



Rincon Resources Limited

ABN 54 628 003 538

Half-Year Financial Report
for the period ended 31 December 2021

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

DIRECTORS

Mr Blair Sergeant
(Non-Executive Chairman)

Mr Gary Harvey
(Managing Director)

Ms Caroline Keats
(Non-Executive Director)

COMPANY SECRETARY

Mr Zane Lewis

REGISTERED OFFICE

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SECURITIES EXCHANGE LISTING

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



The Directors present their report, together with the financial statements, of Rincon Resources Limited (the "Company") and the entities it controlled (referred to hereafter as the "consolidated entity" or "the Group") at the end of the half-year ended 31 December 2021 ("Half-Year").

Directors

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

Mr Blair Sergeant – Non-Executive Chairman (*appointed Non-Executive Director 18 August 2020 and appointed Chairman 6 December 2021*)

Mr Gary Harvey – Managing Director (*appointed Managing Director 1 October 2021*)

Ms Caroline Keats - Non-Executive Director (*appointed 6 December 2021*)

Mr Geoffrey McNamara –Executive Chairman (*resigned 6 December 2021*)

Mr Zeffron Reeves – Non-Executive Director (*resigned 15 November 2021*)

Mr Ed Mason – Non-Executive Director (*resigned 6 December 2021*)

Principal activities

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

Operating results

The loss, after tax, attributable to the Group for the financial half-year ended 31 December 2021, amounted to \$603,448 (2020: \$724,115).

Review of operations

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

South Telfer Copper-Gold Project

During the reporting period, the Company advanced exploration activities at the 100% owned South Telfer Project. A maiden ("Phase 1") reverse circulation (RC) drilling program totalling 27 holes for 4,944m was completed at the Hasties Prospect,¹ which is located within the broader South Telfer Project area. The drill program aimed to confirm historical drilling results completed by Newcrest Mining Limited (ASX: NCM), as well as testing for extensions to the known shallow copper-gold (Cu-Au) mineralisation at both Hasties Main and Hasties South-East (SE) zones (see Figure 1). Significant zones of copper-gold mineralisation were intersected from both zones, including:²

21STRC002: 2m @ 2.90% Cu from 52m, and
4m @ 2.49% Cu from 60m, and
2m @ 2.75% Cu from 72m.

21STRC003: 3m @ 7.18g/t Au from 31m

21STRC012: 8m @ 1.58g/t Au from 19m, and
5m @ 1.60g/t Au from 32m, and
4m @ 5.31% Cu from 57m, and
8m @ 2.64% Cu from 87m.

21STRC011: 42m @ 1.17g/t Au & 0.26% Cu from 0m including:

- 12m @ 2.53g/t Au from surface;
- 7m @ 0.86% Cu from 13m (incl. 3m @ 1.11% Cu & 1m @ 1.76% Cu);
- 5m @ 0.99% Cu from 95m (incl. 1m @ 3.06% Cu);
- 4m @ 1.35g/t Au & 0.48% Cu from 31m; &
- 2m @ 1.41g/t Au from 39m.

21STRC018: 62m @ 1.06g/t Au & 0.32% Cu from 4m including:

- 9m @ 2.94g/t Au from 21m (incl. 5m @ 4.23g/t Au);
- 4m @ 1.49g/t Au from 34m;
- 4m @ 1.56g/t Au from 42m; &
- 20m @ 0.5g/t Au & 0.85% Cu (incl. 8m @ 1.20% Cu).

21STRC019: 22m @ 1.83g/t Au & 0.02% Cu from 8m including:

- 7m @ 1.49 g/t Au from 9m (incl. 2m @ 2.86g/t Au); &
- 11m @ 2.60g/t Au from 19m (incl. 6m @ 3.85g/t Au).

At Hasties Main zone, broad Cu-Au intervals of up to 94m (21STRC012) downhole width, including 62m @ 1.06 g/t from 4m in 21STRC018 and 22m @ 1.83 g/t from 8m in 21STRC019 were intercepted. Mineralisation occurs above the base of oxidation and is hosted in highly weathered sulphidic-quartz vein arrays and breccia zones (see Figure 2).³

¹ ASX Announcement 5 October 2021 – Wide, Shallow High-Grade Copper-Gold Mineralisation Intersected at Hasties

² ASX Announcement 20 September 2021 – High Grade Copper-Gold Mineralisation Intersected at Hasties

³ ASX Announcement 21 October 2021 – Further High-Grade Copper-Gold Mineralisation Intersected at Hasties

