RESOLUTION MINERALS LTD
ACN: 617 789 732

ACN 617 789 732

Interim Consolidated Financial Statements

for the half-year ended 31 December 2022

Contents

This Interim Report covers Resolution Minerals Ltd ("RML" or the "Company") as a Group consisting of Resolution Minerals Ltd and its subsidiaries, collectively referred to as the "Group". The financial report is presented in the Australian currency.

RML 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
Adelaide SA 5000

Website www.resolutionminerals.com

Directors' Report

The Directors of Resolution Minerals Ltd present their Report together with the financial statements of the consolidated entity, being Resolution Minerals Ltd ("RML" or "the Company") and its controlled entities ("the Group") for the half year ended 31 December 2022 and the Independent Review Report thereon.

DIRECTORS

The following persons were Directors of RML throughout the period.

- Duncan Chessell
- Paul Kitto
- Mark Holcombe (from 14 September 2022)
- Craig Farrow (to 21 November 2022)
- Andrew Shearer (to 28 September 2022)
- Steve Groves (from 1 July 2022 to 7 November 2022)

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Resolution Minerals Ltd holds exploration projects for gold and new energy metals (Cu, Co, Pb, Zn, Mn, U and SiO_2)) in the highly prospective Tintina Gold Belt in Alaska, USA, the McArthur and South Nicholson Basins in the Northern Territory (Cu, Co, Pb, Zn, Mn, U) and the Lake Eyre and Eromanga Basins in South Australia (U and SiO_2).

In the half year to 31 December 2022, the Company continued expenditure to earn into the 64North Project in Alaska, USA and progress its new energy metals projects in the Northern Territory. Minimal expenditure was completed on the newly granted George Project in South Australia.

The net loss of the Company, from the six months to 31 December 2022 was $737,995 (31 December 2021: $524,854). The main factor contributing to the increased loss was engagement of two 2 Executive Directors in the current period and a substantial portion of their costs were not on-charged to exploration. The higher expense was offset by increased revenue relating to the administration of the JV.

On 14 September 2022 Mark Holcombe joined the Board of the Company as an Executive Director and Non-executive Director Duncan Chessell succeeded Craig Farrow as Non-executive Chairman following his resignation from the Company. Additionally, founding Director Andrew Shearer resigned from the Board and Steven Groves resigned as Managing Director.

A copy of the Auditor's Independence Declaration, as required under s307C of the *Corporations Act 2001* (Cth), is included on page 3 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

Duncan Chessell
Non-executive Chairman

14 March 2023

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Adelaide SA 5001

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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 review of Resolution Minerals Ltd for the half-year ended 31 December 2022 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 review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner – Audit & Assurance

Adelaide, 14 March 2023

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2022

	Notes	31 December 2022 $	31 December 2021 $
Interest income		18,240	299
Other income	2	318,313	8,171
Broker and investor relations		(33,651)	(49,213)
Employee benefits expense		(502,434)	(194,375)
Exploration expense		(140,121)	(35,726)
Impairment expense		-	(1,964)
Depreciation		(15,975)	(11,973)
Other expenses		(382,367)	(240,073)
Loss before tax		(737,995)	(524,854)
Income tax benefit		-	-
Loss for the period from continuing operations attributable to owners of the parent		(737,995)	(524,854)
Other Comprehensive income attributable to owners of the parent		29,021	6,268
Total Comprehensive loss for the period attributable to owners of the parent		(708,974)	(518,586)
Earnings / (loss) Per Share from Continuing Operations			
Basic and diluted Loss – cents per share	3	(0.08)	(0.10)

