



ABN 54 628 003 538

2022

ANNUAL REPORT

for the year ended 30 June 2022



# CORPORATE DIRECTORY

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](http://www.rinconresources.com.au).

## **DIRECTORS**

Mr David Lenigas  
(Executive Chairman)

Mr Gary Harvey  
(Managing Director)

Mr Blair Sergeant  
(Non-Executive Director)

Mr Don Strang  
(Non-Executive Director)

## **JOINT COMPANY SECRETARIES**

Mr Zane Lewis

Mr Victor Goh

## **REGISTERED OFFICE**

Suite 1  
295 Rokeby Road  
Subiaco WA 6008

## **AUDITORS**

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

## **SHARE REGISTRAR**

Automic Pty Ltd  
Level 2, 267 St Georges Terrace  
Perth WA 6000  
GPO Box 5193,  
Sydney, NSW 2000

Telephone: 1300 288 664 (within Australia)  
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## **SECURITIES EXCHANGE LISTING**

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



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## CHAIRMAN'S LETTER

Dear Shareholders

**It is my pleasure to present this Annual Report for Rincon Resources Limited ("Rincon") for the year ended 30 June 2022.**

**The challenging times of last year are behind us and I feel very confident that this year will present you with several very exciting developments.**

The recent Newcrest & Greatland Gold discovery of the multi-million-ounce Havieron gold-copper deposit and Rio Tinto's Winu discovery is re-writing the exploration theories under the Permian cover in the Paterson Province.

Rincon is endowed with a vast track of granted tenements spanning from just south of Telfer right through to our massive Westin tenement area just south of Havieron. And in this acreage, I see a tremendous opportunity to discover a new, buried Havieron style deposit.

Havieron, for those who are not aware, was discovered at depths starting at around 400m below surface when Greatland follow-up one old drill hole that should have been drilled deeper in the early days; that hole was originally drilled by Newcrest! The results of that one drill hole were so good that up to 9 drill rigs were working there 24/7.

Newcrest & Greatland continue to maintain their aggressive drilling campaign to find the limits of the Havieron mineralisation and are also developing a decline to make Havieron see the light of day, such is the importance of Havieron to Newcrest's Telfer operations.

What lies below the Permian cover within our massive 420 km<sup>2</sup> Westin tenement area will be the focus of our efforts this year. We already know there is gold in the system here, with one old hole at Westin returning 8m at 3.85 g/t from 84m depth.

Recent history in the Paterson Province shows us we need to adopt the same exploration methods successfully used at Havieron and Winu and explore deeper and drill on. The great thing about Westin is the depth of cover appears to somewhat shallower than that at Havieron. So, I see exciting times are ahead as Gary Harvey and his team crack on with Westin this year.

On behalf of the Rincon Board and Rincon's management, I would like to thank all our shareholders, staff and consultants for their continued support, and I am looking forward to an active, successful and engaged year ahead.

**David Lenigas**  
Executive Chairman

# DIRECTORS' REPORT

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') consisting of Rincon Resources Limited (referred to hereafter as the 'Company', 'Rincon' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

## Directors

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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 David Lenigas**

Executive Chairman  
(appointed 13 September 2022)

**Mr Gary Harvey**

Managing Director  
(appointed Chief Executive Officer 12 May 2021,  
appointed Managing Director 1 October 2021)

**Mr Blair Sergeant**

Non-Executive Director  
(appointed Non-Executive Director 18 August  
2020 and appointed Chairman 6 December 2021,  
resigned as Chairman 13 September 2022 and  
continued as Non-Executive Director)

**Mr Don Strang**

Non-Executive Director  
(appointed 18 August 2022)

**Ms Caroline Keats**

Non-Executive Director  
(appointed 6 December 2021, resigned  
18 August 2022)

**Mr Geoffrey McNamara**

Non-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)

## Information on Directors

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### **David Lenigas**

Executive Chairman Director  
(appointed 13 September 2022)

#### **BSc (Eng)**

Mr Lenigas is a mining engineer with a Western Australian First Class Mine Managers Certificate. He has extensive corporate experience at Chairman and Chief Executive Officer level on many of the world's leading stock exchanges overseeing multiple business sectors. Mr Lenigas has held senior financial and management positions in both publicly listed and private enterprises in Australia, United Kingdom, Canada and Africa.

Mr Lenigas is currently the Executive Director of Odessa Minerals Ltd (ASX: ODE) and Executive Chairman of Riversgold Ltd (ASX: RGL).

### **Gary Harvey**

Managing Director  
(appointed Managing Director 1 October 2021)

#### **BSc (Applied Geology), MAICD, MAIG**

Mr Harvey has over 25 years experience in the Australian mining industry, most notably in gold and nickel exploration. He has held project, senior and management roles and been a member of successful teams at various stages ranging from grass-roots exploration, near-mine evaluation, through to resource definition on several projects throughout Western Australia. Prior to joining Rincon, Mr Harvey was Exploration Manager for Barra Resources Limited (now Greenstone Resources (ASX: GSR)).

Mr Harvey holds a bachelor's degree in Applied Science (Geology) from RMIT University and is a current member of the Australia Institute of Geosciences (AIG) and the Australia Institute of Company Directors (AICD).

### **Blair Sergeant**

Non-Executive Director  
(appointed Non-Executive Director 18 August 2020 and appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director)

#### **BBus, PostGradDip (CorpAdmin), MAICD, AGIA, ACIS, ASCPA**

Mr Sergeant is an experienced mining executive, having been a former Executive Director of Bowen Coking Coal Ltd & Celsius Resources Limited, former founding Managing Director of Lemur Resources Limited, as well as the former Finance Director of Coal of Africa Limited, growing the company from a sub-\$2m market capitalisation to over \$1.5b at its peak. During his career, Mr Sergeant has also held the position of Managing Director, Non- Executive Director and/or Company Secretary for numerous listed entities across a broad spectrum of industry.

Mr Sergeant graduated from Curtin University, Western Australia with a Bachelor of Business and subsequently, a Post Graduate Diploma in Corporate Administration. He is a Chartered Secretary, member of the Governance Institute of Australia, member of the Australian Institute of Company Directors and an Associate of the Australian Certified Practising Accountants. Blair is currently a Non-Executive Director of Vmoto Limited (ASX: VMT).

### **Don Strang**

Non-Executive Director  
(appointed 18 August 2022)

#### **BCom, CA, GradDip (Applied Finance)**

Mr Strang is a member of the Australian Institute of Chartered Accountants and has more than 25 years' experience in corporate finance and the mining and resources industry with a focus on oil and gas, and mining exploration & development projects. He has experience in strategic planning, business development, project evaluation & development, project funding, management, finance and operations.

Mr Strang has held senior financial and management positions in both publicly listed and private enterprises in Australia, Europe and Africa. In addition, Mr Strang is a graduate of the University of Western Australia with a Bachelor of Commerce majoring in Finance and Accounting as well as holding a Graduate Diploma in Applied Finance with a major in Investment Analysis from the Securities Institute of Australia. Mr Strang is currently a Non-executive Director of Gunsynd Plc, a substantial shareholder of the Company.

**Caroline Keats**

Non-Executive Director  
(appointed 6 December 2021,  
resigned 18 August 2022)

**BBus, LLB (Hons)**

Ms Keats is a legally qualified, strategically focused business leader and corporate executive with 20 years of corporate/commercial experience. She has extensive operational experience working with assets in foreign jurisdictions, particularly Africa. Ms Keats has effectively liaised with foreign governments to improve their understanding about operational and Australian corporate requirements and has facilitated outcomes beneficial to mining projects, local communities and the local economy.

Ms Keats commenced her career as a lawyer at Blake Dawson Waldron (now Ashurst) and then at Blakiston & Crabb (now Gilbert & Tobin). She has since worked in senior management and executive roles at Paladin Energy Ltd, Mawson West Limited, MRX Technologies (a Siemens business) and held the Managing Director role at Tiger Resources Limited. Ms Keats is currently Managing Director of ASX listed ENRG Elements Limited (ASX: EEL) (previously Kopore Metals Limited (ASX: KMT)).

**Geoffrey McNamara**

Non-Executive Chairman  
(resigned 6 December 2021)

**BSc (Applied Geology), MAusIMM, FINSIA, MAICD**

Mr McNamara is a geologist with over 27 years of international resource sector experience, operational roles include Project Manager, Senior Mine Geologist and Mine Geologist for Ivanhoe Mines, Lion Ore International and Western Mining Corporation. Previously he worked in Private Equity (FUM USD800 million) and as a Director of Societe General's Mining Finance team in New York.

Geoffrey holds a Bachelors Degree in Geology and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia. He is a member of the Australian Institute of Company Directors (AICD) and the Australasian Institute of Mining and Metallurgy (AusIMM).

**Zeffron Reeves**

Non-Executive Director  
(resigned 15 November 2021)

**BSc (Hons) (Applied Geology), MBA, MAIG**

Mr Reeves is a geologist with over 20 years' experience in the resources sector working on mineral resource projects through all facets of development from greenfield exploration, discovery, definition and feasibility, construction, production to closure. Mr Reeves was most recently Managing Director of ASX listed Metallum Ltd which had a number of development and operational projects in Chile.

He has also held senior management positions with Cleveland Mining Ltd and Ashburton Minerals Ltd, developing projects in Brazil. Mr Reeves has a Bachelor's degree with Honours in Applied Science (Geology), a Masters of Business Administration from Curtin University and is a member of the Australia Institute of Geoscientists.

**Ed Mason**

Non-Executive Director  
(resigned 6 December 2021)

**BSc (Applied Geology), AusIMM**

Mr Mason has more than twenty years' experience working for global investment banks such as Bank of America Merrill Lynch, HSBC, Renaissance Capital and more recently, Royal Bank of Canada in senior leadership roles focused on the natural resources sector and spanning equities, derivatives and capital markets.

Prior to this Mr Mason worked for over five years as a technical project manager for Fluor Corp on the development of nickel and copper assets, including the development of the Murrin Murrin nickel mine in Western Australia and the Olympic Dam copper expansion project in South Australia.

## Joint Company Secretaries

### Mr Zane Lewis

Mr Lewis has more than 20 years corporate advisory experience, and is a principal and founder of corporate advisory firm SmallCap Corporate, which specialises in corporate advice to public companies and is managing director of Golden Triangle Capital which connects listed entities with a community of professional and sophisticated investors, providing funding for all stages in strategic development.

Mr Lewis is a Fellow of the Governance Institute of Australia and is the Chairman of Odessa Minerals Limited (ASX:ODE) and is a Non-Executive Director of Kairos Minerals Limited (ASX:KAI), Lion Energy Limited (ASX:LIO) and Kingsland Global Limited (ASX:KLO).

### Mr Victor Goh

*(appointed Joint Secretary 6 May 2022)*

Mr Goh is a Chartered Accountant with 8 years of experience as an auditor, with a client base primarily consisting of ASX-listed companies. Mr Goh currently works as a corporate advisor at SmallCap Corporate and provides company secretarial, accounting and financial management services for a number of listed and unlisted companies.

Mr Goh holds a Bachelor of Commerce from the University of Western Australia and is a member of Chartered Accountants Australia and New Zealand.

## Directorships of Other Listed Companies

Directorships of other listed companies held by Directors currently and in the 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship
David Lenigas	Odessa Minerals Ltd	26 April 2022 - current
	Riversgold Ltd	10 March 2022 - current
Gary Harvey	-	-
Blair Sergeant	Vmoto Limited	4 November 2020 - current
	Celsius Resources Limited	17 March 2021 – 15 December 2021
	Bowen Coal Ltd	28 September 2018 – 20 September 2021
	Ikwezi Limited	17 March 2021 – 26 May 2021
Don Strang	Gunsynd Plc	15 September 2014 - current
	Cadence Minerals Plc	19 September 2013 – current
	Doriemus Plc	3 October 2017 – 23 June 2022
	Afriag Global Plc	1 May 2013 – 31 March 2021
	Primorus Investments Plc	19 September 2012 – 27 October 2020

## Principal activities

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

## Operating results

The loss, after tax, attributable to the Group for the financial year ended 30 June 2022, amounted to \$1,300,698 (2021: \$1,172,095 loss).

## Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

## Directors' Interests in Shares, Options and Performance Rights

At the date of this report, the following represents the shares, options and performance rights holdings of the Directors of the Company:

Directors	Ordinary shares		Performance Rights	
	Direct	Indirect	Direct	Indirect
David Lenigas <sup>1</sup>	-	500,000	-	-
Gary Harvey <sup>2</sup>	104,799	20,000	1,500,000	2,000,000
Blair Sergeant <sup>3,4</sup>	-	762,797	-	1,700,000
Don Strang <sup>5</sup>	300,000	-	-	-
<b>Total</b>	<b>404,799</b>	<b>1,282,797</b>	<b>1,500,000</b>	<b>3,700,000</b>

1. 500,000 fully paid ordinary shares are held by HSBC Custody Nominees (Australia) Limited, an entity of which Mr David Lenigas is a beneficiary.
2. 104,799 fully paid ordinary shares and 1,500,000 performance rights are held by Mr Gary Harvey. 20,000 fully paid ordinary shares and 2,000,000 performance rights are held by Mrs Julia Harvey, spouse of Mr Gary Harvey.
3. 375,547 fully paid ordinary shares and 1,700,000 performance rights are held by Evolution Capital Partners Pty Ltd <Golden Triangle A/C>, an entity related to Mr Blair Sergeant. 387,250 fully paid ordinary shares are held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>, an entity related to Mr Blair Sergeant.
4. Appointed Non-Executive Director 18 August 2020, appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director.
5. Appointed 18 August 2022.



## Review of Operations

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Rincon Resources Limited (Rincon or the Company) is pleased to present its Annual Report to Shareholders for the financial year ended 30 June 2022. Rincon progressed exploration activities across its projects in Western Australia.

