



# Red Mountain Mining Ltd

ACN 119 568 106

## Interim Financial Report for the Half-Year Ended 31 December 2022

These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian equivalent to International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

## Contents

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	16
Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Notes to the Consolidated Financial Statements	21
Directors' Declaration	25
Independent Auditor's Review Report	26

For personal use only

## Corporate Directory

### Board of Directors

Mr Troy Flannery	(Non-Executive Chairman)
Mr Lincoln Ho	(Non-Executive Director)
Mr Robert Parton	(Non-Executive Director)

### Secretary

Mr Mauro Piccini

### Registered Office

Suite 11, Level 2  
23 Railway Road  
SUBIACO WA 6008

Telephone: 08 6381 0054  
Facsimile: 08 9481 4950  
Website: <https://www.redmountainmining.com.au/>

### Securities Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: RMX)

### Auditors

RSM Australia Partners  
Level 32, 2 The Esplanade  
Perth WA 6000

### Solicitors

Nova Legal  
Level 2/50 Kings Park Road  
West Perth WA 6005

### Bankers

Westpac Banking Corporation  
Level 13, 109 St Georges Terrace  
Perth WA 6000

### Share Registry

Computershare Limited  
172 St Georges Terrace  
Perth WA 6000  
Telephone: 08 6188 0800

## Directors' Report

The Directors present their report, together with the financial statements of the Group (referred to hereafter as the "Group"), being Red Mountain Mining Ltd ("**Red Mountain**" or "**the Company**") and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

### Director details

The following persons were Directors of the Company during and since the end of the half-year and up to the date of this report, unless otherwise stated:

- Mr Troy Flannery
- Mr Lincoln Ho
- Mr Robert Parton

### Principal activities

The Group's principal continuing activities during the financial half-year consisted of mineral exploration.

### Review of operations and financial results

The Group has recorded an operating loss of \$527,670 for the half year ended 31 December 2022 (2021: loss of \$718,573).

### Financial position

As at 31 December 2022, the Company had cash balances of \$1,496,745 (30 June 2022: \$1,659,408) and net assets of \$5,301,848 (30 June 2022: \$4,559,301).

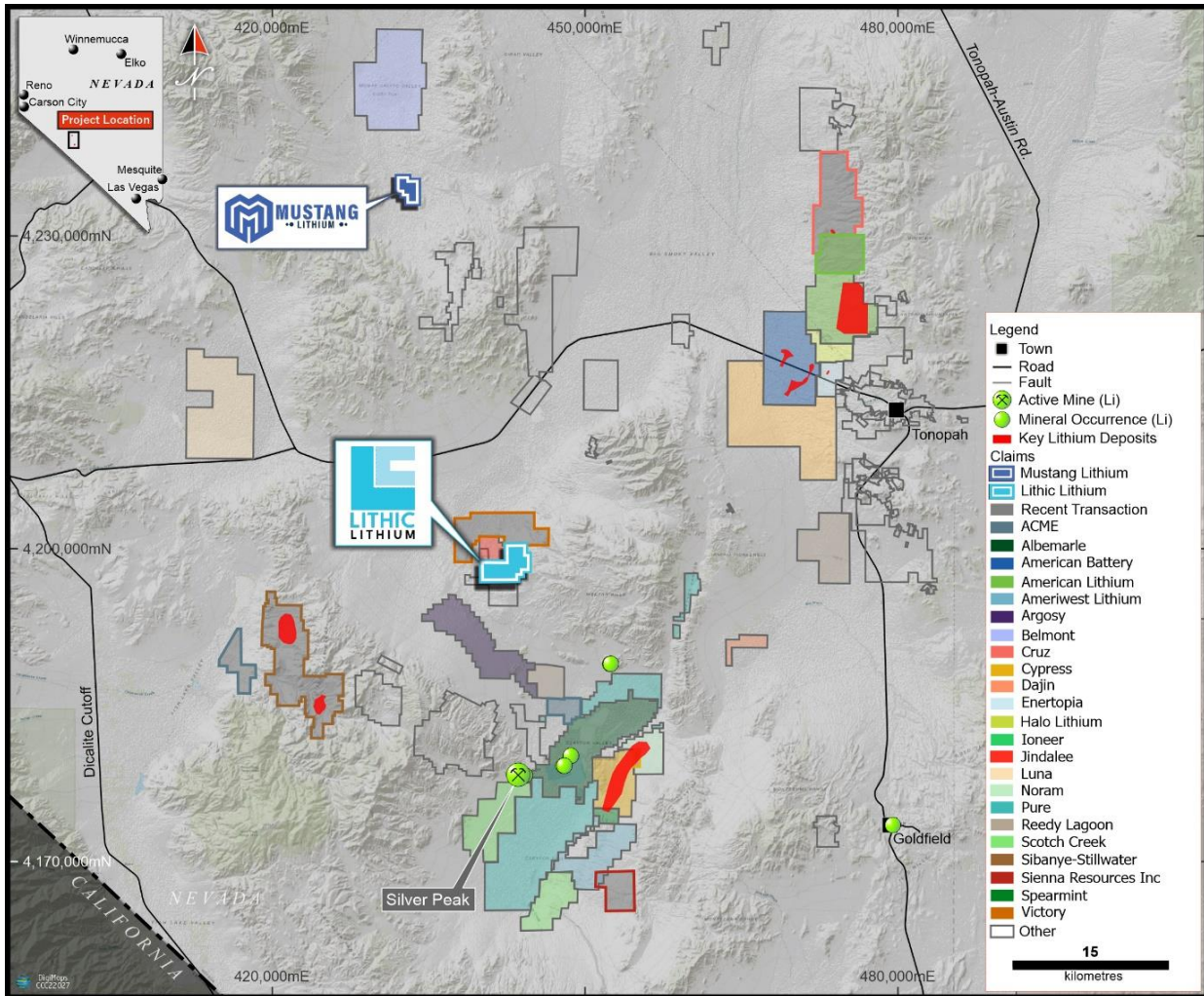
### Acquisition of Lithium Projects in Nevada, USA

On 7 December 2022, the Company entered into a purchase agreement (the "**Purchase Agreement**") with Lithic Lithium LLC ("**LLL**"), a US subsidiary of Chariot Corporation Limited ("**Chariot**"), to acquire the Lithic Lithium Project ("**Lithic**") and the Mustang Lithium Project ("**Mustang**") (collectively, "**the Projects**"), consisting of 153 claims covering 1,178 ha prospective for claystone hosted lithium in Nevada, the dominant claystone hosted lithium region in the United States of America ("**USA**").