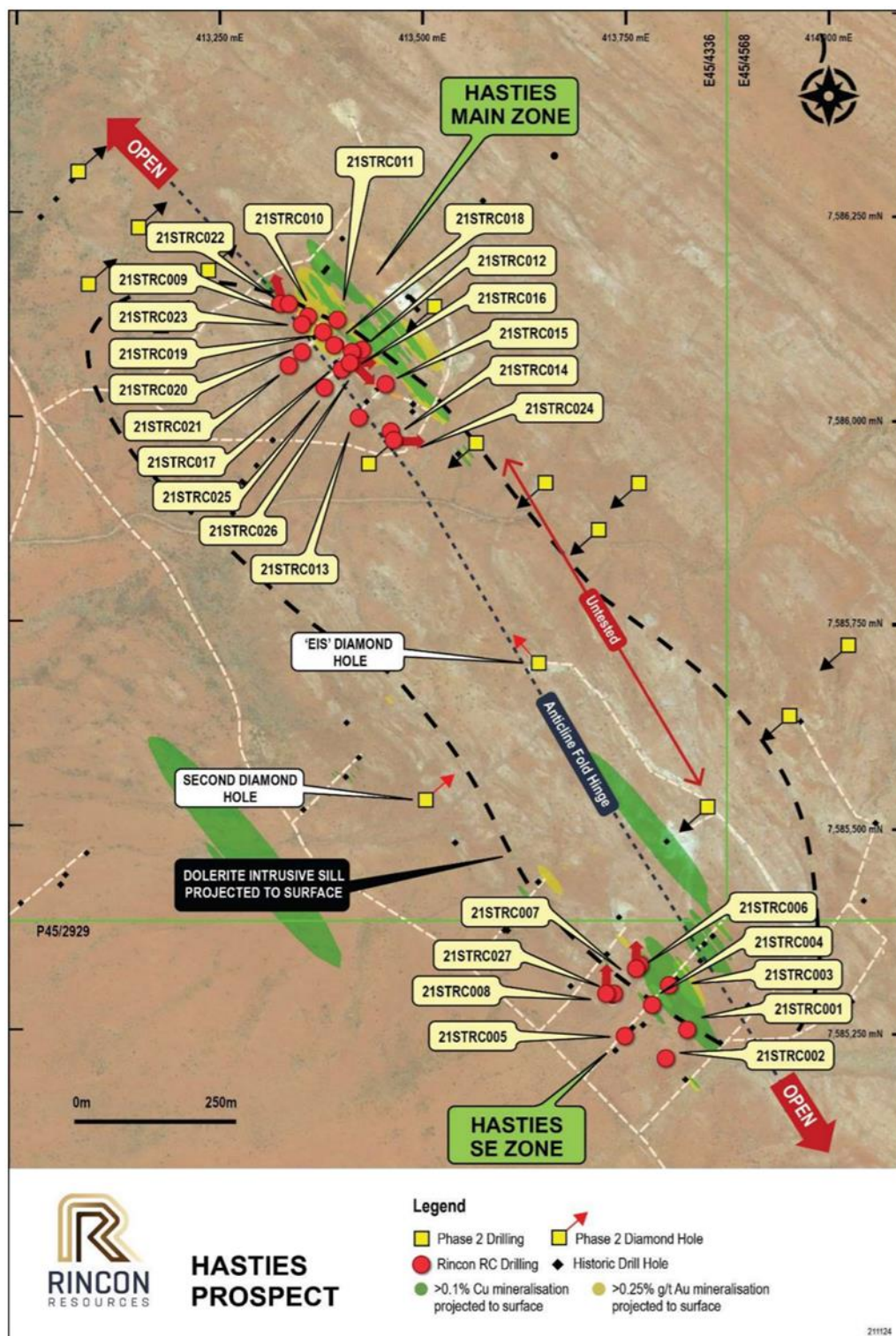


Figure 1 – Hasties Prospect Drillhole Location Plan showing Phase 1 drill holes 21STRC001-027.