Rincon has a 100% interest in three highly prospective gold and base metal projects in Western Australia: The South Telfer Copper-Gold Project, Laverton Gold Project, and Kiwirrkurra Copper-Gold (IOCG) Project. Each project has been subject to historical exploration, which has identified prospective mineralised systems. The Company is systematically exploring these projects, aiming to delineate economic resources.

### **South Telfer Copper-Gold Project**

The South Telfer Project consists of six exploration and two prospecting licences covering approximately 540km<sup>2</sup> and greater than 60km strike of prospective geology known to host significant Telfer and Havieron style gold and copper mineralisation. The project area has seen previous, yet limited exploration completed by Newcrest Mining (ASX: NCM) (Newcrest) which identified significant outcropping gold and copper mineralisation at the Hasties Prospect and low-level bedrock gold anomalism at Westin.

### **Maiden Drill Program**

During the period, the Company completed its maiden reverse circulation (RC) drilling program, totalling 27 holes for 4,944m. The program aimed to validate historical drilling results as well as test

extensions to the known shallow copper-gold mineralisation at both Hasties Main and Hasties South-East (SE) zones along a +1km long mineralised trend (Figure 1).<sup>1</sup>

Drilling broadly defined a moderate to steep east dipping reef/breccia style copper-gold system at Hasties Main Zone, currently defined over a strike of ~300m in length, a depth of over 100m below surface and up to 50m wide at surface, with mineralisation remaining open in all directions.<sup>2</sup>

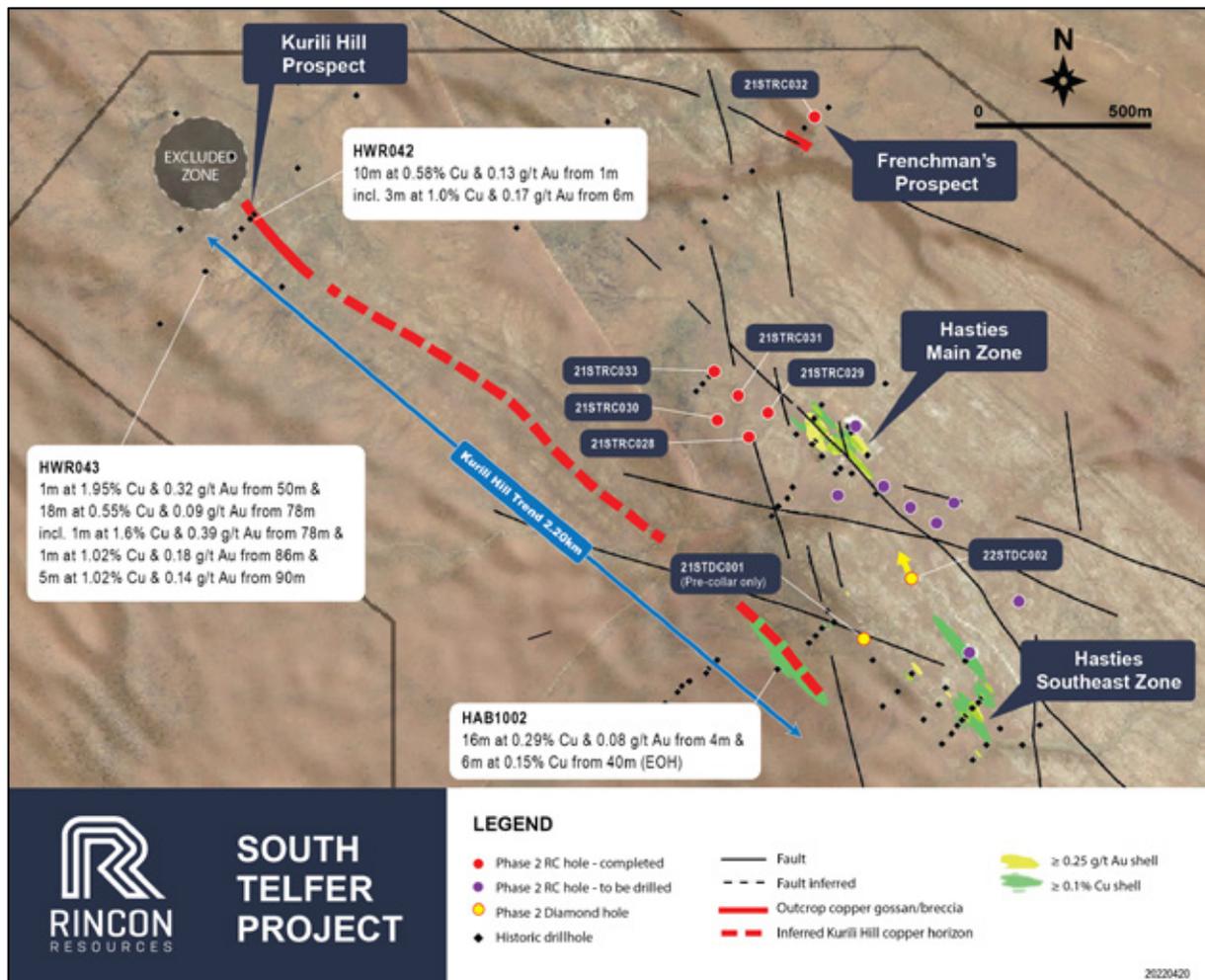
Multiple, significant zones of copper-gold mineralisation were intercepted from both the Hasties Main and Hasties SE Zones, including:

**21STRC011** – 42m @ 1.17g/t Au & 0.26% Cu from surface 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).

**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).



**Figure 1 – Hasties Tenement area showing prospect locations and key trends.**

<sup>1</sup> ASX Announcement 5 October 2021 – Wide, shallow high-grade copper-gold mineralisation intersected at Hasties

<sup>2</sup> ASX Announcement 21 October 2021 – Further high-grade copper-gold mineralisation intersected at Hasties

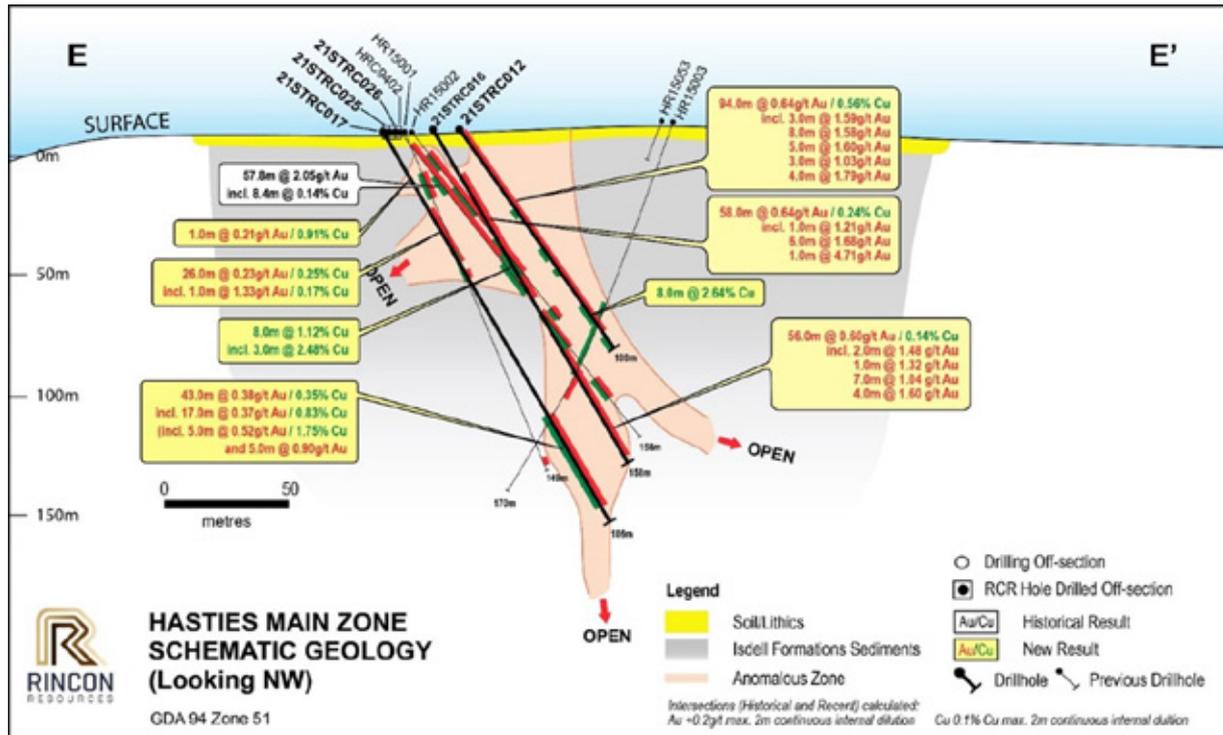


Figure 2 – Schematic section through Hasties Main Zone.

**GAIP Geophysical Survey**

During the reporting period, data from a geophysical Gradient Array Induced Polarisation (GAIP) survey over the Hasties Prospect was processed and interpreted by consultant Resource Potentials. High-resolution aeromagnetic survey data was also re-processed, imaged and modelled in 3D for estimating magnetic anomaly source body locations at depth.<sup>3</sup>

When compared to historical drilling by Newcrest, the source of a magnetic anomaly below the Hasties Prospect was interpreted to represent a folded dolerite sill at about 300m depth, forming the core of an anticline, bounded by a major north-west trending shear along the eastern contact.

The interpreted fold limbs and anticlinal axis of the dolerite were confirmed from outcrop mapping showing dominant south-east plunging fold noses. This provided a new understanding of the fold geometry, and informed the Company's geological and structural targeting model for the Hasties Prospect, with copper-gold intercepts from historical drilling occurring within anticline parasitic fold limbs along the dolerite contact.

**VTEM Survey**

Geophysical consultant Resource Potentials completed a comprehensive interpretation of Versatile Time-Domain Electro-Magnetic (VTEM) surveys flown over a large portion of the south-eastern tenement areas.<sup>4</sup>

A total of twenty-one VTEM targets were identified and ranked according to various characteristics (Figure 3). Of these twenty-one targets:

- Nineteen, including five high-priority drill targets, are associated with the highly prospective Hasties–Grace shear hosted copper-gold trend, a known mineralised corridor trending north-west and south-east which passes through all of Rincon's tenement areas.
- An additional two VTEM targets, both high-priority drill targets, are located close to the Westin Prospect, along the Telfer–Westin Trend.

<sup>3</sup> ASX Announcement 5 July 2021 – South Telfer Gold-Copper Project update

<sup>4</sup> ASX Announcement 26 August 2021 – High-priority Drill Targets Identified

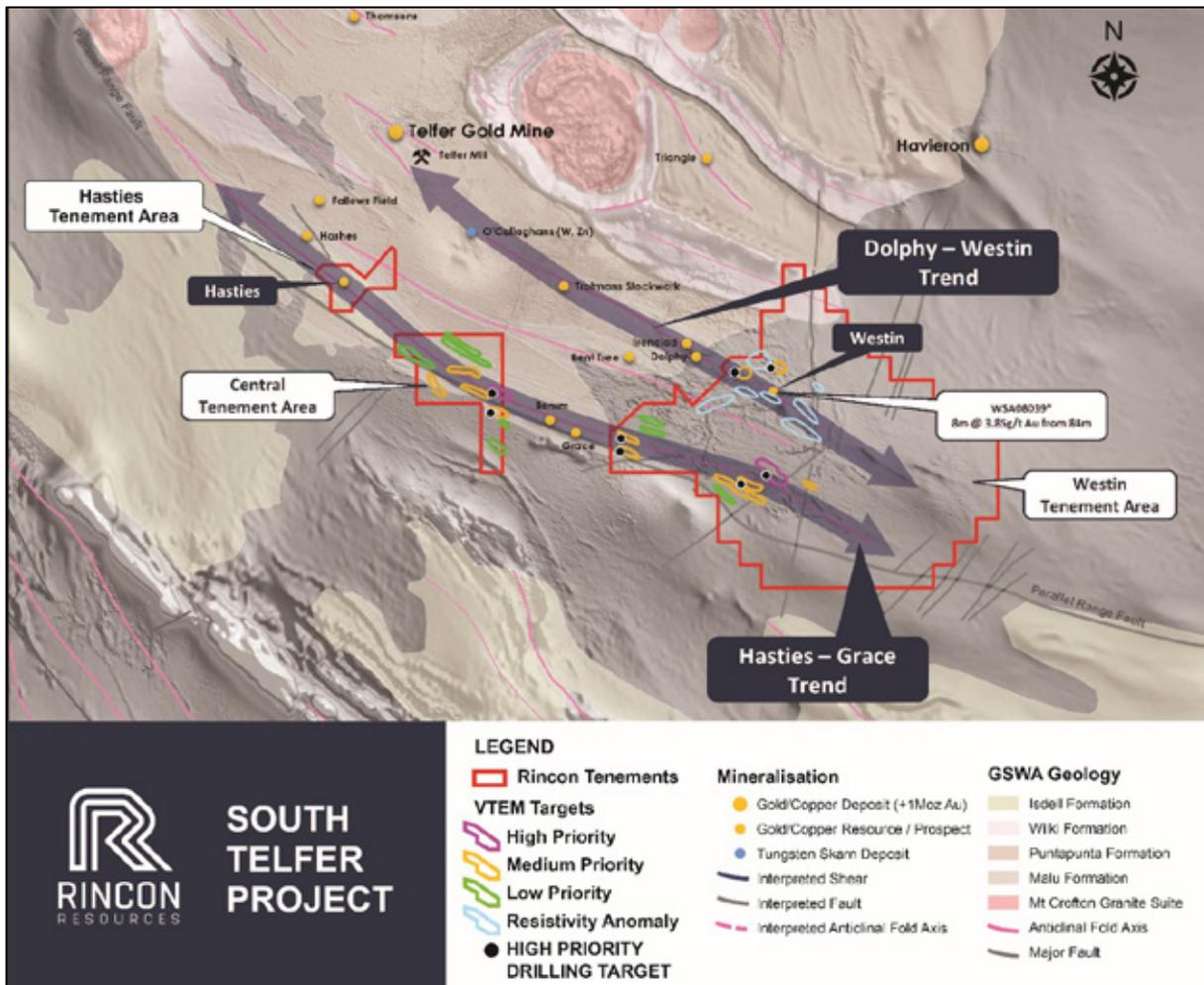


Figure 3 – South Telfer Project showing location of VTEM and resistivity targets and high-priority drill targets.