The Projects are in the prolific Big Smoky and Monte Cristo Basins of Esmeralda County, Central Nevada. This region currently hosts the only operating lithium mine in the USA (Silver Peak Lithium Mine NYSE: ALB) and is the nexus of claystone hosted lithium exploration and development in the USA. RMX's peers in central Nevada have defined significant Lithium Carbonate Equivalent (LCE) mineral resources to NI 43-101 standards.

The Projects are in close proximity infrastructure, power, mining services and future offtake partners. Nevada is a top ranked jurisdiction for mining according to the Fraser Institute 2021 annual survey.

# Directors' Report



**Figure 1:** Location map showing RMX's two projects relative to its neighbours in Nevada

## Regional Geology

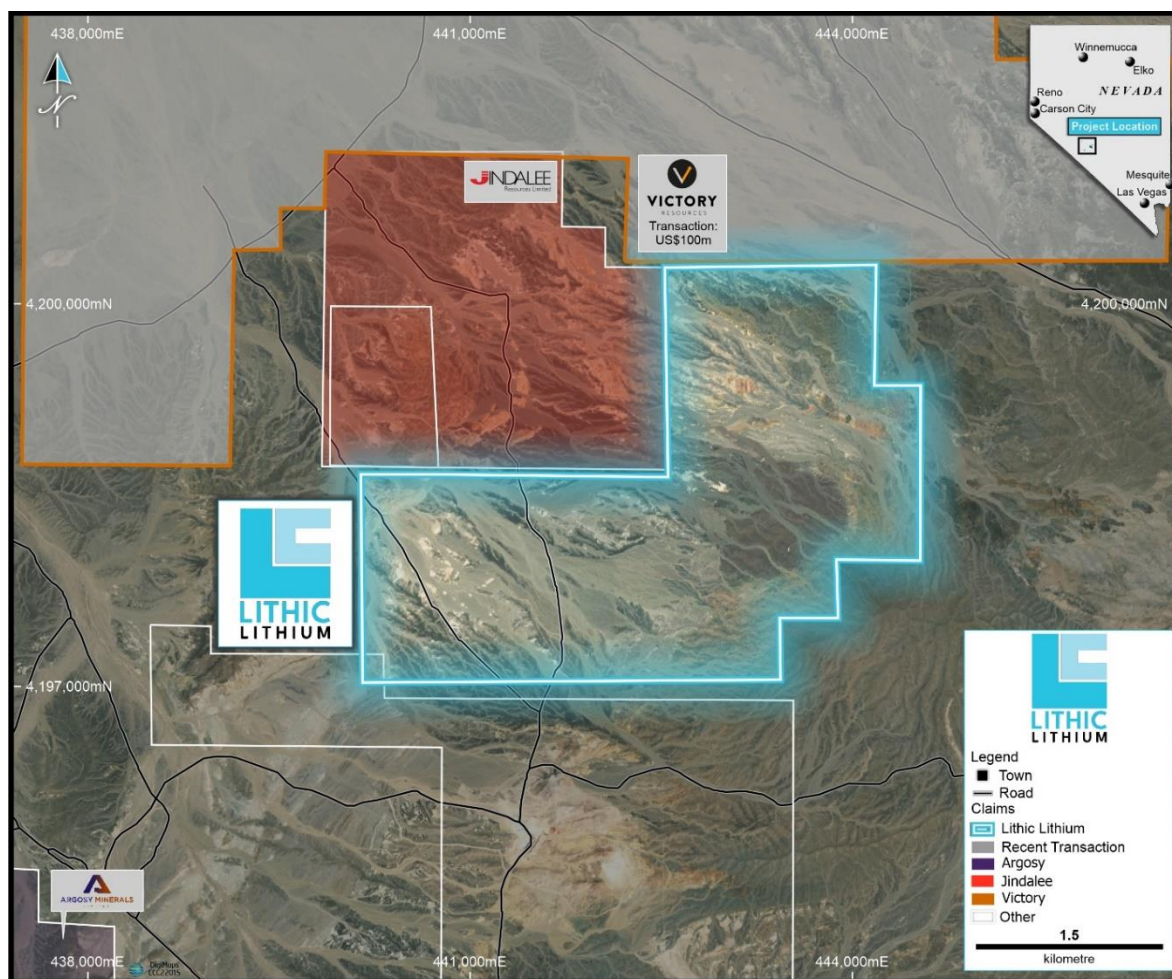
In the mid-Tertiary period, the region underwent crustal extension and elevated thermal activity, developing the basin and range physiography and hydrologic closed basins throughout the district. This physiography combined with the abundance of volcanic activity depositing lithium-rich source rocks allowed for the containment and concentration of the lithium within the closed basins. The lithium-rich strata may represent several million years of lithium input and concentration within the basins that host the Lithic and Mustang properties.



# Directors' Report

## Lithic Lithium Project

Lithic is located 29 km north of Silver Peak, the only operational lithium producing mine in the United States. The property consists of 115 claims (961 ha) and adjoins Jindalee's (ASX: JRL) Clayton North Project and Victory Resource's Smokey Lithium Project.



**Figure 2:** Location map showing RMX's Lithic project relative to its neighbours

The Lithic claim block has not been the subject of extensive exploration activities to date. However, Jindalee's maiden exploration drilling program (announced to ASX 18 November 2021) determined a northeast trending fault crosses the northern part of their claim block, resulting in a Quaternary gravel cover over the principal lithium target. The Lithic claim block is underlain by this same host lithology but is not covered by extensive Quaternary gravel.

### Exploration Plans for Lithic

RMX intends to undertake additional sampling, geological mapping and reconnaissance of the Lithic property and surrounding areas of interest.

