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Rincon Resources Limited

ABN 54 628 003 538

Half-Year Financial Report
for the period ended 31 December 2022

TABLE OF CONTENTS

<i>Corporate Directory</i>	2
<i>Directors' Report</i>	3
<i>Auditor's Independence Declaration</i>	11
<i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>	12
<i>Consolidated Statement of Financial Position</i>	13
<i>Consolidated Statement of Changes in Equity</i>	14
<i>Consolidated Statement of Cash Flows</i>	15
<i>Notes to the Financial Statements</i>	16
<i>Directors' Declaration</i>	24
<i>Independent Auditor's Review Report</i>	25

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Rincon Resources Limited is an Australian listed company focused on the acquisition, exploration and development of commercially significant resource projects in Western Australia, with a focus on gold and base metals. For more details visit www.rinconresources.com.au.

DIRECTORS

Mr David Lenigas
(Executive Chairman)

Mr Gary Harvey
(Managing Director)

Mr Blair Sergeant
(Non-Executive Director)

Mr Don Strang
(Non-Executive Director)

JOINT COMPANY SECRETARIES

Mr Zane Lewis
Mr Victor Goh

REGISTERED OFFICE

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AUDITORS

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SECURITIES EXCHANGE LISTING

Australian Securities Exchange Limited
(Home Exchange: PERTH, Western Australia)
Code: RCR

The Directors present their report, together with the financial statements, of Rincon Resources Limited (the "Company") and the entities it controlled (referred to hereafter as the "consolidated entity" or "the Group") at the end of the half-year ended 31 December 2022 ("Half-Year").

Directors

The following persons were Directors of Rincon Resources Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr David Lenigas –Executive Chairman (*appointed 13 September 2022*)
Mr Gary Harvey – Managing Director
Mr Blair Sergeant - Non-Executive Director (*appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director*)
Mr Don Strang – Non-Executive Director (*appointed 18 August 2022*)
Ms Caroline Keats - Non-Executive Director (*resigned 18 August 2022*)

Principal activities

The principal activities of the consolidated entity are the acquisition, exploration and development of commercially significant resource projects in Western Australia, with a focus on gold and base metals.

Operating results

The loss, after tax, attributable to the Group for the financial half-year ended 31 December 2022, amounted to \$744,322 (2021: \$603,448).

Review of operations

Rincon has a 100% interest in three highly prospective gold and copper projects in Western Australia, the South Telfer Copper-Gold Project, Kiwirrkurra IOCG Project, and the Laverton Gold Project. Each project has been subject to historical exploration, which has identified significant and prospective outcropping mineralised systems. The Company is executing systematic exploration programs on these projects, aimed at delineating economically viable resources.

South Telfer Copper-Gold Project

New tenement acquisition (Wilki Range)

The Company secured the rights to acquire a 100% interest in exploration licence application E45/6163 (Tenement) which abuts the Westin tenement area (refer to Figure 1).

The Tenement, refer to as Wilki Range, is strategically located between the world-class Telfer Gold Mine owned by Newcrest Mining (ASX: NCM) and the new Havieron gold discovery owned by Newcrest Mining and Greatland Gold (LSE: GGP). The Company is currently negotiating a Land Access Agreement with the Martu Native Title holders which will facilitate the grant of the Tenement and allow exploration to commence.

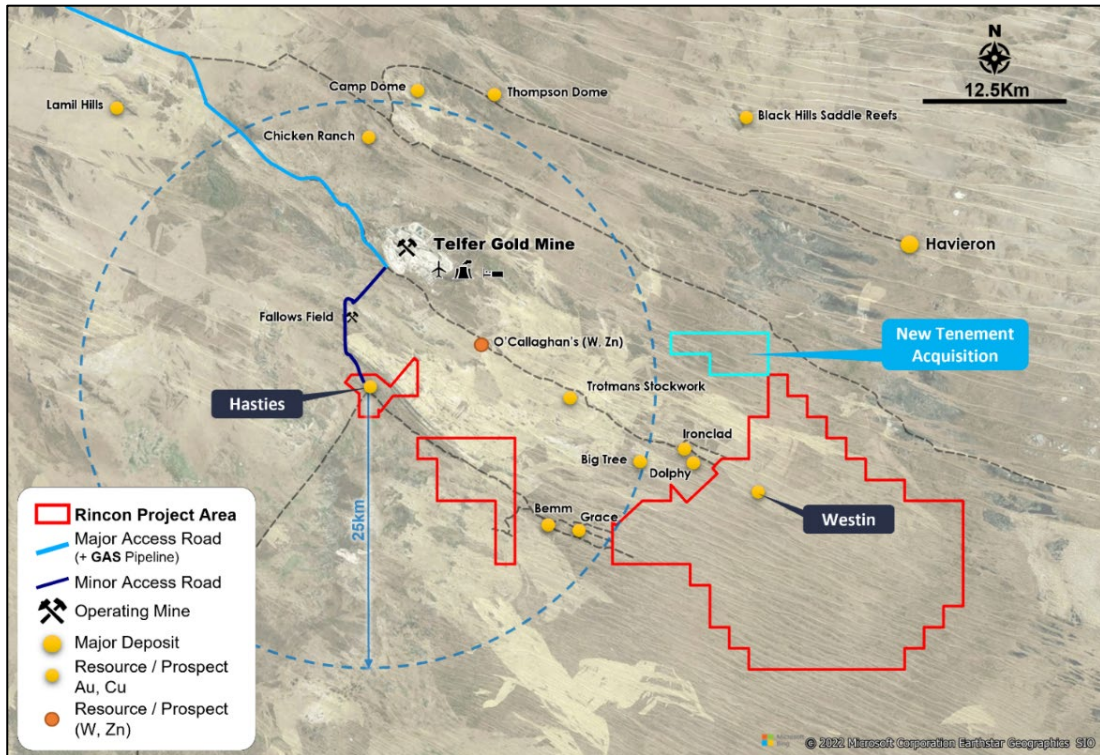


Figure 1: South Telfer Project showing location of Wilki Range Tenement acquisition.