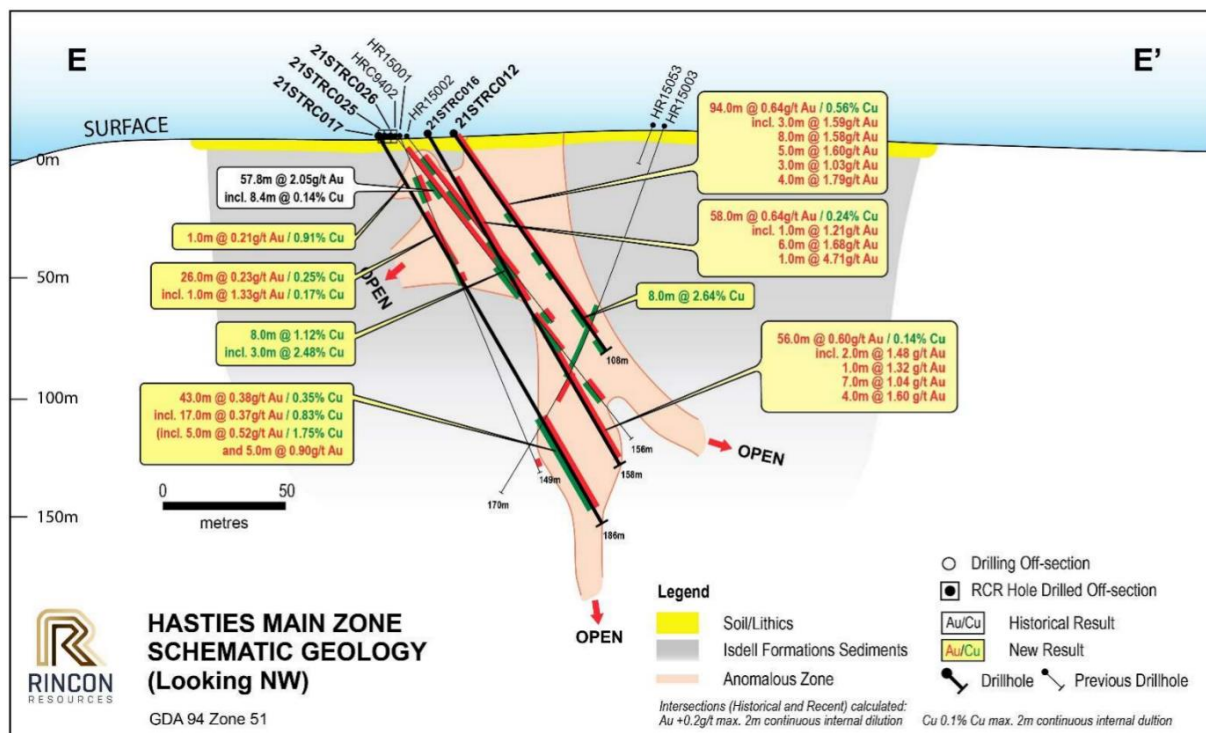


Figure 2 – Schematic section E-E' at Hasties Main Zone

The Company was successful in its application for a grant of a maximum of \$75,000 towards diamond drilling costs at South Telfer, under Round 24 of the Western Australian Government Exploration Incentive Scheme ("EIS Grant"). The EIS Grant will co-fund a single diamond (DD) drill hole to test the Hasties Deep Target⁴ as part of the Company's Phase 2 drilling program at the Hasties Prospect.

The Phase 2 program aims to test extensional targets along strike from earlier drilling and at depth including targets identified from the Gradient Array Induced Polarisation (GAIP) geophysical survey completed earlier in 2021 over the greater Hastie's Prospect area.⁵

Phase 2 drilling commenced during the December quarter 2021 and comprises up to 5,000m of combined RC and DD drilling with the EIS co-funded DD drillhole to test the Hasties Deeps target, approximately 300m below and central to the Hasties Main and Hasties South-East zones (see Figure 3). The Hasties Deeps target is associated with an anticline folded intrusive dolerite sill. The Company is targeting Telfer Dome (quartz-dolomite-sulphide reef and breccia/stockwork) and Havieron (sulphide and breccia) style mineralisation, potentially associated with the contact zone between the dolerite sill and overlying sediments, the potential source of the GAIP resistivity high anomaly.

Seven (7) RC holes have been completed to-date and included testing a 300m extension zone along strike to the northwest of the Hasties Main Zone and a new target at Frenchman's⁶. Five holes tested the 300m extension zone where breccia and gossan exposures were mapped directly along strike to the northwest of the Hasties Main Zone. All holes intersected variable favourable widths of breccia and alteration like that previously logged at Hasties.

Results for the first 7 RC holes were received late January highlighted by multiple Cu-Au intersections in hole 21STRC032, drilled at the Frenchman's Prospect, located ~900m north of the Hasties Main Zone (see Figure 4). 21STRC032 returned 5m @ 1.74g/t Au from 118m and 4m @ 0.91g/t Au & 0.12% Cu (incl. 1m @ 2.34g/t Au) from 107m⁷ down-dip of the previous Cu-Au mineralisation intercepted in historic drill

⁴ ASX Announcement 8 November 2021 – Phase 2 Drilling at South Telfer Copper-Gold Project

⁵ ASX Announcement 5 July 2021 - South Telfer Gold-Copper Project Update

⁶ ASX Announcement 21 December 2021 – Exploration Update – Amended South Telfer Copper-Gold Project

⁷ ASX Announcement 15 February 2022 – New Frenchman's Prospect Emerges

The map illustrates the Hastings Main Zone, highlighting two primary mineralization areas: the **Hasties South-East Zone** and the **Hasties Main Zone**. Both zones are depicted with 3D volume rendering, where green indicates Gold (Au) and yellow indicates Copper (Cu). The map includes several key features and annotations:

- Planned "EIS Grant" Diamond Hole**: Indicated by a yellow callout pointing to a location in the South-East Zone.
- Planned Diamond Hole**: Indicated by a yellow callout pointing to a location in the Main Zone.
- GAIP (Resistivity) High, projected to surface**: A red oval highlights a specific area in the Main Zone.
- Existing Drillholes**: Numerous grey lines radiate across the map, representing the locations of existing drillholes.
- "Hasties Deeps" Drill Target**: A yellow callout points to a specific target area in the Main Zone.
- Leapfrog Grade Shells**: A legend in the bottom left corner defines the color coding:
 - Yellow: Gold $\geq 0.25\text{g/t Au}$
 - Green: Copper $\geq 0.05\% \text{ Cu}$
- Structural Features**: A blue arrow indicates the **Main Anticline Plunge direction**. A red dashed line marks a **"300m"** distance. A red shaded area at the bottom represents the **Modelled surface of magnetic intrusive**.
- Orientation**: A blue arrow in the top right corner indicates the **Northwest** direction.
- Depth Markers**: Dashed lines indicate depths of **+500m** and **+500m** from the surface.

A **A'**

SURFACE

0m

60m

120m

180m

240m

60m

Planned Hole

HWR023

215TRC032

HWR028

Oxidised Copper (Malachite) mapped at Surface

39m @ 0.2% Cu from 8m
incl. 1m @ 2.4% Cu / 0.58g/t Au

4m @ 0.7g/t Au / 0.28% Cu from 31m
incl. 1m @ 2.25g/t Au / 0.46% Cu

10m @ 0.2% Cu from 69m

5m @ 1.12g/t Au / 0.65% Cu from 85m
incl. 3m @ 1.45g/t Au / 1.1% Cu

1m @ 0.06% Cu from 38m

1m @ 0.07% Cu from 47m

4m @ 0.91g/t Au
incl. 1m @ 2.34g/t Au / 0.27% Cu
from 107m

5m @ 1.74g/t Au from 118m

Base of Oxidation

156m (ABND)

150m

191m

OPEN

0 50 metres

Legend

Soil/Lithics

Isdell Formations Sediments

Anomalous Zone

(ABND) Abandoned

Drilling Off-section

RCR Hole Drilled Off-section

Historical Result

New Result

Drillhole

Previous Drillhole

Intersections (Historical and Recent) calculated:
Au ≥ 0.1g/t Au max. 2m continuous internal dilution Cu 0.05% Cu max. 2m continuous internal dilution

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Frenchman's Prospect

Schematic Section (Looking NW) Local Grid

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At Hasties Extended five holes (21STRC028-031 & 033) tested the 300m extension zone of mapped exposures of breccia and gossan along strike to the northwest of the Hasties Mains Zone. All holes intersected various widths of favourable copper-gold style alteration like that previously logged at Hasties (refer ASX Release dated 20 December 2021, available to view at www.rinconresources.com.au). This was seen as encouraging with the potential to extend the Hasties Main Zone to over 600m in strike.

Low-level gold mineralisation and negligible copper mineralisation was intersected and associated with zones of brecciation, quartz and disseminated pyrite. Drillhole 21STRC033, the most northerly hole, drilled through multiple zones of favourable alteration and breccia in an area where the mapped breccia/gossan appears to cut out at surface and disrupted by cross-cutting faulting. The hole intersected several zones of low-level gold (refer Figure 5) associated with these breccia zones. Unfortunately, the hole was abandoned at 216m, 34m short of target.

Importantly, the best intersection in hole 21STRC033 (3m @ 0.36g/t Au from 196m) occurred at the contact of a silicified and brecciated unit and was associated with elevated antimony ($\geq 6\text{ppm}$ Antimony) known to be strongly associated with gold mineralisation at Hasties. This is encouraging, and while it's currently inconclusive, it appears the abandoned hole may have just missed the targeted Hasties Main fault structure. This is based on post drillhole interpretation using the Company's in-house 3D model. The Company plans to re-enter 21STRC033 when the RC rig returns to site for the completion of Phase 2 drilling.