**Phase 2 Reverse Circulation (RC) and Diamond Drilling (DD)**

The Company commenced its Phase 2 drilling program at the Hasties Prospect late 2021. The program aimed to test extensional target areas along strike from the Phase 1 drilling campaign as well as targets identified from the GAIP geophysical survey (Figure 4).

The Phase 2 program was to comprise 5,000m of combined RC and DD drilling, including a Western Australian government Exploration Incentive Scheme (EIS) co-funded DD drillhole to test the Hasties Deeps target, located approximately 300m below the Hasties Prospect mineralisation zones (Figure 5).

A total of 7 holes for 1,476 metres of RC drilling was completed before the drill rig left site for the Christmas/New year period.<sup>5</sup> The RC drilling completed tested two areas, a 300m long extension zone along strike to the northwest of the Hasties Main Zone and a new target now named the Frenchman's Prospect. The highlight of the RC drilling program was multiple Cu-Au intersections in hole 21STRC032, drilled at the Frenchman's Prospect, approximately 900m north of the Hasties Main Zone.

21STRC032 tested below historical drillhole HWR029 which intersected 39m @ 0.20% Cu (incl. 1m @ 2.4% Cu & 0.58g/t Au) from 8m, and 5m @ 1.12g/t Au & 0.65% Cu (incl. 3m @ 1.45g/t Au @ 1.1% Cu) from 85m. 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 107m down-dip of the historic intercepts in HWR029 (Figure 6).

Five holes (21STRC028-031 & 033) that tested the 300m extension zone northwest of the Hasties Mains Zone returned only low-level gold mineralisation and negligible copper mineralisation despite intersecting several zones of brecciation, quartz veining and disseminated pyrite.

<sup>5</sup> ASX Announcement 15 February 2022 – New Frenchman's Prospect Emerges at South Telfer

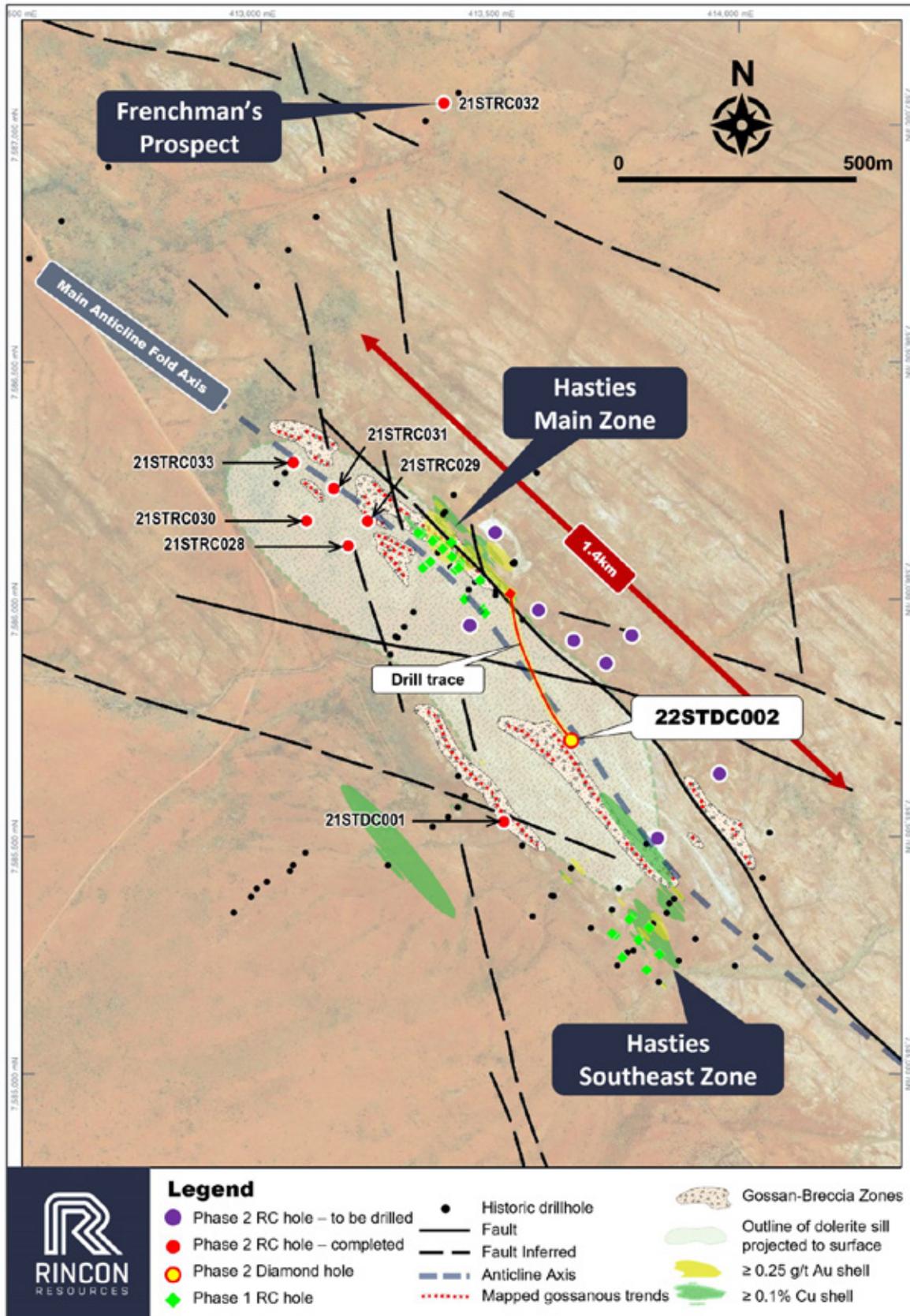


Figure 4 – Hasties drillhole location plan showing location of remaining Phase 2 drillholes.

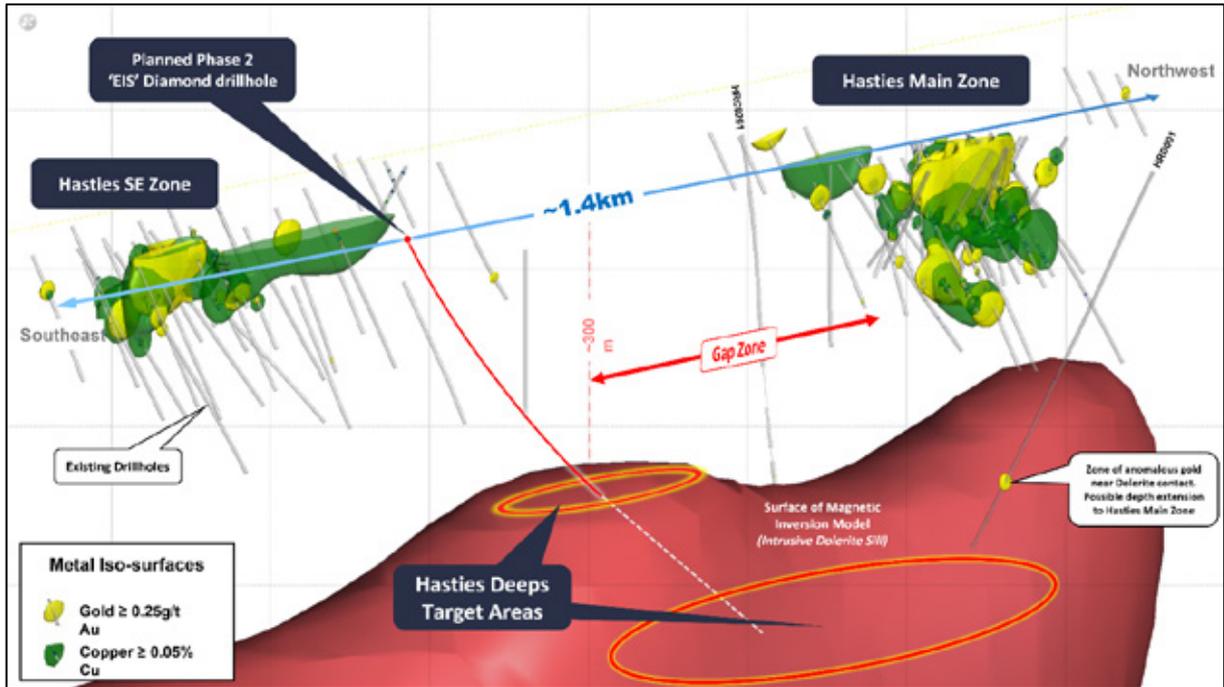


Figure 5 – 3D Schematic view showing Hastie Prospect, copper-gold mineralisation shells, and the “Hasties Deeps” drill target.

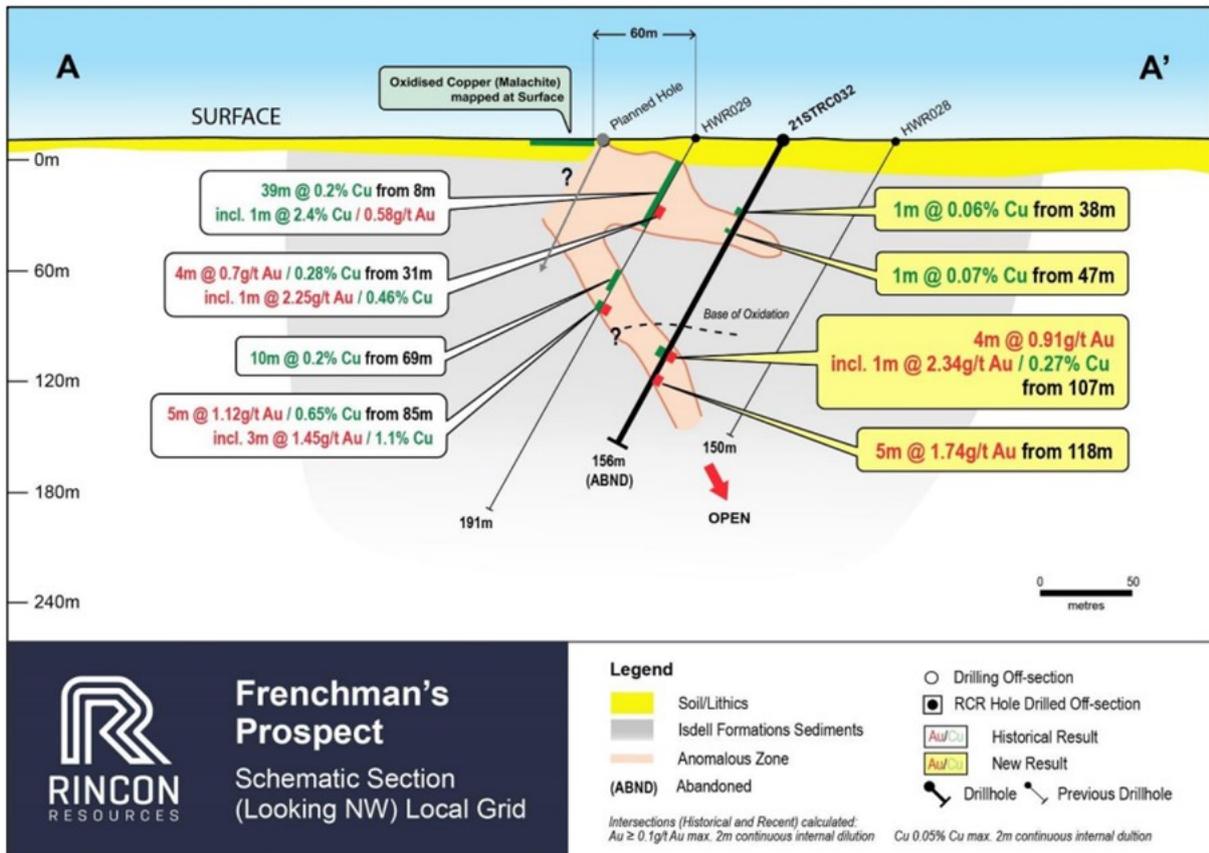


Figure 6 – Schematic section showing 21STRC032 at the Frenchman's Prospect.

The Phase 2 drilling program recommenced in April 2022 following the arrival of a diamond drill rig to site<sup>6</sup> to drill the EIS co-funded diamond hole, 22STDC002.

