Red Mountain Mining Limited
ACN 119 568 106

Annual Report for the Year Ended 30 June 2021

Annual Report
For the year ended 30 June 2021

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Corporate Directory

Board of Directors

Mr Jeremy King	(Non-Executive Director)
Mr Lincoln Ho	(Non-Executive Director)
Mr Robert Parton	(Non-Executive Director)

Secretary
Mr Mauro Piccini

Registered Office
Suite 2, Level 1
1 Altona Street
West Perth WA 6005

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 of Red Mountain Mining Limited ("RMX" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Red Mountain Mining Limited and its controlled entities (the "Group") for the financial year ended 30 June 2021.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire period unless otherwise stated.

Jeremy King | Non-Executive Director

Mr King is a corporate lawyer and adviser with over 20 years' experience in domestic and international legal, financial and corporate matters. Mr King is a director of a boutique corporate advisory and compliance business where he specializes in corporate and strategic advice and managing legal issues associated with clients. He spent several years in London where he worked with Allen and Overy LLP and Debevoise & Plimpton LLP and has extensive experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. He regularly advises ASX listed companies on corporate and commercial matters.

During the past three years, Mr King held the following directorships in other ASX listed companies:

- Non-Executive Director ECS Botanics Holdings Ltd (formerly Axxis Technology Group Limited) (current);
- Non-Executive Director of Smart Parking Limited (current);
- Non-Executive Director of Burgundy Diamond Mines Limited (formerly EHR Resources Limited) (current);
- Non-Executive Chairmen of Transcendence Technologies Limited (current);
- Non-Executive Director of Sultan Resources Limited (current);
- Non-Executive Chairman of Aldoro Resources Limited (resigned November 2019);
- Non-Executive Director of Vanadium Resources Limited (formerly Tando Resources Limited) (resigned July 2019);
- Non-Executive Director of DTI Group Limited (resigned January 2019); and
- Non-Executive Chairman of Queensland Pacific Metals Limited (formerly Pure Minerals Limited) (resigned November 2018).

Lincoln Ho | Non-Executive Director

With a background in equities trading for over 8 years, Mr Ho has wide knowledge and experience in corporate restructure, mergers and acquisitions. Mr Ho has the ability to negotiate deals across local & overseas markets, working in conjunction with experienced corporate financiers across the emerging caps space. In particular, Mr Ho has a focus on a network of industry and finance contacts across South-East Asia.

During the past three years Mr Ho has held directorships in the following ASX listed companies:

- Sultan Resources Limited (resigned); and
- Queensland Pacific Metals Limited (formerly Pure Minerals Limited) (resigned).

Rob Parton | Non-Executive Director

Commencing in 1987, Mr Parton spent 20 years providing business analysis and management at companies including BHP, Kraft Foods, Crane Group, Mitre 10 and PDL Electronics (part of the Schneider Electric Group). Since 2006, Mr Parton has been providing corporate advisory services utilising his extensive experience in business management, project evaluation and capital-raising across various sectors including real estate, cleantech, IT and manufacturing. He has been involved in transaction management from sourcing, analysis and due diligence evaluation through to settlement and is a qualified accountant with over 20 years' membership with CPA Australia.

During the past three years Mr Parton has held directorships in the following ASX listed companies:

- Queensland Pacific Metals Limited (formerly Pure Minerals Limited) (resigned).

Directors' Report

COMPANY SECRETARY

Mr Mauro Piccini

Mr Piccini spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mr Piccini is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). Mr Piccini started his career in the Perth office of Ernst and Young (EY) where he spent several years in their assurance division.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares, options and performance rights of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares		Unlisted Share Options	
	Direct interest	*Indirect interest*	*Direct interest*	*Indirect interest*
Mr Jeremy King	-	21,500,000	-	15,000,000
Mr Lincoln Ho	1,000,000	4,000,000	-	10,000,000
Mr Robert Parton	-	-	-	-
Total	**1,000,000**	**25,500,000**	**-**	**25,000,000**

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

REVIEW AND RESULTS OF OPERATIONS

Overview

Exploration activities
MT Maitland Project
On 30 July 2020, RMX completed the acquisition of the Mt Maitland Gold Project.

Located in the prolific Murchison Goldfields, the Mt Maitland Gold Project comprises a 62km2 parcel of tenure. It contains two, distinct north-south mineralised shear zones over a strike length of 19km within an Archean greenstone belt.

On 8 October 2020, The Company announced it had completed the required heritage clearance survey and secured an RC drill rig for its maiden drill programme at Mt Maitland.

On 18 November 2020, RMX announced that it has completed its maiden drill programme. Approximately 1,850m of RC drilling was completed across 27 holes. The programme focused on four primary targets: Mt Maitland South, Lenanphyl, Second Chance South and Jacia.

Initial assays at the Mt Maitland South prospect deliver shallow high grade gold results, including:

- 7m @ 3.3g/t Au from 34m, including 1m @ 12.7 g/t Au from 37m
- 8m @ 1.7g/t Au from 107m, including 1m @ 7.1 g/t Au from 110m

On 13 January 2021, RMX announced that it had begun planning for the second phase of drilling at its 100% owned Mt Maitland Gold and Base Metals Project.

In addition, the Company announced the remaining assay results received from the November 2020 drilling program.

Directors' Report

On 3 March 2021, RMX advised that an IP Geophysical survey has commenced at its 100% owned Mt Maitland Gold Project. The geophysical survey was being conducted at the Maitland South and Jacia Prospects and is aimed at identifying areas of sulfide accumulation potentially related to higher grade gold and base metal mineralization.

On 12 April 2021, RMX reported the results of the completed Induced Polarisation (IP) geophysical survey. The survey identified two priority targets situated below the depth of historic exploration drilling and drilling carried out by RMX in Q4 CY2020.

The survey initially consisted of three 1.6km long E-W orientated survey lines, spaced 400m apart and centered over the Jacia and Mt Maitland South Prospects. Receivers were spaced at 100m along the survey lines. As preliminary results were highly encouraging from the initial three survey lines, a further two infill lines were completed to constrain the chargeable - anomalous zones. The completed survey comprised of five 1.6km long E-W orientated surveys lines, spaced 200m apart.

On 27 May 2021, RMX announced that diamond drilling had commenced. The program consisted of two drill holes (approx. 800m in total) which were designed to test the IP chargeability anomalies associated with the Jacia and Maitland South Prospects.

On 24 June 2021, RMX announced that drilling of the Jacia IP chargeability had been completed with encouraging base metal and gold indications. Occurrences/blebs of chalcopyrite (Cu), Sphalerite (Zn) and Galea (Pb) associated with quartz veining were noted during logging.

In addition, two zones of intercalated, pyrite bearing, Banded Iron Formation (BIF) and amphibolite were intersected during drilling. These zones are prospective for gold mineralisation. BIF related gold mineralisation has previously been observed at the Maitland Project at the Lenanphyl prospect which RMX drilled in late 2020. These two zones, as well as other zones of interest will be assayed and reported upon.

Mt Mansbridge

On 28 October 2020, the Company announced that an agreement had been reached with ARD Group (ARD), the vendors of the Mt Mansbridge heavy rare earths project. Mt Mansbridge Project, consists of three West Australian tenements containing targets prospective for HREE and nickel-cobalt (Transaction). In December 2020 the acquisition was completed; Red Mountain acquired 100% of Mt Mansbridge HREE project in exchange for the issue of 50 million shares at $0.011 each and cash consideration payment of $100,000.

On 25 November 2020, RMX announced the results of its geophysical review of all available magnetic, gravity and radiometric data at the Mt Mansbridge Project area. The review defined existing rare earth element (REE) targets as well as identify several early stage radiometric (potential xenotime) targets for follow up.

On 16 December 2020, RMX advised that it had conducted a fixed wing airborne radiometric survey. The intent of the programme was to further identify unconformity type rare earths targets at Mt Mansbridge which is interpreted to be similar to that at Northern Minerals Limited (ASX: NTU) Dazzler and Iceman heavy rare earth deposits.

On 4 February 2021, the Company announce the results of the completed assessment of the Radiometric data that was acquired in December 2020 at the company's 100% owned Mt Mansbridge HREE Project.