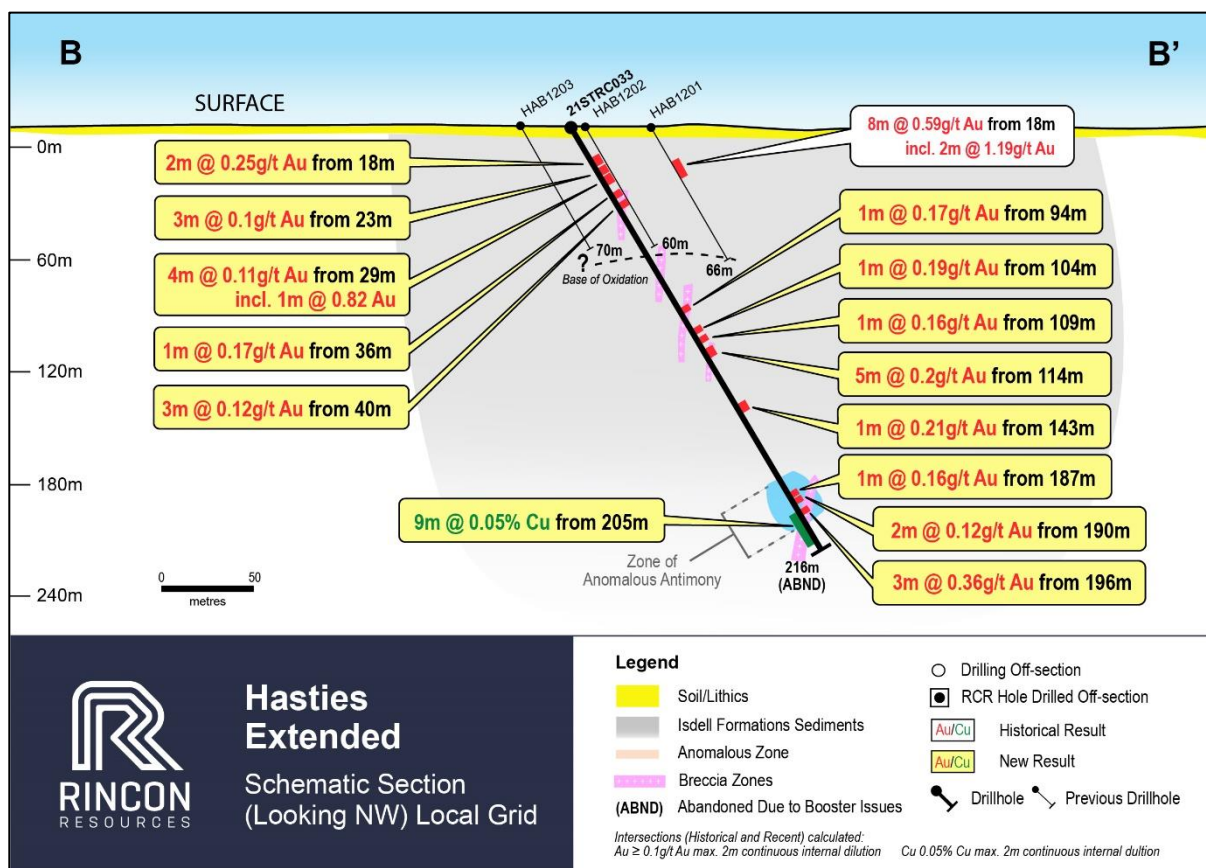


Figure 5 – Schematic section showing 21STRC033. Anomalous antimony from 181-200m is highly encouraging and a vector to gold mineralisation.

Kiwirrkurra Copper-Gold Project

During the period, the Company announced high-priority IOCG style copper-gold targets at the Pokali Prospect located within the Kiwirrkurra Project. Independent geophysical consultants Resource Potentials were commissioned earlier in the year to source open-file geophysical, geological, surface geochemical and historical drilling data, compile, re-process and interpret the data as part of a comprehensive review and targeting program at the Company's highly prospective Kiwirrkurra Copper-Gold Project.⁸

Thirteen priority targets were identified within the project area, including two high-priority IOCG style drill targets at the Pokali Prospect. The Company has proposed a maiden RC and diamond drilling program of up to 3,000m to test the two high-priority IOCG targets at Pokali, and subject to all necessary statutory approvals and heritage survey clearance, drilling at Pokali is scheduled for H2 2022.

The review also identified prospective areas to the east of the current project area and the Company has applied for three new exploration licences, increasing its project landholding to approximately 200km² (see Figure 6).