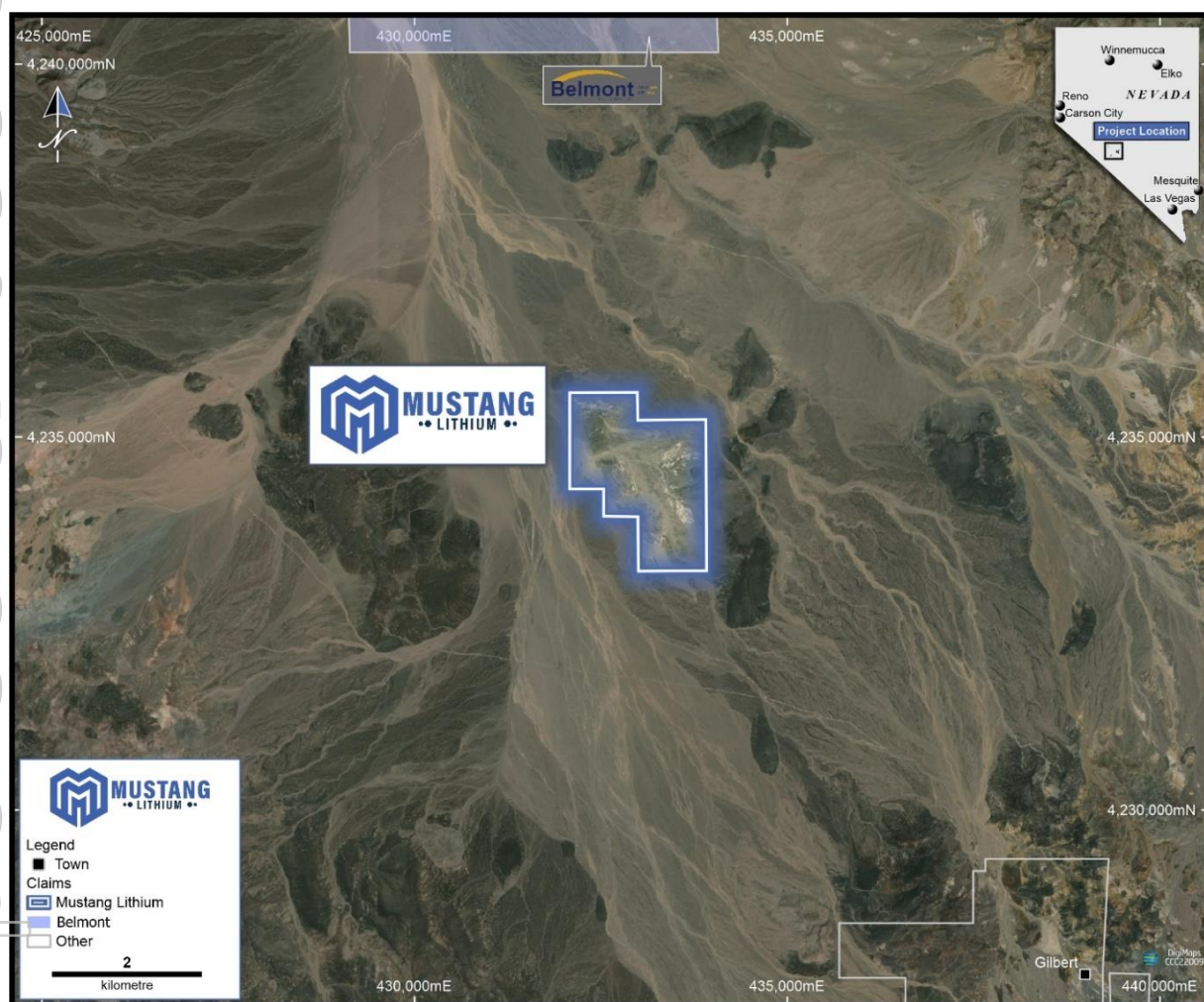
RMX also intends to conduct a line of shallow trenches, over a 2,000 m, northeast trending line through the centre of the claim block. Representative samples within the trench line will then be collected from the

underlying volcanoclastic sediments and claystone and assayed to identify suitable exploration targets for RC drilling.

## Directors' Report

### Mustang Lithium Project

Mustang is located on the south-eastern flank of the hydrologically closed Monte Cristo Valley, 9 km south of Belmont Resources Kibby Lake project and 40 km east of American Lithium's TLC deposit.



**Figure 3:** Location map showing RMX's Mustang project relative to the Kibby Lake Project

The Mustang project consists of 38 claims (217 ha) of a generally flat alluvial outwash plane with well exposed fines-dominant sediments and lithic tuffs. The outcrops are finely laminated mudstone beds and volcanic tuff and ash layers. This mixed unit of lacustrine sedimentary beds with minor volcanics is similar to host rocks found at American Lithium's TLC deposit and Cypress' Clayton Valley deposit. This claim area is within a mapped caldera with the Monte Cristo Valley containing a significant area of volcanic rock capable of supplying lithium to the closed basin. Andesite and basalt flows are exposed in all directions within 2 – 6 km of the project in erosional windows through the alluvium.

## Directors' Report

### Exploration Plans for Mustang

The Company intends to conduct additional geological mapping and surface sampling within the Mustang property. These results will inform the RC drilling program which is expected to comprise wide-spaced drilling of approximately ten drill holes seventy metres deep. It is expected that the results from this drilling will provide information on the lithium mineralization to vector further drilling.

### Terms of the Acquisition

Red Mountain previously paid Lithic Lithium LLC (“LLL”) an option fee of US\$35,000 for an exclusive 45-day option period and subsequently elected to purchase the Projects for the following consideration:

- (a) US\$150,000 cash. This cash consideration was paid in December 2022;
- (b) 179,487,179 fully paid ordinary shares, subject to shareholder approval at an upcoming General Meeting;
- (c) 102,564,103 performance rights that will vest and convert into one (1) share upon the Company’s determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 200 metres of drilling on the Property over not less than ten (10) drill holes during the period commencing on the effective date and ending on the 12-month anniversary of the effective date (Expiry Date);
- (d) 102,564,103 performance rights that will vest and convert into one (1) share upon the Company’s determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 400 metres of drilling on the Property over not less than twenty (20) drill holes during the period commencing on the effective date and ending on the 24-month anniversary of the effective date (Expiry Date); and
- (e) a Net Smelter Royalty (“NSR”) in favour of LLL of 2%.

LLL has agreed to a voluntary 6-month escrow period upon issuance of consideration shares.

### **Mt Mansbridge Heavy Rare Earth Project – 100%**

On 20 July 2022, the Company announced that RC drilling has commenced at the flagship Mt Mansbridge Heavy Rare Earth and Nickel-Cobalt-PGE Project. The Phase II drilling campaign began at the Cow Creek prospect on hole number 13, targeting Ni-Co-PGE in a region interpreted as a mafic-ultramafic intrusive complex, similar to what hosts the Sally Malay/Savannah Deposit owned by Panoramic Resources.