The review highlighted 32 radiometric targets within the ~800km line survey. The targets are analogous to Northern Minerals Ltd.'s (ASX: NTU) unconformity related HREE deposits Dazzler and Iceman. Furthermore, the survey highlighted 'Mt Mainsbridge South', a prospect with known xenotime mineralization.

Furthermore, the Deja Vu prospect identifies potential for NI-CU-CO PGE mineralisation at Mt Mansbridge. Historical drilling returned values up to 0.129% Nickel and a broad zone of highly anomalous Cobalt with values up to 0.34% Co within fresh rock.

On 29 March 2021, RMX announced the results of its completed assessment of the historical geochemical database for the Mt Mansbridge HREE-Xenotime Project. A review identified a 5km long, unconformity related, anomalous area for REE exploration focus – the 'Vader Anomaly'. The review further highlighted the 'Killi-Killi' and 'Kylo' unconformity related rare earth anomalies as priority areas for focused exploration.

Directors' Report

On 22 April 2021, RMX announced that it has been successful in its application for a grant of up to $150,000 under Round 23 of the WA Governments Exploration Incentive Scheme (EIS Grant). The grant will assist in funding RC drilling.

On 17 May 2021, it was announced that exploration field season had commenced. Representatives of the Company completed a site visit with members of the Tjurubalan, the traditional owners of the land. Initial work programs and access to the project area were agreed upon with exploration programs. Initial target definition exploration programs at the project were to consist of surface geochemical (soil) sampling, rock-chipping, mapping, and geophysical surveys to advance the various HREE and Ni-Cu-Co-PGE prospects. These programmes are to assist with target definition for drill testing later in the field season.

On 23 June 2021, RMX announced that soil sampling had commenced. Sampling initially focused upon the three priority Rare Earth Element prospects Killi-Killi, Vader and Kylo, before moving to the second order priority target areas around the project.

Koonenberry Gold Project

During the Sep quarter, the Company advised that the recent application for ELA5980 had been officially granted. The granted tenement is now known as EL8997. EL8997 comprises tenure approximately 350km^2 in size and sits adjacent to Manhattan Corporate's (ASX: MHC) recent high-grade gold discovery (see MHC announcement dated 25/06/2020).
The Company had undertaken preliminary assessment of historic data within EL8997 and notes MHC's recent 5000m RC drilling campaign adjacent to its tenure which is ongoing. A preliminary groundwork exploration programme has been designed for prospective regions within the granted Koonenberry tenement EL8997.

During the December quarter, the Company advised that the application for ELA5996 had formally been granted. The tenures are now known as EL9009.

During the January quarter, the Company advised that land access agreements have been signed and executed by all relevant parties for its 100% owned Koonenberry Gold Project.

Following a review of historical work on its Koonenberry tenure, RMX is announced it was proposing to undertake:

1) Initial project reconnaissance and sampling of and around old mine workings to obtain:
   - Confirmation of presence of gold in structural lineaments;
   - Confirm the paragenesis of primary gold occurrence;
   - Potential evidence of structural complexity in line with historic observations.

2) Conduct a geophysical survey to locate main structures and possibly jogs (through weathering profile) using passive seismic (N-S main structures and possibly E-W trending structures), as Manhattan Corporation (ASX: MHC) project's perpendicular Gum Creek kink breaks have potential advantageous influence in any gold deposition.

During the June quarter, the Company announced that following a review of historical work on its Koonenberry tenure, an initial reconnaissance visit was conducted to confirm historical structural observations and evaluate priority areas for planned geophysical surveys and sampling programmes.

The visit showed historic occurrences were either narrow in general quartz veins within the predominantly NNW striking Jeffrey's Flat "slate" unit or alluvial working, in general proximal to meandering streams on steep dipping slate. Areas with the most visible evidence of historic activities were Evan's Gully (alluvial work) and Gum Vale (structural narrow vein).

All historic gold workings observed are within proximity to the NNE trending schist belt. The northern occurrences tended to be of alluvial nature (Evans Gully and workings north of Evans Gully), while the southern occurrences are vein hosted, predominantly related to quartz veining. It was further observed that the central area of the schist belt seems to contain more sedimentary accumulations, in the central south of RMX's tenure as well within the northern part of Manhattan's tenure. This central low laying area may be attributed to structural weaknesses, possibly acting as conduits for mineralization, covered by younger sediments.

The site visit has confirmed a passive seismic survey would be suitable to yield the best results in relation to identifying deeper mineralised structures.

Directors' Report

Mukabe-Kasari Cobalt-Copper Project, DRC
As announced on 16 September 2020, Johannesburg based geologic consultants Minrom Consulting (**Minrom**) supervised an extensive soil sampling programme at the Company's copper-cobalt project, Mukabe-Kasari. Minrom has concluded that Mukabe-Kasari Copper Cobalt project holds the potential for a stratiform copper mineralised body with potential cobalt mineralisation. The available exploration, geological and mineralisation data propose a similar mineralisation model to that of the world class Kamoa-Kakula Copper Project. The Board continues to assess the prospectivity of this project in light of the work carried out there during 2020.

Batangas Gold Project, Phillippines
During the year, the Company sold 3.8m shares of the Company's shareholding in London listed Blue Bird Merchant Ventures Limited (LON: BMV). Blue Bird is focused on its near-term production gold project in South Korea. At year end, the Company's held 1.7m shares in BMV. The BMV share price as at 30 June 2021 was 4.35 pence.

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

Fund raising activities
On 25 September 2020 the Company received firm commitments for a placement of 114,285,714 shares at a price of $0.007 per share to professional and sophisticated investors to raise $800,000 before costs. One free attaching RMXOI option (exercisable at $0.8 per share, expiring 14 July 2021) was issued for every two placement shares issued to participants.

During the December quarter, the Company announced it had received firm commitments for a $360,000 placement from sophisticated and professional investors. On 20 January 2021, the Company announced it had received firm commitments for a further $400,000 from sophisticated and professional investors.

On 3 June 2021, The Company announced that it has received firm commitments from sophisticated and professional investors ("Noteholders") to raise $800,000 via the issue of unsecured convertible notes ("Convertible Notes") with a face value of $1.00. The Convertible Notes were issued in two tranches, the first tranche raising $500,000 in June 2021 and the second tranche raising $300,000 in July 2021.
The key terms of the notes were as follows:

- **Interest Rate:** 12% per annum. Payable quarterly in cash or shares at the Company's election.
- **Conversion:** Each Convertible Note is convertible into fully paid ordinary shares in the capital of the Company at a 20% discount to the 5 day VWAP. The Noteholders may elect to convert their notes at any time. Should the Company not have placement capacity at the time of conversion, it undertakes to call a shareholder meeting to approve the conversion.
- **Security:** The Convertible Notes are unsecured.
- **Maturity Date:** 24 months from date of issue – any noted unconverted at the Maturity Date shall automatically convert to shares.
- **Attaching Options**: 1 attaching option issued for every 3 shares issued on conversion of each Convertible Note.

On 9 August 2021, the Company announced a total of 65,789,474 fully paid ordinary shares (**Shares**) were issued on conversion of 500,000 convertible notes.

On 18 August 2021, the Company announced a total of 42,857,143 fully paid ordinary shares were issued on conversion of 300,000 convertible notes.

The funds raised from the issue of the Convertible Notes will be used to progress exploration activities across the Company's projects and for general working capital.

Directors' Report

Financial Performance

The financial results of the Group for the year ended 30 June 2021 are:

	30-June-21 $	30-June-20 $
Cash and cash equivalents	**1,731,392**	1,443,884
Net Assets	**2,811,754**	1,834,726
Revenue and other income	**126,660**	51,384
Net loss after tax	**(1,681,989)**	(1,960,519)

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in state of affairs during the financial year.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 6 July 2021, the Company announced that 952 soil samples were recently collected from the three priority Rare Earth Element prospects at Mt Mansbridge: Killi-Killi, Vader and Kylo. Samples were analyzed during collection utilizing a REE calibrated portable XRF with areas of interest immediately infilled by the team. RMX's consulting geochemist identified a subset of samples for further laboratory analysis, the results from the samples submitted to the laboratory were received in August 2021.

On 13 July 2021, the Company announced that drilling was now complete at the Maitland South prospect. Drilling successfully intersected the Maitland South Shear Zone between 266.77m and 281.42m (14.65m width), this zone has now been processed on site and will immediately sent to the laboratory for assay. The shear zone consisted of quartz filled breccias on the margins with strongly silica, sericite, with minor hematite altered schist within the centre of the zone. Disseminations of pyrite were observed throughout the interval.