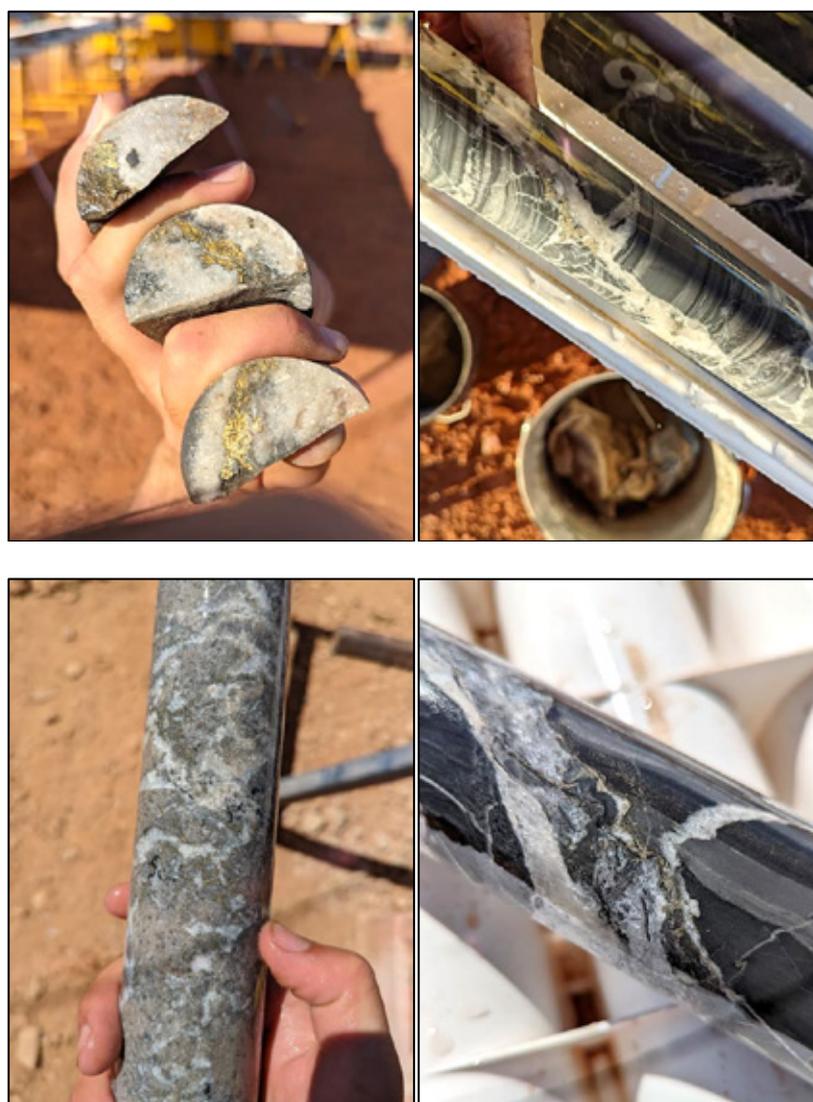
<sup>6</sup> ASX Announcement 7 April 2022 – Diamond Drilling Commences at Hasties

22STDC002, drilled to 660m, successfully intersected the target fold axis zone near the apex of the dolerite sill, approximately 350m below the surface, and about 150m below the deepest drilled copper-gold mineralisation at Hasties. The hole proceeded to drill through the dolerite and also tested the eastern limb contact zone.

Multiple zones of intense alteration, veining, brecciation and sulphides (mainly pyrite & minor chalcopyrite) were intersected throughout and proximal to target zones (see Photo's 1), including zones of disseminated sulphides (chalcopyrite  $\pm$  pyrite), alteration and veining also within the dolerite. Unfortunately, 22STDC002 did not intersect any significant copper-gold mineralisation.<sup>7</sup>

Subsequent to the period the Company commenced a technical review of the Hasties Prospect area which will determine next steps for Hasties, particularly whether targeting mineralisation at depth associated with the dolerite remains part of the exploration strategy.

The potential for additional shallow mineralisation along strike of the Hasties Main and Hasties Southeast Zones remains high, in addition to the new untested potential at the Frenchman's and Kurilli Hill Prospects.



**Photo's 1: Clockwise from top left – Chalcopyrite (cp) in quartz veining, pyrite (py)  $\pm$  cp along discordant quartz-carbonate veins selvage, py  $\pm$  cp veining with quartz-carbonate veining in siltstone, and fine disseminated pyrite in altered and brecciated Dolerite near apex zone.**

<sup>7</sup> ASX Announcement 11 August 2022 – South Telfer Diamond Drilling Results & Exploration Update

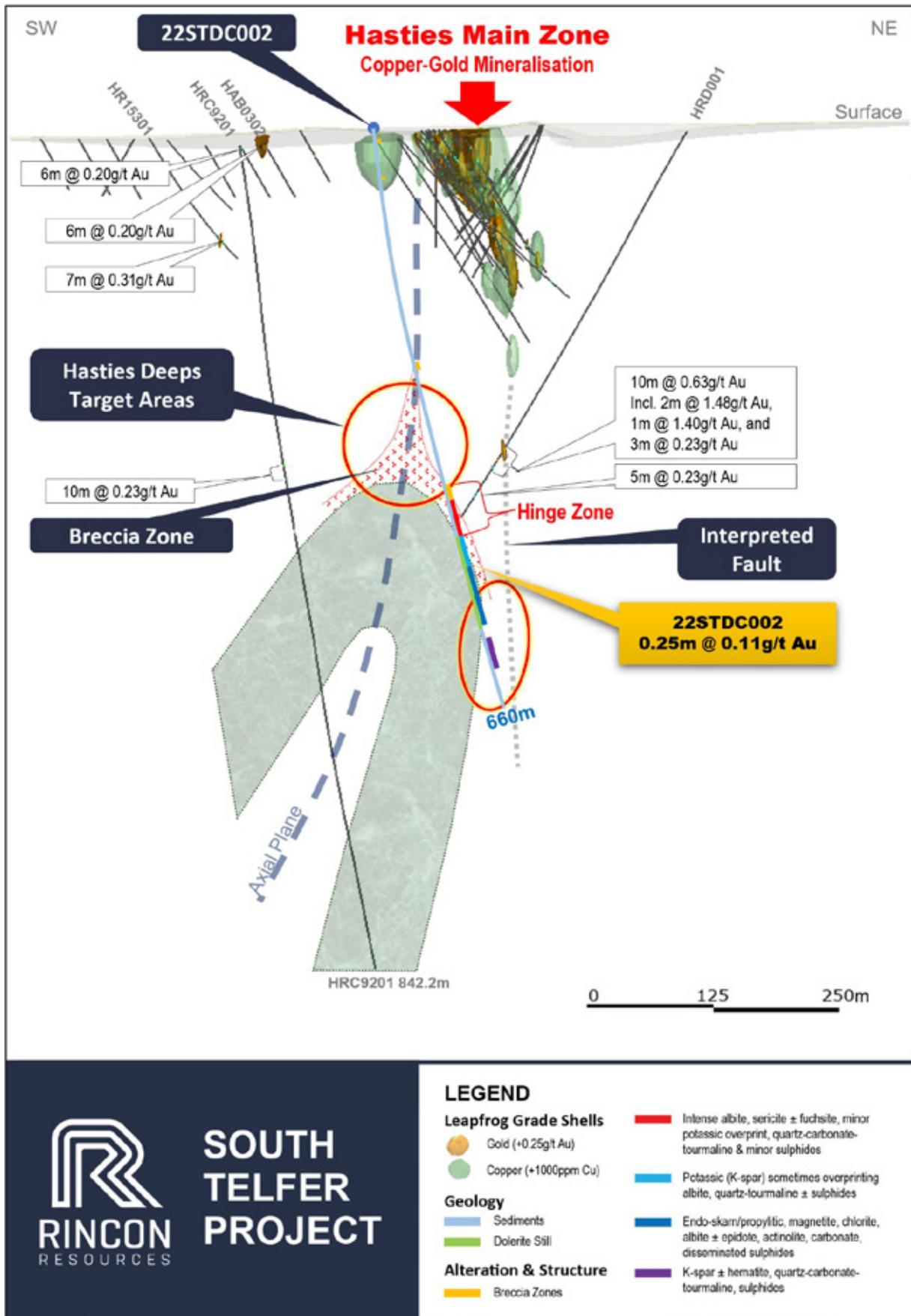
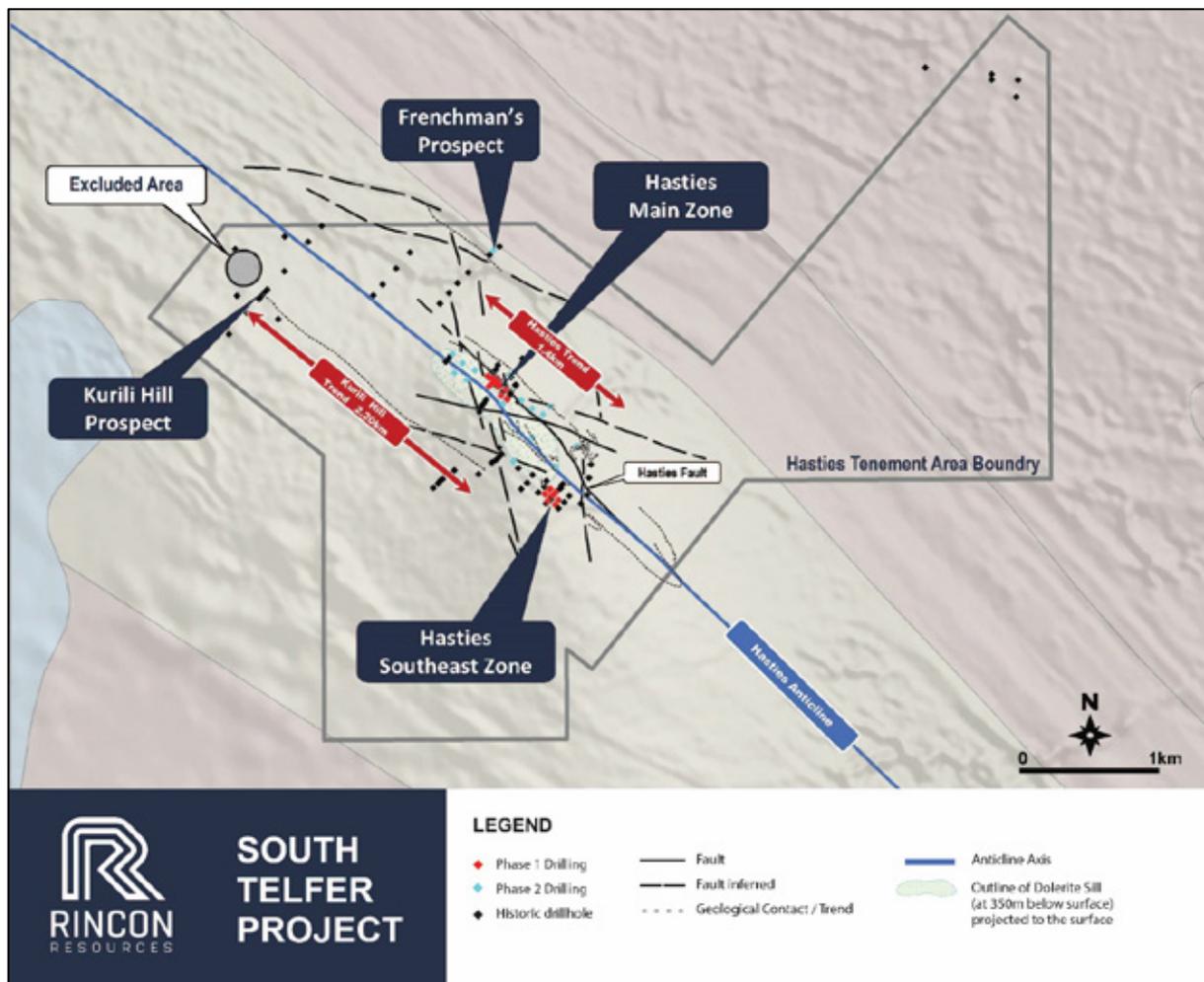


Figure 7 – Schematic section through Hasties Main Zone; 22STDC002 successfully tested Hasties Deeps but failed to intersect significant copper-gold mineralisation. Kurili Hill Prospect

The Kurili Hill Prospect, located about 1.7km northwest of Hasties (Figure 8), was first identified and drilled by Newcrest in 1997. Newcrest drilled several broad spaced holes to test an outcropping malachite rich (copper-oxide) gossan and breccia zone but did to complete any follow-up drilling at depth and along strike, particularly to the southeast.<sup>8</sup>

The copper-oxide rich gossan and breccia was mapped during a site inspection over at least 200m strike and up to 20m in width. A review of the historic drilling data indicated copper mineralisation intercepted by Newcrest remains open at depth and untested with the previous wide space drilling failing to test an interpreted moderate to steep west dipping mineralisation.

The best hole previously drilled at Kurili Hill was HWR042, intersecting 3m @ 1.00% Cu & 0.17g/t Au from 6m within a mineralised zone of 10m @ 0.58% Cu & 0.13g/t Au from 1m. The next closest hole was HWR043, 200m to the west of HWR042, which intersected multiple zones of significant copper mineralisation including 1m @ 1.95% Cu from 50m, 1m @ 1.60% Cu from 78m, 1m @ 1.02% Cu from 86m, and 5m @ 1.02% Cu from 90m downhole.



**Figure 8 – Hasties area showing location of Kurili Hill Prospect.**

An interpretation of aeromagnetic and aerial imagery suggests the copper gossan bearing horizon can be traced over an untested strike length of up to 2km trending southeast of hole HWR042. Of significance, is historic drillhole HAB1002, inferred to have tested the same copper horizon at the south-eastern end of the 2km strike extension, intersected 16m @ 0.29% Cu from 4m.