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

Statement of Financial Position
As at 31 December 2022

	Notes	31 December 2022 $	30 June 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		2,194,886	2,292,438
Other current assets		97,941	130,172
Total current assets		2,292,827	2,422,610
Non-current assets			
Exploration and evaluation expenditure	4	24,678,666	22,947,079
Plant and equipment		225,716	262,844
Right of use assets		42,516	57,522
Other financial assets	5	798,385	-
Total non-current assets		25,745,283	23,267,445
TOTAL ASSETS		28,038,110	25,690,055
LIABILITIES			
Current liabilities			
Trade and other payables		421,597	687,645
Employee provisions		37,986	39,162
Lease liabilities		30,783	26,057
Total current liabilities		490,366	752,864
Non-Current liabilities			
Lease liabilities		14,545	31,875
Employee provisions		1,364	-
Total non-current liabilities		15,909	31,875
TOTAL LIABILITIES		506,275	784,739
NET ASSETS		27,531,835	24,905,316
EQUITY			
Issued capital	6	32,410,589	29,365,765
Reserves	7	666,621	851,207
Accumulated losses		(5,545,375)	(5,311,656)
TOTAL EQUITY		27,531,835	24,905,316

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

Statement of Changes in Equity
For the half year ended 31 December 2022

	Issued capital $	Share based payments reserve $	Foreign currency reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	**23,558,922**	**1,509,844**	**17,278**	**(4,996,570)**	**20,089,474**
Share placements and Share Purchase Plan	3,707,694	-	-	-	3,707,694
Fair value of shares issued for the acquisition of projects	300,000	-	-	-	300,000
Issue costs	(177,283)	-	-	-	(177,283)
Lapse of IPO options	-	(663,001)	-	663,001	-
Fair value of performance rights issued	-	56,489	-	-	56,489
Transactions with owners	3,830,411	(606,512)	-	663,001	3,886,900
Comprehensive income:					
Total profit or loss for the reporting period	-	-	-	(524,854)	(524,854)
Total other comprehensive income for the reporting period - foreign currency reserve movement	-	-	6,268	-	6,268
Balance 31 December 2021	**27,389,333**	**903,332**	**23,546**	**(4,858,423)**	**23,457,788**

	Issued capital $	Share based payments reserve $	Foreign currency reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022	**29,365,765**	**828,359**	**22,848**	**(5,311,656)**	**24,905,316**
Share placements and Share Purchase Plan	2,147,222	-	-	-	2,147,222
Fair value of shares issued for the acquisition of projects	250,000	-	-	-	250,000
Issue costs	(172,856)	-	-	-	(172,856)
Lapse of options	-	(530,107)	-	504,276	(25,831)
Fair value of performance rights and options issued	-	330,351	-	-	330,351
Lapse of performance rights	-	(13,851)	-	-	(13,851)
Funds raised on issue of options	820,458	-	-	-	820,458
Transactions with owners	3,044,824	(213,607)	-	504,276	3,335,493
Comprehensive income:					
Total profit or loss for the reporting period	-	-	-	(737,995)	(737,995)
Total other comprehensive income for the reporting period - foreign currency reserve movement	-	-	29,021	-	29,021
Balance 31 December 2022	**32,410,589**	**614,752**	**51,869**	**(5,545,375)**	**27,531,835**

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

Statement of Cash Flows
For the half year ended 31 December 2022

	31 December 2022 $	31 December 2021 $
Operating activities		
Interest received	18,279	299
Other receipts	318,313	-
Payments to suppliers and employees	(881,199)	(376,696)
Net cash used in operating activities	(544,607)	(376,397)
Investing activities		
Investment in Midwest Lithium	(798,385)	-
Cash receipts from joint ventures	-	336,824
Payments for plant and equipment	(11,274)	(14,638)
Payments for capitalised exploration expenditure	(1,551,801)	(2,453,315)
Net cash used in investing activities	(2,361,460)	(2,131,129)
Financing activities		
Proceeds from issue of share capital	2,110,000	3,707,694
Proceeds from exercise of options	820,459	-
Payments for capital raising costs	(61,944)	(168,485)
Other – Subscriptions received in prior year	(60,000)	-
Net cash from financing activities	2,808,515	3,539,209
Net change in cash and cash equivalents	(97,552)	1,031,683
Cash and cash equivalents, beginning of reporting period	2,292,438	1,751,998
Cash and cash equivalents, end of period	2,194,886	2,783,681