Drilling of the Jacia IP chargeability anomaly was completed prior to this with encouraging base metal and gold indications. Occurrences/blebs of chalcopyrite (Cu), Sphalerite (Zn) and Galea (Pb) associated with quartz veining were noted during logging. The presence of such minerals within veining does provide encouragement that the Jacia Trend has the potential to host a base metal deposit and therefore warrants further investigation.

In addition, two zones of intercalated, pyrite bearing, Banded Iron Formation (BIF) and amphibolite were intersected during drilling. These zones are prospective for gold mineralisation. BIF related gold mineralisation has previously been observed at the Maitland Project at the Lenanphyl prospect which RMX drilled in late 2020. These two zones, as well as other zones of interest will be assayed and reported upon over the coming month.

On 19 July 2021, the Company announced a total of 98,989,196 fully paid ordinary shares were issued on conversion of quoted options on a 1 for 1 basis.

Directors' Report

On 27 July 2021 the Company announced that it had recently completed a technical review of its Cow Creek Prospect Nickel-Cobalt prospect at its 100% owned Mt Mansbridge Project in Western Australia. The review has highlighted Cow Creek as prospective for mafic-ultramafic intrusive related for Ni-Cu-Co-PGEs.

The Cow Creek Prospect consists of several regionally distinctive, generally north-north-west trending, elongated, magnetic features. The magnetic features sit within a broader ovoid area measuring 7x7km, an area which is ringed by further less intensive magnetic anomalies. The area has been interpreted as a mafic-ultramafic intrusive complex, similar to the complex that hosts the Sally Malay/Savannah Deposit owned by Panoramic Resources.

It is anticipated that several of these anomalies will be drill tested towards the end of the year, and the Company has already begun the permitting process with DMIRS and traditional owners.

On 6 August 2021, the Company issued $300,000 convertible notes.

On 9 August 2021, the Company announced a total of 65,789,474 fully paid ordinary shares were issued on conversion of $500,000 convertible notes.

On 9 August 2021, the Company announced a total of 21,929,825 fully paid ordinary shares were issued on exercise of options at $0.011 expiring 2 October 2022.

On 18 August 2021, the Company announced a total of 42,857,143 fully paid ordinary shares were issued on conversion of $300,000 convertible notes. Out of the total, 14,285,715 fully paid ordinary shares were issued as part of the exercise of convertible notes free attaching options.

On 18 August 2021, the Company announced that soil sampling assay results have been received from the laboratory from the 952-sample survey that was completed earlier in the year at Mt Mansbridge. The survey generated several REE soil anomalies, in particular, two significant anomalies have been defined at the Killi-Killi Prospect by the Company's consulting geochemist. The first soil anomaly is a HREE anomaly and is located on the western end of the Mt Mansbridge inlier. Geologically, the anomaly is located on the prospective unconformable contact between the basement Killi-Killi Formation and the overlying Gardiner Sandstone. The second soil anomaly is a LREE anomaly that was partially defined by previous soil sampling programs. The anomaly has now been defined at a length of 1km and is again located on the prospective unconformable contact.

These two geochemical anomalies identified at the Killi-Killi Prospect, as well as several other prioritized targets previously identified within historical data sets and from radiometric data acquired by the Company will now provide areas of focus for the mapping, rock-chipping and drill targeting program that is underway. This program will define the targets for drill testing. Heritage surveying is scheduled for early September with the members of the Tjurubalan, the Traditional Owners of the land. An RC drilling rig has been secured and is scheduled to commence in mid-September.

On 2 September 2021, the Company announced a total of 32,996,399 free Bonus Options to all parties who exercised their options on the basis of one free (1) Bonus Option for every three (3) exercised options. The bonus option is a quoted option exercisable at $0.011 and expiring on 2 October 2022.

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 the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Directors' Report

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Koonenberry

The Company is currently reviewing data sets at its Koonenberry Project, and is monitoring closely other current and ongoing drilling activities in the region.

Mt Mansbridge

Significant preparation work has been undertaken at Mt Mansbridge, and the Company anticipates drilling in the December quarter.

Mt Maitland

The Company continues to assess the results of the drill campaigns completed at Mt Maitland, and expects to release results of drilling at Mt Maitland South in the near term.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Directors held office are:

Director	Number Eligible to Attend	Number Attended
Mr Jeremy King	2	2
Mr Lincoln Ho	2	2
Mr Robert Parton	2	2

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

Directors' Report

Voting and comments made at the Company's 2020 Annual General Meeting ('AGM')
At the 2020 AGM, 92.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Group during or since the end of the financial year were:

Mr Jeremy King	(Non-Executive Director)
Mr Lincoln Ho	(Non-Executive Director)
Mr Robert Parton	(Non-Executive Director)

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

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

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Service Agreements
F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Loans with KMP
I Other Transactions with KMP
J Additional Information

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

Directors' Report

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than A$500,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The chair's fees are determined independently to the fees of the Non-Executive Director's based on comparative roles in the external market. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive is detailed in Table 1 in "Section D – Details of Remuneration" and their contractual arrangements are disclosed in "Section E – Service Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Group has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

Directors' Report

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Group.

	30-Jun-21	30-Jun-20
Revenue and other income ($)	**126,660**	51,384
Net loss after tax ($)	**(1,681,989)**	(1,960,519)
EPS (cents)	**(0.15)**	(0.23)
Share price ($)	**0.009**	0.005

Relationship between Remuneration and Company Performance
Given the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

a) Fixed Remuneration – Base Salary
b) Variable Remuneration – Short-Term Incentives
c) Variable Remuneration – Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. Bonus payments were made during the financial year.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options are issued at the Board's discretion. Other than options disclosed in section D of the Remuneration Report there have been no options issued to employees at the date of this financial report.

Directors' Report

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Table 1 – Remuneration of KMP of the Group for the year ended 30 June 2021 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2021	$	$	$	$	$	$
Directors						
Mr Jeremy King	**120,000**	**-**	**-**	**11,400**	**116,135**	**247,535**
Mr Lincoln Ho	**60,000**	**-**	**-**	**5,700**	**74,090**	**139,790**
Mr Robert Parton	**24,000**	**-**	**-**	**-**	**5,000**	**29,000**
	204,000	**-**	**-**	**17,100**	**195,225**	**416,325**

Table 2 – Remuneration of KMP of the Group for the year ended 30 June 2020 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other *	Superannuation	Options	
30 June 2020	$	$	$	$	$	$
Directors						
Mr Jeremy King	120,000	-	30,000	11,400	-	161,400
Mr Lincoln Ho	36,000	-	30,000	3,420	-	69,420
Mr Robert Parton	24,000	-	-	-	-	24,000
Total	180,000	-	60,000	14,820	-	254,820

* Relates to cash bonus.

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Table 3 – Relative proportion of fixed vs variable remuneration expense

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
Name	**2021**	2020	**2021**	2020	**2021**	2020
Directors						
Mr Jeremy King	**53%**	81%	**0%**	19%	**47%**	-
Mr Lincoln Ho	**47%**	57%	**0%**	43%	**53%**	-
Mr Robert Parton	**83%**	100%	**0%**	-	**17%**	-

Directors' Report

Table 4 –Performance Rights of KMP (direct and indirect holdings)

30 June 2021	Balance at 01/07/2020	Granted as Remuneration	Lapsed/ Cancelled	Net Change – Other	Balance at 30/06/2021
Directors					
Mr Jeremy King	**13,000,000**	**-**	**(13,000,000)**	**-**	**-**
Mr Lincoln Ho	**6,000,000**	**-**	**(6,000,000)**	**-**	**-**
Mr Robert Parton	**500,000**	**-**	**(500,000)**	**-**	**-**
Total	**19,500,000**	**-**	**(19,500,000)**	**-**	**-**

30 June 2020	Balance at 01/07/2019	Granted as Remuneration	Cancelled	Net Change – Other	Balance at 30/06/2020
Directors					
Mr Jeremy King	**19,000,000**	**-**	**(6,000,000)**	**-**	**13,000,000**
Mr Lincoln Ho	**9,000,000**	**-**	**(3,000,000)**	**-**	**6,000,000**
Mr Robert Parton	**1,000,000**	**-**	**(500,000)**	**-**	**500,000**
Total	**29,000,000**	**-**	**(9,500,000)**	**-**	**19,500,000**

Table 5 – Shareholdings of KMP (direct and indirect holdings)

30 June 2021	Balance at 01/07/2020	Issued as Remuneration	Received during the year on the exercise of options	Net Change – Other*	Balance at 30/06/2021
Directors					
Mr Jeremy King	**13,000,000**	-	-	**3,000,000**	**16,000,000**
Mr Lincoln Ho	**4,000,000**	-	-	**-**	**4,000,000**
Mr Robert Parton	-	-	-	-	**-**
Total	**17,000,000**	**-**	**-**	**3,000,000**	**20,000,000**

*Shares purchased on market

Table 6 – Listed Options of KMP (direct and indirect holdings)

30 June 2021	Balance at 01/07/2020	Issued as Remuneration	Exercise of options	Others[1]	Balance at 30/06/2021
Directors					
Mr Jeremy King	-	4,000,000	-	1,500,000	5,500,000
Mr Lincoln Ho	-	2,000,000	-	-	2,000,000
Mr Robert Parton	-	1,000,000	-	-	1,000,000
Total	**-**	**7,000,000**	**-**	**1,500,000**	**8,500,000**

[1]Free attaching option issued to Director for participation in SPP.

