



# **Rincon Resources Limited**

**ABN 54 628 003 538**

**Half-Year Financial Report**  
**for the half-year ended 31 December 2020**

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Rincon Resources Limited is an Australian public 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.rinconoresources.com.au](http://www.rinconoresources.com.au)

**DIRECTORS**

Mr Geoffrey McNamara  
(Executive Chairman)

Mr Zeffron Reeves  
(Non-Executive Director)

Mr Blair Sergeant  
(Non-Executive Director)

Mr Ed Mason  
(Non-Executive Director)

**COMPANY SECRETARY**

Mr Zane Lewis

**REGISTERED OFFICE**

Suite 1  
295 Rokeby Road  
SUBIACO WA 6008

**AUDITORS**

RSM Australia Partners  
Level 32 Exchange Tower  
2 The Esplanade  
PERTH WA 6000

The Directors present their report, together with the financial statements, of Rincon Resources Limited and the entities it controlled (referred to hereafter as the "consolidated entity" or "the Group") at the end of, or during, the half-year ended 31 December 2020 ("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:

Geoffrey McNamara –Executive Chairman (*appointed as Executive Chairman 8 September 2020*)

Zeffron Reeves – Non-Executive Director

Blair Sergeant – Non-Executive Director (*appointed 18 August 2020*)

Ed Mason – Non-Executive Director (*appointed 1 November 2020*)

Shannon Coates – Non-Executive Director (*resigned 31 October 2020*)

### **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 2020, amounted to \$724,115 (2019: \$119,915 profit).

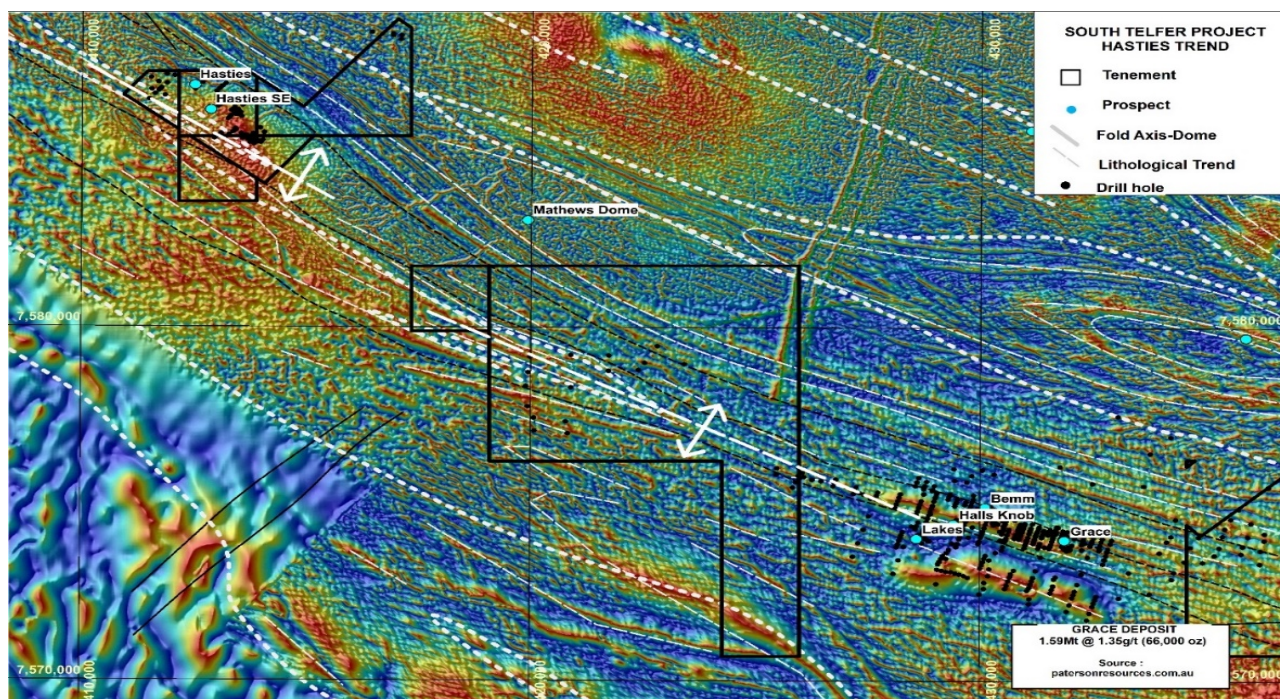
### **Review of operations**

Rincon has a 100% interest in three highly prospective copper and gold projects in Western Australia, the South Telfer, Laverton and Kiwirrkurra Projects. Each project has been subject to historical exploration which has identified large outcropping mineralised systems.

### **SOUTH TELFER PROJECT**

During the past 12 months, the Company completed the acquisition of 100% of the South Telfer Project and has been preparing for field activities, which includes:

- Review of available geological and historical exploration data to aid in targeting;
- Submission of Work Programmes for drilling and Heritage clearances;
- Acquisition of regional magnetics, gravity and radiometrics (refer Figures 1 & 2);
- 3D geological modelling over the Hasties prospect to aid in drill planning; and
- Planning of ground and airborne geophysical programmes at various target areas.



**Figure 1: South East Extension of interpreted Mineralised Trend outlining Fold Structure.**

Subsequent to the end of the half-year ended 31 December 2020, the Company announced on Monday 15th February, that Photo-geology mapping and targeting was completed over the north west portion of the South Telfer Project. This work resulted in eighteen (18) targets being identified with seven (7) ranked as high priority, refer Figure 3.

New targets have been classified according to four criteria characterised by the known mineralisation styles in the Telfer area, refer Table 1.

