. They are deconsolidated from the date that control ceases. All subsidiaries have a reporting date of 30 June.

A list of controlled entities is contained in note 17 to the Financial Statements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by the Group.

Profit or loss of subsidiaries acquired or disposed of during the reporting period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Joint arrangements

Under AASB11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group currently has a joint arrangement in relation to its 64North Project in Alaska, USA.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated into the financial statements under the appropriate headings. Details of the joint operations are set out in note 7.

b) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria, as prescribed by AASB 8, are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Directors have considered the requirements of AASB 8 – *Operating Segments* and the internal reports that are reviewed by the Board in allocating resources have determined that there are two separately identifiable segments based on the level of expenditure, namely the Group's US based operations and Australian based operations.

c) Finance income and expense

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss. Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method. All income is stated net of goods and services tax (GST).

d) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to profit or loss during the reporting period in which they were incurred.

Depreciation is calculated and recognised on assets based on the estimate of useful life and future economic benefits to the Group as follows:

| | |
|-----------------------|---------|
| Exploration equipment | 6 years |
| Office equipment | 5 years |
| IT equipment | 3 years |

The assets residual values and useful lives are reviewed and adjusted at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. The method was changed from the straight-line method in the prior year.

e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that right of tenure is current and those costs are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and operations in relation to the area are continuing.

Accumulated costs, in relation to an abandoned area, are written off in full against profit in the period in which the decision to abandon the area is made.

f) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- » amortised cost
- » fair value through profit or loss (FVPL)
- » equity instruments at fair value through other comprehensive income (FVOCI)
- » debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- » The entities business model for managing the financial asset
- » The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- » they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- » the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

IMPAIRMENT OF FINANCIAL ASSETS

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

- c) 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- d) '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT OF HEDGE INSTRUMENTS

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- » Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- » Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- » There is 'an economic relationship' between the hedged item and the hedging instrument.
- » The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- » The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

FAIR VALUE HEDGES

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate method. The effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

g) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not probable to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less provision for impairment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

i) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently amortised cost using the effective interest rate method.

Trade and other payables are stated at amortised cost.

j) Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set-off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

The Company and its wholly-owned Australian resident subsidiaries have formed a tax-consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

l) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

m) Share-based payments

The Group has provided payment to related parties in the form of share-based compensation, whereby related parties render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of share options is determined using a Black and Scholes methodology depending on the nature of the option terms. The fair value in relation to performance rights is calculated using a Monte Carlo simulation.

The Black and Scholes option pricing model takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The Monte Carlo simulation used in pricing the performance rights takes into account the target share price resulting from meeting the KPI, the term of the right, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The fair value of the options and performance rights granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to become exercisable / vested. At each reporting date, the entity revises its estimates of the number of options and performance rights that are expected to become exercisable / vested.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

n) Employee benefits

The Group provides post-employment benefits through various defined contribution plans.

A defined contribution plan is a superannuation plan under which the Group pays fixed contributions into an independent entity.

The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The Group contributes to several plans and insurances for individual employees that are considered defined contribution plans. Contributions to the plans are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result on the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of the reporting period. Annual leave liability is still presented as a current liability for presentation purposes under AASB 101 *Presentation of Financial Statements*.

o) Goods and services tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

p) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

i) Key estimates - impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

ii) Key judgements - exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted.

The fair value of share options is determined by the Board of Directors with reference to quoted market prices or using the Black-Scholes valuation method taking into account the terms and conditions upon which the equity instruments were granted. The fair value of performance rights is calculated using a Monte Carlo simulation. The assumptions in relation to the valuation of the equity instruments are detailed in note 11 and note 16. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

q) Adoption of the new and revised accounting standards

In the current year, there are no new and/or revised Standards and Interpretations adopted in these Financial Statements affecting presentation or disclosure and the reported result or financial position other than:

AASB16 Leases

AASB 16 supersedes AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a lease and became effective for reporting periods beginning on or after 1 January 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Accordingly the Group applied AASB 16 for the first time for the period ended 30 June 2020.

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). The leases held by the Group satisfied the relevant criteria of a short term lease under AASB 16. As a result of this the standard has had no impact on the Group.

AASB INTERPRETATION 23 UNCERTAINTY OVER INCOME TAX TREATMENT

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes*. It does not apply to taxes or levies outside the scope of AASB 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- » Whether an entity considers uncertain tax treatments separately
- » The assumptions an entity makes about the examination of tax treatments by taxation authorities
- » How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- » How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed. The Group applies significant judgement in identifying uncertainties over income tax treatments. The Group determined, based on its tax compliance that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Group.

r) Recently issued accounting standards to be applied in future accounting periods

There are no accounting standards that have not been early adopted for the year ended 30 June 2020 but will be applicable to the Group in future reporting periods.

2 OTHER EXPENSES

| | 2020 \$ | 2019 \$ |
|-----------------------------------|----------------|----------------|
| Compliance | 79,159 | 78,831 |
| Office expenses | 123,696 | 98,633 |
| Legal, insurance and registry | 103,046 | 73,300 |
| Realised loss on foreign currency | 52,945 | - |
| Other expenses | 76,624 | 38,462 |
| Total other expenses | 444,270 | 289,226 |

3 INCOME TAX BENEFIT / (LOSS)

| | 2020 \$ | 2019 \$ |
|--|-------------|-------------|
| a) The components of income tax expense comprise: | | |
| Current income tax expense / (benefit) | - | - |
| b) The prima facie tax loss before income tax is reconciled to the income tax (benefit) / expense as follows: | | |
| Net gain / (loss) | (1,281,967) | (1,370,357) |
| Income tax rate | 30% | 30% |
| Prima facie tax benefit on loss from activities before income tax | (384,590) | (411,107) |
| Non-deductible amounts | 1,202,521 | 88,216 |
| Tax effect of temporary differences not brought to account as they do not meet the recognition criteria | (81,518) | (689,778) |
| Deferred tax asset not realised as recognition criteria not met | 736,413 | 1,012,669 |
| Subtotal | - | - |
| c) Deferred tax assets have not been recognised in respect of the following: | | |
| Total tax losses | 10,184,928 | 5,539,849 |
| Deferred tax asset not recognised | 2,940,642 | 1,661,955 |

A net deferred tax asset of \$2,940,642 (2019: \$1,661,955) has not been recognised as it is not probable that within the immediate future that taxable profits will be available against which temporary differences and tax losses can be utilised.