Geophysics review and re-modelling (Mammoth, Recurve and Wilki Range)

Reinterpretation of existing geophysical data using 3D inverted modelling techniques defined a significant new target referred to as 'Mammoth', located just 700m northeast of the existing Westin Prospect. Mammoth is the largest of three new targets that were defined over a strike length of 15km along the highly prospective Telfer-Westin Trend within the Westin tenement area.

All three targets were modelled at relatively shallow depths with the top of Mammoth starting at approximately 85m below surface. The modelled surface expression of the Mammoth target measures 1,700m in strike length and the widest section measuring 500m (refer to Figure 2), and the modelled source body orientation strikes northwest-southeast and plunges moderately southeast to a depth of at least 1,100m below the surface.

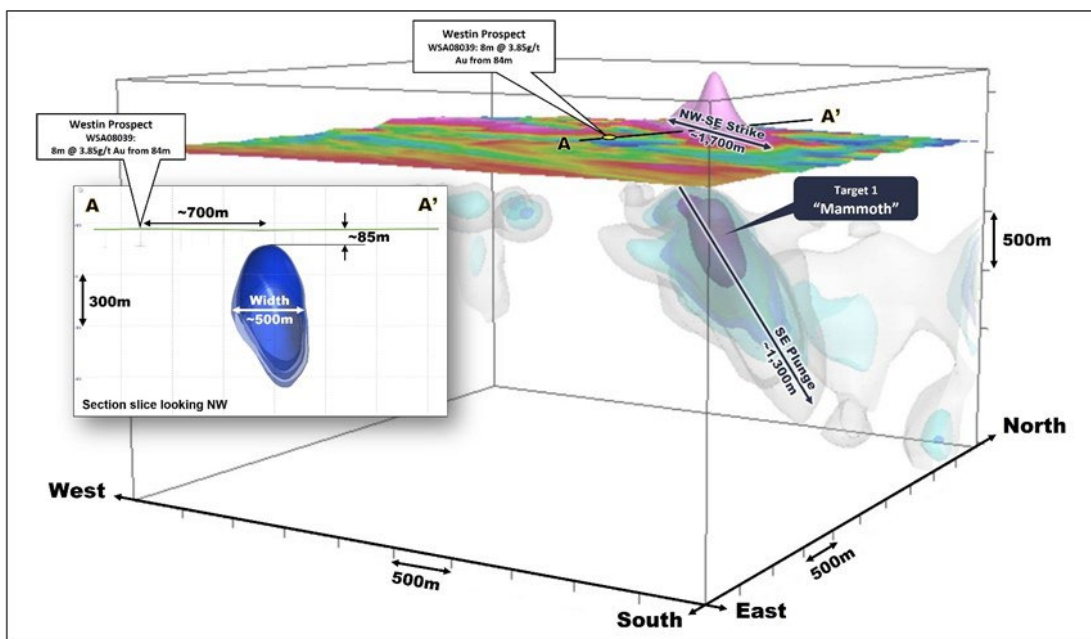


Figure 2: 3-D Isometric inverse magnetic model of the Mammoth target.

The 'Recurve' target is located along the highly-prospective Hasties-Grace Gold Trend, also within the Company's Westin tenement area. Reinterpretation of existing VTEM and Gravity data using a combination of modelling techniques resulted in Recurve being elevated to a high-priority copper-gold target for drill testing.

Recurve is an interpreted zone of extensive deep weathering, thought to be related to oxidised sulphides, formed along a flexure in a regionally significant mineralised shear zone and adjacent to an interpreted deep-seated felsic intrusive body (refer to Figure 3).

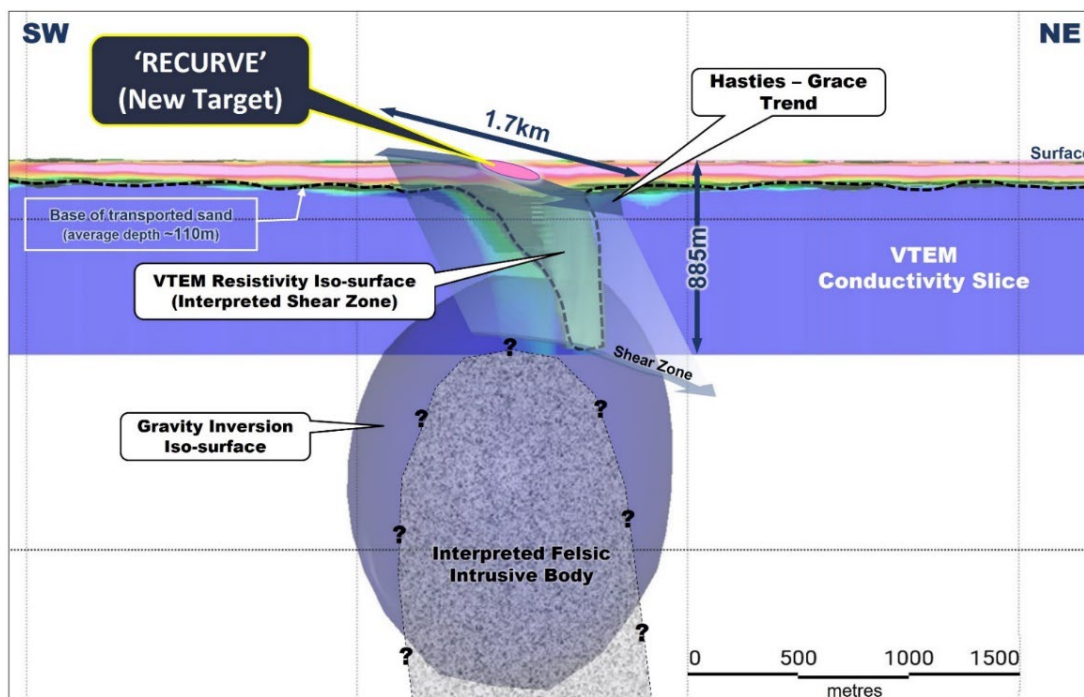


Figure 3: Schematic cross-section across the 'Recurve' Au-Cu target showing VTEM conductivity cross-section slice with a conductive iso-surface overlay (green), and 3D gravity inversion low density body (blue) interpreted to be caused by a felsic intrusive body.