**Table 1: Classification Criteria**

Target-Style	Comments
T	Dark surficial tonal areas/Fe-rich soils
G	Possible gossan or Fe-rich outcrop/subcrop
S	Fold Structures or domes
F	Possible thrusting between Isdell & Telfer Formations, possible fluid pathway to upper Isdell units



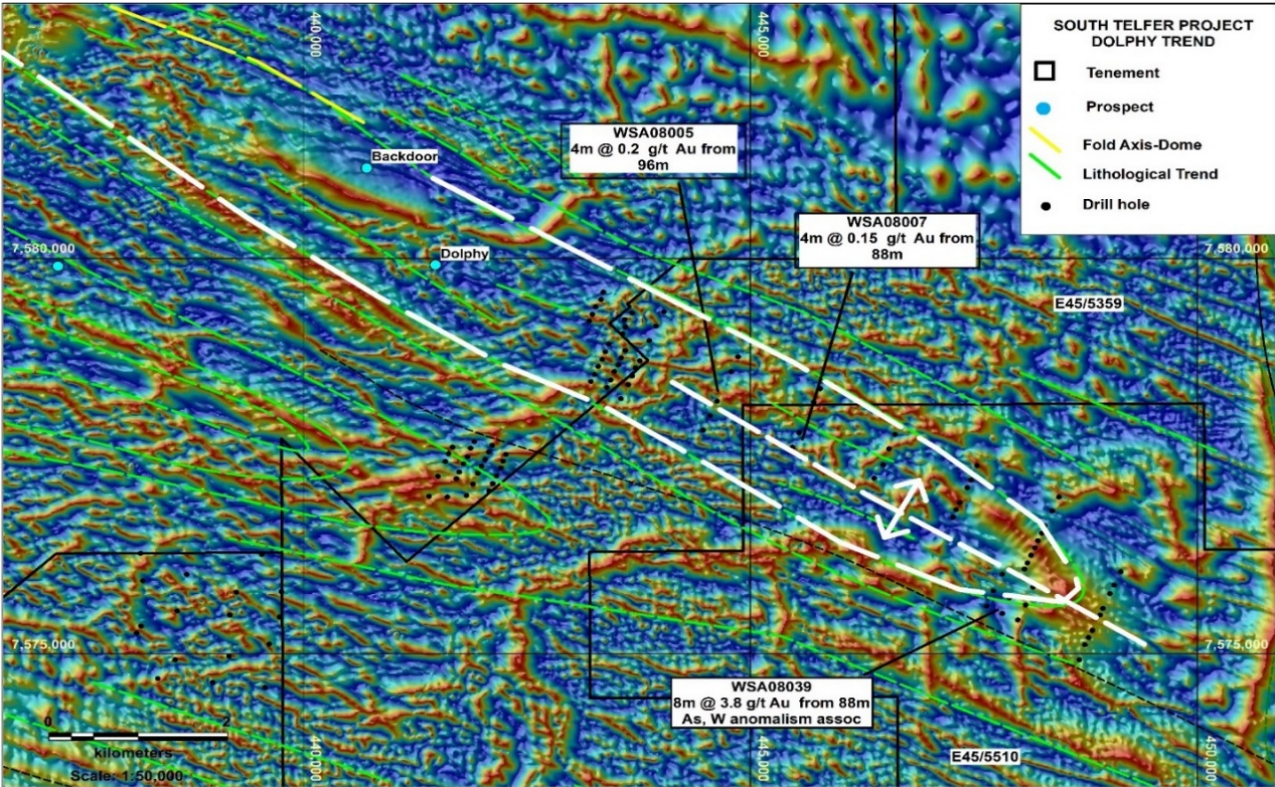


Figure 2: Interpreted domal Structure Identified in Magnetics Coincident with Drilled Gold Anomaly at Westin Prospect.