On 18 August 2022, the Company successfully completed Mt Mansbridge Phase II drilling at the Cow Creek, Solo and Déjà vu prospects. The Company drilled seven reverse circulation holes for a total 1,115 meters. The Phase II drilling program was designed to follow up and test previous drilling at the Déjà vu and Solo prospects to validate previous heavy rare earth and Ni-Cu-Co intercepts as well as test for further extensions of the mineralisation. Two geophysical magnetic targets at Cow Creek were also drilled. See drilling summary in table 1 below.



## Directors' Report

Hole ID	Prospect	Hole Type	Easting	Northing	Elevation	Dip (Degrees)	Azimuth (Degrees)	Hole length (m)
MMRC005	Cow Creek	RC	443900	7904520	395	-60	185	111
MMRC006	Cow Creek	RC	449100	7904435	397	-80	235	204
MMRC007	Solo	RC	451148	7890891	420	-65	215	180
MMRC008	Solo	RC	451206	7890846	413	-65	223	138
MMRC009	Déjà vu	RC	453980	7892750	398	-60	8	156
MMRC010	Déjà vu	RC	453980	7892700	397	-60	8	126
MMRC011	Déjà vu	RC	453980	7892650	398	-60	6	210

On 25 October 2022, the Company announced assay results from drilling undertaken at the Mt Mansbridge Project were received from the laboratory with additional Heavy Rare Earth Element enrichment confirmed in follow up drilling at the Solo Prospect.

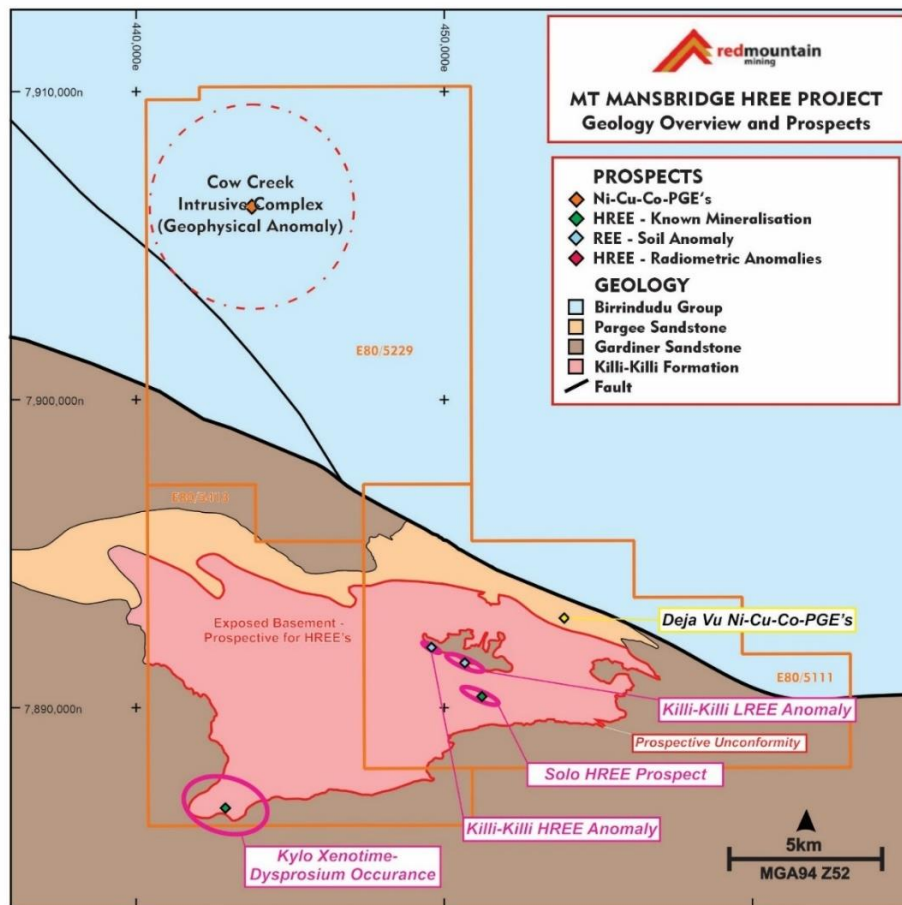
The average ratio of HREO to TREO for the drilling at the Solo Prospect is 60.7%. Drilling has confirmed the presence of rare earths and in particular the large distribution of Yttrium and the dominance of heavy rare earth elements dysprosium (6.98%) and terbium (1.0%) in drill hole MMRC007. No significant results were present in drill holes MMRC008 or MMRC009.

Petrological studies confirmed that key rare earth element minerals Xenotime and Florencite were present.

This follows drilling in 2021<sup>2</sup> which intersected (5m 51-56m) from drillhole MMRC002 including:

- 0.316% Total Rare Earth Oxide (TREO)
- 0.246% Heavy Rare Earth Oxide (HREO)
- 0.070% Light Rare Earth Oxide (LREO)
- 0.170% Yttrium Oxide (Y<sub>2</sub>O<sub>3</sub>)
- 0.019% Dysprosium Oxide (Dy<sub>2</sub>O<sub>3</sub>)

The Solo Prospect consist of a structurally controlled 200m long zone of outcropping REE mineralisation within the Proterozoic aged prospective Killi-Killi Formation. Three holes were drilled by RMX into mineralized zone with hole MMRC002 returning the previously announced assay results (*RMX ASX Release 6 January 2022*).



**Figure 4:** Mt. Mansbridge Project. Rare Earth Element and Nickel-Copper-Cobalt-PGE Prospects



**Figure 5:** Solo REE prospect drill hole locations

For personal use only

## Directors' Report

### Déjà vu Prospect (Ni-Cu-Co-PGE's)

Three drill holes followed up previous investigations in the Déjà vu Prospect area. Results indicated nickel grades consistent with the presence of a thick ultramafic rock package including;

- MMRC010: 28m (57-85m) @ 0.14% Ni, 3071ppm Cr, 115ppm Co, and 20m (100-120m) @ 0.12% Ni, 2304ppm Cr, 103ppm Co;
- MMRC011: 25m (109-134m) @ 0.13% Ni, 2854ppm Cr, 111ppm Co, 34m (135-169m) @ 0.13% Ni, 2613ppm Cr, 108ppm Co, 8m (190-198m) @ 0.16% Ni, 2895ppm Cr, 118ppm Co, and 9m (199-208m) @ 0.17% Ni, 2693ppm Cr, 118ppm Co

Highest copper was 371ppm (MMRC011: 132-133m) associated with ultramafic rocks. Further investigation into the nature of Ni-Cu-Co-PGE prospectivity in the area is required.