Table 7 – Unlisted Options of KMP (direct and indirect holdings)

30 June 2021	Balance at 01/07/2020	Issued as Remuneration	Exercise of options	Lapsed	Balance at 30/06/2021
Directors					
Mr Jeremy King	-	15,000,000	-	-	15,000,000
Mr Lincoln Ho	-	10,000,000	-	-	10,000,000
Mr Robert Parton	-	-	-	-	-
Total	**-**	**25,000,000**	**-**	**-**	**25,000,000**

Directors' Report

E Service Agreements

- **Jeremy King – Non-Executive Director**
  - Contract: Commenced on 19 July 2016
  - Director's Fee: $120,000 per annum
  - Term: No fixed term

- **Lincoln Ho – Non-Executive Director**
  - Contract: Commenced on 1 July 2016 (Salary revised effective 1 Jul 2020)
  - Director's Fee: $60,000 per annum (2020: $36,000 per annum)
  - Term: No fixed term

- **Robert Parton – Non-Executive Director**
  - Contract: Commenced on 1 July 2016
  - Director's Fee: $24,000 per annum
  - Term: No fixed term

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Options

On 15 September 2020, 7 million listed options, exercisable at $0.008 each on or before 14 July 2021, were granted to directors as part of remuneration. The options vested immediately. The fair value of each option was $0.005, being the listed option price on 15 September 2020.

On 30 November 2020, 25 million unlisted options, exercisable at $0.011 each on or before 2 October 2022, were granted to directors as part of remuneration. The options vested immediately. A Black-Scholes model was used to estimate the fair value of the options. The inputs used in the model to value the options were:

Grant date share price	$0.012
Expected volatility	102%
Dividend yield	0%
Risk free rate	0.09%
Fair value per option	$0.007

At the date of this report, the unissued ordinary shares of the Company under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2021.

Directors' Report

I Other Transactions with KMP

The following transactions occurred with related parties:	2021 $	2020 $
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**187,500**	179,476
Rental income from Mirador Corporate Pty Ltd, an entity related to Mr Jeremy King.	**6,000**	6,000
Rental income from Sultan Resources Ltd, an entity related to Mr Jeremy King.	**30,000**	-
Rental income from Pure Minerals Limited, an entity related to Mr Jeremy King and Mr Lincoln Ho	**-**	22,500

Trade and other payables to related parties:	2021 $	2020 $
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**-**	13,125
Director fees payable to Bushwood Nominees, an entity related to Mr Jeremy King	**-**	10,000

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

J Additional Information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $	2017 $
Sales Revenue	**-**	-	-	-	-
EBITDA	**(1,532,049)**	(1,788,541)	(1,181,316)	(1,377,618)	(27,187,743)
EBIT	**(1,679,523)**	(1,936,015)	(1,181,316)	(1,377,618)	(27,187,743)
Loss after income tax	**(1,681,989)**	(1,960,519)	(1,164,964)	(1,348,989)	(27,187,743)
Share Price ($)	**0.009**	0.005	0.004	0.008	0.024
EPS (cents per share)	**(0.15)**	(0.23)	(0.53)	(0.25)	(2.63)

End of Audited Remuneration Report.

Directors' Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of food faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL REGULATIONS

The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and included within these financial statements.

SHARE UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

96,215,540 unlisted options exercisable at $0.011 each on or before 2 October 2022
35,000,000 unlisted options exercisable at $0.02 each on or before 28 June 2023

SHARE ISSUED ON THE EXERCISE OF OPTIONS

4,000,000 ordinary shares were issued during the year ended 30 June 2021 on the exercise of options granted. 98,989,196 ordinary shares were issued on exercise of options since that date. No amounts are unpaid on any of the shares.

Directors' Report

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 22 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and

- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is signed in accordance with a resolution of Board of Directors.

Jeremy King
Director
30 September 2021

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

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Red Mountain Mining Limited for the year ended 30 June 2021, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 September 2021

TUTU PHONG
Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2021

	Note	**Consolidated 2021 $**	Consolidated 2020 $
Revenue from continuing operations			
Other income	4	**126,660**	51,384
Expenses			
Consultancy costs		**(365,648)**	(257,529)
Depreciation expense		**(147,474)**	(147,474)
Employee benefits expenses		**(341,522)**	(254,837)
Exploration expenditure		**(87,605)**	(291,023)
Finance cost		**(5,411)**	(24,504)
Impairment of exploration and evaluation assets		**-**	(715,828)
Legal fees		**(32,634)**	(55,827)
Fair value (loss)/gain on financial assets at fair value through profit or loss (FVTPL)		**(1,819)**	203,120
Other expenses		**(240,571)**	(166,596)
Professional fees		**(390,740)**	(293,115)
Share-based payment expenses	5	**(195,225)**	(3,260)
Travelling expenses		**-**	(5,030)
Loss from continuing operations before income tax		**(1,681,989)**	(1,960,519)
Income tax expense	6	**-**	-
Loss from continuing operations after income tax		**(1,681,989)**	(1,960,519)
Other comprehensive loss for the year		**-**	(4,041)
Other comprehensive loss for the year, net of tax		**-**	(4,041)
Total comprehensive loss attributable to the members of Red Mountain Mining Limited:		**(1,681,989)**	(1,964,560)
Loss per share for the year attributable to the members Red Mountain Mining Limited:			
Basic loss per share (cents)	7	**(0.15)**	(0.23)
Diluted loss per share (cents)	7	**(0.15)**	(0.23)

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

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	**Consolidated 2021 $**	Consolidated 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**1,731,392**	1,443,884
Trade and other receivables	9	**143,642**	150,275
Financial assets at FVTPL	10	**137,797**	408,436
Total current assets		**2,012,831**	2,002,595
Non-Current assets			
Right of use asset	11	**172,054**	319,528
Exploration and evaluation	13	**1,681,251**	-
Total Non-Current assets		**1,853,305**	319,528
Total assets		**3,866,136**	2,322,123
LIABILITIES			
Current liabilities			
Trade and other payables	12	**375,143**	157,128
Lease liability	14	**154,947**	146,629
Total current liabilities		**530,090**	303,757
Non-Current liabilities			
Lease liability	14	**24,292**	183,640
Convertible notes	15	**500,000**	-
Total Non-Current liabilities		**524,292**	183,640
Total liabilities		**1,054,382**	487,397
Net assets		**2,811,754**	1,834,726
EQUITY			
Contributed equity	16	**44,488,471**	42,303,996
Reserves	17	**11,156,330**	10,694,750
Accumulated losses		**(52,833,047)**	(51,164,020)
Total equity		**2,811,754**	1,834,726