<sup>8</sup> ASX Announcement 22 April 2022 – Copper-Rich Gossan and Breccia at Kurili Hill Prospect

**Kiwirrkurra Copper-Gold (IOCG) Project**

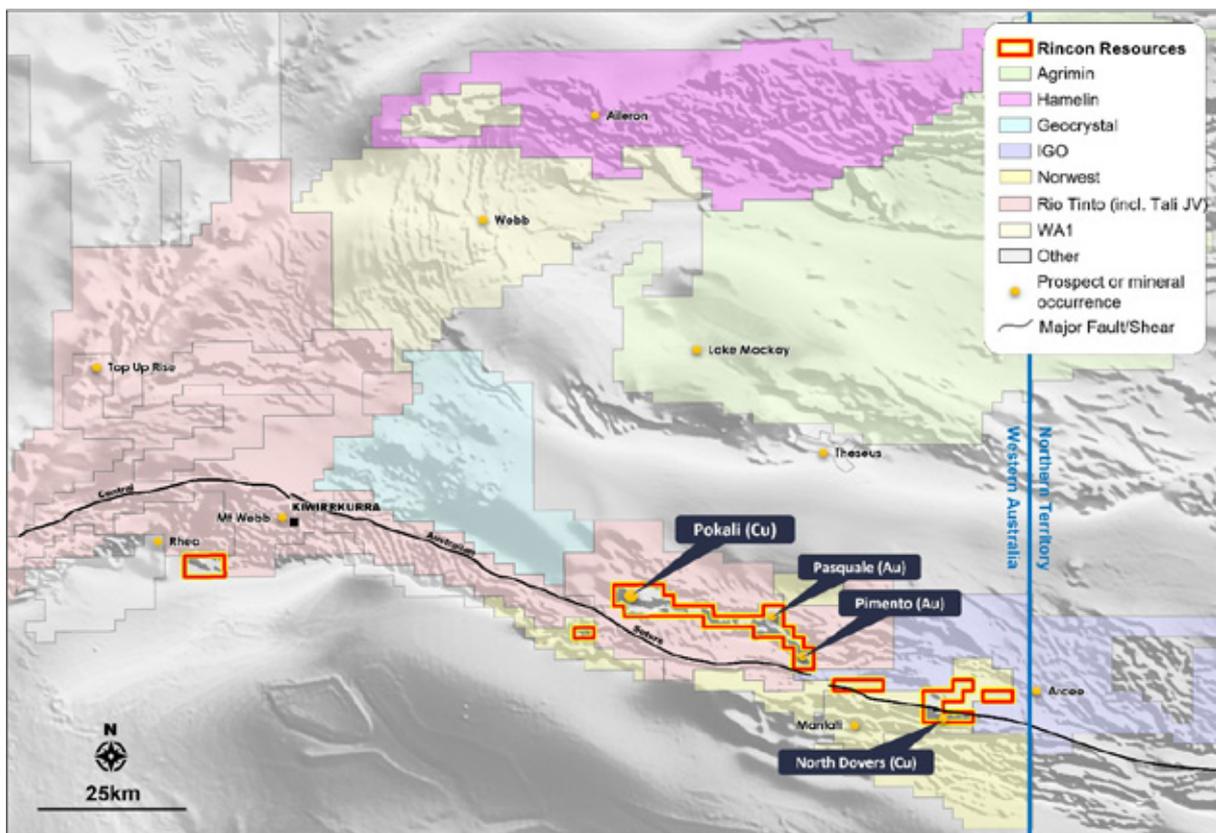
The Kiwirrkurra Project consist of 4 granted exploration licences and 2 exploration licence applications encompassing ~220km<sup>2</sup> of the highly prospective Central Australian Suture (CAS) zone in the West Arunta Region of Western Australia (Figure 9). The CAS represents a preserved subduction zone and has seen an increase in exploration activity with the recent discovery of the Grapple base metal prospect by the Lake Mackay JV (IGO Limited (ASX: IGO) and Prodigy Gold (ASX:PRX)). The Kiwirrkurra Project is prospective for Iron Oxide Copper-Gold (IOCG) style mineralisation as well as orogenic gold mineralisation.

**Geophysics (Pokali)**

Geophysical consultants Resource Potentials, were commissioned to source, compile, re-process and interpret historic open-file geophysical, geological, surface geochemical and historical drilling data, as part of a comprehensive review and targeting program for Project.<sup>9</sup>

Thirteen priority targets have been 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.

The Company still awaits the grant of a Mining Entry Permit (MEP) and Consent to Mine authority to be issues by the Western Australian government before it can commence on-ground activities. Subject to these approvals and heritage survey clearance, drilling at Pokali is planned for H1 2022.



**Figure 9 – Kiwirrkurra Copper-Gold Project location plan, West Arunta Region, WA.**

<sup>9</sup> ASX Announcement 15 October 2021 - Priority Copper-Gold Targets Identified, Kiwirrkurra Copper-Gold Project

### **EIS Co-funding Grant & Land Access Deed of Agreement**

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 (EIS). The EIS grant will co-fund two diamond holes to test high-priority IOCG-style targets at the Pokali Prospect at Kiwirrkurra.<sup>10</sup>

The Company also executed a Mineral Exploration and Land Access Deed of Agreement with the Tjambu Tjambu (Aboriginal Corporation) Registered Native Title Body Corporate for the Kiwirrkurra Project.

### **Laverton Gold Project**

The Laverton Gold Project consists of two granted exploration licences and three exploration licence applications covering approximately 41km<sup>2</sup> of prospective Banded Iron Formation (BIF) stratigraphy, within the Mt Margaret-Murrin Greenstone belt. The project area is located 4km west of the Laverton township in Western Australia and has previously been the subject of sporadic, early-stage exploration activities.

### **Photo-Geological Mapping**

The Company completed an aerial photographic mapping and targeting program 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 points of interest (targets) were identified and considered to represent favourable sites for mineralisation. No field work was completed during this program, and the conclusions reached were based entirely on the photo-interpretation.

Some 38 exploration targets were identified. These targets fell into 5 general categories or geological context as follows:

- 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 exploration targets require reconnaissance ground checking to determine their prospectivity followed by a prioritisation process ahead of drill testing.

### **COVID-19 impact**

All the Group's staff and contractors, including those on site at the projects in Western Australia are safe. The Group 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 Group's operations at the Western Australian projects have not been directly affected by COVID-19 restrictions in Australia, however the Group continues to monitor this closely with the health and wellbeing of all staff and contractors' priority.

<sup>10</sup> ASX Announcement 4 November 2021 – EIS Co-funding Grant for Kiwirrkurra Copper-Gold Project

### Corporate Activities

On 23 September 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.

On 30 March 2022, the Company issued 2,500,000 Advisor Options to a consultant exercisable @ \$0.20 on or before 30 March 2025 exercisable and vesting immediately.

On 30 June 2022, the Company issued 2,500,000 Performance Options exercisable @ \$0.20 on or before 30 June 2025 vesting upon the Company raising a total of at least \$2,000,000 of additional capital at a price of more than \$0.20 per Share by 28 August 2022 to a consultant as part consideration for consulting services.

On 22 June 2022, shareholders approved the issue of 3,500,000 Performance rights to Directors to provide a performance linked incentive component in the remuneration package to motivate and reward the performance in their roles as Directors.

### Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Board meetings	
	Attended	Eligible to attend
Blair Sergeant <sup>1</sup>	8	8
Gary Harvey <sup>2</sup>	6	6
Caroline Keats <sup>3</sup>	4	4
Geoffrey McNamara <sup>4</sup>	4	4
Zeffron Reeves <sup>5</sup>	3	3
Ed Mason <sup>4</sup>	4	4

1. Appointed Non-Executive Director 18 August 2020, appointed Chairman 6 December 2021
2. Appointed Chief Executive Officer 12 May 2021, appointed Managing Director 1 October 2021
3. Appointed 6 December 2021, resigned 18 August 2022
4. Resigned 6 December 2021
5. Resigned 15 November 2021

## Shares

As at the date of this report, there are 64,170,944 fully paid ordinary shares on issue.

## Options

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Advisor Options	Performance Options
Number on issue	2,500,000	2,500,000
Grant date	28 February 2022	28 February 2022
Expiry date	30 March 2025	30 June 2025
Exercise price	\$0.20	\$0.20
Vested	2,500,000	-

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

During the year ended 30 June 2022, nil shares were issued upon the exercise of options.

## Performance Rights

At the date of this report, there are 6,200,000 performance rights on issue which will vest subject to meeting applicable performance criteria.

During the year ended 30 June 2022, 2,100,000 performance rights were cancelled, unvested. No performance rights vested or were converted.

## Financial Position

The Group had a total issued capital of \$7,149,857 (2021: \$7,149,857) at the end of the reporting period.

During the financial year, the Group had a net increase in contributed equity of nil (2021: \$6,374,334) raising during the year.

As at 30 June 2022, the total assets for the Group are \$5,168,853 (2021: \$6,230,187) and total liabilities amount to \$198,962 (2021: \$202,431).

## Significant changes in the state of affairs

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

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the Key Management Personnel of the Company for the financial year ended 30 June 2022. The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

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

### Key Management Personnel

The following are classified as Key Management Personnel:

#### Directors

Mr Gary Harvey – Managing Director (*appointed Chief Executive Officer 12 May 2021, appointed Managing Director 1 October 2021*)

Mr Blair Sergeant – Non-Executive Director (*appointed Non-Executive Director 18 August 2020, appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director*)

Ms Caroline Keats – Non-Executive Director (*appointed 6 December 2021, resigned 18 August 2022*)

Mr Geoffrey McNamara – Non-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*)

There are no other Key Management Personnel.

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

- a) Principles used to determine the nature and amount of remuneration;
- b) Details of remuneration;
- c) Service agreements;
- d) Equity-based remuneration;
- e) Equity instruments issued on exercise of remuneration options;
- f) Loans to/from Key Management Personnel; and
- g) Other transactions with Key Management Personnel.

#### a) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

## REMUNERATION REPORT (AUDITED) (continued)

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. The remuneration framework is designed to align executive reward to shareholders' interests. The Board considers that it should seek to enhance shareholders' interests by:

- implementing coherent remuneration policies and practices to attract, motivate and retain executives and directors who will create value for shareholders and who are appropriately skilled and diverse;
- observing those remuneration policies and practices;
- fairly and responsibly rewards executives having regard to Group and individual performance; the performance of the executives and the general external pay environment; and
- integrating human capital and organisational issues into its overall business strategy.

Additionally, the remuneration framework must refer to the following principles when developing recommendations to the Board regarding executive remuneration:

- motivating management to pursue the Group's long-term growth and success;
- demonstrating a clear relationship between the Group's overall performance and the performance of individuals; and
- complying with all relevant legal and regulatory provisions.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

The Board encourages directors to hold shares in the Company. The Company has a Share Trading Policy which directors and employees are required to comply with. During the year, Mr Blair Sergeant increased his shareholdings to 762,797, Mr Gary Harvey increased his shareholdings to 75,000 and Ms Caroline Keats increased her shareholdings to 41,666 fully paid ordinary shares on on-market transactions at arm's length. On 23 September 2021, the Company issued a total of 2,000,000 performance rights to Mr Gary Harvey in accordance with his services agreement. In addition, Directors were issued 3,500,000 performance rights as incentive link to remuneration packages and reward and motivate the performance of the Directors.

No other shares or options were acquired by key management personnel during the year other than as part of remuneration.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

All performance rights have been valued in accordance with AASB 2, which takes into account factors such as the underlying share price, the expected vesting date and vesting probability in achieving the specified vesting hurdles at the reporting date.

### Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which may have both fixed and variable components. In respect of executive remuneration, remuneration packages should include an appropriate balance of fixed and performance-based remuneration and may contain any or all of the following:

## REMUNERATION REPORT (AUDITED) (continued)

### *Fixed remuneration*

Any fixed remuneration component should:

- be reasonable and fair;
- take into account the Group's legal and industrial obligations and labour market condition;
- be relative to the scale of the Group's business; and
- reflect core performance requirements and expectations.

### *Performance-based remuneration*

Any performance-based remuneration should:

- take into account individual and corporate performance; and
- be linked to clearly-specified performance targets, which should be
- aligned to the Group's short and long-term performance objectives; and
- appropriate to its circumstances, goals and risk appetite.

### *Equity-based remuneration*

Equity-based remuneration can include options or performance rights or shares and is especially effective when linked to hurdles that are aligned to the Group's longer-term performance objectives. However, they should be designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks. The Board is of the opinion that the adoption of performance-based compensation for executives is necessary to reward executives consistent with increases in shareholder returns.

### *Termination payments*

Termination payments should be agreed in advance, and any agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

## **Non-Executive Director's Remuneration**

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

In respect of Non-Executive Director remuneration, remuneration packages could contain cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity) and may contain any or all of the following:

- fixed remuneration – this should reflect the time commitment and responsibilities of the role
- performance-based remuneration – non-executive directors generally should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their independence
- equity-based remuneration – non-executive directors can receive an initial allocation of fully-paid ordinary securities if shareholders have approved such an allocation in accordance with the ASX Listing Rules. However, non-executive directors generally should not receive performance shares as part of their remuneration as it may lead to bias in their decision-making and compromise their independence; and
- termination payments – non-executive directors should not be provided with retirement benefit other than superannuation.

ASX Listing Rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum aggregate remuneration payable to Non-Executive Directors currently stands at \$500,000 per annum.

## **Use of Remuneration Consultants**

During the financial year ended 30 June 2022, there is no use of remuneration consultants by the Group.

## REMUNERATION REPORT (AUDITED) (continued)

### b) Details of Remuneration

Remuneration of Key Management Personnel is set out below.