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

Notes to the consolidated financial statements
For the period ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of operations

The Group's principal activities are the exploration for gold in Alaska (USA) and new energy metals in the Northern Territory and South Australia (Australia).

b) General information and basis of preparation

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 dollars ($), 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* (Cth) and AASB 134 *Interim Financial Reporting.* They do not include all of the information required in Annual Financial Statements in accordance with AIFRS, 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 the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001* (Cth). The Company is a for profit entity for the purposes of preparing its financial statements.

The Interim Financial Statements have been approved and authorised for issue by the Board of Directors on 14 March 2023.

c) Significant accounting Policies

The Group has adopted all the amendments to the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the period beginning 1 July 2022. The adoption of all of the relevant new and/or revised Australian Accounting Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on either the amounts reported for the current or previous financial years. There are no other changes to policies from the financial year ended 30 June 2022 other than the financial instruments at fair value through other comprehensive income as resulted of the investment in Midwest Lithium Limited (refer to Note 5).

A number of Australian Accounting Standards and Interpretations, along with revisions to the Conceptual Framework for Financial Reporting, have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in the preparation of this financial report.

d) 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.

2. OTHER INCOME

The other income related to management fee the Group earned as the operator of joint venture with Oz-Minerals Limited that recognised upon delivery of the management service.

3. 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:

	6 months to December 2022 #	6 months to December 2021 #
Weighted average number of shares used in basic earnings per share	950,736,983	535,817,677
Weighted average number of shares used in diluted earnings per share	768,426,939	535,817,677
Loss per share – basic and diluted (cents)	0.08	0.10

There were 264,118,881 options, rights and performance shares outstanding at the end of the year (2021: 129,056,201) that have not been taken into account in calculating diluted EPS due to their effect being anti-dilutive.

4. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 $	30 June 2022 $
Opening balance	22,947,079	19,261,092
Expenditure on exploration during the period	3,183,401	3,666,346
Acquisition of projects	259,505	453,000
Impairment expense	-	(1,964)
JV Contributions	(1,662,038)	(431,395)
Exploration expenses	(49,281)	-
Closing balance	24,678,666	22,947,079
Expenditure is capitalised as follows:		
Group owned assets	9,016,827	8,651,382
Joint operations	15,661,839	14,295,697
Total exploration and evaluation expenditure	24,678,666	22,947,079

In the half-year to 31 December 2022, acquisition of projects includes the fair value of share based payments of $250,000 being the value of 17,361,112 shares as the acquisition price for the Murphy Project (EL 32229, EL 31287 and EL32883) in the Northern Territory.

5. OTHER FINANCIAL ASSETS

	31 December 2022 $	30 June 2022 $
Unlisted ordinary shares	798,385	-

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:

Opening fair value	-	-
Additions – Consideration for 819,673 shares	798,385	-
Disposals	-	-
Closing fair value	798,385	-

During the period the Group invested 5% stake into Midwest Lithium AG, a US-based mining entity operating as a lithium and battery metals explorer in the Black Hills region of South Dakota, USA.

All financial assets designated at fair value through other comprehensive income utilise level 3.

Accounting policy

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity instruments as equity instruments designed at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its unlisted entity investments under this category.

Impairment of financial assets

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

> Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
> Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
> Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The fair value of unlisted investments has been valued with reference to unobservable market data (Level 3).

Significant unobservable inputs

Latest traded price of the unlisted investment.

5. OTHER FINANCIAL ASSETS (CONT')

Sensitivity analysis

The fair value measure of the unlisted investment is sensitive to changes in the unobservable inputs which may result in a significantly higher or lower fair value measurement. The following tables demonstrate the sensitivity to a reasonably possible change in significant unobservable inputs, with all other variables held constant.