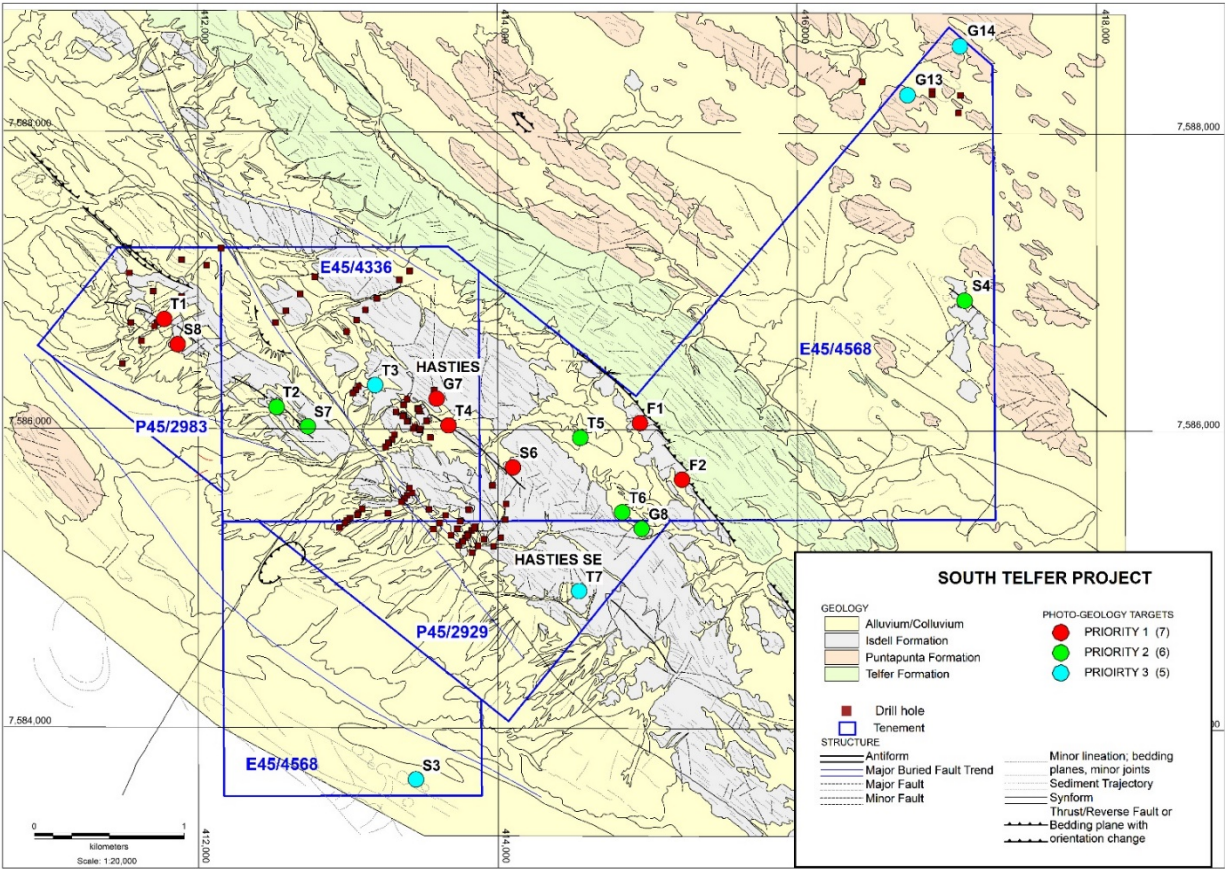


Figure 3: Photo-geology interpretation showing targets.



The Company also announced on Monday 15 February 2021, that it has engaged UTS Geophysics in Perth to complete a 200m line spaced airborne VTEM survey of 1,100 line kms to be flown over priority targets, refer Figure 4.

Priority targets include:

- Westin, where historical drilling returned a peak intercept of 8m @ 3.85g/t Au from 84m in WSA08039 (aircore hole), suggesting an east-southeast trend of elevated gold anomalism from the Trotmans Stockwork (outside of Rincon's tenure) and Dolphy areas, parallel with stratigraphy and interpreted; and
- Along strike from Paterson Resources' Limited (ASX:PSL) Grace Gold Deposit within the interpreted mineralised trend running north-west and south-east.

Timing for the commencement of the regional survey is being finalised but is currently scheduled for late April 2021, subject to contractor availability.

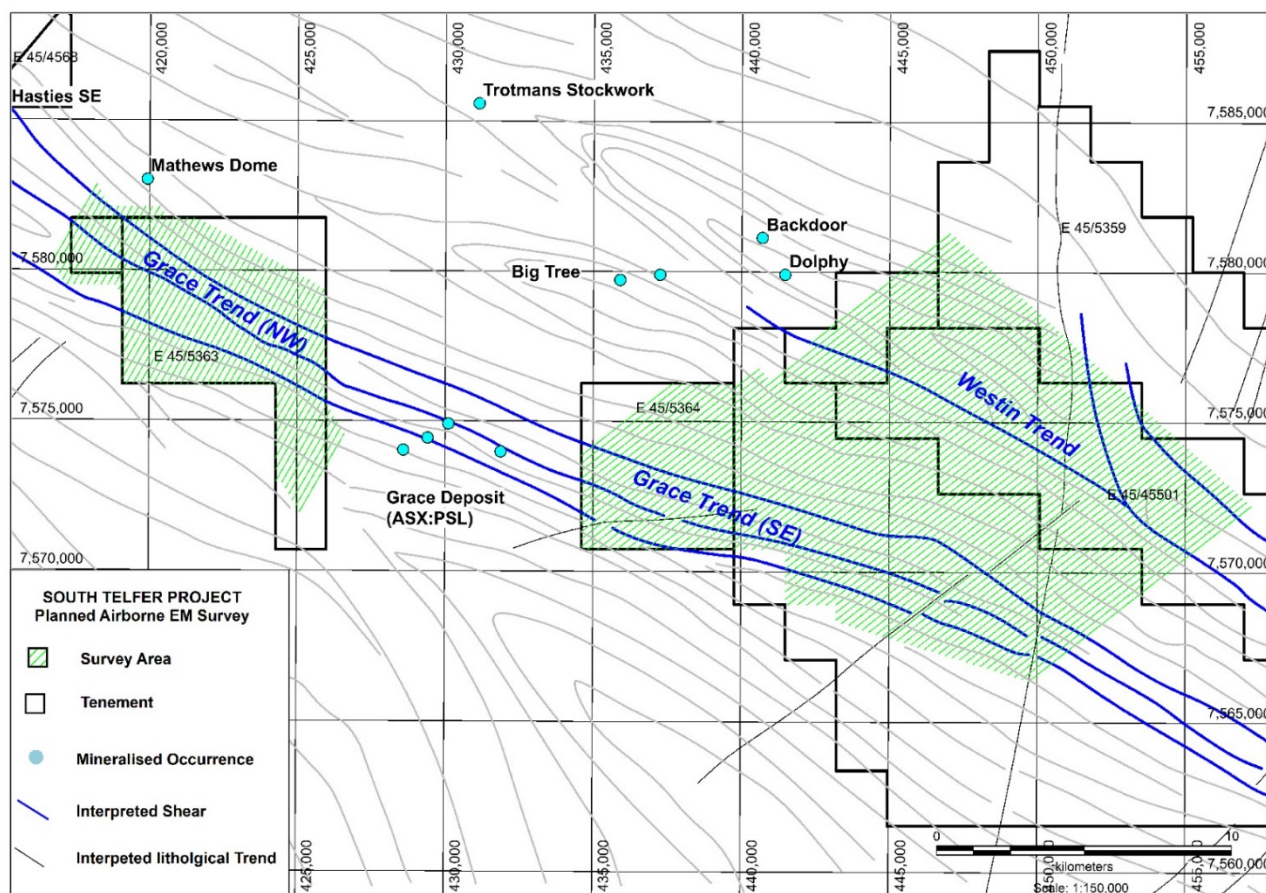


Figure 4: Proposed airborne EM survey area.