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision of income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 EARNINGS PER SHARE

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

| | 2020 # | 2019 # |
|--|-------------|------------|
| Weighted average number of shares used in basic earnings per share | 126,243,296 | 82,865,118 |
| Weighted average number of shares used in diluted earnings per share | 126,243,296 | 82,865,118 |
| Profit / (loss) per share – basic and basic (cents) | (1.02) | (2.55) |

There were 52,423,225 options, performance rights and performance shares outstanding at the end of the year (2019: 40,346,562) that have not been taken into account in calculating diluted EPS due to their effect being anti-dilutive.

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

| | 2020 \$ | 2019 \$ |
|---------------------------|------------|------------|
| Cash at bank and in hand | 2,161,012 | 741,889 |
| Cash and cash equivalents | 2,161,012 | 741,889 |

a) Reconciliation of cash at the end of the period.

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

| | | |
|---|-----------|---------|
| Cash and cash equivalents | 953,412 | 741,889 |
| Restricted cash held by joint venture partner | 1,207,600 | - |

Restricted cash is not available for general use by the Group as this is held by the Millrock Resources, the operator of the 64North Project, for authorised exploration in the US.

6 OTHER ASSETS

Other current assets include the following:

| | 2020 \$ | 2019 \$ |
|---------------------------|---------------|---------------|
| Exploration bond deposits | 20,956 | 16,767 |
| GST receivable | 3,544 | 3,481 |
| Other current assets | - | 2,915 |
| Total receivables | 24,499 | 23,163 |

No receivables are considered past due and / or impaired.

7 EXPLORATION AND EVALUATION EXPENDITURE

| | 2020 \$ | 2019 \$ |
|---|-------------------|------------------|
| Opening balance | 6,809,980 | 4,467,108 |
| Expenditure on exploration during the year | 3,064,891 | 2,659,228 |
| Acquisition of projects | 994,174 | 93,245 |
| Exploration expenditure impaired | (332,424) | (409,601) |
| Closing balance | 10,536,621 | 6,809,980 |
| Expenditure is capitalised as follows: | | |
| Group owned assets | 6,748,268 | 6,809,980 |
| Joint operations | 3,788,353 | - |
| Total exploration and evaluation expenditure | 10,536,621 | 6,809,980 |

During the year, the Group recognised an impairment expense of \$332,424 related to the relinquishment of the remaining Arunta Project tenements \$299,234 and one Wollongorang Project tenement of \$33,190.

The acquisition of projects includes the fair value of share based payments of \$245,000 being the value of 5,000,000 milestone shares as the first payment to Millrock Resources, operator of the joint arrangement, to commence earn-in to the 64 North Project in Alaska, USA. The full earn-in table and details of the agreement is below.

RML has the exclusive right to earn to a 60% interest in the entire 64North Project from Canadian listed Millrock Resources (MRO) by sole funding exploration as set out below in Table 1. Subject to other conditions set out in Table 2 Resolution may earn to 80% on a "best block" on RML's election, the project is divided into nine "blocks" (West Pogo, East Pogo, North Pogo, South Pogo, Eagle, LMS-X, Divide, Last Chance, Shaw). During the initial 4 year earn-in period, the minimum expenditure in a term may be extended by 6 months using a once only "grace period" and Resolution must keep the claims in good standing during the sole funding period. Resolution has a right to form a Joint-Venture at the completion of any stage, at which time the manager of the JV will be determined by largest percentage. On formation of a JV both parties must contribute according to their percentage interest or be diluted using a standard industry formula using a "double rate of dilution". If either party is diluted to less than 10%, this will convert to a 1% Net Smelter Royalty (NSR). Resolution can elect to earn-in and complete the next stage or form a JV at the achievement of each stage. During the sole funding period RML is the Manager of the project, with project vendor MRO appointed as the project operator in the first year with an 8% administration fee. After year 1, Resolution may assume responsibilities as operator and will pay MRO \$50k cash in-lieu of the 8% administration fee. Resolution Minerals holds the first right of refusal if MRO chooses to sell its interest. An area of interest immediately surrounding the 64North Project exists and any new claims acquired by RML or MRO are subject to the terms of the agreement. Historic royalties exist on various claims in the project area which vary from 0% to a maximum of 1.5% NSR after certain buy downs are exercised on RML's election. On positive decision to mine on the West Pogo Block a NI 43-101 mineral resource estimate report must be filed and subject to definition of > 1m oz Au NI 43-101 Resource, a payment of \$1/oz Au is due to previous prospectors. On RML's election, RML has the right to earn to 80% interest on a nominated "best block" subject to sole funding a Bankable Feasibility Study (BFS) to earn a 70% interest and on a positive BFS and RML's decision to mine, RML must pay MRO US\$3 million in cash or RML shares. To earn an 80% interest in the best block, RML must loan carry MRO to first production. RML may elect to remove un-wanted claims or blocks from the agreement which then revert to MRO un-encumbered.