Directors	Year	Short-term employee benefits	Post-employment benefits	Share-based payments		Total	Performance based % of remuneration
		Cash salary and fees	Superannuation	Shares	Performance Rights		
<b>Managing Director</b>							
Gary Harvey <sup>1</sup>	2022	250,000	25,000	-	26,196	301,196	8.7%
<b>Non-Executive Director</b>							
Blair Sergeant <sup>2</sup>	2022	45,000	-	-	10,184	55,184	18.45%
	2021	36,250	-	-	380	36,630	1.04%
<b>Non-Executive Director</b>							
Caroline Keats <sup>3</sup>	2022	25,705	-	-	218	25,923	0.84%
	2021	-	-	-	-	-	-
<b>Non-Executive Chairman</b>							
Geoff McNamara <sup>4</sup>	2022	49,565	-	-	-	49,565	-
	2021	165,744	-	-	381	166,125	0.23%
<b>Non-Executive Director</b>							
Zeff Reeves <sup>5</sup>	2022	28,275	-	-	-	28,275	-
	2021	106,000	-	-	380	106,380	0.36%
<b>Non-Executive Director</b>							
Ed Mason <sup>6</sup>	2022	18,750	-	-	-	18,750	-
	2021	30,000	-	-	380	30,380	1.25%
<b>Executives</b>							
<b>Chief Executive Officer</b>							
Gary Harvey <sup>1</sup>	2021	34,295	3,258	-	359	37,912	0.95%
<b>Total</b>	<b>2022</b>	<b>417,296</b>	<b>25,000</b>	<b>-</b>	<b>36,598</b>	<b>478,894</b>	
	2021	372,289	3,258	-	1,880	377,427	

1. Appointed Chief Executive Officer 12 May 2021, appointed Managing Director 1 October 2021
2. Appointed Non-Executive Director 18 August 2020, appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director.
3. Appointed 6 December 2021, resigned 18 August 2022
4. Resigned 6 December 2021
5. Resigned 15 November 2021
6. Resigned 6 December 2021

## REMUNERATION REPORT (AUDITED) (continued)

### Performance income as a proportion of total income

Performance income as a proportion of total income for Key Management Personnel is disclosed in this Remuneration Report. The performance related component resulted from the vesting period value ascribed to performance rights issued during the year.

### Additional information

The loss of the Group for the two years to 30 June 2022 are summarised below:

	2022	2021*
	\$	\$
Sales revenue	-	-
EBITDA	(1,261,702)	(1,171,784)
EBIT	(1,297,655)	(1,172,710)
Loss before tax	(1,300,698)	(1,172,095)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2022	2021*
	\$	\$
Share price at financial year end	0.10	0.26
Total dividends declared (cents per share)	-	-
Basic loss per share (cents per share)	(2.53)	(2.23)

\* On 20 December 2020 the Company commenced trading on the Australian Securities Exchange.

### Equity holdings

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the Company would have adopted if dealing at arms' length. The relevant interests of each director in share capital at the date of this report are as follows:

### Fully Paid ordinary Shares Movement in shareholdings of key management personnel

	Opening balance 1 July 2021	Granted as Remuneration	Other*	Balance on Appointment/ Resignation	Balance at 30 June 2022
<b>Directors</b>					
Gary Harvey <sup>1</sup>	-	-	75,000	-	<b>75,000</b>
Blair Sergeant <sup>2</sup>	562,797	-	200,000	-	<b>762,797</b>
Caroline Keats <sup>3</sup>	-	-	41,666	-	<b>41,666</b>
Geoffrey McNamara <sup>4</sup>	2,901,820	-	677,111	3,578,931	-
Zeffron Reeves <sup>5</sup>	1,381,526	-	-	1,381,526	-
Ed Mason <sup>6</sup>	-	-	-	-	-
<b>Total</b>	<b>4,846,143</b>	<b>-</b>	<b>993,777</b>	<b>4,960,457</b>	<b>879,463</b>

\*On-market transactions at arm's length.

1. Appointed Chief Executive Officer 12 May 2021, appointed Managing Director 1 October 2021. 55,000 fully paid ordinary shares are held by Mr Gary Harvey. 20,000 fully paid ordinary shares are held by Mrs Julia Harvey, spouse of Mr Gary Harvey.
2. Appointed Non-Executive Director 18 August 2020, appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director. 375,547 fully paid ordinary shares are held by Evolution Capital Partners Pty Ltd <Golden Triangle A/C>, an entity related to Mr Blair Sergeant. 387,250 fully paid ordinary shares are held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>, an entity related to Mr Blair Sergeant.
3. Appointed 6 December 2021, resigned 18 August 2022
4. Resigned 6 December 2021
5. Resigned 15 November 2021
6. Resigned 6 December 2021

## REMUNERATION REPORT (AUDITED) (continued)

### Performance Rights

#### Movement in Performance Rights of key management personnel

	Opening Balance 1 July 2021	Granted	Cancelled/ lapsed	Converted	Balance at 30 June 2022	Total vested at 30 June 2022
<b>Directors</b>						
Gary Harvey <sup>7</sup>	-	3,500,000	-	-	3,500,000	-
Blair Sergeant <sup>8</sup>	700,000	1,000,000	-	-	1,700,000	-
Caroline Keats	-	1,000,000	-	-	1,000,000	-
Geoff McNamara	700,000	-	(700,000)	-	-	-
Zeffron Reeves	700,000	-	(700,000)	-	-	-
Ed Mason	700,000	-	(700,000)	-	-	-
<b>Total</b>	<b>2,800,000</b>	<b>5,500,000</b>	<b>(2,100,000)</b>	<b>-</b>	<b>6,200,000</b>	<b>-</b>

7. Appointed Chief Executive Officer 12 May 2021, appointed Managing Director 1 October 2021. 1,500,000 performance rights are held by Mr Gary Harvey. 2,000,000 performance rights are held by Mrs Julia Harvey, spouse of Mr Gary Harvey.
8. Appointed Non-Executive Director 18 August 2020, appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022. 1,700,000 performance rights are held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>, an entity related to Mr Blair Sergeant.

#### c) Service agreements

Key Management Personnel employment terms are formalised in a service agreement, a summary of which is set out below.

Name	Base Salary/Fees	Terms of Agreement	Termination Notice Period
Mr Gary Harvey (Managing Director)	\$250,000 per annum plus superannuation	Until terminated	3 months written notice

#### Non-Executive Directors

All non-executive Directors were appointed by a letter of appointment. Directors can retire in writing as set out in the Constitution.

## REMUNERATION REPORT (AUDITED) (continued)

### d) Equity-based remuneration

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

On 23 September 2021, the Company issued a total of 2,000,000 performance rights to Mr Gary Harvey in accordance with his services agreement. Details are as follows:

Class	No. of Performance Rights	Vesting Condition	Expiry Date
Class A	250,000	Twelve months continuous service as a Director or CEO and on the Company announcing a JORC compliant Inferred Resource of $\geq 200,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue.	25 June 2024
Class B	500,000	Twenty-four months continuous service as a Director or CEO and on the Company announcing a JORC compliant Inferred Resource of $\geq 500,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue.	25 June 2024
Class C	750,000	Thirty-six months continuous service as a Director or CEO and on the Company announcing a JORC compliant Inferred Resource of $\geq 1$ million oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 5 years from the date of issue.	25 June 2026
Class D	500,000	Twenty-four months continuous service as a Director or CEO and on the Company announcing completion of a positive Scoping and/or Feasibility Study at its Laverton and/or South Telfer projects within 5 years from the date of issue.	25 June 2026

On 30 June 2022, the Company issued 3,500,000 Performance Rights to key management personnel as a performance linked incentive component in the remuneration package. Details are as follows:

Class	No. of Performance Rights	Vesting Conditions	Expiry Date
Class E	875,000	Company Share price reaches at least \$0.30, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027
Class F	875,000	Company Share price reaches at least \$0.35, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027
Class G	875,000	Company Share price reaches at least \$0.40, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027
Class H	875,000	Company Share price reaches at least \$0.50, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027

- (i) 20 day VWAP means a volume weighted average price for Shares over 20 consecutive trading days on which Shares have actually traded on ASX.

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.

## REMUNERATION REPORT (AUDITED) (continued)

### d) Equity based remuneration (continued)

The terms and conditions of each grant of performance rights affecting remuneration of directors in this financial year or future reporting years are as follow:

Director	Class	No. of Performance Rights	Grant Date	Vesting date and exercisable date	Expiry date	Fair value per performance right at grant date
Gary Harvey	Class A	250,000	25 June 2021	25 June 2024	25 June 2024	\$0.26
	Class B	500,000	25 June 2021	25 June 2024	25 June 2024	\$0.26
	Class C	750,000	25 June 2021	25 June 2026	25 June 2026	\$0.26
	Class D	500,000	25 June 2021	25 June 2026	25 June 2026	\$0.26
	Class E	375,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class F	375,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class G	375,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class H	375,000	22 June 2022	22 June 2027	22 June 2027	\$0.11
Blair Sergeant	Class A	100,000	25 June 2021	25 June 2024	25 June 2024	\$0.26
	Class B	200,000	25 June 2021	25 June 2024	25 June 2024	\$0.26
	Class C	200,000	25 June 2021	25 June 2026	25 June 2026	\$0.26
	Class D	200,000	25 June 2021	25 June 2026	25 June 2026	\$0.26
	Class E	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class F	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class G	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class H	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.11
Caroline Keats	Class E	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class F	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class G	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.12
	Class H	250,000	22 June 2022	22 June 2027	22 June 2027	\$0.11

All performance rights were granted over unissued fully paid ordinary shares in the Company. Performance rights vest based on the provision of service over the vesting period and meeting of the vesting conditions. Performance rights are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights.

There were no other equity based remuneration to key management personnel during the year.

### e) Equity instruments issued on exercise of remuneration options

No remuneration options were issued or exercised during the financial year.

### f) Loans to/from Key Management Personnel

There were no loans with key management personnel of the Company during the financial year.

## REMUNERATION REPORT (AUDITED) (continued)

### g) Other transactions with key management personnel

Transactions with Key Management Personnel or their related parties during the year ended 30 June 2022 are as follows:

	2022 \$	2021 \$
The following transactions occurred with related parties for consulting services:		
Evolution Corporate Services Pty Ltd <sup>(i)</sup>	-	10,839
Tanamera Resources Pte Ltd <sup>(ii)</sup>	30,000	63,601
Zeffron Reeves <sup>(iii)</sup>	11,400	72,648
Tesoro Gold Ltd <sup>(iv)</sup>	15,006	7,910
	<b>56,406</b>	<b>154,998</b>

- (i) For company secretarial services, to which Shannon Coates is a director. Shannon Coates resigned as Director at 1 November 2020.
- (ii) For consulting service, to which Geoffrey McNamara is a director.
- (iii) For consulting services.
- (iv) For administrative support, to which Geoffrey McNamara and Zeffron Reeves are directors.

### Outstanding balances arising from sales/purchases of goods and services, transactions

The following payments are owed to related parties:

	2022 \$	2021 \$
Zeffron Reeves <sup>(i)</sup>	-	40,150
Tanamera Resources Pte Ltd <sup>(ii)</sup>	-	18,750
	<b>-</b>	<b>58,900</b>

- (i) Amount was payable to Zeffron Reeves for director fee of \$11,250 and consulting fee of \$28,900 related to financial year ended 30 June 2021.
- (ii) Amount was payable to Tanamera Resources Pte Ltd for Geoffrey McNamara's director fees of \$11,250 and consulting fees of \$7,500 related to financial year ended 30 June 2021.

There were no other transactions with key management personnel of the Company during the financial year.

## END OF REMUNERATION REPORT

### Diversity

The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice and is committed to managing diversity as a means of enhancing the Company's performance. There is currently 1 woman on the Company's Board in addition, the contract CFO is female.

The Company as set out in the Diversity Policy, (accessible from the Company's website) will focus on participation of women on its Board and within senior management and intends to set measurable objectives for achieving gender diversity which will be adhered to once the size and scale of the Company increases sufficiently to permit further additions to the Board or senior management.

### **Matters subsequent to the end of the financial year**

On 11 July 2022, the Company announced the commencement of a heritage survey at Westin Trend on the South Telfer Copper-Gold Project.

On 11 August 2022, the Company announced the results of diamond drilling at the Hasties Prospect on the South Telfer Copper-Gold Project.

On 18 August 2022, the Company announced the appointment of Non-Executive Director Don Strang and resignation of Non-Executive Director, Caroline Keats.

On 13 September 2022, the Company announced the following:

- Securing of the rights to acquire Exploration Licence Application E45/6163 in the Company's Westin Tenement Area
- Appointment of Executive Chairman, Mr David Lenigas
- Resignation as Chairman of Mr Blair Sergeant
- Proposed capital raising of \$1.2 million via a Placement of 15,000,000 fully paid ordinary shares at \$0.08 per share, before costs.

On 19 September 2022, the Company announced that it has issued and allotted 12,834,188 fully paid ordinary shares at \$0.08 per share for cash consideration.

Other than as discussed above, no other matter or circumstance has arisen since 30 June 2022 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.

### **Future developments, prospects and business strategies**

The consolidated entity intends to continue with the advancement of exploration at its current projects located in Western Australia.

### **Environmental regulation**

The consolidated entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors of the consolidated entity are not aware of any breach of environmental regulations for the period under review.

### **Indemnifying officers or auditor**

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Group has a Directors and Officers insurance policy in place.

### **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 purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### 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.