## LAVERTON PROJECT

During the past 12 months, the Company finalised the acquisition of 100% of the Laverton project and also completed geochemical sampling over priority target areas.

In November 2020, the Company completed a wide spaced, first pass soil sampling programme over several target areas at the Laverton Gold Project. A total of 770 samples were collected 100m x 200m and 200m x 50m grids, with approximately 300-400 grams of sieved (to -2.0 mm) material collected and submitted to On Site Laboratory Services for analysis of gold and selected pathfinder elements (As, Sb, Bi, Co, Cu, Ni, Pb, Sb, Te, Zn and Ag) to ppm levels, refer Figure 5.

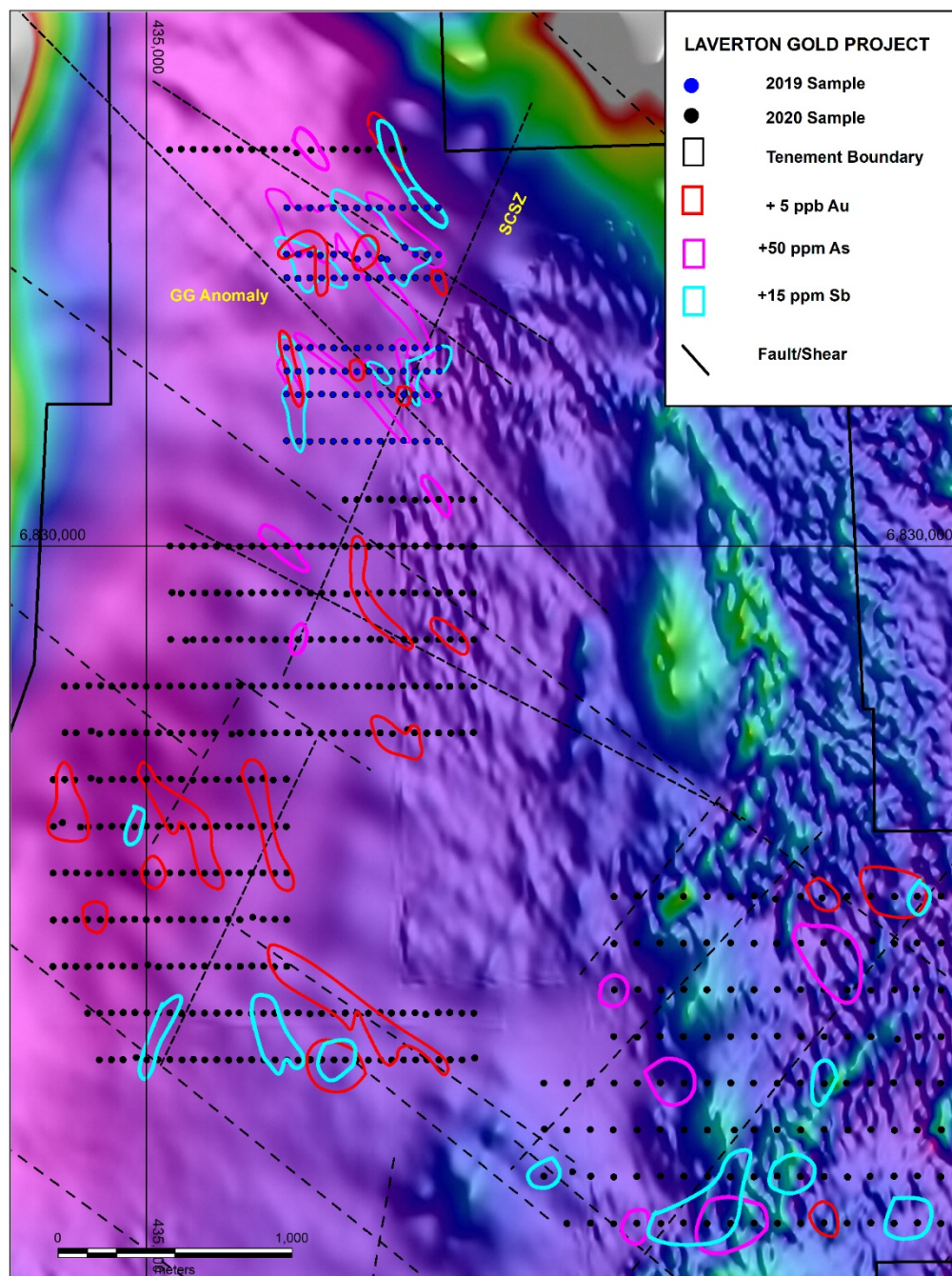


Figure 5: Laverton Gold Project surface geochemistry showing soil sample locations and geochemical anomalies from December 2020 sampling programme in northern area, on magnetics Total Magnetic Intensity-Reduced to Pole Image.