Encompassing a surface area of approximately 1,700m by 350m, Recurve is second largest untested copper-gold target the Company has defined thus far; Mammoth being the largest. However, Recurve is the largest of several copper-gold targets located along the Hasties-Grace Gold Trend and just 15km southeast along strike of the high-grade Grace-Bemm gold deposit held by Paterson Resources Limited (ASX: PSL).

Within the new Wilki Range tenement (E45/6163) preliminary remodelling and reinterpretation of publicly available geophysical datasets identified three new areas of interest for follow-up investigation (refer to Figure 4).

The new areas of interest, highlighted along an 8km long magnetic trend, were defined by combining 3D inverted modelling with the interpretation of airborne electromagnetic (AEM) imagery. The results are preliminary with geophysical modelling and target generation studies ongoing to upgrade and prioritise the new areas of interest to potential drilling targets.

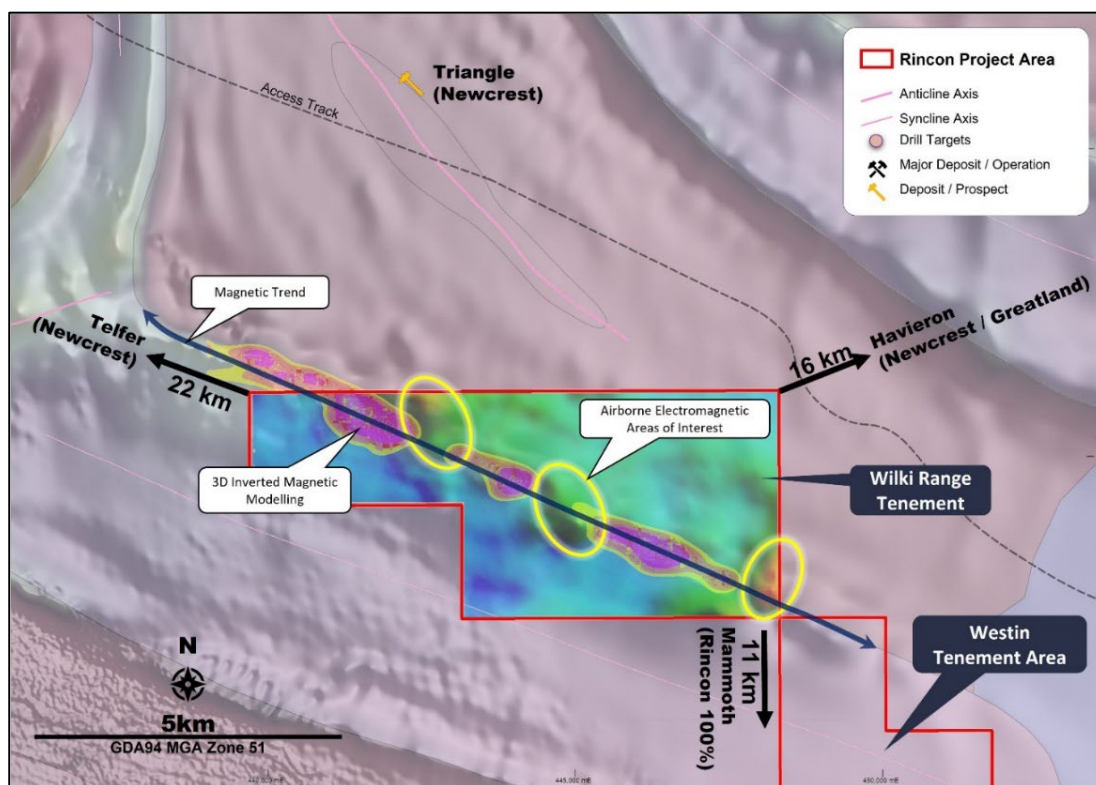


Figure 4: Wilki Range Tenement showing areas of interest over 8km magnetic trend.

Drilling programs to test both Mammoth and Recurve are currently being planned and approvals sought for the 2023 field season. The Company is targeting potential reef/stockwork style copper-gold mineralisation, analogous to the world-class Telfer Gold Mine and Havieron-style intrusive related hydrothermal breccia copper-gold mineralisation.

Diamond drilling

Assay results were received for the Exploration Incentive Scheme (EIS) co-funded diamond drillhole 22STDC002, completed at Hasties.

Unfortunately, no significant copper or gold mineralisation was encountered. The best gold result was 0.25m @ 0.11g/t Au from 498.15m.

Despite not intersecting significant copper or gold mineralisation, the EIS hole successfully tested the 'Hasties Deep' target area for potential structurally controlled copper-gold mineralisation within a fold-hinge zone at the apex of a folded dolerite sill, with observed zones of alteration, brecciation and low-level sulphide mineralisation, suggesting the hole intersected a distal alteration zone related to the copper-gold rich Hasties Main Zone.

A technical review of the Hasties Prospect area is ongoing with the aim to determine next steps for the Hasties area.