| 64North Project - Entire Project Earn-in Summary Stage | RML% interest | Trigger | Expenditure requirement US\$ | RML share milestone | Millrock payment US\$ |
|---|------------------|--|---------------------------------|---------------------|--------------------------|
| Commence earn-in - commenced in September 2019 | 0% | Exclusive option – Complete due diligence | \$250,000 | 5,000,000 | nil |
| Stage 1 by 31 Jan 2021 | 30% | Undertake exploration | \$4,750,000 | 10,000,000 | \$50,000 |
| Stage 2 within a further 12 months of electing to earn such further interest | 42% | Undertake exploration | \$5,000,000 | 10,000,000 | \$50,000 |
| Stage 3 within a further 12 months of electing to earn such further interest | 51% | Undertake exploration | \$5,000,000 | 4,000,000 | \$50,000 |
| Stage 4 within a further 12 months of electing to electing to earn such further interest | 60% | Undertake exploration | \$5,000,000 | 4,000,000 | \$50,000 |
| Drilling KPI – cumulative total of diamond drilling metres. | n/a | 7,500m diamond drilling | n/a | 5,000,000 | n/a |
| Total | 60% | | \$20,000,000 | 38,000,000 | \$200,000 |
| 64North Project Best Block Interest Stage | RML% Interest | Trigger | Expenditure requirement US\$ | RML Share milestone | Millrock payment US\$ |
| Bankable feasibility study (BFS) | 70% | Complete BFS | BFS expenditure | n/a | \$3,000,000 |
| First production | 80% | Commence production | Loan carry | n/a | n/a |
| Total | 80% | | Solefund | | \$3m |

The Group, through its US based subsidiary company, is currently in the process of incurring Stage 1 expenditure to earn a 30% interest by 31 January 2021.

8 PLANT AND EQUIPMENT

| 2020 | Exploration equipment \$ | Office equipment \$ | Software and IT equipment \$ | Total \$ |
|------------------------------------|-----------------------------|------------------------|---------------------------------|-------------|
| Gross carrying amount | | | | |
| Opening balance | 175,741 | 19,793 | 77,999 | 273,533 |
| Additions | - | 634 | 14,369 | 15,003 |
| Disposals | (37,144) | (12,636) | (20,823) | (70,603) |
| Closing balance | 138,597 | 7,791 | 71,545 | 217,933 |
| Depreciation and impairment | | | | |
| Opening balance | (65,916) | (9,190) | (60,854) | (135,960) |
| Depreciation ¹ | (32,895) | (3,729) | (11,587) | (48,211) |
| Disposals | 17,299 | 7,789 | 16,856 | 41,944 |
| Closing balance | (81,512) | (5,130) | (55,585) | (142,227) |
| Carrying amount 30 June | 57,085 | 2,661 | 15,960 | 75,706 |

¹ Exploration equipment depreciation is charged to exploration assets. The remaining depreciation of \$15,316 is charged to the statement of profit or loss.

| 2019 | Exploration equipment \$ | Office Equipment \$ | Software and IT equipment \$ | Total \$ |
|------------------------------------|-----------------------------|------------------------|---------------------------------|-------------|
| Gross carrying amount | | | | |
| Opening balance | 128,584 | 19,793 | 77,382 | 225,759 |
| Additions | 47,157 | - | 2,113 | 49,270 |
| Disposals | - | - | (1,496) | (1,496) |
| Closing balance | 175,741 | 19,793 | 77,999 | 273,533 |
| Depreciation and impairment | | | | |
| Opening balance | (14,735) | (2,154) | (27,718) | (44,607) |
| Depreciation ¹ | (51,181) | (7,036) | (34,324) | (92,541) |
| Disposals | - | - | 1,188 | 1,188 |
| Closing balance | (65,916) | (9,190) | (60,854) | (135,960) |
| Carrying amount 30 June | 109,825 | 10,603 | 17,145 | 137,573 |

¹ Exploration equipment depreciation is charged to exploration assets. The remaining depreciation of \$41,360 is charged to the statement of profit or loss.

9 TRADE AND OTHER PAYABLES

| | 2020 \$ | 2019 \$ |
|--|------------|------------|
| Trade creditors | 34,002 | 28,409 |
| Payroll liabilities | 13,701 | 5,435 |
| Accrued expenses – 64North Project, Alaska | 413,100 | - |
| Accrued expenses – other | 79,620 | 104,940 |
| Total trade and other payables | 540,423 | 138,784 |

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

10 ISSUED CAPITAL

| | 2020 \$ | 2019 \$ |
|---|--------------------|-------------------|
| a) Issued and paid up capital | | |
| Fully paid ordinary shares | 14,944,312 | 9,520,723 |
| | 14,944,312 | 9,520,723 |
| | Number | \$ |
| b) Movements in fully paid shares | | |
| Balance at 30 June 2018 | 50,813,406 | 8,958,098 |
| Fair value of shares issued for the acquisition of projects | 500,000 | 50,000 |
| Controlled placement agreement collateral shares | 2,500,000 | - |
| Share placement | 9,000,000 | 450,000 |
| Rights issue and shortfall | 3,196,400 | 159,820 |
| Capital raising costs | - | (97,195) |
| Balance at 30 June 2019 | 66,009,806 | 9,520,723 |
| Fair value of shares issued for the acquisition of projects | 5,000,000 | 245,000 |
| Share placements and option exercise | 133,823,882 | 6,048,337 |
| Option exercise (including fair value of options exercised) | 1,600,000 | 159,296 |
| Capital raising costs | - | (1,029,044) |
| Balance at 30 June 2020 | 206,433,688 | 14,944,312 |

The share capital of Resolution Minerals Ltd consists only of fully paid ordinary shares. All shares are eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Resolution Minerals Ltd.

The shares do not have a par value and the Company does not have a limited amount of authorised capital.

In the event of winding up the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

c) Capital management

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure accordingly. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital is shown as issued capital in the statement of financial position.