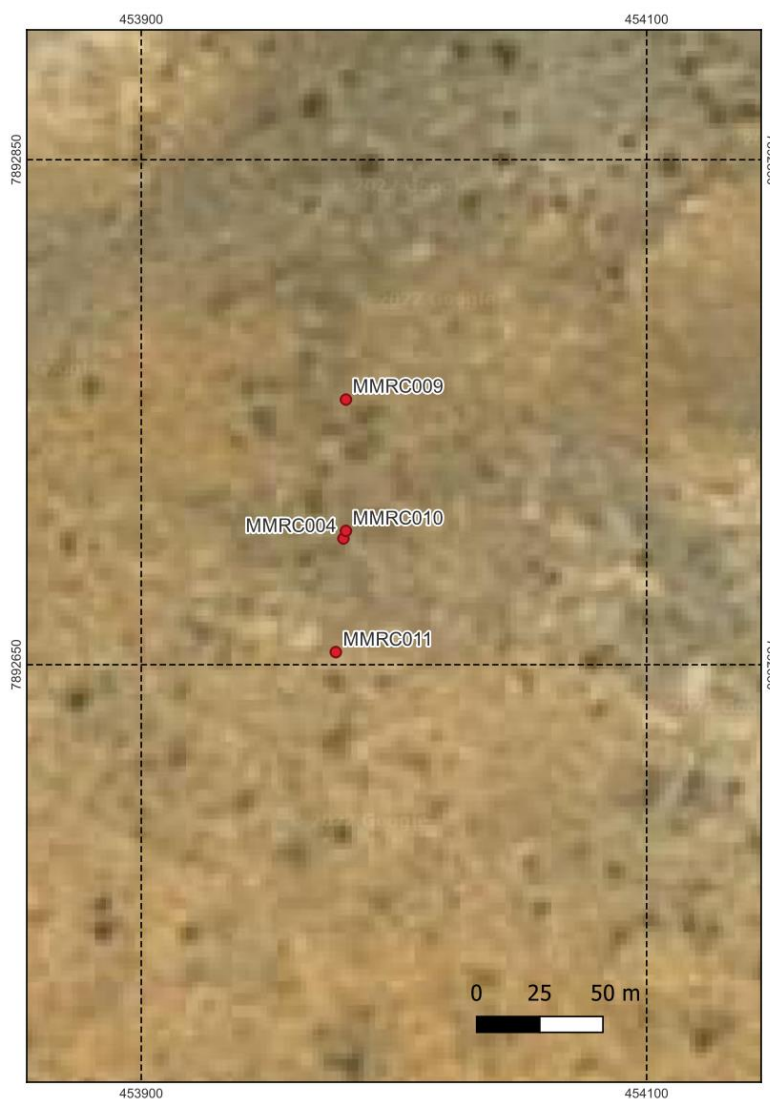


Figure 6: Déjà vu drill hole location



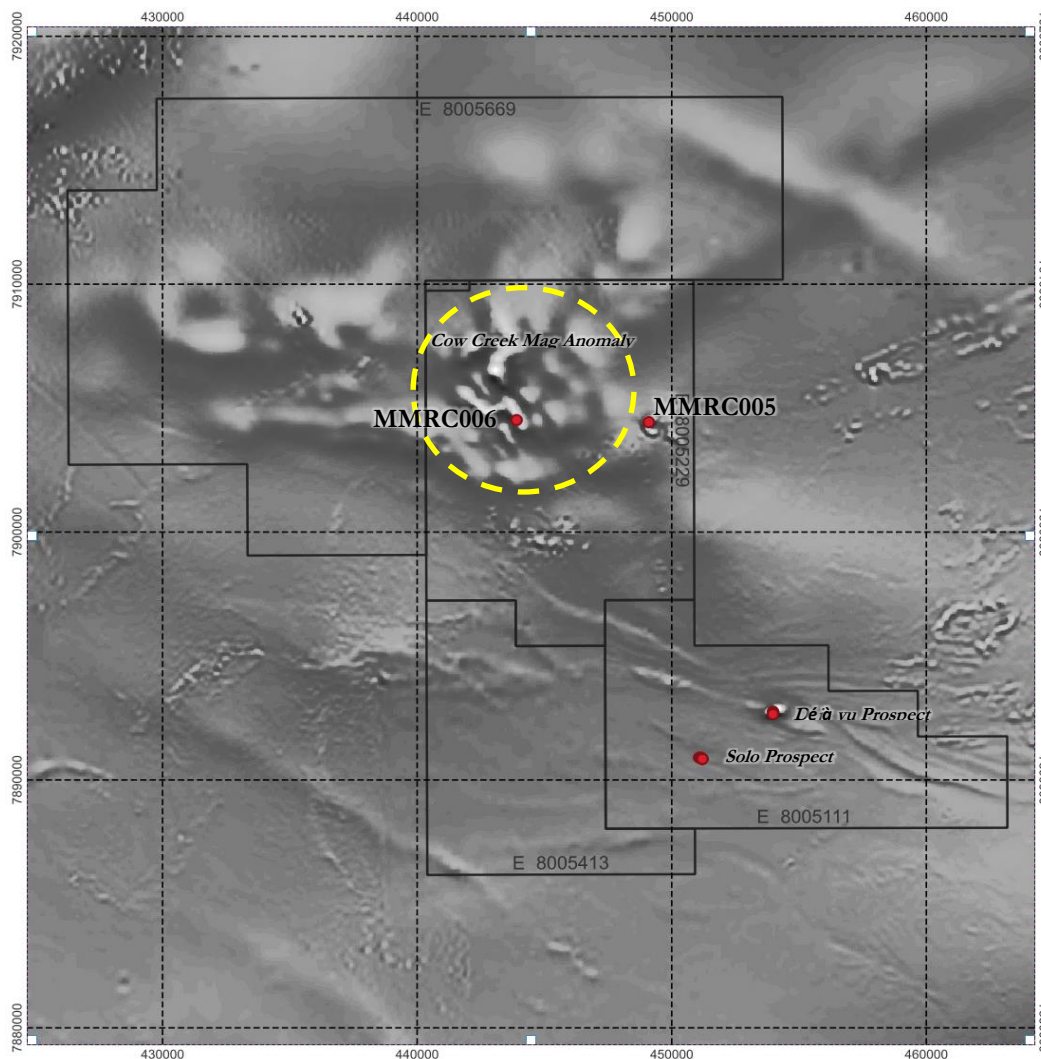
## Directors' Report

The Déjà vu Prospect was identified and drilled by CRAE between 1991 and 1993. The prospect was originally targeted for diamond bearing kimberlites, however it encountered serpentinised peridotite. Sporadic sampling and assaying through the ultramafic intrusive unit returned several encouraging cobalt assay results between 70-100m including 0.34%, 0.32% and 0.22% Co (ASX Release 24 February 2021).