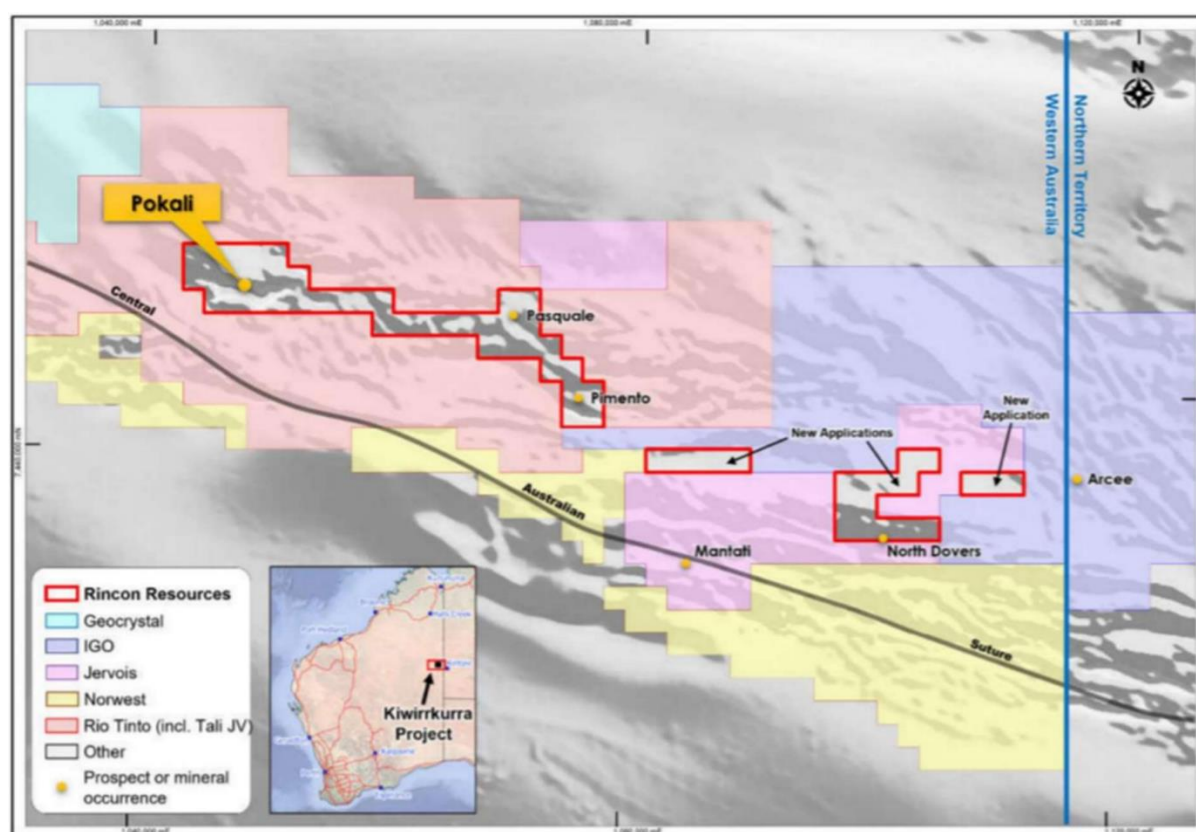


Figure 6 – Kiwirrkurra Copper-Gold Project location plan

The Company was successful in its application for a grant of a maximum of \$150,000 towards diamond drilling costs at Kiwirrkurra, under Round 24 of the Western Australian Government Exploration Incentive Scheme.⁹ The EIS Grant will co-fund the diamond drill testing of two high-priority IOCG-style targets at the Pokali Prospect at Kiwirrkurra.

Additionally, the Company executed a Mineral Exploration and Land Access Deed of Agreement ("DOA") with the Tjamu Tjamu (Aboriginal Corporation) Registered Native Title Body Corporate at its Kiwirrkurra Copper-Gold Project.

The Company now awaits the issue of a Ministerial Entry Permit to allow field activities to commence.

⁸ ASX Announcement 15 October 2021 – Priority Copper-Gold Targets identified Kiwirrkurra Copper-Gold Project

⁹ ASX Announcement 4 November 2021 – EIS Co-funding Grant for Kiwirrkurra Copper-Gold Project

Laverton Gold Project

During the period, the Company completed aerial photographic mapping and targeting over the Laverton Project.

The main objective of the mapping program was to provide maps of the rock types and structural geology of the project tenements for use in further exploration for gold.

Exploration targets identified in this work program are considered to represent favourable sites for mineralisation interpreted from remote sensing imagery. No field work was completed during this program, and the conclusions reached were based entirely on the photointerpretation of the remote sensing imagery only.

Some 38 exploration targets or points of exploration interest were identified. The targets fell into 5 general categories or geological contexts as follows:¹⁰

- Geomorphological features where channel iron or placer gold may have been deposited (2 targets)
- Faulted contacts between felsic, mafic, ultramafic and meta-sedimentary units (8 targets).
- Offsets in felsic and ultramafic outcrops (13 targets).
- Alteration on fault or shear trends (10 targets).
- Circular features in the mafic and felsic units or on magnetics which may represent intrusive pipe-like structures (5 targets).

The targets are based on what was prominent on the aerial imagery. Numerous other zones may be more prospective but were obscured by regolith cover or did not feature strongly on the imagery.

COVID-19 impact

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

Corporate Activities

During the half-year ended 31 December 2021 the Company issued a total of 2,000,000 performance rights to Mr Gary Harvey in accordance with his services agreement.

On 1 October 2021, Mr Gary Harvey was appointed Managing Director.

On 15 November 2021, Mr Zeffron Reeves resigned as a Director of the Company.

On 6 December 2021, Ms Caroline Keats was appointed Non-Executive Director of the Company and Mr Geoffrey McNamara and Mr Ed Mason resigned as Directors.

On 9 December 2021, the Company announced the cancellation of 2,100,000 performance rights in accordance with the vesting conditions upon the resignation of Mr Zeffron Reeves, Mr Geoffrey McNamara and Mr Ed Mason.

Significant changes in the state of affairs

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

¹⁰ ASX Announcement 22 October 2021 – Quarterly Activities Report

Events after the reporting date

On 15 February 2022, the Company announced the initial results from the Phase 2 drill program at the South Telfer Copper-Gold Project.