Assay results have extended the previously identified GG anomaly with coincident anomalous Au, As and Sb anomalies, correlating with interpreted position of cross cutting north-west trending faults interacting with the Sunshine-Corio Shear Zone (SCSZ). The GG anomaly was extended along the north-west interpreted trend and remains open to the north-west.

Extensional sampling was completed south of the GG anomaly targeting the SCSZ, more particularly where it is intersected by north-west interpreted cross faulting. This structural setting is analogous to the GG anomaly. Elsewhere in the region, these north-west structures have a strong association with gold mineralisation.

At +5 ppb Au, a number of anomalies proximal to this interpreted favourable structural setting were identified, and further infill soil sampling is planned to better define these areas, refer Figure 5. Infill sampling is planned in Q1 2021 at several areas.

A drilling contractor has been engaged and scheduled to commence an initial 5,000m drilling programme following Native Title Heritage Clearance Surveys which are scheduled for late Q1 2021.

The initial drill programme will test the newly defined GG anomaly and follow up previous historic drill results as detailed in Figure 6.

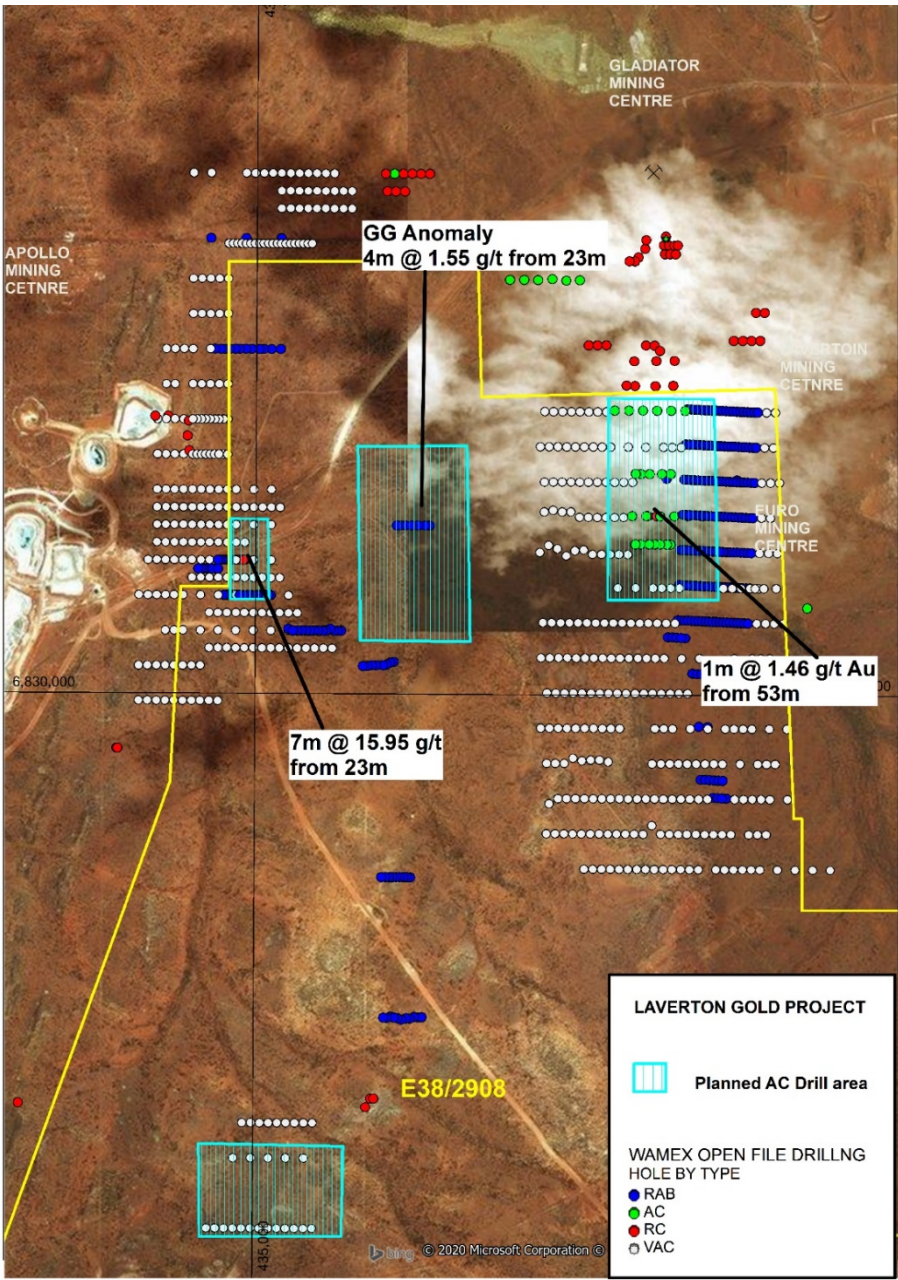


Figure 6: Laverton Gold Project - proposed drilling locations highlighted in light blue

## **KIWIRRKURRA PROJECT**

Target generation commenced with an initial historical geophysical data review. Historical gravity and TEMPEST electromagnetic datasets have been located over parts of the project area. These have been acquired and are being reprocessed to assist interpretation and target generation.