### Cow Creek Prospect

Reconnaissance drill holes MMRC005 and MMRC006 were completed into the Cow Creek Prospect, targeting Ni-Co-PGE in a region interpreted as a mafic-ultramafic intrusive complex, similar to geology of the Sally Malay/Savannah Deposit.

No outcrop is present in the area. Drill hole geology and geochemistry confirmed the presence of arenitic sandstones in MMRC005. Undifferentiated mafic rocks were intersected from approximately 130m depth in MMRC006, with trace pyrite and chalcopyrite present from 155m to end of hole. Geochemical averages in mafic rocks are 75m (130-204m) @ 417ppm Cu, 13.9%Fe, with low Ni (47ppm) and Cr (3.7ppm) supporting the presence of mafic rocks.



**Figure 7:** Red Mountain Project tenements showing location of the Cow Creek Magnetic anomaly, reconnaissance drill holes MMRC005 and 006, and the Solo REE and Déjà vu Ni-Cu-Co-PGE projects. Background is the W.A. state 40m magnetics IVD.



## Directors' Report

Red Mountain shall undertake further analyses of recent drilling data and consult with the geological team to determine strategies going forward for the Mt Mansbridge exploration plan.

### **Nannup Lithium, Nickel, Gold & Base Metals Project – 100%**

The Nannup project is a granted exploration tenement south-west of Greenbushes lithium, Western Australia. The Project is prospective for lithium and located in the southwest terrane with potential to support a Julimar-style geological system.

An initial exploration program is being planned to further identify the lithium, nickel, gold and base metals potential which is expected to commence once land access agreements are granted.

### **Koonenberry Gold Project – 100%**

The Koonenberry Gold Project covers approximately 657 km<sup>2</sup> and is located in a geologic setting considered analogous to the prolific Victorian Goldfields located in south-eastern Australia. The Koonenberry Gold Project adjoins Manhattan Corporation's (ASX:MHC) Tibooburra Gold Project where Manhattan has previously announced a new high grade gold discovery.

The Company has completed an internal review of the project's historic data and has commenced budgeting for an exploration programme at targeted locations. The Company notes recent positive developments in RC drilling in our neighbouring tenement by Manhattan Corporation (ASX: MHC), delivering further high grade gold assay results. The Company is considering the implications of these exploration result outcomes so close to the Company's tenement package.

### **Mt Maitland Gold and Base Metals Project – 100%**

The Company is currently undertaking an internal assessment of the project with experienced consultant geologists before committing any expenditure on further exploration.

### **Batangas Gold Project, Philippines – Shares and NSR**

The Company holds approximately 1.7m shares in London listed Blue Bird Merchant Ventures Limited (LON: BMV). Blue Bird is focused on its near-term production gold project in South Korea. BMV share price as at 31 December 2022 was 1.80 pence.

The Company retains its net smelter royalty over the Philippines located Batangas gold project.

### **Competent Persons Statement**

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of geological consultant Mr Mark Mitchell. Mr Mitchell is a Member of the Australasian Institute of Geoscientists. He 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 JORC Code. Mr Mitchell consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

### **Disclaimer**

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.32.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.

## Directors' Report

### Corporate

On 2 October 2022, 129,211,936 quoted options (exercisable at \$0.011) (**RMXOJ**) expired unexercised and lapsed.

On 1 December 2022, the Company issued 55,224,606 unquoted options at an issue price of \$0.0001 per option (exercisable at \$0.011, expiring 2 December 2025) as part of the offer in the Options Prospectus (**Prospectus**) issued on 4 November 2022.

On 7 December 2022, the Company received firm commitments from institutional and sophisticated investors to raise \$1.8 million (before costs) via a share placement of 450,000,000 fully paid ordinary shares at an issue price of \$0.004 per share ("**Placement**"). The Placement shares will be placed in two tranches. The funds raised will be primarily directed for the maiden exploration campaign at the Lithic and Mustang lithium projects, as well as for general working capital purposes.

On 15 December 2022, the Company completed Tranche 1 of the Placement and issued 345,985,000 fully paid ordinary shares at an issue price of \$0.004 per share raising \$1.38 million.

The remaining 104,015,003 shares (**Tranche 2**) will be issued subject to shareholder approval at an upcoming General Meeting, anticipated to be held on 1<sup>st</sup> February 2023.

In addition, the Board of Red Mountain has committed to support the Placement as part of Tranche 2 subject to shareholder approval at the General Meeting (**Tranche 2**). Approval will be sought from shareholders for director participation in the Placement being:

Troy Flannery: \$40,000 at \$0.004  
Lincoln Ho: \$20,000 at \$0.004

The issue price represents a circa 25% discount to the 15-day VWAP (Volume Weighted Average Price) immediately prior to the raising. The shares issued under the Placement will rank equally with existing shares.

Xcel Capital Pty Ltd ("**Xcel**") has been engaged to act as the Lead Manager for the Placement. Fees payable are 6% across all funds raised and a management fee of \$30,000. Subject to shareholder approval, Xcel shall also receive 10 million unquoted options (exercisable at \$0.011 expiring 3 years from the date of issue) as part of facilitating the Project transaction.

Funds raised will be primarily directed for the maiden exploration campaign at the Lithic and Mustang lithium projects, as well as general working capital purposes.

### Significant and subsequent events and transactions

On 8 February 2023, the Company issued 104,015,000 fully paid ordinary shares at an issue price of \$0.004 per share raising \$416,060 (before costs) as part of the Tranche 2 Placement as approved by shareholders on 1 February 2023.

On 8 February 2023, The Company issued 10,000,000 unquoted options exercisable at \$0.011 and expiring on 2 December 2025 to Xcel Capital for services rendered as approved by shareholders on 1 February 2023.