The potential for significant shallow mineralisation along strike of the Hasties Main and Hasties Southeast Zones remains high, including untested potential at the new Frenchman's and Kurili Hill Prospects.

Heritage clearance surveys

The Company completed heritage clearance surveys over several copper-gold target areas within the Central and Westin tenement areas and subsequently obtained heritage clearance approval for same. This paved the way for drilling to commence during the period.

Aircore drilling

Seventy-six (76) holes (2,412m) of a maiden 3,000m maiden aircore drilling program to test geophysical VTEM target areas (Julia, Matilda, and Defender) along the highly prospective Hasties-Grace Trend was completed early December. Unfortunately, due to deteriorating weather conditions, the program was abandoned before completion with the Defender target only partially tested. Assay results are pending.

The Hasties-Grace Trend is a major mineralised structural corridor known to host significant copper-gold mineralisation and passes through all the Company's main project areas (refer to Figure 5). The results of the aircore drilling will assist in assessing the prospectivity of the VTEM target areas and determine if there is potential for follow-up drilling.

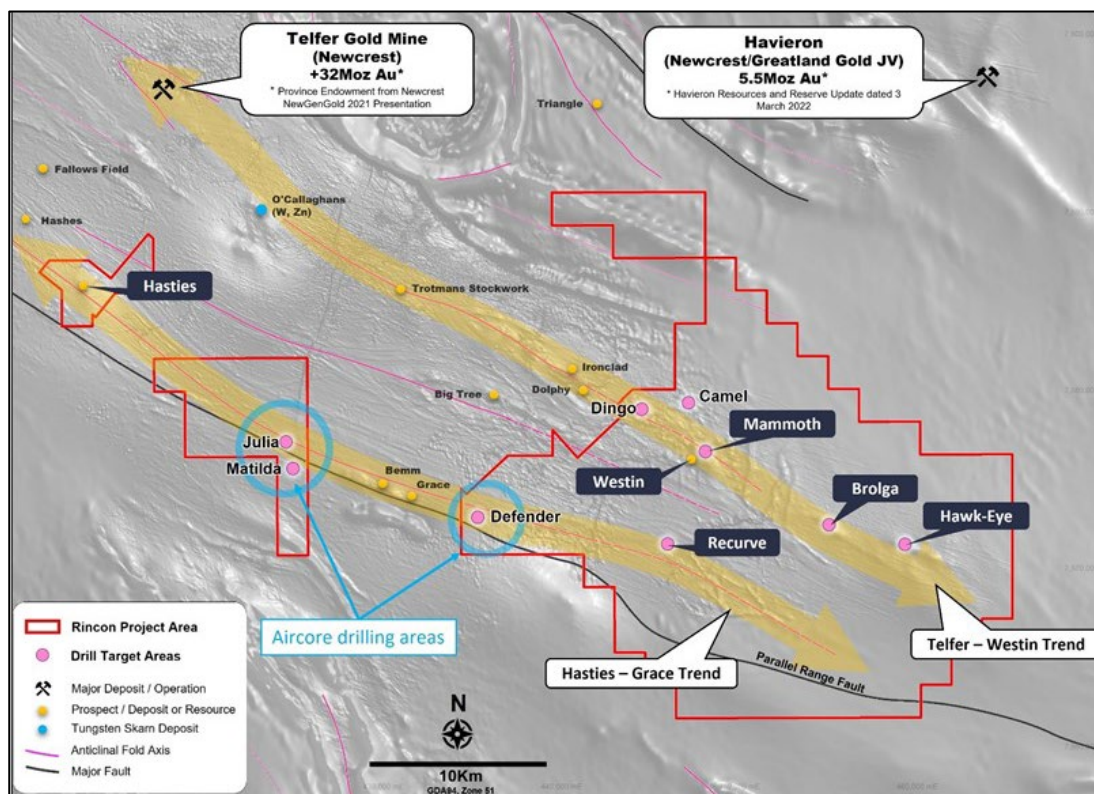


Figure 5: Map of South Telfer Copper-Gold Project showing location of recently drilled target areas.

Kiwirrkurra Iron Oxide Copper Gold (IOCG) Project

Diamond drilling

The Company was successful in an application for a grant of up to \$150,000 for diamond drilling at under Round 26 of the WA Government's Exploration Incentive Scheme (EIS Grant). The EIS Grant will go towards co-funding two deep diamond drill holes to test high-priority targets at the Pokali Prospect where historical drilling intersected significant shallow copper mineralisation over an area spanning approximately 5km long by 2.5 km wide (Refer ASX: RCR Announcement dated 15 October 2021).

Ministerial Entry Permit and Consent to Mine

The Company has also received a Ministerial Entry Permit (MEP) from the Minister of Aboriginal Affairs. The MEP paved the way for the Company to enter Ngaanyatjarra Central Australia Reserve for the purpose of conducting permitted activities on its granted tenements. In addition to the MEP, the Company also received a Consent to Mine endorsement on its tenements from the Department of Mines, Industry Resources and Safety (DMIRS) permitting on ground exploration activities.

Airborne Electromagnetic Survey

A high-resolution helicopter-borne electromagnetic survey (AEM) was completed over the Company's priority tenement E80/5241, which hosts the highly prospective Pokali IOCG Prospect.

AEM surveys have shown to be a successful targeting tool in detecting electrically conductive massive sulphide mineralisation in ironstone and gneissic rocks, which also provides discrete targets for focussed drill testing compared to magnetic-gravity highs, which may require multiple holes for proper testing.

The Company previously identified multiple coincident magnetic-gravity IOCG-style targets from a study completed in 2021 (Refer to ASX: RCR Announcement dated 15 October 2021). The AEM survey was flown to try and detect massive sulphide mineralisation in the top 250m for direct drill targeting

that may not have been identified from the 2021 study. The results will also assist in refining current targets ahead of drilling.