### **Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Lyle Thorne (B App Sc (Hons) Geology)). Mr Thorne is a member of the AusIMM and a consultant to and shareholder of the Company. Mr Thorne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thorne consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

### **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 priority.

### **Corporate Activities**

During the half-year ended 31 December 2020 the Company issued a total of 44,444,132 fully paid ordinary shares as follows:

- 903,614 shares in consideration for director fees;
- 3,913,614 shares for conversion of loan with Tanamera Resources Pte Ltd;
- 951,807 shares for conversion of loans held by the Company' wholly owned subsidiary, Lyza Mining Pty Ltd;
- 937,952 shares in consideration of capital raising fees;
- 2,857,143 shares for conversion of convertible note;
- 3,650,000 shares upon exercise of options expiring 23 July 2023 at \$0.0166 per share;
- 30,000,000 shares in Initial Public Offering (IPO) at \$0.20 per share raising \$6,000,000 before costs; and
- 1,230,000 shares to joint lead managers.

On 23 November 2020, the Company completed a consolidation of capital on a 4.5 to 1 basis. The number of the Company's shares on issue was reduced from 61,198,248 existing shares to 13,599,611 shares;



**Significant changes in the state of affairs**

On 15 December 2020, the Company completed the acquisition of 100% of the issued capital of Holding Tenements Pty Ltd, owner of the Laverton Project.

Rincon successful listed on the Australian Securities Exchange (ASX) on 21 December 2020, following a successful Initial Public Offer (IPO) which raised \$6 million (before costs).

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

**Events after the reporting date**

On 22 January 2021, the Company announced soil sampling results at its Laverton Gold Project.

On 15 February 2021, the Company announced an update on the exploration activities at its Laverton and South Telfer Projects located in Western Australia.

As the impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

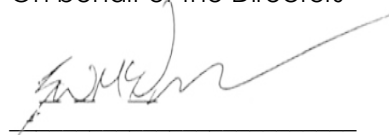
Other than as discussed above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

**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 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Geoffrey McNamara  
Executive Chairman  
11 March 2021

**RSM Australia Partners**

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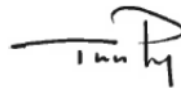
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Rincon Resources Limited for the half-year ended 31 December 2020, 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: 11 March 2021

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**AUDIT | TAX | CONSULTING**

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**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

		<b>Consolidated</b>	
		<b>Half-Year ended 31 December 2020 \$</b>	<b>Half-Year ended 31 December 2019 \$</b>
Interest income		218	-
Other revenue		-	100,000
Gain on disposal of liability		-	100,000
Administration expenses		(13,505)	(7,217)
Consultancy expenses		(474,803)	(4,490)
Corporate and compliance expenses		(168,355)	(19,507)
Exploration expenses		(1,420)	(160)
Employee related expenses		(66,250)	(45,000)
Interest and finance		-	(3,711)
<b>(Loss)/profit before income tax</b>		<b>(724,115)</b>	<b>119,915</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>(Loss)/profit after tax</b>		<b>(724,115)</b>	<b>119,915</b>
<b>Total comprehensive (loss)/profit for the period</b>		<b>(724,115)</b>	<b>119,915</b>
Basic (loss)/profit per share	5	(1.35)	0.53
Fully diluted (loss)/profit per share	5	(1.35)	0.53

*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 2020**

Consolidated			
	Note	As at 31 December 2020 \$	As at 30 June 2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,019,429	235,329
Other receivables		50,932	12,742
<b>TOTAL CURRENT ASSETS</b>		<b>6,070,361</b>	<b>248,071</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation	2	730,296	571,746
<b>TOTAL NON-CURRENT ASSETS</b>		<b>730,296</b>	<b>571,746</b>
<b>TOTAL ASSETS</b>		<b>6,800,657</b>	<b>819,817</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		274,758	226,765
Borrowings	3	-	80,766
<b>TOTAL CURRENT LIABILITIES</b>		<b>274,758</b>	<b>307,531</b>
<b>TOTAL LIABILITIES</b>		<b>274,758</b>	<b>307,531</b>
<b>NET ASSETS</b>		<b>6,525,899</b>	<b>512,286</b>
<b>EQUITY</b>			
Issued capital	4	7,201,541	775,523
Accumulated losses		(675,642)	(263,237)
<b>TOTAL EQUITY</b>		<b>6,525,899</b>	<b>512,286</b>

*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 2020**

<b>CONSOLIDATED</b>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2020</b>	<b>775,523</b>	<b>-</b>	<b>(263,237)</b>	<b>512,286</b>
Loss for the period	-	-	(724,115)	(724,115)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(724,115)</b>	<b>(724,115)</b>
Share issue in lieu of director's fees	15,000	-	-	15,000
Share issue in lieu of capital raising fee	15,570	-	-	15,570
Share issue in lieu of facilitation fee	246,000	-	-	246,000
Share issue on conversion of partial loan	80,766	-	-	80,766
Share issue on conversion of convertible note	400,000	-	-	400,000
Share issue on option exercise	199,200	-	-	199,200
Option issue (Note 7)	-	311,710	-	311,710
Exercise of options (Note 7)	-	(311,710)	311,710	-
Initial public offering	6,000,000	-	-	6,000,000
Cost of share issues	(530,518)	-	-	(530,518)
<b>Balance at 31 December 2020</b>	<b>7,201,541</b>	<b>-</b>	<b>(675,642)</b>	<b>6,525,899</b>

<b>Balance at 1 July 2019</b>	<b>293,636</b>	<b>-</b>	<b>(275,778)</b>	<b>17,858</b>
Profit for the period	-	-	119,915	119,915
<b>Total comprehensive profit for the period</b>	<b>-</b>	<b>-</b>	<b>119,915</b>	<b>119,915</b>
Share based payments	10,000	-	-	10,000
Conversion of partial loan	150,000	-	-	150,000
Share buy-back	(245,000)	-	-	(245,000)
Share based payments	260,000	-	-	260,000
<b>Balance at 31 December 2019</b>	<b>468,636</b>	<b>-</b>	<b>(155,863)</b>	<b>312,773</b>