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

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Auditor's independence declaration

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Blair Sergeant
Non-Executive Chairman
15 March 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rincon Resources Limited for the half-year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

Tutu Phong

TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2022

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RSM Australia Partners ABN 36 965 185 036

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RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Consolidated			
	Note	Half-Year ended 31 December 2021 \$	Half-Year ended 31 December 2020 \$
Interest income		172	218
Other revenue		2,100	-
Administration expenses		(110,807)	(13,505)
Consultancy expenses		(122,302)	(474,803)
Corporate and compliance expenses		(118,013)	(168,355)
Depreciation		(8,971)	-
Equity based payments	6	(17,975)	-
Exploration expenses		-	(1,420)
Employee related expenses		(227,652)	(66,250)
Loss before income tax		(603,448)	(724,115)
Income tax expense		-	-
Loss after tax		(603,448)	(724,115)
Total comprehensive loss for the period		(603,448)	(724,115)
Basic and diluted loss per share (cents per share)	5	(1.18)	(1.35)

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

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Consolidated	
	Note	As at 31 December 2021 \$	As at 30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,633,755	4,429,462
Other receivables		90,173	113,714
TOTAL CURRENT ASSETS		2,723,928	4,543,176
NON-CURRENT ASSETS			
Exploration and evaluation	2	3,028,733	1,625,681
Plant and equipment		57,031	61,330
TOTAL NON-CURRENT ASSETS		3,085,764	1,687,011
TOTAL ASSETS		5,809,692	6,230,187
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		346,857	199,652
Provisions		20,552	2,779
TOTAL CURRENT LIABILITIES		367,409	202,431
TOTAL LIABILITIES		367,409	202,431
NET ASSETS		5,442,283	6,027,756
EQUITY			
Issued capital	3	7,149,857	7,149,857
Reserves	4	19,496	1,521
Accumulated losses		(1,727,070)	(1,123,622)
TOTAL EQUITY		5,442,283	6,027,756

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

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

CONSOLIDATED	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	7,149,857	1,521	(1,123,622)	6,027,756
Loss for the period	-	-	(603,448)	(603,448)
Total comprehensive loss for the period	-	-	(603,448)	(603,448)
Performance rights issued, vesting expense for the period (Note 6)	-	17,975	-	17,975
Balance at 31 December 2021	7,149,857	19,496	(1,727,070)	5,442,283
Balance at 1 July 2020	775,523	-	(263,237)	512,286
Loss for the period	-	-	(724,115)	(724,115)
Total comprehensive loss for the period	-	-	(724,115)	(724,115)
Share issue in lieu of director's fees	15,000	-	-	15,000
Share issue in lieu of capital raising fee	15,570	-	-	15,570
Share issue in lieu of facilitation fee	246,000	-	-	246,000
Share issue on conversion of partial loan	80,766	-	-	80,766
Share issue on conversion of convertible note	400,000	-	-	400,000
Share issue on option exercise	199,200	-	-	199,200
Option issue	-	311,710	-	311,710
Exercise of options	-	(311,710)	311,710	-
Initial public offering	6,000,000	-	-	6,000,000
Cost of share issues	(530,518)	-	-	(530,518)
Balance at 31 December 2020	7,201,541	-	(675,642)	6,525,899

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

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Half-Year ended 31 December 2021 \$	Half-Year ended 31 December 2020 \$
Cash flows from operating activities		
Interest revenue	172	218
Other revenue	2,100	-
Payments to suppliers and employees	(537,774)	(553,735)
Net cash flows used in operating activities	(535,502)	(553,517)
Cash flows from investing activities		
Payments for plant and equipment	(31,328)	-
Payments for exploration and evaluation	(1,228,877)	(113,394)
Acquisition of exploration and evaluation projects	-	(25,000)
Net cash flows used in investing activities	(1,260,205)	(138,394)
Cash flows from financing activities		
Proceeds from issues of shares - IPO	-	6,000,000
Proceeds from exercise of share options	-	199,200
Proceeds from issues of convertible notes	-	400,000
Proceeds from issues of options	-	1,200
Capital raising costs	-	(124,389)
Net cash flows provided by financing activities	-	6,476,011
Net (decrease)/increase in cash and cash equivalents	(1,795,707)	5,784,100
Cash and cash equivalents at beginning of period	4,429,462	235,329
Cash and cash equivalents at period end	2,633,755	6,019,429

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



Note 1. Statement of Significant Accounting Policies

Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Rincon Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

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

Basis of preparation

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

Standards and Interpretations applicable to 31 December 2021

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

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



Consolidated

Note 2. Exploration and evaluation

	As at 31 December 2021 \$	As at 30 June 2021 \$
Costs carried forward in respect of areas of interests:	3,028,733	1,625,681
<i>Movement during the period</i>		
Opening balance	1,625,681	571,746
Exploration expenditure	1,403,052	1,053,935
Closing balance	3,028,733	1,625,681