Interpretation of the AEM data and targeting is underway.

Niobium-REE Potential

The Company received a preliminary high-level report from independent consultant Resource Potentials highlighting the similarities between Rincon's Pokali IOCG Prospect (Pokali) and WA1 Resources Limited's (ASX: WA1) new Niobium-REE (Rare Earth Element) discoveries located about 87km northwest of Pokali.

The high-level review of focussed primarily on the advanced Pokali area where significant historical copper and gold drilling intercepts have been previously reported on by the Company. The review found that geophysical signatures over the Pokali Prospect show similar high amplitude and elongated magnetic and gravity anomaly patterns to those which defined WA1's targets that led to their Niobium-REE discoveries.

Historical drilling and surface geochemical datasets over Pokali were also interrogated however most historical activity and geological analysis was focused on IOCG-style copper mineralisation and specialty metals and REE assaying was limited. As such, the Company is currently implementing programs to obtain new multi-element and REE data for analysis to further understand the REE potential at its Kiwirrkurra Project.

Rock-chip Sampling & Mapping

A site reconnaissance rock-chip sampling program was completed in November to investigate the potential for REE mineralisation at Pokali and other outcropping target areas to the east. Fifty-six (56) rock-chip samples were collected from various locations over the outcropping Pokali Prospect area (refer to Figure 6). All rock-chip samples have been sent to the laboratory for precious metals and multi-element analysis including for Niobium and REE's.

Significant zones of malachite (oxidised copper) bearing quartz veins, quartz-sulphide veining, and pervasive alteration comprising silica, malachite, magnetite, gossan, and silica-hematite breccia were observed and sampled from within a structural corridor extending over at least 2.5km and 50m wide, demonstrating the potential scale of the IOCG-style copper-gold mineral system at Pokali.

The Company engaged highly regarded consultant, Dr Carl Brauhart from Model Earth to conduct a thorough review of legacy and forthcoming rock-chip sampling geochemical data as well as to complete detailed geological and structural mapping of the Pokali area in 2023.

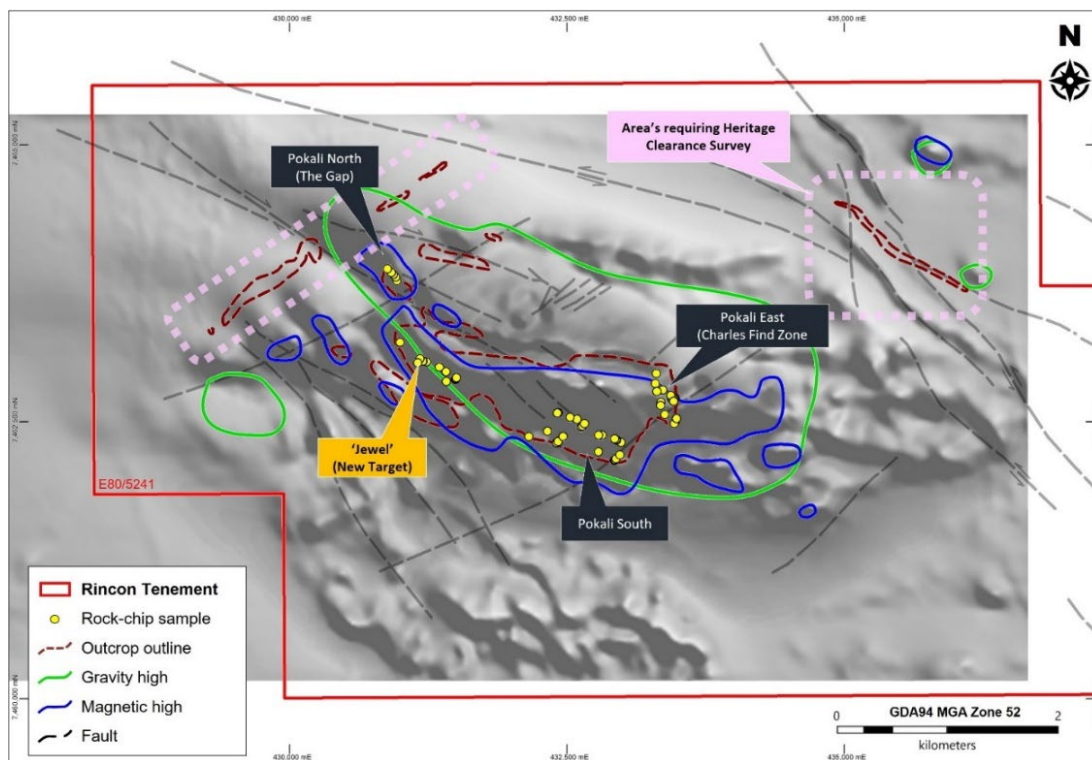


Figure 6: Rock-chip location map, Pokali Prospect, overlying grey-scale total magnetic intensity image.

Laverton Gold Project

Site reconnaissance was completed during the period to investigate areas of interest identified from previous remote aerial photo-mapping and target generation exercises. Several areas of interest were identified and prioritised for potential drilling, some of which were located on current tenement applications E38/3666-3668.

The Company is awaiting the grant of the abovementioned tenement applications ahead of further exploration activities, including drilling to further investigate or drill test newly identified targets on these tenements.

COVID-19 impact

All the Company's staff and contractors, including those on site at the projects in Western Australia are safe. The Company has implemented procedures to ensure all staff and contractors remain safe and healthy during the COVID-19 pandemic, including regular testing, altered rosters and strict quarantining procedures. As at the date of this report, the Company's operations at the Western Australian projects have not been directly affected by COVID-19 restrictions in Australia, however the Company continues to monitor this closely with the health and wellbeing of all staff and contractors.