### Significant and subsequent events and transactions

On 17 February 2023, the Company issued 179,487,179 fully paid ordinary shares at an issue price of \$0.004 per share as part of consideration for acquisition to Lithic Lithium LLC as approved by shareholders on 1 February 2023.

On 17 February 2023, the Company issued 102,564,103 Class A Performance Rights and 102,564,103 Class B Performance Rights as part of consideration for acquisition to Lithic Lithium LLC as approved by shareholders on 1 February 2023.

Class A performance rights that will vest and convert into one (1) share upon the Company's determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 200 metres of drilling on the Property over not less than ten (10) drill holes during the period commencing on the effective date and ending on the 12-month anniversary of the effective date (Expiry Date);

Class B performance rights that will vest and convert into one (1) share upon the Company's determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 400 metres of drilling on the Property over not less than twenty (20) drill holes during the period commencing on the effective date and ending on the 24-month anniversary of the effective date (Expiry Date).

Other than stated above, there has been no other matter or circumstance has arisen subsequent to 31 December 2022 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

### Significant changes in the state of affairs

During the half-year period, there were no significant changes in the state of affairs of the Company other than that referred to in the Directors' Report.

### Auditor's independence declaration

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

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.



Troy Flannery  
Non-Executive Chairman

Perth, Western Australia

Dated this 2<sup>nd</sup> day of March 2023



**RSM Australia Partners**

Level 32 Exchange Tower,  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100

F +61(0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Red Mountain Mining Ltd for the half-year ended 31 December 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

AIK KONG TING  
Partner

Perth, WA  
Dated: 2 March 2023

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only



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

For the half-year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
<b>Revenue</b>			
Other income		50,186	70,109
Foreign exchange gain		2,234	-
<b>Expenses</b>			
Professional fees		(119,906)	(119,150)
Consultancy costs		(95,813)	(181,250)
Depreciation expense		(45,736)	(73,737)
Employee benefits expenses		(95,506)	(198,206)
Exploration and evaluation expense		(6,874)	(23,878)
Legal fees		(37,313)	(25,946)
Travelling expenses		(2,434)	-
Finance costs		(4,091)	(5,395)
Loss on financial instrument revaluation		(9,005)	(49,884)
Other expenses		(163,412)	(111,236)
<b>Loss before income tax</b>		<b>(527,670)</b>	<b>(718,573)</b>
Income tax benefit		-	-
<b>Net loss for the period</b>		<b>(527,670)</b>	<b>(718,573)</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period (net of tax)</b>		<b>(527,670)</b>	<b>(718,573)</b>
Basic and diluted loss per share attributable to members of Red Mountain Mining Ltd	5	<b>Cents</b> <b>(0.03)</b>	Cents (0.05)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		1,496,745	1,659,408
Trade and other receivables		130,852	155,464
<b>Total current assets</b>		<u>1,627,597</u>	<u>1,814,872</u>
<b>Non-current</b>			
Right of use asset		232,717	24,580
Financial assets at fair value through profit or loss	4	54,928	63,612
Exploration and evaluation expenditure	3	3,713,412	2,821,516
<b>Total non-current assets</b>		<u>4,001,057</u>	<u>2,909,708</u>
<b>Total assets</b>		<u>5,628,654</u>	<u>4,724,580</u>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		91,715	135,790
Lease liability		78,474	29,489
<b>Total current liabilities</b>		<u>170,189</u>	<u>165,279</u>
<b>Non-current</b>			
Lease liability		156,617	-
<b>Total non-current liabilities</b>		<u>156,617</u>	<u>-</u>
<b>Total liabilities</b>		<u>326,806</u>	<u>165,279</u>
<b>Net assets</b>		<u>5,301,848</u>	<u>4,559,301</u>
<b>Equity</b>			
Contributed equity	6	48,686,709	47,422,015
Reserves		11,423,053	11,417,530
Accumulated losses		(54,807,914)	(54,280,244)
<b>Total equity</b>		<u>5,301,848</u>	<u>4,559,301</u>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Share-based payment reserve \$	Other reserves \$	Total \$
<b>Balance at 1 July 2022</b>	<b>47,422,015</b>	<b>(54,280,244)</b>	<b>4,934,806</b>	<b>6,434,038</b>	<b>48,687</b>	<b>4,559,302</b>
Loss for the period	-	(527,670)	-	-	-	(527,670)
Other comprehensive income/(loss)	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(527,670)</b>	-	-	-	<b>(527,670)</b>
<i>Transactions with owners in their capacity as owners:</i>						
Issue of share capital	<b>1,264,694</b>	-	-	-	-	<b>1,264,694</b>
Issue of options	-	-	-	<b>5,522</b>	-	<b>5,522</b>
<b>Balance at 31 December 2022</b>	<b>48,686,709</b>	<b>(54,807,914)</b>	<b>4,934,806</b>	<b>6,439,560</b>	<b>48,687</b>	<b>5,301,848</b>
<b>Balance at 1 July 2021</b>	<b>44,488,471</b>	<b>(52,833,047)</b>	<b>4,934,806</b>	<b>6,172,837</b>	<b>48,687</b>	<b>2,811,754</b>
Loss for the period	-	(718,573)	-	-	-	(718,573)
Other comprehensive income/(loss)	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(718,573)</b>	-	-	-	<b>(718,573)</b>
<i>Transactions with owners in their capacity as owners:</i>						
Conversion of convertible notes	800,000	-	-	-	-	800,000
Exercise of options	791,914	-	-	-	-	791,914
<b>Balance at 31 December 2021</b>	<b>46,080,385</b>	<b>(53,551,620)</b>	<b>4,934,806</b>	<b>6,172,837</b>	<b>48,687</b>	<b>3,685,095</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For personal use only

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

Notes	31 December 2022 \$	31 December 2021 \$
<b>Operating activities</b>		
Payments to employees and suppliers	(531,357)	(686,025)
Interest and other finance costs paid	(1,122)	(5,395)
Interest received	2,901	501
Sub-lease income received	39,000	32,500
Payments made for exploration expenditure	(6,874)	(23,878)
Net cash (outflow) from operating activities	<u>(497,452)</u>	<u>(682,297)</u>
<b>Investing activities</b>		
Payments for exploration and evaluation expenditure	(890,330)	(872,529)
Net cash (outflow) from investing activities	<u>(890,330)</u>	<u>(872,529)</u>
<b>Financing activities</b>		
Proceeds from issue of shares	1,383,941	-
Proceeds from issue of options	5,523	614,254
Share issue costs	(119,247)	-
Repayment of lease liabilities	(45,447)	(75,374)
Proceeds from the issue of convertible notes	-	300,000
Net cash inflow from financing activities	<u>1,224,770</u>	<u>838,880</u>
<b>Net decrease in cash held</b>	<b>(163,012)</b>	<b>(715,946)</b>
Cash at the beginning of period	1,659,408	1,731,392
Effect of exchange rate fluctuations on cash held	349	-
<b>Cash at the end of period</b>	<u><u>1,496,745</u></u>	<u><u>1,015,446</u></u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

For personal use only



## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

### **1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

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

The consolidated interim financial report of the Company as at and for the six months ended 31 December 2022 comprised the Company and its subsidiaries (together referred to as (the **Group**)).