### 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



Gary Harvey  
Managing Director  
30 September 2022

**RSM Australia Partners**

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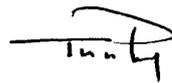
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Rincon Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 September 2022

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

		<b>Consolidated</b>	
		<b>Year ended 30 June 2022</b>	<b>Year ended 30 June 2021</b>
		<b>\$</b>	<b>\$</b>
Interest income		403	621
Other income		62,100	-
Administration expenses		(199,449)	(80,670)
Consultancy expenses	10	(467,805)	(584,263)
Corporate and compliance expenses		(157,981)	(231,396)
Exploration expenses		-	(9,670)
Employee related expenses		(439,268)	(245,213)
Legal expenses		(22,360)	(19,051)
Depreciation and amortisation		(35,953)	(926)
Equity based payments	10	(36,939)	(1,521)
Interest and finance		(3,446)	(6)
<b>Loss before income tax</b>		<b>(1,300,698)</b>	<b>(1,172,095)</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss after tax</b>		<b>(1,300,698)</b>	<b>(1,172,095)</b>
<b>Total comprehensive loss for the year</b>		<b>(1,300,698)</b>	<b>(1,172,095)</b>
Basic and diluted loss per share (cents per share)	11	<b>(2.53)</b>	<b>(2.23)</b>

*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 30 JUNE 2022**

		Consolidated	
	Note	As at 30 June 2022 \$	As at 30 June 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,149,397	4,429,462
Other receivables	4	144,368	113,714
<b>TOTAL CURRENT ASSETS</b>		<b>1,293,765</b>	<b>4,543,176</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation	5	3,733,101	1,625,681
Plant and equipment	6	61,198	61,330
Other assets		18,086	-
Right-of-use asset	23	62,703	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,875,088</b>	<b>1,687,011</b>
<b>TOTAL ASSETS</b>		<b>5,168,853</b>	<b>6,230,187</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7a	102,315	199,652
Provisions	7b	30,570	2,779
Lease liability	7c	42,367	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>175,252</b>	<b>202,431</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	7c	23,710	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>23,710</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>198,962</b>	<b>202,431</b>
<b>NET ASSETS</b>		<b>4,969,891</b>	<b>6,027,756</b>
<b>EQUITY</b>			
Issued capital	8a	7,149,857	7,149,857
Reserves	9	244,354	1,521
Accumulated losses		(2,424,320)	(1,123,622)
<b>TOTAL EQUITY</b>		<b>4,969,891</b>	<b>6,027,756</b>

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

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

<b>Consolidated</b>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	<b>7,149,857</b>	<b>1,521</b>	<b>(1,123,622)</b>	<b>6,027,756</b>
Loss for the year	-	-	(1,300,698)	(1,300,698)
Total comprehensive loss for the year	-	-	(1,300,698)	(1,300,698)
Performance rights vesting expense for the year (Note 10)	-	36,939	-	36,939
Options issued as consultant fee (Note 10)	-	205,894	-	205,894
<b>Balance at 30 June 2022</b>	<b>7,149,857</b>	<b>244,354</b>	<b>(2,424,320)</b>	<b>4,969,891</b>
<b>Balance at 1 July 2020</b>	<b>775,523</b>	<b>-</b>	<b>(263,237)</b>	<b>512,286</b>
Loss for the year	-	-	(1,172,095)	(1,172,095)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(1,172,095)</b>	<b>(1,172,095)</b>
Share issue in lieu of services	276,570	-	-	276,570
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 raising	6,000,000	-	-	6,000,000
Performance rights	-	1,521	-	1,521
Cost of share issues	(582,202)	-	-	(582,202)
<b>Balance at 30 June 2021</b>	<b>7,149,857</b>	<b>1,521</b>	<b>(1,123,622)</b>	<b>6,027,756</b>

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

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

<b>Consolidated</b>			
	<b>Note</b>	<b>Year ended 30 June 2022 \$</b>	<b>Year ended 30 June 2021 \$</b>
<b>Cash flows from operating activities</b>			
Interest income		403	621
Other income		2,100	-
Payments to suppliers and employees (inclusive of GST)		(1,099,887)	(968,864)
<b>Net cash flows used in operating activities</b>	<b>20</b>	<b>(1,097,384)</b>	<b>(968,243)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(42,925)	(62,257)
Payments for exploration and evaluation		(2,107,420)	(1,053,935)
Payment of security deposits and bank Guarantees for lease		(18,086)	-
<b>Net cash flows used in investing activities</b>		<b>(2,168,431)</b>	<b>(1,116,192)</b>
<b>Cash flows from financing activities</b>			
Capital raising		-	6,400,000
Exercise of options		-	199,200
Capital raising costs		-	(320,632)
Repayment of lease liabilities		(14,250)	-
<b>Net cash flows (used in)/provided by financing activities</b>		<b>(14,250)</b>	<b>6,278,568</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,280,065)</b>	<b>4,194,133</b>
Cash and cash equivalents at beginning of the year		4,429,462	235,329
<b>Cash and cash equivalents at end of year</b>	<b>3</b>	<b>1,149,397</b>	<b>4,429,462</b>

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

## Note 1. Statement of significant accounting policies

This financial report includes the financial statements and notes of Rincon Resources Limited and controlled entities ("consolidated entity" or the "Group"). The separate financial statements and notes of Rincon Resources Limited as an individual parent entity ("Company") have not been presented within this financial report as permitted by the *Corporations Act 2001*.

### Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Company is an ASX listed public company, incorporated in Australia and operating in Australia.

The Group's principal activities are mineral exploration.

The financial report is presented in Australian dollars.

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### Statement of Compliance

The financial report was authorised for issue on 30 September 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("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 Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only.

## Note 1. Statement of significant accounting policies (continued)

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rincon Resources Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Rincon Resources Limited and its subsidiaries together are referred to in these financial statements as the "consolidated entity" or "Group".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the 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 consolidated entity 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.

### Goods and Services Tax ('GST') and other similar taxes

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Note 2. Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### *Exploration and evaluation expenditure:*

The Directors have conducted a review of the Group's capitalised exploration expenditure to determine the existence of any indicators of impairment. Based upon this review, the Directors have determined that no impairment exists.

### *Share-based payment transactions:*

The Group measures the cost of equity-settled transactions 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.

The fair value is expensed over the vesting period.

Consolidated

30 June 2022	30 June 2021
\$	\$

**Note 3. Cash and cash equivalents**

Cash at bank	1,149,397	4,429,462
--------------	-----------	-----------

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash at bank earns interest at floating rates based on daily bank deposit rates.

Consolidated

30 June 2022	30 June 2021
\$	\$

**Note 4. Other receivables**

Other receivables	66,000	-
GST receivable	52,749	71,907
Prepayment	25,619	41,807
	144,368	113,714

Other receivables and GST receivable are due to be received by 30 June 2023. This receivable is not past due nor impaired.

Consolidated

30 June 2022	30 June 2021
\$	\$

**Note 5. Exploration and evaluation**

Costs carried forward in respect of areas of interests:	3,733,101	1,625,681
<i>Movement during the year</i>		
Opening balance:	1,625,681	571,746
Exploration expenditure	2,107,420	1,053,935
	3,733,101	1,625,681

## Note 5. Exploration and evaluation (continued)

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - (ii) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, assaying, sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to a mine development asset.

**Note 6. Plant and Equipment**

	<b>Consolidated</b>	
	<b>30 June 2022 \$</b>	<b>30 June 2021 \$</b>
<i>Plant and equipment</i>		
At cost	33,849	26,395
Accumulated depreciation	(6,562)	(447)
Total Plant and equipment	<u>27,287</u>	<u>25,948</u>
<i>Computer equipment</i>		
At cost	16,399	10,231
Accumulated depreciation	(4,940)	(428)
Total Office equipment	<u>11,459</u>	<u>9,803</u>
<i>Software</i>		
At cost	25,630	25,630
Accumulated depreciation	(8,469)	(51)
Total Software	<u>17,161</u>	<u>25,579</u>
<i>Leasehold improvements</i>		
At cost	5,670	-
Accumulated depreciation	(379)	-
Total Leasehold improvements	<u>5,291</u>	<u>-</u>
<b>Movements in plant and equipment</b>		
Beginning of year	25,948	-
Additions	7,453	26,395
Depreciation	(6,114)	(447)
Balance at end of year	<u>27,287</u>	<u>25,948</u>
<b>Movements in computer equipment</b>		
Beginning of year	9,803	-
Additions	6,167	10,231
Depreciation	(4,511)	(428)
Balance at end of year	<u>11,459</u>	<u>9,803</u>
<b>Movements in software</b>		
Beginning of year	25,579	-
Additions	-	25,630
Depreciation	(8,418)	(51)
Balance at end of year	<u>17,161</u>	<u>25,579</u>
<b>Movements in leasehold improvement</b>		
Beginning of year	-	-
Additions	5,670	-
Amortisation	(379)	-
Balance at end of year	<u>5,291</u>	<u>-</u>
<b>Total Plant and equipment</b>	<u><b>61,198</b></u>	<u><b>61,330</b></u>

## Note 6. Plant and Equipment (continued)

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated over the estimated useful life of the assets as follows:

- Plant and equipment – 5 years (diminishing value)
- Computer equipment – 3 years (diminishing value)
- Software – 3 years (diminishing value)
- Leasehold improvements – 2.6 years (diminishing value)

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount with the impairment loss recognised in profit or loss.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

### *Derecognition and disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## Note 7. Current and Non-Current Liabilities

	<b>Consolidated</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
<i>a) Trade and other payables</i>		
Trade payables	46,846	128,351
Accruals	55,469	71,301
	<u>102,315</u>	<u>199,652</u>
Trade payables are non-interest bearing and are normally settled on 30-day terms.		
<i>b) Provisions</i>		
Employee benefits	30,570	2,779
	<u>30,570</u>	<u>2,779</u>

**Note 7. Current Liabilities (continued)**

	<b>Consolidated</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
c) <i>Lease liability</i>		
Current – Lease liability(i)	42,367	-
	<u>42,367</u>	<u>-</u>
Non-current – Lease liability(i)	23,710	-
	<u>23,710</u>	<u>-</u>

i. Refer Note 23 for further details.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as an expense.

*Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to the statement of profit or loss and other comprehensive income if the carrying amount of the right-of-use asset is fully written down.

**Note 8. Issued capital**

	<b>Consolidated</b>	
	<b>30 June 2022 \$</b>	<b>30 June 2021 \$</b>
<b>a. Ordinary shares</b>		
51,336,756 (30 June 2021: 51,336,756) fully paid ordinary shares on issue	<b>7,149,857</b>	<b>7,149,857</b>
	<b>30 June 2021 Number</b>	<b>30 June 2021 \$</b>
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)
<b>At 30 June 2021</b>	<b>51,336,756</b>	<b>7,149,857</b>
	<b>30 June 2022 Number</b>	<b>30 June 2022 \$</b>
Balance at 1 July 2021	51,336,756	7,149,857
<i>Movement in ordinary shares on issue</i>	-	-
<b>At 30 June 2022</b>	<b>51,336,756</b>	<b>7,149,857</b>

*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 9. Reserves**

	<b>Consolidated</b>	
	<b>30 June 2022 \$</b>	<b>30 June 2021 \$</b>
Options Reserve (a)	205,894	-
Performance Rights Reserve (b)	38,460	1,521
<b>At 30 June 2022</b>	<b>244,354</b>	<b>1,521</b>
<b>(a) Options Reserve</b>	<b>30 June 2021 Number</b>	<b>30 June 2021 \$</b>
Balance at 1 July 2020	-	-
<i>Movement</i>		
Options issued to consultant (Note 10)	12,000,000	311,710
Consolidation of options on a 1:3.288 basis	(8,350,000)	-
Exercise of options	(3,650,000)	(311,750)
<b>At 30 June 2021</b>	<b>-</b>	<b>-</b>
	<b>30 June 2022 Number</b>	<b>30 June 2022 \$</b>
Balance at 1 July 2021	-	-
<i>Movement</i>		
Advisor options issued to consultant (Note 10)	2,500,000	122,993
Performance options issued to consultant (Note 10)	2,500,000	82,901
<b>At 30 June 2022</b>	<b>5,000,000</b>	<b>205,894</b>
<b>(b) Performance Rights Reserve</b>	<b>30 June 2021 Number</b>	<b>30 June 2021 \$</b>
Balance at 1 July 2020	-	-
<i>Movement</i>		
Performance Rights issued to Directors	2,800,000	1,521
<b>At 30 June 2021</b>	<b>2,800,000</b>	<b>1,521</b>
	<b>30 June 2022 Number</b>	<b>30 June 2022 \$</b>
Balance at 1 July 2021	2,800,000	1,521
<i>Movement</i>		
Performance rights on issue, vesting period expense	-	10,442
Performance rights issued to Managing Director (Note 10)	2,000,000	27,478
Performance rights cancelled (Note 10)	(2,100,000)	(1,141)
Performance Rights issued to Directors (Note 10)	3,500,000	160
<b>At 30 June 2022</b>	<b>6,200,000</b>	<b>38,460</b>

### Note 9. Reserves (continued)

The reserve is used to record the value of equity benefits provided to key management personnel and consultants as part of their remuneration. Refer to Note 10.

### Note 10. Equity-based payments

Equity-based payments included in the Statement of Financial Position for the year are as follows:

	<b>Consolidated</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Shares issued in lieu of capital raising fees	-	261,570
Shares issued to a director in lieu of accrued director fees	-	15,000
Shares issued as settlement of borrowings	-	80,766

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

	<b>Consolidated</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Performance rights on issue, vesting period expense <sup>1*</sup>	10,442	1,521
Performance rights issued to Managing Director <sup>2*</sup>	27,478	-
Cancellation of performance rights <sup>1*</sup>	(1,141)	-
Performance Rights issued to Directors <sup>3*</sup>	160	-
Options issued as consultant fee <sup>4</sup>	205,894	311,710
	<u>242,833</u>	<u>313,231</u>

\*Total recognised as equity-based payment expense is \$36,939 (2021: \$1,521).

- On 25 June 2021, the Company issued 2,800,000 Incentive Performance Rights to the Company's Key Management Personnel in connection with their appointments.

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. The equity-based payment expense of \$(1,141) have been included in the statement of profit or loss and other comprehensive income for the year.

As at 30 June 2022, the Company had on issue 700,000 Performance Rights (30 June 2021: 2,800,000). The total amount recognised as equity-based payment expense for the year ended 30 June 2022 was \$10,442 (2021: \$1,521).

- 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. The total amount recognised as equity-based payment expense for the year ended 30 June 2022 was \$27,478 (2021: \$nil).