Corporate Activities

During the half-year ended 31 December 2022 the Company completed a Placement issuing a total of 15,000,000 Fully Paid Ordinary Shares raising \$1,200,000, before costs.

On 3 November 2022, the Company issued 2,000,000 options exercisable at \$0.15 on or before 30 September 2025 to Ironside Capital Pty Ltd in accordance with a capital raising mandate and 6,000,000 options exercisable at \$0.15 on or before 30 September 2025 to Directors David Lenigas and Donald Strang.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the period.

Events after the reporting date

On 9 January 2023, the Company acquired six (6) new granted exploration licences at its Laverton Gold Project. The Tenements were acquired from private company Mining Equities Pty Ltd and businessman Mr Peter Gianni, and are strategically located in the heart of the Tier 1 Laverton Gold District and lie adjacent to and abut Rincon's existing tenements. The acquisition of the new tenements was an opportunity to strengthen the Company's gold portfolio by increasing its footprint over prospective geology within the Tier 1 Laverton Gold District. Terms of the acquisition is as below:

- Cash Consideration of \$25,000 to Mr Peter Gianni for 100% interest in E38/3382, paid 31 January 2023;
- \$125,000 worth of Rincon shares issuing 1,388,889 fully paid ordinary shares on 16 January 2023; and
- A 1.0% Net Smelter Return Royalty in favour of Mining Equities Pty Ltd.

On 16 January 2023 the Company released the results of its site reconnaissance rock-chip sampling program at Kiwirrkurra. Significant and anomalous Au-Cu-Ag results were received and associated with extensive mapped structures across the outcropping system at Pokali. The results continue to demonstrate the potential for a significant size and scale IOCG system at Pokali.

Best rock-chip results include:

- KRWK001 – 5.75g/t Au, 5.71% Cu & 5.25g/t Ag at Pokali East, and
- KWRK043 – 2.87g/t Au, 1.2% Cu & 5.07g/t Ag at Pokali South
- KWRK033 – 0.37% Cu, 0.18g/t Au & 2.06g/t Ag at Pokali South
- KWRK023 – 0.33% Cu, 0.14g/t Au & 2.28g/t Ag at Pokali South
- KWRK017 – 11.2g/t Ag, 0.02g/t Au (+817ppm Bi) at Pokali North
- KWRK020 – 10.65g/t Ag, 0.06g/t Au (+1530ppm Bi) at Pokali North, and
- KWRK051 – 7.29g/t Ag, 0.08g/t Au at Jewel
- KWRK049 – 1.08g/t Ag (+120ppm Bi) at Jewel
- KWRK050 – 0.83g/t Ag (+822ppm Bi, 15ppb Pd (peak value)) at Jewel

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr David Lenigas
Executive Chairman
16 February 2023

RSM Australia Partners

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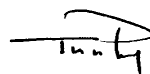
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rincon Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 February 2023

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RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		Consolidated	
	Note	Half-Year ended 31 December 2022 \$	Half-Year ended 31 December 2021 \$
Interest income		4,774	172
Other revenue		-	2,100
Administration expenses		(63,798)	(110,807)
Consultancy expenses		(3,215)	(122,302)
Corporate and compliance expenses		(112,012)	(118,013)
Depreciation		(28,687)	(8,971)
Equity based payments	5	(338,499)	(17,975)
Exploration expenses		(3,420)	-
Employee related expenses		(199,465)	(227,652)
Loss before income tax		(744,322)	(603,448)
Income tax expense		-	-
Loss after tax		(744,322)	(603,448)
Total comprehensive loss for the period		(744,322)	(603,448)
Basic and diluted loss per share (cents per share)		(1.26)	(1.18)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Consolidated	
	Note	As at 31 December 2022 \$	As at 30 June 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,120,151	1,149,397
Other receivables		59,926	144,368
TOTAL CURRENT ASSETS		1,180,077	1,293,765
NON-CURRENT ASSETS			
Exploration and evaluation	2	4,496,092	3,733,101
Plant and equipment		52,755	61,198
Other assets		18,086	18,086
Right-of-use asset		42,868	62,703
TOTAL NON-CURRENT ASSETS		4,609,801	3,875,088
TOTAL ASSETS		5,789,878	5,168,853
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		98,088	102,315
Provisions		34,192	30,570
Lease liability		39,826	42,367
TOTAL CURRENT LIABILITIES		172,106	175,252
NON-CURRENT LIABILITIES			
Lease liability		6,929	23,710
TOTAL NON-CURRENT LIABILITIES		6,929	23,710
TOTAL LIABILITIES		179,035	198,962
NET ASSETS		5,610,843	4,969,891
EQUITY			
Issued capital	3	8,150,133	7,149,857
Reserves	4	629,352	244,354
Accumulated losses		(3,168,642)	(2,424,320)
TOTAL EQUITY		5,610,843	4,969,891

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	7,149,857	244,354	(2,424,320)	4,969,891
Loss for the period	-	-	(744,322)	(744,322)
Total comprehensive loss for the period	-	-	(744,322)	(744,322)
Performance rights issued, vesting expense for the period (Note 4)	-	61,900	-	61,900
Net options issued (Note 4)	-	323,098	-	323,098
Share issue	1,200,000	-	-	1,200,000
Cost of share issues	(199,724)	-	-	(199,724)
Balance at 31 December 2022	8,150,133	629,352	(3,168,642)	5,610,843
Balance at 1 July 2021	7,149,857	1,521	(1,123,622)	6,027,756
Loss for the period	-	-	(603,448)	(603,448)
Total comprehensive loss for the period	-	-	(603,448)	(603,448)
Performance rights issued, vesting expense for the period	-	17,975	-	17,975
Balance at 31 December 2021	7,149,857	19,496	(1,727,070)	5,442,283