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2021

	Issued Capital $	Accumulated Losses $	Foreign Currency Reserve $	Share-based Payment Reserve $	Other Reserve $	Total $
At 1 July 2020	**42,303,996**	**(51,164,020)**	**4,934,806**	**5,711,257**	**48,687**	**1,834,726**
Loss for the year	-	(1,681,989)	-	-	-	(1,681,989)
Other comprehensive loss for the year	-	-	-	-	-	-
Total comprehensive loss for the year after tax	-	(1,681,989)	-	-	-	(1,681,989)
Transactions with owners in their capacity as owners:						
Issued capital	1,860,000	-	-	-	-	1,860,000
Share issue cost	(340,025)	-	-	227,271	-	(112,754)
Shares issued on exercise of options	32,000	-	-	-	-	32,000
Options issued to directors	-	-	-	195,225	-	195,225
Options issued to consultants	-	-	-	52,046	-	52,046
Acquisition of Mt Mansbridge	550,000	-	-	-	-	550,000
Share issued for investor relations services	82,500	-	-	-	-	82,500
Lapse of performance right	-	12,962	-	(12,962)	-	-
At 30 June 2021	**44,488,471**	**(52,833,047)**	**4,934,806**	**6,172,837**	**48,687**	**2,811,754**
At 1 July 2019	41,645,240	(49,203,501)	4,938,847	5,707,997	48,687	3,137,270
Loss for the year	-	(1,960,519)	-	-	-	(1,960,519)
Other comprehensive loss for the year	-	-	(4,041)	-	-	(4,041)
Total comprehensive loss for the year after tax	-	(1,960,519)	(4,041)	-	-	(1,964,560)
Transactions with owners in their capacity as owners:						
Issued capital (net of costs)	658,756	-	-	-	-	658,756
Performance rights	-	-	-	3,260	-	3,260
At 30 June 2020	42,303,996	(51,164,020)	4,934,806	5,711,257	48,687	1,834,726

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2021

	Note	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		**(1,194,992)**	(1,016,420)
Interest and other finance costs paid		**-**	(21,604)
Other income received		**42,000**	43,500
Interest received		**870**	7,884
Payments made for exploration expenditure		**(87,605)**	(291,023)
Net cash used in operating activities	8(a)	**(1,239,727)**	(1,277,663)
Cash flows from investing activities			
Payments of exploration activities capitalised		**(781,251)**	(69,830)
Payment made to acquire exploration projects		**(350,000)**	-
Purchase of listed investment		**(34,000)**	-
Receipts from sale of listed investments		**386,636**	-
Net cash used in investing activities		**(778,615)**	(69,830)
Cash flows from financing activities			
Proceeds from issue of shares		**1,860,000**	740,000
Share issue costs		**(112,754)**	(81,244)
Proceeds from the exercise of options		**32,000**	-
Proceeds from the issue of convertible notes		**500,000**	-
Application monies received in advance for the exercise of option		**177,660**	-
Repayment of lease liabilities		**(151,030)**	(138,759)
Net cash from financing activities		**2,305,876**	519,997
Net increase/(decrease) in cash and cash equivalents		**287,534**	(827,496)
Effect of exchange rate changes on cash and cash equivalents		**(26)**	(4,041)
Cash and cash equivalents at the beginning of the year		**1,443,884**	2,275,421
Cash and cash equivalents at the end of the year	8	**1,731,392**	1,443,884

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Red Mountain Mining Limited (referred to as "Company" or "parent entity") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 24.

Changes to the Group's accounting policies

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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Comparatives

Comparative balances for the Group are for the financial year, 1 July 2019 to 30 June 2020.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red Mountain Mining Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Red Mountain Mining Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the consolidated entity. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(e) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. Management has determined that based on the report reviewed by the Board and used to make strategic decisions, that the consolidated entity has one reportable segment.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Australian dollars, which is Red Mountain Mining Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Consolidated entity companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position account presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income account are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(g) Revenue Recognition

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(h) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Exploration and evaluation expenditure

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

(j) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(k) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Investments and other financial assets

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 profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(m) Investments and other financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(n) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Group. Trade payables are usually settled within 30 days of recognition.

(p) Employee Benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution plans are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(q) Share-based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(s) Earnings Per Share

Basic earnings per share
Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Goods and Services Tax (“GST”)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables area stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(u) Current and Non-Current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(v) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(w) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021.

The new or amended Accounting Standards and Interpretations are not expected to have a significant impact on the financial statements of the Company.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation expenditure

Exploration and evaluation expenditure have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

NOTE 3 SEGMENT INFORMATION

The Group operates only in one reportable segment being predominately in the area of mineral exploration. The Board considers its business operations in mineral exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

NOTE 4 REVENUE

	2021	2020
	$	$
Revenue		
Interest received	**870**	8,021
Foreign exchange (loss)/gain	**-**	(137)
Income from sale of investments	**83,790**	-
Subleasing income	**42,000**	43,500
	126,660	51,384

Notes to the Consolidated Financial Statements

NOTE 5 SHARE BASED PAYMENTS	2021 $	2020 $
Directors' option – listed options	**35,000**	-
Directors' option - unlisted options	**160,225**	-
Performance rights amortised during the period (Note 17)	**-**	3,260
	195,225	3,260

(i) Listed options

On 15 September 2020, 18 million listed options, with an exercise price of $0.008 and an expiry date of 14 July 2021, were granted. The fair value of each option was $0.005, being the listed option price on 15 September 2020.

Option Holder	Number of options	Value
Lead Manager	7,000,000	$35,000 (1)
Directors		
Jeremy King	4,000,000	$20,000 (2)
Rob Parton	1,000,000	$5,000 (2)
Lincoln Ho	2,000,000	$10,000 (2)
Consultant	4,000,000	$20,000 (3)

(ii) Unlisted options

On 30 November 2020, 60 million unlisted options, with an exercise price of $0.011 and an expiry date of 2 October 2022, were granted. A Black-Scholes model was used to estimate the fair value of the options. The inputs used in the model to value the options were:

Grant date share price	$0.012
Expected volatility	102%
Dividend yield	0%
Risk free rate	0.09%
Fair value per option	%0.007

Option Holder	Number of options	Value
Lead Manager	30,000,000	$192,271 (1)
Directors		
Jeremy King	15,000,000	$96,135 (2)
Lincoln Ho	10,000,000	$64,090 (2)
Consultant	5,000,000	$32,046 (3)

(1) Total of $227,271 included in the Statement of Financial Position as share issue cost.

(2) Total of $195,225 included in the Statement of Profit or Loss and Other Comprehensive Income as share-based payment expense.

(3) Total of $52,046 included in the Statement of Profit or Loss and Other Comprehensive Income as consultancy costs expense.

Notes to the Consolidated Financial Statements

NOTE 6 INCOME TAX

	2021	2020
	$	$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
(Loss) before income tax expense	**(1,681,989)**	(1,960,519)
Prima facie tax benefit on loss before income tax at 30% (2020: 30%)	**(504,597)**	(588,156)
Tax effect of:		
Amounts not deductible in calculating taxable income		
Foreign operations – non-deductible	**4,777**	30,461
Equity based payments	**58,568**	978
Impairment – Mukabe project	**-**	214,748
Other non-assessable	**-**	-
Other non-deductible	**-**	-
	(441,252)	(341,969)
Current year tax assets not recognised	**441,252**	351,943
Income tax expense	**-**	-
(c) The estimated potential deferred tax benefits not brought to account at 30% (2020: 30%)		
Revenue losses- Australia	**(5,148,646)**	(4,338,610)
Capital losses	**(979,134)**	(1,004,271)
Temporary differences - Australia	**189,821**	(209,811)

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

The benefit for tax losses will only be obtained if:

(i) The Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

(iii) There are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2021, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

Notes to the Consolidated Financial Statements

NOTE 7 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2021	2020
	$	$
Net loss for the year	**(1,681,989)**	(1,960,519)
Weighted average number of ordinary shares for basic and diluted loss per share.	**1,151,758,496**	851,438,415

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position. The convertible notes issued during the year were not dilutive, so the calculation excludes the impact of the shares potentially issuable. Consequently, the dilutive earnings per share is equivalent to the basic earnings per share.

Continuing operations		
- Basic and diluted loss per share (cents)	**(0.15)**	(0.23)

NOTE 8 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	**1,622,978**	1,335,763
Short-term deposits	**108,414**	108,121
	1,731,392	1,443,884

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

The Group's exposure to interest rate and credit risks is disclosed in Note 18.