11 RESERVES

Share based payments are in line with the Resolution Minerals Ltd remuneration policy. Listed below are summaries of options and performance rights granted:

| Share option reserve | Number of options | \$ | Weighted average exercise price |
|--------------------------------------|-------------------|------------------|---------------------------------|
| Balance at 30 June 2018 | 18,573,337 | 720,858 | \$0.23 |
| Granted – rights issue and placement | 6,098,225 | - | \$0.10 |
| Balance at 30 June 2019 | 24,671,562 | 720,858 | \$0.20 |
| Granted – broker remuneration | 15,000,000 | 593,403 | \$0.06 |
| Exercised | (1,600,000) | (63,296) | \$0.06 |
| Lapsed | (6,323,337) | - | \$0.20 |
| Balance at 30 June 2020 | 31,748,225 | 1,250,965 | \$0.14 |

All options vested upon issue except as stated above.

| Performance rights reserve | Number of rights | \$ |
|--|------------------|----------------|
| Balance at 1 July 2018 | - | - |
| Granted – KMP | 2,500,000 | 110,285 |
| Balance at 30 June 2019 | 2,500,000 | 110,285 |
| Granted – KMP, employees and consultants | 5,500,000 | 14,659 |
| Forfeited | (500,000) | (22,057) |
| Balance at 30 June 2020 | 7,500,000 | 102,887 |

| Reconciliation of reserve movements | 2020 \$ | 2019 \$ |
|--|------------|------------|
| Options / rights issued to directors / employees | 14,659 | 110,285 |
| Options issued to brokers as remuneration | 593,403 | - |
| Options exercised | (63,296) | - |
| Forfeited performance rights | (22,057) | - |
| Total share based payments | 522,709 | 110,285 |
| Options recognised in equity | 530,107 | - |
| Net share based payments recognised in statement of financial position | (7,398) | 110,285 |
| Share based payment classified as employee benefit expense in profit or loss | 7,398 | (110,285) |
| Net share based payment expense in profit or loss | - | - |

During the 2019/20 year:

- 15,000,000 unquoted options were issued as broker remuneration. The unquoted options have an exercise price of \$0.06 if exercised on or before 30 November 2020, \$0.08 if exercised on or before 30 November 2021 and \$0.10 if exercised on or before 30 November 2022 and expiry of 30 November 2022. The fair value fair of the unquoted options is \$593,403;
- 1,600,000 unquoted options were exercised;
- 6,323,337 quoted options lapsed in accordance with the terms of those securities;
- 5,500,000 unquoted performance rights with KPI based vesting criteria were issued to KMP, employees and consultants; and
- 500,000 unquoted performance rights lapsed in accordance with the terms of those securities.

During the 2018/19 year:

- 6,098,225 quoted options were issued under a placement and rights issue; and
- 2,500,000 unquoted performance rights were issued as KMP remuneration.

| Performance right valuation assumptions | Broker options |
|---|------------------------------------|
| Valuation methodology | Black-Scholes option pricing model |
| Share price at grant date | \$0.055 |
| Historic volatility | 126.83% |
| Risk free interest rate | 0.79% |
| Expected life of securities (years) | 3.0 |

Nature and purpose of reserves

The share option reserve and performance rights reserve is used to recognise the fair value of all options and performance rights.

12 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

| Operating activities | 2020 \$ | 2019 \$ |
|--|------------------|------------------|
| Loss after tax | (1,281,967) | (1,370,357) |
| Share based payments | (7,398) | 110,285 |
| Depreciation | 15,316 | 41,360 |
| Exploration costs expensed | 51,936 | 121,897 |
| Impairment expense | 332,424 | 409,601 |
| Net change in working capital | 49,812 | (115,160) |
| Net cash used in operating activities | (839,877) | (802,374) |

13 AUDITOR REMUNERATION

| | 2020 \$ | 2019 \$ |
|--|---------------|---------------|
| Audit services | | |
| Auditors of Resolution Minerals Ltd – Grant Thornton | | |
| Audit and review of Financial Reports | 31,000 | 29,900 |
| Audit services remuneration | 31,000 | 29,900 |
| Other services | | |
| Auditors of Resolution Minerals Ltd – Grant Thornton | | |
| Taxation compliance | 5,700 | 7,400 |
| Total other services remuneration | 5,700 | 7,400 |
| Total remuneration received by Grant Thornton | 36,700 | 37,300 |

14 COMMITMENTS AND CONTINGENCIES

Exploration commitments

In order to maintain rights of tenure to exploration permits, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of money.

The Group's exploration licence tenements are renewable on an annual basis at various renewal dates throughout the year and the amount of each expenditure covenant is set by the relevant state's Minister at the time of each renewal grant.

| | 2020 \$ | 2019 \$ |
|--------------------------------|---------------|------------------|
| Within one year | 13,000 | 984,000 |
| Within two years to five years | - | 2,365,000 |
| | 13,000 | 3,349,000 |

Commitments related to the 64North Project are further detailed in the Note 7.

Not meeting the expenditure commitments detailed does not mean that the relevant tenements will require relinquishment.

The exploration commitments have been significantly reduced by the NT government in recognition of difficult operating conditions caused by the impact of the COVID-19 pandemic.

15 RELATED PARTY TRANSACTIONS

The Company's related party transactions include its key management personnel.

a) Transactions with key management personnel

Key management personnel remuneration includes the following are disclosed in detail in the remuneration report:

| | 2020 \$ | 2019 \$ |
|--------------------------|------------|------------|
| Short-term benefits | 493,275 | 461,038 |
| Post-employment benefits | 28,538 | 27,737 |
| Share based payments | (22,057) | 110,285 |
| Total remuneration | 499,756 | 599,060 |

The following transactions occurred with KMP:

| | | |
|---|---------|---------|
| Payment for professional services to entities associated with entities associated with KMP as listed below. | 343,615 | 201,728 |
| Payables for professional services at reporting date | 7,500 | 10,733 |

Transactions with key management personnel are made at normal at market rates. Outstanding balances are unsecured and are repayable in cash.