Unlisted investment in Midwest Lithium	31 December 2022 $	30 June 2022 $
Increase in traded price by 10%	878,224	-
Decrease in traded price by 10%	718,547	-

6. SHARE CAPITAL

31 December 2022

(a) Issued and paid up capital	Number of shares	31 December 2022 $
Fully paid ordinary shares	1,069,746,192	32,518,964
	1,069,746,192	32,518,964

(b) Movements in fully paid shares	Number	$
Balance as at 1 July 2022	824,283,247	29,365,765
Fair value of shares issued for the acquisition of projects	17,361,112	250,000
Share placement and Share Purchase Plan	225,000,000	2,967,680
Capital raising costs (including fair value of options issued to brokers)	3,101,833	(172,856)
Balance as at 31 December 2022	1,069,746,192	32,410,589

30 June 2022

(a) Issued and paid up capital	Number of shares	30 June 2022 $
Fully paid ordinary shares	824,283,247	29,365,765
	824,283,247	29,365,765

(b) Movements in fully paid shares	Number	$
Balance as at 1 July 2021	447,679,614	23,558,922
Fair value of shares issued for the acquisition of projects	25,243,762	453,000
Share placements, Share Purchase Plan and option exercise	347,534,871	5,568,794
Option and rights exercise (including fair value of options and rights exercised)	3,825,000	127,748
Capital raising costs (including fair value of options issued to brokers)	-	(342,699)
Balance as 30 June 2022	824,283,247	29,365,765

7. RESERVES

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

Reconciliation of reserve	**31 December 2022 $**	**30 June 2022 $**
Opening balance	851,207	1,527,122
Fair value of options issued during the period	-	-
Fair value of options lapsed during the period	(530,107)	(663,001)
Fair value of rights and options issued during the period	330,351	134,548
Fair value of rights exercised during the period	-	(127,748)
Fair value of rights and options forfeited during the period	(13,851)	(25,284)
Movement in foreign currency reserve	29,021	5,570
Closing balance	666,621	851,207

Options reserve	300,717	722,449
Performance rights reserve	314,035	105,910
Foreign currency reserve	51,869	22,848
Total reserves	666,621	851,207

The Group incurs costs in US$ primarily in relation to the 64North Project. The foreign currency reserve recognises movements in currency on translation between A$ and US$.

During the six months to 31 December 2022, 34,897,690 performance rights were issued to officers and employees as remuneration. Of the performance rights issued during the period, 10,500,000 performance rights were cancelled. Additionally, 7,517,690 performance rights were issued as vested director remuneration.

Assumption	**Short-term incentive**	**Share price – Jul-22**	**Share price – Nov-22**
No of performance rights	1,880,000	3,000,000	12,000,000
Valuation methodology	Share price on day of issue	Monte Carlo	Monte Carlo
Share price at grant date	$0.009	$0.009	$0.009
Historic volatility	99.68%	99.68%	111.55%
Risk free interest rate	2.69%	2.69% to 3.01%	3.19%
Expected life of securities (years)	3.9	4.8	5.0
Fair value at grant date	0.90 cents	0.76 to 0.86 cents	0.72 cents

<u>Nature and purpose of reserves</u>
The share option reserve and performance rights reserves are used to recognise the fair value of all options and performance rights.

8. OPERATING SEGMENTS

The Group commenced reporting on segments in the 2019/20 financial year due to significant exploration activities in Alaska. Contributions by business segment based on geographical location are:

1. Northern territory exploration – Wollogorang and Benmara Projects, Australia – copper and cobalt exploration.
2. 64North Project in Alaska, USA – gold exploration.
3. Unallocated corporate expenditure.