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

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Half-Year ended 31 December 2020 \$	Half-Year ended 31 December 2019 \$
<b>Cash flows from operating activities</b>		
Interest revenue	218	-
Other revenue	-	100,000
Payments to suppliers and employees	(553,735)	(38,129)
<b>Net cash flows (used in)/ provided by operating activities</b>	<b>(553,517)</b>	<b>61,871</b>
<b>Cash flows from investing activities</b>		
Acquisition of exploration and evaluation projects	(25,000)	-
Payments for exploration and evaluation	(113,394)	(57,124)
<b>Net cash flows used in investing activities</b>	<b>(138,394)</b>	<b>(57,124)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares - IPO	6,000,000	-
Proceeds from exercise of share options	199,200	-
Proceeds from issues of convertible notes	400,000	-
Proceeds from share issue	-	260,000
Share buy-back	-	(245,000)
Repayment of borrowings	-	(5,000)
Proceeds from issues of options	1,200	-
Capital raising costs	(124,389)	-
<b>Net cash flows provided by financing activities</b>	<b>6,476,011</b>	<b>10,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,784,100</b>	<b>14,747</b>
Cash and cash equivalents at beginning of period	235,329	254
<b>Cash and cash equivalents at period end</b>	<b>6,019,429</b>	<b>15,001</b>

*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 condensed 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 2020 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 period except for the impact of the new Standards and Interpretations effective 1 July 2020 disclosed below.

### **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 2020**

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

	As at 31 December 2020 \$	As at 30 June 2020 \$
Costs carried forward in respect of areas of interests:	730,296	571,746
<i>Movement during the period</i>		
Opening balance:	571,746	479,100
Exploration expenditure <sup>1</sup>	133,550	92,646
Acquisition of Laverton tenements <sup>1</sup>	25,000	-
	<b>730,296</b>	<b>571,746</b>

**Note 2. Exploration and evaluation**

<sup>1</sup>On 15 December 2020, the Company acquired 100% issued capital of Holding Tenements Pty Ltd.

The exploration and evaluation assets include an amount of \$144,736 being the identifiable exploration assets acquired upon the acquisition of Holding Tenements Pty Ltd's Laverton Project, refer below:

<i>Purchase consideration:</i>	\$
2,000,000 shares issued at \$0.075 per share	150,000
Cash payments	35,000
Total consideration	<u>185,000</u>
<i>Identifiable assets/(liabilities) acquired:</i>	
Cash	494
Exploration tenements carrying value	39,770
Net asset value	<u>40,264</u>



Consolidated

As at 31 December 2020 \$	As at 30 June 2020 \$
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**Note 3. Borrowings**

Borrowings	-	80,766
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On 30 September 2018 the Company entered into a Loan Agreement with Tanamera Resources Pte Ltd ("Tanamera"), an entity related to director, Geoffrey McNamara, by which Tanamera would make available up to \$100,000 by way of an unsecured loan for a period of 12 months. Repayment of the outstanding amount of the loan in full on the earlier of: (a) date of expiry or (b) date on which the Company has received an aggregate of \$500,000 from equity raising undertaken from execution date. Interest accrues at a rate of 10% per annum on total outstanding principal from the execution date until the drawdown date and 10% per annum on the amount of the loan drawn from the first day after the drawdown date until the repayment date. The Loan Agreement was varied on 12 July 2019 increasing the drawdown amount to \$300,000. On 13 July 2020, the Company issued 3,913,614 fully paid ordinary shares at a deemed value of \$0.0166 per share as repayment of the loan balance. \$nil (30 June 2020: \$7,040) interest expense has been included in the profit or loss for the reporting period.

On 4 February 2019, the Company acquired 100% issued capital of Lyza Mining Pty Ltd. In accordance with the acquisition agreement the Company acquired \$15,800 of borrowing liabilities of Lyza Mining Pty Ltd. The borrowings are unsecured with interest free and payable upon demand.

On 13 July 2020, the Company issued 951,807 shares at a deemed value of \$0.0166 per share as settlement of the borrowing liabilities.



**Note 4. Issued capital**

	31 December 2020 \$	30 June 2020 \$
51,336,756 (30 June 2020: 54,491,261) fully paid ordinary shares on issue	7,201,541	775,523
	<b>30 June 2020 Number</b>	<b>30 June 2020 \$</b>
Balance at 1 July 2019	19,000,000	293,636
<i>Movement in ordinary shares on issue</i>		
Shares issued to accrued expenses for consultant fees	840,336	100,000
Shares issued in lieu of capital raising fees @ \$0.0166 per share	616,265	10,230
Shares issued in lieu of accrued payables @ \$0.119 per share	84,033	10,000
Share issue on conversion of partial loan	2,000,000	150,000
Share issue for exclusivity fee @ \$0.0166 per share	3,012,047	50,000
Share issue as capital raising @ \$0.0166 per share	32,528,916	539,980
Lead Manager Mandate purchase @ \$0.0010 per share	250,000	250
Share buy-back @ \$0.0833 per share	(3,000,000)	(250,000)
Cancellations of shares issued to consultants	(840,336)	(100,000)
Cost of share issues	-	(28,573)
<b>At 30 June 2020</b>	<b>54,491,261</b>	<b>775,523</b>
	<b>31 December 2020 Number</b>	<b>31 December 2020 \$</b>
Balance at 1 July 2020	54,491,261	775,523
<i>Movement in ordinary shares on issue</i>		
Shares issued in lieu of director fees @ \$0.0166 per share <sup>1</sup>	903,614	15,000
Shares issued on conversion of Lyza Mining Pty Ltd borrowings <sup>1</sup>	951,807	15,800
Shares issued on conversion Tanamera Pte borrowings <sup>1</sup>	3,913,614	64,966
Shares issued in lieu of capital raising fees <sup>1</sup>	937,952	15,570
Shares issued on conversion of convertible loan <sup>1</sup>	2,857,143	400,000
Consolidation of capital on a 4.5 to 1 basis	(47,598,635)	-
Shares issued on exercise of options expiring 23 July 2023 @ \$0.0166	3,650,000	199,200
Initial Public Offering	30,000,000	6,000,000
Shares issued to Lead Manager	1,230,000	246,000
Cost of share issues	-	(530,518)
<b>At 31 December 2020</b>	<b>51,336,756</b>	<b>7,201,541</b>