(a) Reconciliation of net loss after tax to net cash outflows from operations

Loss for the financial year	**(1,681,989)**	(1,960,519)
Adjustments for:		
Loss/(gain) on revaluation of financial assets at FVTPL	**1,819**	(203,120)
Depreciation	**147,474**	147,474
Share-based payments	**195,225**	3,260
Impairment of exploration and evaluation assets	**-**	715,828
Income from the sale of investments	**(83,790)**	-
Other non-cash items	**-**	2,026
Changes in assets and liabilities		
Trade and other receivables	**6,633**	78,409
Trade and other payables	**174,901**	(61,021)
Net cash used in operating activities	**(1,239,727)**	(1,277,663)

Notes to the Consolidated Financial Statements

NOTE 9 OTHER RECEIVABLES	2021 $	2020 $
Other receivables - current		
Advances	**44,017**	24,017
Prepayments	**32,387**	89,684
Other	**67,238**	31,824
Lease incentive asset*	**-**	4,750
	143,642	150,275

*Lease incentive relates to office premise and is amortised over the lease term

(a) Allowance for expected credit losses

The Group did not recognise any loss in the profit or loss in respect of the expected credit losses for the year ended 30 June 2021 and 30 June 2020.

NOTE 10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2021 $	2020 $
Financial assets at fair value through profit or loss- current		
144,000 (2020: 144,000) fully paid ordinary shares held in Great Northern Minerals Limited (formerly Greenpower Limited)(i)	**1,584**	2,736
1,700,000 (2020: 5,595,652) fully paid ordinary shares held in Bluebird Merchant Ventures Ltd (LSE: BMV) (ii)	**136,213**	405,700
	137,797	408,436

(i) Includes loss of $1,152 (gain of $336 in 2020).

(ii) 3,895,652 shares were disposed of during the year. Gain of $62,028 from the sale of shares was recognised. Also included is a loss of $667 (gain of $202,784 in 2020).

Net loss on financial instruments revaluation of $1,819 during the year ended 30 June 2021 (2020: net gain on financial instruments revaluation of $203,120).

Refer to note 25 for further information on fair value measurement.

NOTE 11 RIGHT OF USE ASSET	2021 $	2020 $
Office lease - right-of-use	**467,002**	467,002
Less: Accumulated depreciation	**(294,948)**	(147,474)
	172,054	319,528

Notes to the Consolidated Financial Statements

NOTE 12 TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables (i)	**102,049**	131,573
Accrued expenses	**95,434**	20,805
Lease incentive liability (ii)	**-**	4,750
Deposits for the exercise of options (iii)	**177,660**	-
	375,143	157,128

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
(ii) Lease incentive relates to office premises and is amortised over the lease term.
(iii) Deposits from option holders were received in June 2021 for the exercise of options. The options were exercised and the shares issued to the holders in July 2021.

NOTE 13 EXPLORATION AND EVALUATION

	2021 $	2020 $
Opening balance	**-**	645,998
Acquisition of Mt Mansbridge Project (i)	**650,000**	-
Acquisition of Mt Maitland Project (ii)	**250,000**	-
Additions capitalised during the period	**781,251**	69,830
Impairment of exploration and evaluation	**-**	(715,828)
	1,681,251	-

(i) On 8 December 2020, shareholder approval was obtained to grant 50,000,000 as part consideration for acquisition of the Mt Mansbridge Project. The fair value of each share was $0.011, being the share price on the date of approval. In total, $100,000 in cash was paid and 50,000,000 shares at $0.011 per share, totalling $550,000 in shares, was paid to acquire the project.

(ii) On 29 July 2020, the Company acquired a 100% interest in the Mt Maitland Project. $250,000 in cash was paid to acquire the project.

NOTE 14 LEASE LIABILITY

	2021 $	2020 $
Current		
Lease liability	**154,947**	146,629
Non-current		
Lease liability	**24,292**	183,640
	179,239	330,269

Notes to the Consolidated Financial Statements

NOTE 15 CONVERTIBLE NOTES

	2021 $	2020 $
Non-current		
Convertible notes	**500,000**	-
	500,000	**-**
Convertible notes	**160,000**	-
Option to convert	**340,000**	-
	500,000	-

On 21 June 2021, 500,000 convertible notes were issued with a face value of $1 each for an aggregate value of $500,000 and carry an interest rate of 12% per annum. The notes mature at 21 June 2023 and are convertible into ordinary shares at any time during the course of the period at a 20% discount to the 5- day VWAP.

For every 3 shares issued on conversion, the noteholders will also be issued 1 free attaching option, exercisable at $0.011 each on or before 2 October 2022.

The convertible notes have characteristics associated with a financial liability as they have an obligation to make fixed interest payments every quarter of the year in cash or shares at the Company's election. Any note unconverted at the maturity date shall automatically convert to shares. The option is an embedded derivative within the host liability. The option did not meet the requirements of an equity instrument as the option represents an obligation to issue a variable number of shares for a fixed amount of cash.

NOTE 16 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2021		2020	
	No.	**$**	No.	$
Ordinary shares	**1,256,822,489**	**44,488,471**	938,036,775	42,303,996

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

	Number	$
At 1 July 2019	778,036,755	41,645,240
Issue of Shares - $0.005 placement	69,000,000	345,000
Issue of Shares - $0.005 placement	31,000,000	155,000
Issue of Shares - $0.004 placement	60,000,000	240,000
Capital raising costs	-	(81,244)
At 1 July 2020	**938,036,775**	**42,303,996**
Issue of Shares - $0.004 placement	**75,000,000**	**300,000**
Issue of Shares - $0.007 placement	**114,285,714**	**800,000**
Exercise of options - $0.008 per share	**4,000,000**	**32,000**
Acquisition of Mt Mansbridge Project (i)	**50,000,000**	**550,000**
Issue of Shares - $0.012 placement	**30,000,000**	**360,000**
Issue of Shares - $0.010 placement	**40,000,000**	**400,000**
Shares issued for investor relations services (ii)	**5,500,000**	**82,500**
Capital raising costs	-	**(340,025)**
At 30 June 2021	**1,256,822,489**	**44,488,471**

(i) In December 2020, shares were issued as part consideration for the acquisition of the Mt Mansbridge project. Refer to Note 13 for further details.

(ii) On 2 June 2021, 5,500,000 fully paid ordinary shares at $0.015 each were issued for investor relations services rendered.

Notes to the Consolidated Financial Statements

NOTE 17 RESERVES

	2021 $	2020 $
Share-based payments reserve (i)	**6,172,837**	5,711,257
Foreign currency translation reserve (ii)	**4,934,806**	4,934,806
Other reserves (iii)	**48,687**	48,687
Total reserves at the end of the financial year	**11,156,330**	10,694,750

(i) Share-based payment reserve
The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

	2021	2020
Performance rights (1)	**-**	12,962
Options (2)	**6,172,837**	5,698,295
Total	**6,172,837**	5,711,257

1. **Performance rights**

	2021 No.	2021 $	2020 No.	2020 $
Performance rights	-	-	19,500,000	12,962

Movement reconciliation

	No.	$
Performance rights		
At 1 July 2019	29,000,000	9,702
Performance rights amortisation	-	3,260
Lapsed performance rights	(9,500,000)	-
At 30 June 2020	19,500,000	12,962
Performance rights amortisation	-	-
Lapsed performance rights	**(19,500,000)**	**(12,962)**
At 30 June 2021	**-**	**-**

The following performance rights were held by the Company's Directors at the start of the financial year (2020: 29,000,000):

	J King	L Ho	R Parton	Total
Tranche 3*	13,000,000	6,000,000	500,000	19,500,000

*During the year ended 30 June 2021, 19,500,000 (2020: 9,500,000) performance rights lapsed as the condition was not met by 15 May 2021.

There are no voting rights for Performance Rights holders.

Notes to the Consolidated Financial Statements

NOTE 17 RESERVES (CONT.)