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

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RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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	Consolidated	
	Half-Year ended 31 December 2022 \$	Half-Year ended 31 December 2021 \$
Cash flows from operating activities		
Interest revenue	4,774	172
Other revenue	60,000	2,100
Payments to suppliers and employees (inclusive of GST)	(441,197)	(537,774)
Net cash flows used in operating activities	(376,423)	(535,502)
Cash flows from investing activities		
Purchase of plant and equipment	(409)	(31,328)
Payments for exploration and evaluation	(751,615)	(1,228,877)
Deposit paid for acquisition of Wilki Range Tenement	(10,000)	-
Net cash flows used in investing activities	(762,024)	(1,260,205)
Cash flows from financing activities		
Proceeds from issues of shares	1,200,000	-
Capital raising costs	(70,324)	-
Repayment of lease liabilities	(20,475)	-
Net cash flows provided by financing activities	1,109,201	-
Net decrease in cash and cash equivalents	(29,246)	(1,795,707)
Cash and cash equivalents at beginning of period	1,149,397	4,429,462
Cash and cash equivalents at period end	1,120,151	2,633,755

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes



Note 1. Statement of Significant Accounting Policies

Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Rincon Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting unless otherwise stated.

Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Standards and Interpretations applicable to 31 December 2022

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Note 2. Exploration and evaluation		
Costs carried forward in respect of areas of interests:	4,496,092	3,733,101
<i>Movement during the period</i>		
Opening balance	3,733,101	1,625,681
Exploration expenditure	762,991	2,107,420
Closing balance	4,496,092	3,733,101

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Note 3. Issued capital		
66,336,756 (30 June 2022: 51,336,756) fully paid ordinary shares on issue	8,150,133	7,149,857
	30 June 2022 Number	30 June 2022 \$
Balance at 1 July 2021	51,336,756	7,149,857
<i>Movement in ordinary shares on issue</i>	-	-
At 30 June 2022	51,336,756	7,149,857

	31 December 2022 Number	31 December 2022 \$
Balance at 1 July 2022	51,336,756	7,149,857
<i>Movement in ordinary shares on issue</i>		
Placement T1 – 19 September 2022 @ \$0.08 per share	12,834,188	1,026,735
Placement T2 – 3 November 2022 @ \$0.08 per share	2,165,812	173,265
Cost of share issue	-	(199,724)
At 31 December 2022	66,336,756	8,150,133

Note 4. Reserves

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Options Reserve (a)	528,992	205,894
Performance Rights Reserve (b)	100,360	38,460
At 31 December 2022	629,352	244,354
(a) Options Reserve	30 June 2022 Number	30 June 2022 \$
Balance at 1 July 2021	-	-
<i>Movement in options on issue</i>		
Advisor options issued to consultant	2,500,000	122,993
Performance options issued to consultant	2,500,000	82,901
At 30 June 2022	5,000,000	205,894
	31 December 2022 Number	31 December 2022 \$
Balance at 1 July 2022	5,000,000	205,894
<i>Movement in options on issue</i>		
Lapse of Performance options issued to consultant	(2,500,000)	(82,901)
Advisor options (Note 5)	2,000,000	129,400
Director options (Note 5)	6,000,000	276,599
At 31 December 2022	10,500,000	528,992
(b) Performance Rights Reserve	30 June 2022 Number	30 June 2022 \$
Balance at 1 July 2021	2,800,000	1,521
<i>Movement</i>		
Performance rights on issue, vesting period expense	-	10,442
Performance rights issued to Managing Director	2,000,000	27,478
Performance rights cancelled	(2,100,000)	(1,141)
Performance rights issued to Directors	3,500,000	160
At 30 June 2022	6,200,000	38,460

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Note 4. Reserves (continued)

(b) Performance Rights Reserve (continued)

	31 December 2022 Number	31 December 2022 \$
Balance at 1 July 2022	6,200,000	38,460
<i>Movement</i>		
Performance rights on issue, vesting period expense	-	61,900
At 31 December 2022	6,200,000	100,360

Note 5. Equity-based payments

Equity based payments included in the Statement of Financial Position for the period are detailed below:

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Adviser Options issued as capital raising fees	129,400	-
	<u>129,400</u>	<u>-</u>

Equity based payments included in the Statement of Profit or Loss and Other Comprehensive Income for the period are detailed below:

	Consolidated	
	31 December 2022 \$	31 December 2021 \$
Lapse of Performance options issued to consultant	(82,901)	-
Director Options*	276,599	-
Vesting period expense - performance rights*	61,900	19,115
Cancellation of performance rights*	-	(1,140)
	<u>255,598</u>	<u>17,975</u>

*Total recognised as equity-based payment expense is \$338,499 (31 December 2021: \$17,975).

Adviser Options

On 3 November 2022, the Company issued 2,000,000 Adviser Options exercisable at \$0.15 per option on or before 30 September 2025, vest and exercisable immediately.

Director Options

On 3 November 2022, the Company issued a total of 6,000,000 Director Options to Mr David Lenigas and Mr Don Strang as incentivised remuneration. Options are exercisable at \$0.15 per option on or before 30 September 2025, vest and exercisable immediately upon issue.