Duncan Chessell

Resolution Minerals has sought the provision of consultancy services from Magill Consulting Pty Ltd on commercial terms – prior to Mr Chessell's appointment as Managing Director of Resolution Minerals, Mr Chessell is a director and shareholder of the company. During the year \$28,800 + GST has been paid in relation to these services. The total amount of fees due to Magill Consulting Pty Ltd as at 30 June 2020 was \$Nil (2019: \$Nil).

Andrew Shearer

Resolution Minerals has entered into an agreement with PAC Partners Pty Ltd, the employer of Mr Shearer, joint lead manager in relation to the Company's capital raisings and provider of broker support services. During the year PAC has been paid fees of \$187,450 + GST. The total amount of fees due to PAC Partners Pty Ltd as at 30 June 2020 was \$Nil (2019: \$1,320).

Jarek Kopias

Kopias Consulting, a business of which Jarek Kopias is a Director, was paid consulting fees in relation to the year totalling \$127,365 (2019: \$109,063) and is disclosed in the remuneration report. The total amount of fees due to Kopias Consulting as at 30 June 2020 was \$7,500 (2019: \$9,413).

16 EMPLOYEE REMUNERATION

| | 2020 \$ | 2019 \$ |
|---|------------|------------|
| a) Employee benefits expense | | |
| Expenses recognised for employee benefits are analysed below: | | |
| Salaries / contract payments for Directors and employees | 589,243 | 940,966 |
| Share based payments – Director and employee options | (7,398) | 110,285 |
| Defined contribution superannuation expense | 32,560 | 76,834 |
| Other employee expenses | 24,994 | 11,388 |
| Less: Transfer to exploration assets | (266,017) | (774,978) |
| | 373,382 | 364,495 |

b) Share based employee remuneration

As at 30 June 2020 the Group maintained a share option plan and performance share plan for employee and director remuneration. During the year there were 5,500,000 performance rights granted as KMP, employee and consultant remuneration.

The table below outlines the inputs used in the Monte Carlo fair value calculation for the performance rights:

| | Range of values |
|---------------------------------------|------------------------|
| Exercise price | Nil |
| Right life | 3.8 years to 7.1 years |
| Underlying share price | \$0.049 to \$0.068 |
| Expected share price volatility | 126.8% to 136.9% |
| Risk free interest rate | 0.39% to 0.82% |
| Weighted average fair value per right | \$0.0521 |
| Weighted average contractual life | 6.2 years |

Details of rights issued to KMP are provided in the remuneration report.

Share options and weighted average exercise prices are as follows:

| | Number of options | Weighted average exercise price (\$) |
|---|-------------------|--------------------------------------|
| Opening balance – remuneration options | 5,350,000 | 0.25 |
| Granted as remuneration during the year | - | - |
| Outstanding as at 30 June 2019 and 2020 | 5,350,000 | 0.25 |

Fair value of options granted

The fair value at grant date of the Director options has been determined using a Black and Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Fair value of performance rights granted

The fair value at grant date of the Director, KMP and employee performance rights has been determined using a Monte Carlo pricing model that takes into account the term of the right, the impact of dilution, the impact of the KPI on the underlying share price, the non-tradeable nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right.

17 INVESTMENTS IN CONTROLLED ENTITIES

Controlled entities

The Company has the following subsidiaries:

| Name of subsidiary | Country of incorporation | Class of shares | Percentage held | |
|--|--------------------------|-----------------|-----------------|------|
| | | | 2019 | 2020 |
| Mangrove Resources Pty Ltd | Australia | Ordinary | 100% | 100% |
| Xavier Resources Pty Ltd | Australia | Ordinary | 100% | 100% |
| Resolution Minerals Gold LLC (formerly Northern Vanadium LLC) | USA | Ordinary | 100% | 100% |
| N23 LLC | USA | Ordinary | 100% | 100% |
| Resolution Minerals Alaska Inc ¹ | USA | Ordinary | - | 100% |

¹ Registered on 25 October 2019.

18 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The total for each category of financial instruments are as follows:

| | Note | 2020 \$ | 2019 \$ |
|------------------------------|------|------------------|----------------|
| Financial assets | | | |
| Cash and cash equivalents | 5 | 2,161,012 | 741,889 |
| Other assets | 6 | 24,499 | 23,163 |
| | | <u>2,185,511</u> | <u>765,052</u> |
| Financial liabilities | | | |
| Trade payables | 9 | 47,703 | 33,844 |
| | | <u>47,703</u> | <u>33,844</u> |

Financial risk management policy

Risk management is carried out by the Managing Director under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate and credit risk.

a) Liquidity risk

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

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained for the coming months. Upcoming capital needs and the timing of raisings are assessed by the board.

Financial liabilities are expected to be settled within 12 months.

b) Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates. Cash is the only asset affected by interest rate risk as cash is the Group's only financial asset exposed to fluctuating interest rates.

The Group is exposed to interest rate risk on cash balances and term deposits held in interest bearing accounts. The Board constantly monitors its interest rate exposure and attempts to maximise interest income by using a mixture of fixed and variable interest rates, whilst ensuring sufficient funds are available for the Group's operating activities. The Group's net exposure to interest rate risk at 30 June 2020 approximates the value of cash and cash equivalents.

c) Sensitivity analysis

INTEREST RATE

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

| 2020 | Sensitivity* | Effect on profit \$ | Effect on equity \$ |
|---------------|--------------|------------------------|------------------------|
| Interest rate | + 1.30% | +17,768 | +17,768 |
| | - 1.30% | -17,768 | -17,768 |
| 2019 | Sensitivity* | Effect on profit \$ | Effect on equity \$ |
| Interest rate | + 1.30% | +19,267 | +19,267 |
| | - 1.30% | -19,267 | -19,267 |

* The method used to arrive at the possible change of 130 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, interest rate movements ranged between 0 to 130 basis points. It is considered that 130 basis points a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

d) Net fair values of financial assets and financial liabilities

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The net fair values of financial assets and liabilities are determined by the Group based on the following:

- » Monetary financial assets and financial liabilities not readily traded in an organised financial market are carried at book value.
- » Non-monetary financial assets and financial liabilities are recognised at their carrying values recognised in the statement of financial position.