1. Refer note 6 for details.





**Note 4. Issued capital (cont.)**

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

<b>31 December 2020</b>	<b>31 December 2019</b>
<b>\$</b>	<b>\$</b>

**Note 5. Earnings Per Share**

(Loss)/profit used in the calculation of basic and diluted earnings per share	(724,115)	119,915
	<b>Number of Shares</b>	<b>Number of Shares</b>
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted earnings per share:	53,791,031	22,655,513
Basic and diluted (loss)/profit per share (cents per share)	(1.35)	0.53

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.



## Note 6. Share-based payments

During the period the following share-based payments were issued:

	Issue date	Number of shares issued	Value per share	Total value
In lieu of accrued director fees	9 July 2020	903,614	\$0.0166	\$15,000
Conversion of Tanamera Pte borrowing liability	13 July 2020	3,913,614	\$0.0166	\$64,966
Conversion of Lyza Mining Pty Ltd loan liabilities	13 July 2020	951,807	\$0.0166	\$15,800
In lieu of capital raising fees	31 July 2020	937,952	\$0.0166	\$15,570
In lieu of joint lead manager facilitation fee	22 December 2020	1,230,000	\$0.20	\$246,000

## Note 7. Reserves

	As at 31 December 2020 No.	As at 31 December 2020 \$	As at 30 June 2020 No.	As at 30 June 2020 \$
Opening balance	-	-	-	-
Options issued to consultant	12,000,000	311,710	-	-
Consolidation of options on a 1:3.288 basis	(8,350,000)	-	-	-
Exercise of options	(3,650,000)	(311,710)	-	-
Closing balance	-	-	-	-

During the half-year ended 31 December 2020, 12,000,000 options were granted to consultants in lieu of consulting services. On 22 October 2020, these options were consolidated on a 1:3.288 basis. These options were exercised by the consultants during the period.

The total fair value of \$311,710 for options issued to consultants were recognised as consulting fee expense in the statement of profit or loss and other comprehensive income.

The Black-Scholes options pricing model was used to value the options and the following table lists the inputs to the model used for the valuation of the options:

Grant Date	Expiry Date	Exercise Price	Share Price at Grant Date	Expected Volatility	Risk-free Interest Rate	Fair Value per Option
22/10/2020	23/07/2023	0.05457	\$0.14	100%	0.12%	\$0.0854



## **Note 8. Commitments for expenditure**

Exploration commitments

The consolidated entity's exploration commitments are as follows:

	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
Not longer than 1 year	35,295	34,314
Longer than 1 but not longer than 5 years	-	34,680
Longer than 5 years	-	-
	<b>35,295</b>	<b>68,994</b>

Exploration commitments consist of annual rents payable on tenements.

## **Note 9. 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 investments in financial assets are reported in this segment.



**Note 9. Segment Reporting (cont.)**

**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 Company.

*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.

**31 December 2020**

<b>Corporate</b>	<b>Exploration and Evaluation</b>	<b>Total</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>

**(i) Segment performance**

<b>Segment revenue</b>	218	-	218
<b>Segment results</b>	(722,695)	(1,420)	(724,115)

Included within segment results:

• Interest revenue	218	-	218
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<b>Segment assets</b>	6,070,361	730,296	6,800,657
<b>Segment liabilities</b>	(260,062)	(14,696)	(274,758)





**Note 9 Segment Reporting (cont.)**

31 December 2019

**(i) Segment performance**

	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
<b>Segment revenue</b>	200,000	-	200,000
<b>Segment results</b>	120,075	(160)	119,915
Included within segment results:			
• Other revenue	100,000	-	100,000
• Gain on disposal of liability	100,000	-	100,000
<b>Segment assets</b>	51,970	536,224	588,194
<b>Segment liabilities</b>	(212,928)	(62,491)	(275,419)

**(ii) Revenue by geographical region**

There was no revenue attributable to external customers for the half-year ended 31 December 2020 (2019: Nil).

**(iii) Assets by geographical region**

All assets are held in Australia.

**Note 10. Contingent liabilities**

There are no contingent liabilities as at 31 December 2020 (30 June 2020: Nil).

**Note 11. Events after the reporting date**

On 22 January 2021, the Company announced soil sampling results at its Laverton Gold Project.

On 15 February 2021, the Company announced an update on the exploration activities at its Laverton and South Telfer Projects located in Western Australia.

As the impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2020 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, 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 2020 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) of the Corporations Act 2001.



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Mr Geoff McNamara  
Non-Executive Chairman  
11 March 2021

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Rincon Resources Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rincon Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**THE POWER OF BEING UNDERSTOOD**  
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*Independence*

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

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of 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 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 11 March 2021