31 December 2021	Exploration			
	Australia $	USA $	Unallocated $	Total $
Income				
Interest income	-	-	299	299
Other income	-	-	8,171	8,171
Expenses				
Exploration expense	(35,726)	-	-	(35,726)
Impairment expense	-	(1,964)	-	(1,964)
Depreciation	-	-	(11,973)	(11,973)
Total expenses	-	-	(483,661)	(483,661)
Profit / (Loss) before tax	(35,726)	(1,964)	(487,164)	(524,854)
Balance sheet				
Exploration and evaluation	8,605,443	12,447,554	-	21,052,997
All other assets	-	-	2,985,487	2,985,487
Total assets	8,605,443	12,447,554	2,985,487	24,038,484
Total liabilities	164,592	933	415,171	580,696
Net assets	8,440,851	12,446,621	2,570,316	23,457,788

31 December 2022	Exploration			
	Australia $	USA $	Unallocated $	Total $
Income				
Interest income	-	-	18,240	18,240
Other income	-	-	318,313	318,313
Expenses				
Exploration expense	(140,121)	-	-	(140,121)
Impairment expense	-	-	-	-
Depreciation	-	-	(15,975)	(15,975)
Total expenses	-	-	(918,452)	(918,452)
Profit / (Loss) before tax	(140,121)	-	(597,874)	(737,995)
Balance sheet				
Exploration and evaluation	9,016,827	15,661,839	-	24,678,666
All other assets	-	-	3,359,444	3,359,444
Total assets	9,016,827	15,661,839	3,359,444	28,038,110
Total liabilities	40,867	-	465,408	506,275
Net assets	8,975,960	15,661,839	2,894,036	27,531,835

9. COMMITMENTS AND CONTINGENT LIABILITIES

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 funds.
The Group's exploration commitments are related to the Carrara Range and the George projects

	31 December 2022 $	30 June 2022 $
Within one year	248,860	151,000
Within two years to five years	1,305,000	644,000
Total	1,553,860	795,000

The Group Leases office space for the purposes of running of operations. The lease agreement has a two-year lease period commitment.

	31 December 2022 $	30 June 2022 $
Within one year	31,250	-
Within two years to five years	14,580	-
Total	45,830	-

The Group has no contingent liabilities at reporting date.

10. 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 during the reporting period and no vesting conditions were met during the reporting period. Each performance share is convertible into one ordinary share upon vesting.

All performance shares lapsed in September 2022 in accordance with the terms of the securities.

The milestones associated with each class of Performance Share are listed below.

(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**).

10. PERFORMANCE SHARES (CONT')

(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**).

11. GOING CONCERN BASIS OF ACCOUNTING

The interim financial report has been prepared on the basis of a going concern. During the six months ended 31 December 2022 the consolidated group recorded a net cash outflow from operating and investing activities of $2,906,067 and an operating loss of $737,995. 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 or 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 have an appropriate plan to meet conditions.

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.

12. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

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

On 23 January 2023, 4,145,300 rights lapsed as performance conditions were not met and a further 1,000,000 vested rights were issued as remuneration.

On 25 January 2023, the Group issued 10,000,000 shares and paid US$100,000 to Millrock Resources as consideration (51% earn-in) for the 64North Project in Alaska.

On 13 March 2023, the Company announced that OZ Minerals has elected to withdraw from the next stage of the Wollogorang Project (Northern Territory) earn-in agreement after meeting the Initial Stage expenditure of $1.6m.

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 31 December 2022 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard 134 *Interim Financial Reporting*; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts when they become due and payable.

Signed in accordance with a resolution of the Directors:

Duncan Chessell
Non-executive Chairman

Adelaide
14 March 2023

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Independent Auditor's Review Report

To the Members of Resolution Minerals Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Resolution Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and 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, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Resolution Minerals Ltd does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Resolution Minerals Ltd'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 the *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 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 (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.

Material uncertainty related to going concern

We draw attention to Note 11 in the financial report, which indicates that the Group incurred a net loss of $737,995 during the half year ended 31 December 2022 and, as of that date, the Group recorded a net cash outflow from operating and investing activities of $2,906,067. As stated in Note 11, these events or conditions, along with other matters as set forth in Note 11, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Group 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group'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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Ian Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 14 March 2023