The carrying amount of financial assets and liabilities is equivalent to fair value at reporting date.

19 PARENT ENTITY INFORMATION

Information relating to Resolution Minerals Ltd (the parent entity).

| | 2020 | 2019 |
|---|------------|-----------|
| | \$ | \$ |
| Statement of financial position | | |
| Current assets | 2,185,512 | 761,152 |
| Total assets | 12,388,237 | 7,299,104 |
| Current and total liabilities | 570,616 | 145,813 |
| Issued capital | 14,944,312 | 9,520,723 |
| Retained losses | 4,480,543 | 3,198,576 |
| Share based payments reserve | 1,353,852 | 831,143 |
| Statement of profit of loss and other comprehensive income | | |
| Loss for the year | 1,281,967 | 1,779,958 |
| Total comprehensive loss for the year | 1,281,967 | 1,779,958 |

All contingent liabilities and contractual commitments disclosed elsewhere in this report are entered into by the parent entity.

There are no guarantees entered into in relation to debts of subsidiaries.

20 SEGMENT PARENT ENTITY INFORMATION

This is the first year that the Group has commenced reporting on segments that have been established due to significant exploration activities in Alaska. Contributions by business segment based on geographical location are:

1. Wollongorang Project, Australia – copper and cobalt exploration.
2. 64North and Snettisham Projects in Alaska, USA – predominantly gold exploration, includes vanadium and iron.
3. Unallocated corporate expenditure.

| 2020 | Exploration Australia \$ | Exploration USA \$ | Unallocated \$ | Total \$ |
|----------------------------|--------------------------------|--------------------------|-------------------|-------------|
| Income | | | | |
| Interest income | - | - | 890 | 890 |
| Other income | - | - | 94,557 | 94,557 |
| Expenses | | | | |
| Exploration expense | (51,936) | - | - | (51,936) |
| Impairment expense | (332,424) | - | - | (332,424) |
| Loss on sale of assets | - | - | (15,316) | (15,316) |
| Total expenses | - | - | (977,739) | (977,738) |
| Profit / (Loss) before tax | (384,360) | - | (897,608) | (1,281,967) |
| Balance sheet | | | | |
| Restricted cash | - | 1,207,600 | - | 1,207,600 |
| Exploration and evaluation | 6,520,821 | 4,015,800 | - | 10,536,621 |
| All other assets | - | - | 1,053,617 | 1,053,617 |
| Total assets | 6,520,821 | 5,223,400 | 1,053,617 | 12,797,838 |
| Total liabilities | 51,600 | 419,620 | 99,396 | 570,616 |
| Net assets | 6,469,221 | 3,596,180 | 2,161,821 | 12,227,222 |

21 PERFORMANCE SHARES

The following disclosure is a condition of the Company's admission to ASX. On 4 September 2017, the Company issued 13,175,000 class A and class B performance shares as detailed in the table below:

| Class of performance shares | Grant date | Expiry date | Exercise price of shares | Number on issue |
|-----------------------------|------------------|------------------|--------------------------|-----------------|
| Class A | 4 September 2017 | 4 September 2022 | \$Nil | 9,600,000 |
| Class B | 4 September 2017 | 4 September 2022 | \$Nil | 3,575,000 |
| Total performance shares | | | | 13,175,000 |

There were no performance shares converted or cancelled during the reporting period and no vesting conditions were met during the reporting period.

Terms associated with performance shares:

1. Conversion and expiry of Class A Performance Shares and Class B Performance Shares

a) (Conversion on achievement of Class A Milestone)

Each Class A performance share will convert into a share on a one for one basis upon the earlier of:

- i) the Company announcing to ASX the delineation of an Inferred (or higher category) Mineral Resource in accordance with the JORC Code containing at least 6,000 tonnes cobalt equivalent, at a grade of 0.12% cobalt equivalent or greater (reported in accordance with clause 50 of the JORC Code), on the Tenements (**Class A Resource Estimate Milestone**); or
- ii) the Company selling or transferring (directly or indirectly) for value of at least \$5 million to a third party (being any person or entity other than a wholly-owned subsidiary of the Company) 100% of the shares of Mangrove, or 100% of the Company's legal or beneficial interest in the tenements (**Class A Disposal Milestone**),

within 5 years after completion (each a **Class A Milestone**).

- b) (**A Expiry**) A Class A Milestone must be determined to have been achieved or not achieved by no later than 5:00 pm on the date that is one month after the conclusion of the time period for satisfaction set out in paragraph 1(a) (**A Expiry Date**).

c) (Conversion on achievement of Class B Milestone)

Each Class B performance share will convert into a share on a one for one basis upon the earlier of:

- i) the Company announcing to ASX the delineation of an Inferred (or higher category) Mineral Resource in accordance with the JORC Code containing at least 15,000 tonnes cobalt equivalent, at a grade of 0.12% cobalt equivalent or higher (reported in accordance with clause 50 of the JORC Code), on the tenements (**Class B Resource Milestone**); or
- ii) the Company selling or transferring (directly or indirectly) for value of at least \$20 million to a third party (being any person or entity other than a wholly-owned subsidiary of the Company) 100% of the shares of Mangrove, or 100% of the Company's legal or beneficial interest in the tenements, (**Class B Disposal Milestone**),

within 5 years after completion (each a **Class B Milestone**).

- d) (**B Expiry**) A Class B Milestone must be determined to have been achieved or not achieved by no later than 5:00 pm on the date that is one month after the conclusion of the time period for satisfaction set out in paragraph 1(c) (**B Expiry Date**).