Note 5. Equity Based Payments (continued)

The Trinomial Lattice Option Pricing model was used to value the Adviser and Director Options and the following table lists the inputs to the model used for the valuation of the options:

	Adviser Options	Director Options
Number on issue	2,000,000	6,000,000
Grant date	3 November 2022	28 October 2022
Issue date	3 November 2022	3 November 2022
Expiry date	30 September 2025	30 September 2025
Exercise price	\$0.15	\$0.15
Risk-free interest rate	3.46%	3.28%
Share price at grant date	\$0.13	\$0.10
Expected volatility	100%	100%
Dividend yield	-	-
Vesting period	-	-
Number vested as at 31 December 2022	2,000,000	6,000,000
Number exercisable as at 31 December 2022	2,000,000	6,000,000
Fair value per option	\$0.0647	\$0.0461
Amount recognised as share based payment	\$129,400	\$276,599

Note 6. Commitments for expenditure

Exploration commitments

The consolidated entity's exploration commitments are as follows:

	31 December 2022 \$	30 June 2022 \$
Not longer than 1 year	97,693	91,654
Longer than 1 but not longer than 5 years	22,661	-
Longer than 5 years	-	-
	<u>120,354</u>	<u>91,654</u>

Exploration commitments consist of annual rents, rates payable and minimum expenditure of tenements.

On 12 September 2022, in accordance with the acquisition of the Wilkie Range tenement (E45/6163), South Telfer Project, the Company agrees to issue the vendor, CRC Minerals Pty Ltd consideration shares valued at \$100,000 based on the next placing price for a concurrent capital raising upon grant of E45/6163.

Note 7. Related Party Disclosure

During the financial half-year ended 31 December 2022, there were no transactions with any related parties.

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Note 8. Segment Reporting

Rincon Resources Limited operates predominantly in one industry being the mining exploration and evaluation industry in Western Australia.

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker (being the Board of Directors) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of evaluation of its gold and copper exploration tenements in Australia and its corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) Exploration and evaluation

Segment assets, including acquisition cost of exploration licenses and all expenses related to the licenses in Western Australia are reported in this segment.

(ii) Corporate

Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents and other receivables are reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and provisions.

Note 8. Segment Reporting (continued)

31 December 2022	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
Segment revenue	-	-	-
Other revenue	4,774	-	4,774
Total revenue	4,774	-	4,774
EBITDA	(720,409)	-	(720,409)
Depreciation	(28,687)	-	(28,687)
Interest revenue	4,774	-	4,774
Loss before income tax expense			(744,322)
Income tax expense			-
Loss after income tax expense			(744,322)
Segment assets	1,293,786	4,496,092	5,789,878
Total assets			5,789,878
Segment liabilities	(163,015)	(16,019)	(179,034)
Total liabilities			(179,034)

31 December 2021	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
Segment revenue	-	-	-
Other revenue	2,272	-	2,272
Total revenue	2,272	-	2,272
EBITDA	(605,720)	-	(605,720)
Interest revenue	172	-	172
Other revenue	2,100	-	2,100
Loss before income tax expense			(603,448)
Income tax expense			-
Loss after income tax expense			(603,448)

(ii) Revenue by geographical region

There was no revenue attributable to external customers for the half-year ended 31 December 2022 (2021: Nil).

(iii) Assets by geographical region

All assets are held in Australia.

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Note 9. Contingent liabilities

On 12 September 2022, in accordance with the acquisition of the Wilkie Range tenement (E45/6163), South Telfer Project, the Company agreed to pay a 0.5% royalty from gross proceeds from the sale or other disposal of Minerals or Products extracted from the Mining Area to the vendors, CRC Minerals Pty Ltd.

There are no other contingent liabilities as at 31 December 2022 (2021: Nil).

Note 10. Events after the reporting date

On 9 January 2023, the Company acquired six (6) new granted exploration licences at its Laverton Gold Project. The Tenements were acquired from private company Mining Equities Pty Ltd and businessman Mr Peter Gianni, and are strategically located in the heart of the Tier 1 Laverton Gold District and lie adjacent to and abut Rincon's existing tenements. The acquisition of the new tenements was an opportunity to strengthen the Company's gold portfolio by increasing its footprint over prospective geology within the Tier 1 Laverton Gold District. Terms of the acquisition is as below:

- Cash Consideration of \$25,000 to Mr Peter Gianni for 100% interest in E38/3382, paid 31 January 2023;
- \$125,000 worth of Rincon shares issuing 1,388,889 fully paid ordinary shares on 16 January 2023; and
- A 1.0% Net Smelter Return Royalty in favour of Mining Equities Pty Ltd.

On 16 January 2023 the Company released the results of its site reconnaissance rock-chip sampling program at Kiwirrkurra. Significant and anomalous Au-Cu-Ag results were received and associated with extensive mapped structures across the outcropping system at Pokali. The results continue to demonstrate the potential for a significant size and scale IOCG system at Pokali.

Best rock-chip results include:

- KRWK001 – 5.75g/t Au, 5.71% Cu & 5.25g/t Ag at Pokali East, and
- KWRK043 – 2.87g/t Au, 1.2% Cu & 5.07g/t Ag at Pokali South
- KWRK033 – 0.37% Cu, 0.18g/t Au & 2.06g/t Ag at Pokali South
- KWRK023 – 0.33% Cu, 0.14g/t Au & 2.28g/t Ag at Pokali South
- KWRK017 – 11.2g/t Ag, 0.02g/t Au (+817ppm Bi) at Pokali North
- KWRK020 – 10.65g/t Ag, 0.06g/t Au (+1530ppm Bi) at Pokali North, and
- KWRK051 – 7.29g/t Ag, 0.08g/t Au at Jewel
- KWRK049 – 1.08g/t Ag (+120ppm Bi) at Jewel
- KWRK050 – 0.83g/t Ag (+822ppm Bi, 15ppb Pd (peak value)) at Jewel

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

In the opinion of the Directors of Rincon Resources Limited ("the Company"):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standards AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5)(a) of the Corporations Act 2001.



Mr David Lenigas
Executive Chairman
16 February 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF RINCON RESOURCES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Rincon Resources Limited which comprises the consolidated statement of financial position as at 31 December 2022, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rincon Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

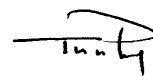
The directors of Rincon Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

TUTU PHONG
Partner

Perth, WA
Dated: 16 February 2023

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