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

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

#### **Statement of compliance**

The interim consolidated financial statements ("the interim financial statements") of the Group are for the six months ended 31 December 2022 and are presented in Australian dollar (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim financial statements do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

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

#### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

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

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2022.

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

### 2 SEGMENT REPORTING

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

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

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

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

### 3 EXPLORATION AND EVALUATION EXPENDITURE

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

	31 December 2022	30 June 2022
	\$	\$
<b>Opening balance</b>	<b>2,821,516</b>	1,681,251
Acquisitions:		
- Airdrie Exploration Pty Ltd <sup>(i)</sup>	-	50,000
Additions capitalised during the period	<b>891,896</b>	1,090,265
<b>Carrying amount at end of period</b>	<b>3,713,412</b>	2,821,516

- (i) On 22 February 2022, the Company acquired a 100% interest in the Nannup project via acquisition of 100% shares in Airdrie Exploration Pty Ltd. \$50,000 in cash was paid to acquire the project.

### 4 FINANCIAL ASSETS

	31 December 2022	30 June 2022
	\$	\$
Financial assets at fair value through profit or loss -		
Current		
144,000 (30 June 2022: 144,000) fully paid ordinary shares held in Great Northern Minerals Limited	<b>576</b>	576
1,700,000 (30 June 2022: 1,700,000) fully paid ordinary shares held in Bluebird Merchant Ventures Ltd (LSE: BMV)	<b>54,352</b>	63,036
	<b>54,928</b>	63,612

For personal use only

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

### 5 LOSS PER SHARE

	<b>31 December 2022</b>	31 December 2021
	<b>Cents</b>	Cents
Basic and diluted loss per share	<b>(0.03)</b>	(0.05)
	<b>31 December 2022</b>	31 December 2021
	<b>\$</b>	\$
Loss used to calculate basic and diluted loss per share	<b>(527,670)</b>	(718,573)
	<b>Number</b>	Number
Weighted average number of shares used in calculating basic and diluted loss per share	<b>1,672,449,510</b>	1,428,987,327

### 6 CONTRIBUTED EQUITY

<b>(a) Issued and fully paid</b>	<b>31 December 2022</b>		30 June 2022	
	No.	\$	No.	\$
Ordinary shares	<b>1,988,348,858</b>	<b>48,686,709</b>	1,642,363,858	47,422,015

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share hold.

#### (b) Movement reconciliation

	<b>Number</b>	<b>\$</b>
At 1 July 2021	1,256,822,489	44,488,471
Exercise of listed options (RMXOI) @ \$0.008 each	98,989,196	791,914
Conversion of 500,000 convertible notes to shares @ \$0.0076 each	65,789,474	500,000
Conversion of 300,000 convertible notes to shares @ \$0.0070 each	42,857,143	300,000
Share placement @ \$0.009 each	177,905,556	1,601,150
Capital raising costs	-	(259,520)
<b>At 30 June 2022</b>	<b>1,642,363,858</b>	<b>47,422,015</b>
Share placement @ \$0.004 each	345,985,000	1,383,941
Capital raising costs	-	(119,247)
<b>At 31 December 2022</b>	<b>1,988,348,858</b>	<b>48,686,709</b>

For personal use only

## Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

### **7 EVENTS SUBSEQUENT TO REPORTING DATE**

On 8 February 2023, the Company issued 104,015,000 fully paid ordinary shares at an issue price of \$0.004 per share raising \$416,060 (before costs) as part of the Tranche 2 Placement as approved by shareholders on 1 February 2023.

On 8 February 2023, The Company issued 10,000,000 unquoted options exercisable at \$0.011 and expiring on 2 December 2025 to Xcel Capital for services rendered as approved by shareholders on 1 February 2023.

On 17 February 2023, the Company issued 179,487,179 fully paid ordinary shares at an issue price of \$0.004 per share as part of consideration for acquisition to Lithic Lithium LLC as approved by shareholders on 1 February 2023.

On 17 February 2023, the Company issued 102,564,103 Class A Performance Rights and 102,564,103 Class B Performance Rights as part of consideration for acquisition to Lithic Lithium LLC as approved by shareholders on 1 February 2023.

Class A performance rights that will vest and convert into one (1) share upon the Company's determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 200 metres of drilling on the Property over not less than ten (10) drill holes during the period commencing on the effective date and ending on the 12-month anniversary of the effective date (Expiry Date); Class B performance rights that will vest and convert into one (1) share upon the Company's determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 400 metres of drilling on the Property over not less than twenty (20) drill holes during the period commencing on the effective date and ending on the 24-month anniversary of the effective date (Expiry Date).

Other than stated above, there has been no other matter or circumstance has arisen subsequent to 31 December 2022 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

### **8 CONTINGENT LIABILITIES**

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

### **9 COMMITMENTS**

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

### **10 DIVIDENDS**

No dividend has been declared or paid during the half-year ended 31 December 2022. The Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2022.

For personal use only



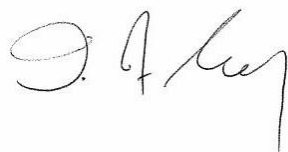
## Directors' Declaration

In the Directors' opinion:

- a. The consolidated financial statements and notes comply with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
  - ii. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors.



Troy Flannery  
Non-Executive Director

Perth, Western Australia  
Dated this 2<sup>nd</sup> day of March 2023

For personal use only



**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100  
F +61(0) 8 9261 9111  
[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of RED MOUNTAIN MINING LTD

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Red Mountain Mining Ltd which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and 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 Red Mountain Mining Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 Red Mountain Mining Ltd 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 Red Mountain Mining Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Red Mountain Mining Ltd 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 AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 2 March 2023

For personal use only