- e) (**No conversion**) To the extent that performance shares in a class have not converted into shares on or before the expiry date applicable to that class, then all such unconverted performance shares in that class held by each holder will automatically consolidate into one performance share and will then convert into one share.

- f) (**Conversion procedure**) The Company will issue a holder with a new holding statement for the share or shares as soon as practicable following the conversion of each performance share.

- g) (**Ranking of shares**) Each share into which a performance share will convert will upon issue:

- i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued shares;
- ii) be issued credited as fully paid;
- iii) be duly authorised and issued by all necessary corporate action; and
- iv) be issued free from all liens, charges, and encumbrances, whether known about or not, including statutory and other pre-emptive rights and any transfer restrictions.

- h) (**Disposal exclusions**) Entering into a joint venture, farm-in or other similar transaction relating to the Tenements, or any disposal or relinquishment of the Tenements due to failure to renew, failure to comply with conditions of grant, or any government action, will not be capable of constituting a Class A Disposal Milestone or a Class B Disposal Milestone.

2. Conversion on change of control

If there is a change of control event in relation to the company prior to the conversion of the performance shares, then:

- a) the milestone will be deemed to have been achieved; and
- b) each performance share will automatically and immediately convert into shares,

however, if the number of shares to be issued as a result of the conversion of all performance shares due to a change in control event in relation to the Company is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of performance shares to be converted will be pro-rated so that the aggregate number of shares issued upon conversion of all performance shares is equal to 10% of the entire fully diluted share capital of the Company.

3. Rights attaching to performance shares

- a) **(Share capital)** Each performance share is a share in the capital of the Company.
 - b) **(General meetings)** Each performance share confers on a holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A holder has the right to attend general meetings of shareholders of the Company.
 - c) **(No voting rights)** A performance share does not entitle a holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
 - d) **(No dividend rights)** A performance share does not entitle a holder to any dividends.
 - e) **(Rights on winding up)** A performance share does not entitle a holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
 - f) **(Not transferable)** A performance share is not transferable.
 - g) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied (as appropriate) in accordance with the ASX Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
 - h) **(Quotation of shares on conversion)** An application will be made by the Company to ASX for official quotation of the shares issued upon the conversion of each performance share within the time period required by the ASX Listing Rules.
 - i) **(Participation in entitlements and bonus issues)** A performance share does not entitle a holder to participate in new issues of capital offered to holders of shares, such as bonus issues and entitlement issues.
- (No other rights)** A performance share does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

22. GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2020 the Group recorded a net cash outflow from operating and investing activities of \$4,274,154 and an operating loss of \$1,281,967. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the entity successfully continuing the development of its exploration assets and raising additional funds which may be from a variety of means inclusive of, but not limited to issue of new equity, debt, asset sales or entering into joint venture arrangements on mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because Directors will not commit to expenditure unless sufficient funding has been sourced.

The Group has been successful in raising \$5.1 million subsequent to the end of the reporting period as detailed in Note 23 below.

If additional capital is not obtained, the going concern basis may not be appropriate, with the result that the group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the interim financial report.

23. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than those described below.

On 28 July, the Company issued 51,608,421 shares under a placement to raise \$3.6 million (before costs) followed by an SPP, issuing 21,428,682 shares on 11 August 2020 to raise a further \$1.5 million.

On 17 August 2020, the Company announced the appointment of Mr Craig Farrow as a non-executive director transitioning to Chair following the 2020 AGM.

DIRECTORS' DECLARATION

In the opinion of the Directors of Resolution Minerals Ltd:

- a) the consolidated financial statements and notes of Resolution Minerals Ltd are in accordance with the Corporations Act 2001 (Cth), including:
- i) giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* (Cth); and
- b) there are reasonable grounds to believe that Resolution Minerals Ltd will be able to pay its debts when they become due and payable.

Note 1 confirms that the consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Leonard Dean

Chair

Adelaide

18 September 2020

INDEPENDENT AUDIT REPORT



Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
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Adelaide SA 5001

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Independent Auditor's Report

To the Members of Resolution Minerals Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Resolution Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 22 in the financial statements, which indicates that the Group incurred a net loss of \$1,281,967 during the year ended 30 June 2020, and as of that date, the recorded a net cash outflow from operating and investing activities of \$4,274,154. As stated in Note 22, these events or conditions, along with other matters as set forth in Note 22, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| Exploration and evaluation assets - Notes 7 | |
| <p>At 30 June 2020 the carrying value of exploration and evaluation assets was \$10,536,621.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; • evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures. |

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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



Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Resolution Minerals Ltd, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature of Grant Thornton in blue ink.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized signature of J.L. Humphrey in blue ink.

J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 18 September 2020

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

This information is effective as at 21 August 2020.

The Company is listed on the Australian Securities Exchange.

There are no restricted securities or securities subject to voluntary escrow as at 21 August 2020.

There is no current on-market buy-back.

SUBSTANTIAL SHAREHOLDERS

There are no substantial shareholders of the Company at 21 August 2020.

VOTING RIGHTS

| | |
|------------------------------------|---|
| Ordinary shares | On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. |
| Performance Shares – Class A and B | No voting rights. |
| Performance Rights | No voting rights. |
| Options | No voting rights. |

DISTRIBUTION OF EQUITY BY SECURITY HOLDERS

| Holding | QUOTED Ordinary shares RML | | QUOTED Options 30Jun22 \$0.10 RML0A | | UNQUOTED Performance Shares Class A | UNQUOTED Performance Shares Class B | UNQUOTED Performance Rights | UNQUOTED Options |
|----------------------------|----------------------------------|--------|---|--------|---|---|--------------------------------|-------------------------|
| | # | % | # | % | | | | |
| 1 – 1,000 | 110 | 0.01 | 34 | 0.22 | - | - | - | - |
| 1,001 – 5,000 | 375 | 0.38 | 43 | 1.74 | - | - | - | - |
| 5,001 – 10,000 | 366 | 1.09 | 11 | 1.13 | - | - | - | - |
| 10,001 – 100,000 | 1,086 | 16.46 | 29 | 17.98 | - | 1 | - | - |
| 100,001 and over | 481 | 82.06 | 10 | 78.93 | 7 | 6 | 7 | 20 |
| Number of holders | 2,418 ¹ | | 127 | | 7 | 7 | 7 | 20 |
| Securities on issue | 279,470,791 | 100.00 | 6,098,225 | 100.00 | 9,600,000 ² | 3,575,000 ³ | 7,500,000 ⁴ | 25,650,000 ⁵ |

¹ There were 599 holders of less than a marketable parcel of ordinary shares (\$500 amounts to 7,247 shares at \$0.069).