2. Options

	2021 No.	2021 $	2020 No.	2020 $
Options over ordinary shares of the Company	**233,642,857**	6,172,837	35,000,000	5,698,295

Movement reconciliation	Weighted Average Exercise price ($)		
Options			
At 30 June 2019	0.017	151,710,653	5,698,295
Lapsed Options – 14 October 2019		(12,500,000)	-
Lapsed Options – 21 November 2019		(67,210,653)	-
Lapsed Options – 13 December 2019		(37,000,000)	-
At 30 June 2020	**0.020**	**35,000,000**	5,698,295
Listed options – free-attaching X = $0.008, Exp 14 July 2021		**124,642,857**	-
Listed options – X = $0.008, Exp 14 July 2021		**18,000,000**	90,000
Exercise of option		**(4,000,000)**	-
Unlisted options – X = $0.011, Exp 2 October 2022		**60,000,000**	384,542
At 30 June 2021	**0.011**	**233,642,857**	6,172,837

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.64 years (2020: 2.99 years).

ii) Foreign currency translation reserve

Movement reconciliation	**2021 $**	2020 $
Balance at the beginning year	**4,934,806**	4,938,847
Movement	**-**	(4,041)
Balance at the end of the financial year	**4,934,806**	4,934,806

iii) Other reserve

Movement reconciliation	**2021 $**	2020 $
Balance at the beginning and end of year	**48,687**	48,687

Notes to the Consolidated Financial Statements

NOTE 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2021	2020
Financial Assets	**$**	$
Cash and cash equivalents	**1,731,392**	1,443,884
Trade and other receivables (less lease incentive asset)	**143,642**	145,525
Financial assets at fair value through profit or loss	**137,797**	408,436
	2,012,831	1,997,845
Financial Liabilities		
Trade and other payables (less lease incentive liability)	**375,143**	152,378
Convertible note	**500,000**	-
	875,143	152,378

(a) Market risk

(i) Foreign exchange risk

The Group manages its currency risks by closely monitoring exchange rate fluctuations.

Foreign currency risk sensitivity analysis

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2021	2020
Cash and cash equivalents	**USD$147**	USD$152
Total foreign currencies	**USD$147**	USD$152
Total converted into AUD	**A$195**	A$221

Notes to the Consolidated Financial Statements

NOTE 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

Based on the financial instruments held at 30 June 2021, had the Australian dollar strengthened/weakened by 10% against the US dollar with all other variables held constant, the Group's post-tax loss for the financial year would have been $19 lower/higher (2020: $22 lower/higher) and equity would have been $19 lower/higher (2020: $22 lower/higher), mainly as a result of foreign exchange losses/gains on translation of US dollar denominated financial instruments as detailed in the above table. Profit or loss is more sensitive to movements in AUD/USD exchange rates. The Group's exposure to other foreign exchange movements is not material.

(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2021		2020	
	Weighted average interest rate [iii]	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	**0.05%**	**1,731,392**	0.52%	1,443,884

(iii) This interest rate represents the average interest rate for the period.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 30 June 2021, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Loss higher/(lower)	
Judgements of reasonably possible movements:	**2021 $**	2020 $
+ 1.0% (100 basis points)	**17,314**	14,439
- 1.0% (100 basis points)	**(17,314)**	(14,439)

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

Notes to the Consolidated Financial Statements

NOTE 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group has $500,000 of convertible notes that are repayable in cash or shares, at the election of the noteholders.

The following are the contractual maturities of the Group's financial liabilities:

	6 months	6-12 months	1-5 years	> 5 years	Total
2021	**$**	**$**	**$**	**$**	**$**
Trade and other payables	**375,143**	**-**	**-**	**-**	**375,143**
Lease liabilities	**77,474**	**77,473**	**24,292**	**-**	**179,239**
Convertible note	**-**	**-**	**500,000**	**-**	**500,000**
	452,617	**77,473**	**524,292**	**-**	**1,054,382**
2020					
Trade and other payables*	152,378	-	-	-	152,378

* less lease incentive liability

(d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Group's development there are no formal targets set for return on capital. There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements. The net equity of the Group is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 19 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2021	2020
	$	$
Short-term benefits	**204,000**	240,017
Post-employment benefits	**17,100**	14,820
Share-based payments	**195,225**	-
	416,325	254,837

Information regarding individual Director's compensation and equity instruments disclosures is provided in the Remuneration Report section of the Directors' Report.

Notes to the Consolidated Financial Statements

NOTE 19 RELATED PARTY DISCLOSURE (CONT.)

(b) Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2021 (30 June 2020: Nil).

(c) Other Transactions with KMP

The following transactions occurred with related parties:	2021 $	2020 $
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**187,500**	179,476
Rental income from Mirador Corporate Pty Ltd, an entity related to Mr Jeremy King.	**6,000**	6,000
Rental income from Sultan Resources Limited, an entity related to Mr Jeremy King.	**30,000**	-
Rental income from Pure Minerals Limited, an entity related to Mr Jeremy King and Mr Lincoln Ho	**-**	22,500

Trade and other payables to related parties:	2021 $	2020 $
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**-**	13,125
Director fees payable to Bushwood Nominees, an entity related to Mr Jeremy King	**-**	10,000

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 20 COMMITMENTS

The Group does not have any material commitment as at 30 June 2021 (2020: $nil).

NOTE 21 CONTINGENCIES

There are no contingent assets or contingent liabilities as at 30 June 2021 (2020: nil).

NOTE 22 AUDITOR'S REMUNERATION

	2021 $	2020 $
Amounts received or due and receivable by RSM Australia for:		
Audit and review of the annual and half-year financial report	**37,000**	26,500
Other services - RSM Australia for:		
- Income tax return	**13,000**	13,000
	50,000	39,500

Notes to the Consolidated Financial Statements

NOTE 23 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest %	
			2021	2020
Unearthed Resources Pty Ltd	Exploration	Australia	**100%**	-

In December 2020, a 100% interest in Unearthed Resources Pty Ltd was acquired. Unearthed Resources is the registered and beneficial holder of the 3 licenses comprising the Mt Mansbridge Project.

NOTE 24 PARENT ENTITY

	2021	2020
	$	$
Assets		
Current assets	**2,012,823**	2,002,595
Non-current assets	**1,577,812**	319,528
Total assets	**3,590,635**	2,322,123
Liabilities		
Current liabilities	**530,090**	303,757
Non-current liabilities	**524,292**	183,640
Total liabilities	**1,054,382**	487,397
Equity		
Contributed equity	**44,488,471**	42,303,996
Reserves	**6,172,837**	5,699,377
Accumulated losses	**(48,125,055)**	(46,168,647)
Total equity	**2,536,253**	1,834,726
Loss for the year	**(1,956,408)**	(1,959,520)
Total comprehensive loss	**(1,956,408)**	(1,959,520)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Notes to the Consolidated Financial Statement

NOTE 25 FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares at fair value through profit or loss	**137,797**	**-**	**-**	**137,797**
Total assets	**137,797**	**-**	**-**	**137,797**
Liabilities				
Convertible notes	**-**	**-**	**500,000**	**500,000**
Total liabilities	**-**	**-**	**500,000**	**500,000**

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares at fair value through profit or loss	408,436	-	-	408,436
Total assets	408,436	-	-	408,436

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

NOTE 26 EVENTS AFTER THE REPORTING DATE

On 6 July 2021, the Company announced that 952 soil samples were recently collected from the three priority Rare Earth Element prospects at Mt Mansbridge: Killi-Killi, Vader and Kylo. Samples were analyzed during collection utilizing a REE calibrated portable XRF with areas of interest immediately infilled by the team. RMX's consulting geochemist identified a subset of samples for further laboratory analysis, the results from the samples submitted to the laboratory were received in August 2021.

On 13 July 2021, the Company announced that drilling was now complete at the Maitland South prospect. Drilling successfully intersected the Maitland South Shear Zone between 266.77m and 281.42m (14.65m width), this zone has now been processed on site and will immediately sent to the laboratory for assay. The shear zone consisted of quartz filled breccias on the margins with strongly silica, sericite, with minor hematite altered schist within the centre of the zone. Disseminations of pyrite were observed throughout the interval.

Drilling of the Jacia IP chargeability anomaly was completed prior to this with encouraging base metal and gold indications. Occurrences/blebs of chalcopyrite (Cu), Sphalerite (Zn) and Galea (Pb) associated with quartz veining were noted during logging. The presence of such minerals within veining does provide encouragement that the Jacia Trend has the potential to host a base metal deposit and therefore warrants further investigation.

In addition, two zones of intercalated, pyrite bearing, Banded Iron Formation (BIF) and amphibolite were intersected during drilling. These zones are prospective for gold mineralisation. BIF related gold mineralisation has previously been observed at the Maitland Project at the Lenanphyl prospect which RMX drilled in late 2020. These two zones, as well as other zones of interest will be assayed and reported upon over the coming month.

Notes to the Consolidated Financial Statement

NOTE 26 EVENTS AFTER THE REPORTING DATE (CONT.)