Note 3. Issued capital

	31 December 2021 \$	30 June 2021 \$
51,336,756 (30 June 2021: 51,336,756) fully paid ordinary shares on issue	7,149,857	7,149,857
	30 June 2021 Number	30 June 2021 \$
Balance at 1 July 2020	54,491,261	775,523
<i>Movement in ordinary shares on issue</i>		
Shares issued to in lieu of Director Fees @ \$0.0166 per share	903,614	15,000
Share issue on conversion of loan – Lyza & Tanamera@ \$0.0166 per share	4,865,421	80,766
Share issue on conversion of Convertible Note @ \$0.014 per share	2,857,143	400,000
Shares issued in lieu of Capital raising cost @ \$0.0166 per share	937,952	15,570
Share issue exercise of options @ \$0.0664 per share	3,650,000	199,200
Consolidation of share capital	(47,598,635)	-
Share issue as capital raising @ \$0.20 per share	30,000,000	6,000,000
Lead Manager Mandate purchase @ \$0.0010 per share	1,230,000	246,000
Cost of share issues	-	(582,202)
At 30 June 2021	51,336,756	7,149,857



Note 3. Issued capital (cont.)

	31 December 2021 Number	31 December 2021 \$
Balance at 1 July 2021	51,336,756	7,149,857
At 31 December 2021	51,336,756	7,149,857

Ordinary shares

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

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

Note 4. Reserves

	As at 31 December 2021 Number	As at 31 December 2021 \$	As at 30 June 2021 Number	As at 30 June 2021 \$
Opening balance	2,800,000	1,521	-	-
Performance Rights on issue, vesting period expenses ⁽¹⁾⁽⁴⁾	-	5,263	-	-
Performance Rights issued, vesting period expenses ⁽²⁾⁽⁴⁾	2,000,000	13,852	2,800,000	1,521
Cancellation of Performance Rights ⁽³⁾	(2,100,000)	(1,140)	-	-
Closing balance	2,700,000	19,496	2,800,000	1,521

1. Vesting period expense related to amortisation expense of performance rights issued in prior period.

2. On 23 September 2021, the Company issued 2,000,000 Performance Rights to the Company's Managing Director, Mr Gary Harvey, in accordance with his services agreement with the same vesting conditions as the Performance Rights on issue. These performance rights were granted on 23 June 2021.

3. On 9 December 2021, the Company announced the cancellation of 2,100,000 Performance Rights issued to Directors in accordance with the vesting conditions of their resignation.

4. Total share-based payment expense recognised in the profit or loss for the half-year ended 31 December 2021 was \$19,115.



Note 5. Loss Per Share

	31 December 2021 \$	31 December 2020 \$
Loss used in the calculation of basic and diluted loss per share	(603,448)	(724,115)
	Number of Shares	Number of Shares
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted loss per share:	51,336,756	53,791,031
Basic and diluted loss per share (cents per share)	(1.18)	(1.35)

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

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

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

Note 6. Equity-based payments

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

	31 December 2021 \$	31 December 2020 \$
Vesting period expense - performance rights (Note 4)	19,115	-
Cancellation of performance rights (Note 4)	(1,140)	-
	17,975	-

Note 7. Commitments for expenditure

Exploration commitments

The consolidated entity's exploration commitments are as follows:

	31 December 2021 \$	30 June 2021 \$
Not longer than 1 year	74,388	40,161
Longer than 1 but not longer than 5 years	-	-
Longer than 5 years	-	-
	74,388	40,161

Exploration commitments consist of annual rents and rates payable on tenements.

Note 8. Segment Reporting

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

Segment Information

Identification of reportable segments

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

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

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

Types of reportable segments

(i) Exploration and evaluation

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

(ii) Corporate

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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



Note 8. Segment Reporting (cont.)

Segment assets

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

Segment liabilities

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

31 December 2021

Corporate	Exploration and Evaluation	Total
\$	\$	\$

(i) Segment performance

Segment revenue	2,272	-	2,272
Segment results	(603,448)	-	(603,448)

Included within segment results:

• Interest revenue	172	-	172
• Other revenue	2,100	-	2,100

Segment assets	2,780,959	3,028,733	5,809,692
Segment liabilities	(116,753)	(250,656)	(367,409)

31 December 2020

Corporate	Exploration and Evaluation	Total
\$	\$	\$

(i) Segment performance

Segment revenue	218	-	218
Segment results	(722,695)	(1,420)	(724,115)

Included within segment results:

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

(ii) Revenue by geographical region

There was no revenue attributable to external customers for the half-year ended 31 December 2021 (2020: Nil).

(iii) Assets by geographical region

All assets are held in Australia.



Note 9. Contingent liabilities

There are no contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

Note 10. Events after the reporting date

On 15 February 2022, the Company announced the initial results from the Phase 2 drill program at the South Telfer Copper-Gold Project.

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

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

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

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mr Blair Sergeant
Non-Executive Chairman
15 March 2022

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rincon Resources Limited which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rincon Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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

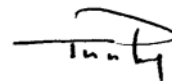
Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2022