² Ms Michelle Braham holds 2,600,000 Class A Performance shares.

³ Ms Michelle Braham holds 950,625 Class B Performance shares.

⁴ Lobuje Pty Ltd <Arnold Chessell Family A/C> holds 4,500,000 unquoted performance rights.

⁵ Unquoted options:

6,450,000 unquoted options with an exercise price of 24.993 cents each and expiry of 21 March 2021 – 3,000,000 held by Mr Michael Peter Schwarz <Michael Schwarz Family A/C>.

5,800,000 unquoted options with an exercise price of 24.993 cents each and expiry of 6 September 2021 – 4,400,000 held by PAC Partners Pty Ltd.

13,400,000 unquoted options with various exercise prices and expiry of 30 November 2022 – 5,900,000 held by Taycol Nominees Pty Ltd <211 A/C>.

TWENTY LARGEST HOLDERS OF ORDINARY SHARES – RML

| | | No. of shares held | % held |
|----|---|--------------------|--------|
| 1 | Palisades Goldcorp Ltd | 8,175,000 | 2.93 |
| 2 | Citicorp Nominees Pty Limited | 5,125,122 | 1.83 |
| 3 | Mr Peter Hendry | 5,000,000 | 1.79 |
| 4 | Millrock Resources Inc | 5,000,000 | 1.79 |
| 5 | DJ Coughlan Drilling Pty Ltd | 4,021,960 | 1.44 |
| 6 | Mr Philip John Cawood | 4,000,000 | 1.43 |
| 7 | PAC Partners Securities Pty Ltd | 3,299,056 | 1.18 |
| 8 | Strut Pty Ltd <Adel Medical Clinic S/F A/C> | 3,238,617 | 1.16 |
| 9 | Mr Brian John Gilbert | 3,208,572 | 1.15 |
| 10 | Mr Alan Conigrave | 2,753,618 | 0.99 |
| 11 | CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C> | 2,620,143 | 0.94 |
| 12 | Acuity Capital Investment Management Pty Ltd <Acuity Investments A/C> | 2,500,000 | 0.89 |
| 13 | HSBC Custody Nominees (Australia) Limited | 2,422,531 | 0.87 |
| 14 | Mr Stephen Robert Harper | 2,392,000 | 0.86 |
| 15 | BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP> | 2,254,434 | 0.81 |
| 16 | PAC Partners Pty Ltd | 2,220,000 | 0.79 |
| 17 | M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C> | 2,166,182 | 0.78 |
| 18 | Mr George Theodore | 1,774,231 | 0.63 |
| 19 | Mr Graham Stewart Campbell & Mrs Heather Roslyn Campbell <GS & HR Campbell S/F A/C> | 1,750,000 | 0.63 |
| 20 | Nelson Enterprises Pty Ltd <Cavan Street A/C> | 1,717,902 | 0.61 |
| | | 65,639,368 | 23.50 |
| | Total ordinary shares on issue | 279,470,791 | 100.00 |

TWENTY LARGEST HOLDERS OF QUOTED OPTIONS – RML0A (\$0.10 / 30 JUNE 2022)

| | | No. of options held | % held |
|----|---|---------------------|--------|
| 1 | Mr Nicholas Dermott McDonald | 1,734,546 | 28.44 |
| 2 | National Nominees Limited <DB A/C> | 1,000,000 | 16.40 |
| 3 | PAC Partners Pty Ltd | 762,500 | 12.50 |
| 4 | Serlett Pty Ltd <Diligent Inv Superfund A/C> | 250,000 | 4.10 |
| 5 | Mr Sean Foley | 250,000 | 4.10 |
| 6 | Mr John Anogianakis | 225,000 | 3.69 |
| 7 | Rivacre Investments Pty Ltd <Colin Marland Fam #2 Dis A/C> | 200,000 | 3.28 |
| 8 | Mr Eli Ekman | 150,000 | 2.46 |
| 9 | M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C> | 136,336 | 2.24 |
| 10 | Mr Gerard Peter Pagliaro | 105,000 | 1.72 |
| 11 | Mr Maxwell Guy Harvey & Mrs Alice Harvey & Mr Julian Graeme Harvey <Vibes Super Fund A/C> | 100,000 | 1.64 |
| 12 | Mr Robert Hall | 100,000 | 1.64 |
| 13 | Mr Simon John Spinks | 100,000 | 1.64 |
| 14 | Gorbach Super Pty Ltd <Gorbach Family Super A/C> | 83,334 | 1.37 |
| 15 | Mr Peter George Benson & Mrs Karn Lesley Benson | 65,000 | 1.07 |
| 16 | Valas Investments Pty Ltd <Valas Investments A/C> | 50,000 | 0.82 |
| 17 | Mrs Anne-Marie Fett | 50,000 | 0.82 |
| 18 | Lacasuper Pty Ltd <LA & CA Dean Super Fund A/C> | 48,810 | 0.80 |
| 19 | Mr Craig Russell Stranger | 46,667 | 0.77 |
| 20 | Mr Adib Olinga Sabet | 45,454 | 0.75 |
| | | 5,502,647 | 90.25 |
| | Total quoted options on issue | 6,098,337 | 100.00 |

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