On 19 July 2021, the Company announced a total of 98,989,196 fully paid ordinary shares were issued on conversion of quoted options on a 1 for 1 basis.

On 27 July 2021 the Company announced that it had recently completed a technical review of its Cow Creek Prospect Nickel-Cobalt prospect at its 100% owned Mt Mansbridge Project in Western Australia. The review has highlighted Cow Creek as prospective for mafic-ultramafic intrusive related for Ni-Cu-Co-PGEs.

The Cow Creek Prospect consists of several regionally distinctive, generally north-north-west trending, elongated, magnetic features. The magnetic features sit within a broader ovoid area measuring 7x7km, an area which is ringed by further less intensive magnetic anomalies. The area has been interpreted as a mafic-ultramafic intrusive complex, similar to the complex that hosts the Sally Malay/Savannah Deposit owned by Panoramic Resources.

It is anticipated that several of these anomalies will be drill tested towards the end of the year, and the Company has already begun the permitting process with DMIRS and traditional owners.

On 6 August 2021, the Company issued $300,000 convertible notes.

On 9 August 2021, the Company announced a total of 65,789,474 fully paid ordinary shares were issued on conversion of $500,000 convertible notes.

On 9 August 2021, the Company announced a total of 21,929,825 fully paid ordinary shares were issued on exercise of options at $0.011 expiring 2 October 2022.

On 18 August 2021, the Company announced a total of 42,857,143 fully paid ordinary shares (Shares) were issued on conversion of $300,000 convertible notes. Out of the total, 14,285,715 fully paid ordinary shares were issued as part of the exercise of convertible notes free attaching options.

On 18 August 2021, the Company announced that soil sampling assay results have been received from the laboratory from the 952-sample survey that was completed earlier in the year at Mt Mansbridge. The survey generated several REE soil anomalies, in particular, two significant anomalies have been defined at the Killi-Killi Prospect by the Company's consulting geochemist. The first soil anomaly is a HREE anomaly and is located on the western end of the Mt Mansbridge inlier. Geologically, the anomaly is located on the prospective unconformable contact between the basement Killi-Killi Formation and the overlying Gardiner Sandstone. The second soil anomaly is a LREE anomaly that was partially defined by previous soil sampling programs. The anomaly has now been defined at a length of 1km and is again located on the prospective unconformable contact.

These two geochemical anomalies identified at the Killi-Killi Prospect, as well as several other prioritized targets previously identified within historical data sets and from radiometric data acquired by the Company will now provide areas of focus for the mapping, rock-chipping and drill targeting program that is underway. This program will define the targets for drill testing. Heritage surveying is scheduled for early September with the members of the Tjurubalan, the Traditional Owners of the land. An RC drilling rig has been secured and is scheduled to commence in mid-September.

On 2 September 2021, the Company announced a total of 32,996,399 free Bonus Options to all parties who exercised their options on the basis of one free (1) Bonus Option for every three (3) exercised options. The bonus option is a quoted option exercisable at $0.011 and expiring on 2 October 2022.

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 the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Directors' Declaration

In the Directors' opinion:

a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date.

b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.

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

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Jeremy King
Director

30 September 2021

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RED MOUNTAIN MINING LIMITED

Opinion

We have audited the financial report of Red Mountain Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Exploration and Evaluation Expenditure
Refer to Note 13 in the financial statements</td></tr>
<tr><td>The Group has capitalised exploration and evaluation expenditure with a carrying value of $1,681,251 as at 30 June 2021.

We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:

• Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest;
• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and
• Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.</td><td>Our audit procedures included:

• Ensuring that the right to tenure of each area of interest is current;
• Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest;
• Assessing and evaluating management's assessment that no indicators of impairment existed as at 30 June 2021;
• Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and
• Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future.</td></tr>
<tr><td colspan="2">Acquisition of Exploration and Evaluation
Refer to Note 13 in the financial statements</td></tr>
<tr><td>During the year, the Company acquired multiple tenements. The terms of the agreements involved the transfer of cash and equity consideration.

Accounting for these acquisitions is a key audit matter as it involves management judgements in determining the acquisition accounting treatment, the acquisition date, the fair value of net assets acquired and the fair value of the purchase consideration.</td><td>Our audit procedures included:

• Reviewing the tenement sale agreement to understand the key terms and conditions of the transaction and the related accounting considerations;
• Evaluating management's determination that the acquisitions are asset acquisitions in accordance with Australian Accounting Standards;
• Assessing management's determination of the acquisition date, fair value of consideration paid and the fair value of net assets acquired; and
• Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.</td></tr>
</table>

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Convertible Notes
Refer to Note 15 in the financial statements</td></tr>
<tr><td>On 21 June 2021, the Company issued 500,000 convertible notes with a face value of $1 each for an aggregate value of $500,000 and carry an interest rate of 12% per annum. The notes mature on 21 June 2023 and are convertible into ordinary shares at any time during the course of the period at a 20% discount to the 5-day VWAP. For every 3 shares issued on conversion, the noteholders will also be issued 1 free attaching option, exercisable at $0.011 each on or before 2 October 2022.

Accounting for convertible notes is considered a key audit matter due to the complexity of the accounting treatment required under Australian Accounting Standards.</td><td>Our audit procedures included:

• Reviewing the convertible note deed to understand the key terms and conditions;
• Evaluating the accounting treatment proposed to determine whether it complies with Australian Accounting Standards;
• Obtaining the valuation model prepared by management and assessing whether the model was appropriate;
• Evaluating the reasonableness of key inputs in the model;
• Recalculating the fair value of the convertible notes at inception, and its subsequent measurement as at the reporting date; and
• Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Red Mountain Mining Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2021

Corporate Governance Statement

The Board of Directors of Red Mountain Mining Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at https://www.redmountainmining.com.au/

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 21 September 2021.

TWENTY LARGEST SHAREHOLDERS

		Number Held	Percentage
1	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	55,818,921	3.81
2	KALCON INVESTMENTS PTY LTD	53,615,602	3.66
3	XCEL CAPITAL PTY LTD	44,440,932	3.03
4	NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	32,030,075	2.19
5	KINGSTON NOMINEES PTY LTD	27,443,609	1.87
6	BUSHWOOD NOMINEES PTY LTD	21,500,000	1.47
7	MCNEIL NOMINEES PTY LIMITED	19,419,903	1.33
8	JAMORA NOMINEES PTY LTD <KABOONK DISCRETIONARY A/C>	15,000,000	1.02
9	CITICORP NOMINEES PTY LIMITED	13,366,499	0.91
10	STEVEN DARYL CLUNEY PTY LTD <STEVEN DARYL CLUNEY S/F A/C>	12,331,636	0.84
11	80 MILES & BEYOND PTY LTD <80 MILES & BEYOND S/F A/C>	12,125,000	0.83
12	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	10,833,334	0.74
13	KALCON INVESTMENTS PTY LTD	10,654,763	0.73
14	MS CHUK FAH POI	10,200,000	0.70
15	MR LUIGI MILANESI	9,200,000	0.63
16	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	8,634,803	0.59
17	STILL CAPITAL PTY LTD	8,600,184	0.59
18	MR MARCUS JOHN HENRIQUES	8,500,000	0.58
19	FIRST INVESTMENT PARTNERS PTY LTD	8,000,000	0.55
19	MR DEAN LUTHER	8,000,000	0.55
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		389,715,261	26.61

ASX Additional Information

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	56	8,006	0.00
1,001 - 5,000	30	86,845	0.01
5,001 - 10,000	25	183,364	0.01
10,001 - 100,000	1,059	67,402,972	4.60
100,001 Over	1,528	1,396,777,115	95.38
Total	**2,698**	**1,464,458,302**	**100.00**

(ii) Unquoted options

- 96,215,540 unlisted options exercisable at $0.011 each on or before 2 October 2022
- 35,000,000 unquoted options with an exercise price of $0.02 and an expiry date of 28 June 2023.

SUBSTANTIAL SHAREHOLDERS

There are no substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001.

VOTING RIGHTS

Ordinary shares

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

Options

Options carry no voting rights.

UNMARKETABLE PARCELS

There were 456 holders of less than a marketable parcel of ordinary shares, which as at 21 September 2021 was 11,760,524.

RESTRICTED SECURITIES

There are no restricted securities as at 21 September 2021.

ON-MARKET BUY-BACK

There is currently no on-market buyback program for any of Red Mountain Mining listed securities.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has no franking credits.