### Note 10. Equity-based payments (continued)

3. On 22 June 2022, the Company granted 3,500,000 Performance Rights to the Company's Directors as incentivised remuneration. The total amount recognised as equity-based payment expense for the year ended 30 June 2022 was \$160 (2021: \$nil).
4. On 30 March 2022, the Company issued 2,500,000 Advisor Options exercisable at \$0.20 per option on or before 30 March 2025, vest and exercisable immediately upon issue. \$122,993 was recognised as consultancy fee.

On 30 June 2022, the Company issued 2,500,000 Performance Options vest on the Company raising a total of at least \$2,000,000 of additional capital at a price of more than \$0.20 per Share by 28 August 2022 (Milestone). \$82,901 was recognised as consultancy fee.

#### Performance Rights

On 23 September 2021, the Company issued a total of 2,000,000 performance rights to Mr Gary Harvey in accordance with his Executive Services Agreement with the following vesting conditions:

Class	No. of Performance Rights	Vesting Condition	Expiry Date
Class A	250,000	Twelve months continuous service as a Director or CEO and on the Company announcing a JORC compliant Inferred Resource of $\geq 200,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue.	25 June 2024
Class B	500,000	Twenty-four months continuous service as a Director or CEO and on the Company announcing a JORC compliant Inferred Resource of $\geq 500,000$ oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 3 years from the date of issue.	25 June 2024
Class C	750,000	Thirty-six months continuous service as a Director or CEO and on the Company announcing a JORC compliant Inferred Resource of $\geq 1$ million oz's of gold or gold equivalent at its Laverton and/or South Telfer projects, within 5 years from the date of issue.	25 June 2026
Class D	500,000	Twenty-four months continuous service as a Director or CEO and on the Company announcing completion of a positive Scoping and/or Feasibility Study at its Laverton and/or South Telfer projects within 5 years from the date of issue.	25 June 2026

### Note 10. Equity-based payments (continued)

The fair value of the 2,000,000 Performance Rights granted during the year are estimated at the date of grant based on the assumptions set out below:

	Class A	Class B	Class C	Class D
<b>Assumptions:</b>				
Grant date	23/9/2021	23/9/2021	23/9/2021	23/9/2021
Expiry date	25/6/2024	25/6/2024	25/6/2026	25/6/2026
Share price at grant date	\$0.26	\$0.26	\$0.26	\$0.26
Probability	40%	25%	10%	10%
Vesting period	36 months	36 months	36 months	36 months
Expected volatility	100%	100%	100%	100%
Dividend yield	-	-	-	-
Risk-free interest rate	0.22%	0.22%	0.82%	0.82%
Number of performance rights	250,000	500,000	750,000	500,000
<b>Fair Value per unit at Grant Date</b>	\$0.26	\$0.26	\$0.26	\$0.26
<b>Amount recognised as equity-based payment expense for the year ended 30 June 2022</b>	\$9,158	\$11,448	\$4,123	\$2,749

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.

On 22 June 2022, the Company granted 3,500,000 Performance Rights to Key Management Personnel as remuneration with the following vesting conditions:

Class	Issue date	No. of Performance Rights	Vesting Conditions	Expiry Date
Class E	30 June 2022	875,000	Company Share price reaches at least \$0.30, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027
Class F	30 June 2022	875,000	Company Share price reaches at least \$0.35, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027
Class G	30 June 2022	875,000	Company Share price reaches at least \$0.40, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027
Class H	30 June 2022	875,000	Company Share price reaches at least \$0.50, based on a 20 day VWAP <sup>(i)</sup>	22 June 2027

(i) 20 day VWAP means a volume weighted average price for Shares over 20 consecutive trading days on which Shares have actually traded on ASX.

### Note 10. Equity Based Payments (continued)

The fair value of the 3,500,000 Performance Rights granted during the year are estimated at the date of grant based on the assumptions set out below:

	Class E	Class F	Class G	Class H
<b>Assumptions:</b>				
Grant date	22 June 2022	22 June 2022	22 June 2022	22 June 2022
Expiry date	22 June 2027	22 June 2027	22 June 2027	22 June 2027
Share price at grant date	\$0.13	\$0.13	\$0.13	\$0.13
Probability	50%	50%	50%	50%
Employee exit probability	16%	16%	16%	16%
Vesting period	5 years	5 years	5 years	5 years
Expected volatility	100%	100%	100%	100%
Dividend yield	-	-	-	-
Risk-free interest rate	3.7%	3.7%	3.7%	3.7%
Number of performance rights	875,000	875,000	875,000	875,000
<b>Fair Value per unit at Grant Date</b>	\$0.12	\$0.12	\$0.12	\$0.11
<b>Amount recognised as equity-based payment expense for the year ended 30 June 2022</b>	\$40	\$40	\$40	\$40

As at 30 June 2022 management has provided the best estimate of the probability of performance rights expected to vest. The performance rights have been valued in accordance with AASB 2 Share Based Payments, and are bought to account over their vesting periods.

At 30 June 2022, the Company had on issue 6,200,000 Performance Rights as follows:

Class	No. of Performance Rights	Grant Date	Expiry Date	No. cancelled/lapsed	No. Vested	No. as at 30 June 2022
Class A	650,000	25 June 2021	25 June 2024	(300,000)	-	350,000
Class B	1,300,000	25 June 2021	25 June 2024	(600,000)	-	700,000
Class C	1,550,000	25 June 2021	25 June 2026	(600,000)	-	950,000
Class D	1,300,000	25 June 2021	25 June 2026	(600,000)	-	700,000
Class E	875,000	22 June 2022	22 June 2027	-	-	875,000
Class F	875,000	22 June 2022	22 June 2027	-	-	875,000
Class G	875,000	22 June 2022	22 June 2027	-	-	875,000
Class H	875,000	22 June 2022	22 June 2027	-	-	875,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 4.21 years (2021: 4.13 years).

## Note 10. Equity Based Payments (continued)

### Options issued recognised as consultant fees

On 30 March 2022, the Company issued 2,500,000 Advisor Options exercisable at \$0.20 per option on or before 30 March 2025, vest and exercisable immediately upon issue.

On 30 June 2022, the Company issued 2,500,000 Performance Options vest on the Company raising a total of at least \$2,000,000 of additional capital at a price of more than \$0.20 per Share by 28 August 2022 (Milestone).

The Trinomial Lattice Option Pricing model was used to value the Advisor Options and Performance Options and the following table lists the inputs to the model used for the valuation of the options:

	Advisor Options	Performance Options
Number on issue	2,500,000	2,500,000
Grant date	28 February 2022	22 June 2022
Issue date	30 March 2022	30 June 2022
Expiry date	30 March 2025	30 June 2025
Exercise price	\$0.20	\$0.20
Risk-free interest rate	1.50%	3.49%
Share price at grant date	\$0.10	\$0.13
Expected volatility	100%	100%
Dividend yield	-	-
Vesting period	-	67 days
Number vested as at 30 June 2022	2,500,000	-
Number exercisable as at 30 June 2022	2,500,000	-
<b>Fair value per option</b>	<b>\$0.042</b>	<b>\$0.060</b>
<b>Amount recognised as consultancy fee during the year</b>	<b>\$122,993</b>	<b>\$82,901</b>

Included in Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022 is \$205,894 as consultancy fee.

Equity-settled compensation benefits are provided to Directors, employees and consultants.

Equity-settled transactions are awards of shares or performance rights over shares, that are provided to Directors, employees and consultants in exchange for the rendering of services.

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 performance rights, 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 performance rights, together with any vesting conditions.

#### Note 10. Equity Based Payments (continued)

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.

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 consolidated entity or recipient, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or recipient 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.

Consolidated

	30 June 2022 \$	30 June 2021 \$
<b>Note 11. Loss Per Share</b>		
Loss used in the calculation of basic and diluted earnings per share	(1,300,698)	(1,172,095)
	<b>Number of Shares</b>	<b>Number of Shares</b>
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted earnings per share:	51,336,756	52,573,980
Basic and diluted loss per share (cents per share)	(2.53)	(2.23)

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 12. Commitments for expenditure

### Exploration commitments

The Group's exploration commitments are as follows:

	Consolidated	
	30 June 2022 \$	30 June 2021 \$
Not longer than 1 year	91,654	40,161
Longer than 1 but not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>91,654</u>	<u>40,161</u>

Exploration commitments consist of annual rents payable on tenements.

## Note 13. Contingent liabilities

There are no contingent liabilities as at 30 June 2022 and 30 June 2021.

## Note 14. Interest in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Country of incorporation	Ownership %	
		2022	2021
Lyza Mining Pty Ltd	Australia	100	100
South Telfer Mining Pty Ltd	Australia	100	100
Holdings Tenements Pty Ltd	Australia	100	100

The above subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

## Note 15. Key Management Personnel Disclosures

*Details of key management personnel:*

The following persons were key management personnel of Rincon Resources Limited during the financial year:

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 – Non-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*)

The aggregate compensation made to the directors and other key management personnel, or the Group is set out below:

	2022	2021
	\$	\$
Short-term benefits	417,296	382,289
Post-employment benefits	25,000	3,258
Share-based payments	36,598	1,880
	<b>478,894</b>	<b>387,427</b>

## Note 16. Related Party Disclosures

### Key Management Personnel and transactions with other related parties

Disclosures relating to Key Management Personnel are set out in Note 15 and the Remuneration Report included in the Directors' Report.

#### a) Transactions with Key Management Personnel and their related parties

Transactions with Key Management Personnel or their related parties during the year ended 30 June 2022 are as follows:

	2022	2021
	\$	\$
The following transactions occurred with related parties for consulting services:		
Evolution Corporate Services Pty Ltd <sup>(i)</sup>	-	10,839
Tanamera Resources Pte Ltd <sup>(ii)</sup>	30,000	63,601
ZC Reeves ATF The Palin Trust <sup>(iii)</sup>	11,400	72,648
Tesoro Gold Ltd <sup>(iv)</sup>	15,006	7,910
	<b>56,406</b>	<b>154,998</b>

(i) For company secretarial services, to which Shannon Coates is a director. Shannon Coates resigned as Director at 1 November 2020.

(ii) For consulting service, to which Geoffrey McNamara is a director.

(iii) For consulting services, to which Zeffron Reeves is trustee and beneficiary.

(iv) For administrative support, to which Geoffrey McNamara and Zeffron Reeves are directors.

## Note 16. Related Party Disclosures (cont.)

### b) Outstanding balances arising from sales/purchases of goods and services, transactions

The following payments are owed to related parties:

	2022 \$	2021 \$
Zeffron Reeves <sup>(i)</sup>	-	40,150
Tanamera Resources Pte Ltd <sup>(ii)</sup>	-	18,750
	-	<b>58,900</b>

(i) Amount was payable to Zeffron Reeves for director fee of \$11,250 and consulting fee of \$28,900 related to financial year ended 30 June 2021.

(ii) Amount was payable to Tanamera Resources Pte Ltd for Geoffrey McNamara's director fees of \$11,250 and consulting fees of \$7,500 related to financial year ended 30 June 2021.

There were no other transactions with key management personnel of the Company during the financial year.

### c) Loans to Key Management Personnel and their related parties

No outstanding loans to Key Management Personnel and their related parties during the year ended 30 June 2022 and 30 June 2021.

## Note 17. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are market risk, currency risk and interest rate risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

#### (a) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal.

**Note 17. Financial Risk Management Objectives and Policies (continued)**

(b) *Currency Rate Risk*

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the consolidated entity. The consolidated entity deposits are denominated in Australian dollars. Currently, there are no foreign exchange programs in place. Based upon the above, the impact of reasonably possible changes in foreign exchange rates for the consolidated entity is not material.

(c) *Interest Rate Risk*

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

Consolidated	Weighted Average Effective Interest Rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
30 June 2022	%	\$	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	0.09%	1,149,397	-	-	-	1,149,397
Other assets	0.16%	-	-	-	18,086	18,086
		<u>1,149,397</u>	<u>-</u>	<u>-</u>	<u>18,086</u>	<u>1,167,483</u>
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables		(102,315)	-	-	-	(102,315)
Lease liabilities		(3,530)	(10,592)	(28,245)	(23,710)	(66,077)
<b>NET FINANCIAL ASSETS/(LIABILITIES)</b>		<u>1,043,552</u>	<u>(10,592)</u>	<u>(28,245)</u>	<u>(5,624)</u>	<u>999,091</u>

Consolidated	Weighted Average Effective Interest Rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
30 June 2021	%	\$	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	0.01%	4,429,462	-	-	-	4,429,462
		<u>4,429,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,429,462</u>
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables		(199,652)	-	-	-	(199,652)
<b>NET FINANCIAL ASSETS</b>		<u>4,229,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,229,810</u>

**Net fair value of financial assets and liabilities**

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

## Note 17. Financial Risk Management Objectives and Policies (continued)

### (d) Interest Rate Sensitivity Analysis

At 30 June 2022, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would have immaterial effect.

### (e) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group operates in the mining exploration sector; it therefore does not supply products and have trade receivables and is not exposed to credit risk in relation to trade receivables. The Group does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

The Group's maximum exposure to credit risk at each balance date in relation to each class of recognised financial assets is the carrying amount, net of any allowance for doubtful debts, of those assets as indicated in the statement of financial position. The maximum credit risk exposure of the Group at 30 June 2022 is nil (2021: nil). There are no impaired receivables at 30 June 2022 (2021: Nil).

### (f) 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 the Group's reputation.

The Group manages liquidity risk by monitoring forecast cash flows on a rolling monthly basis and entering into supply contracts which can be cancelled within a short timeframe. The Group does not have any significant liquidity risk as the Group does not have any collateral debts.

### (g) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements, with the primary sources of project funding to date being raising funds from equity markets. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements to meet progressing exploration and evaluation work, project related costs and corporate overheads. Going forward, operations budget and cashflow forecasts are monitored to ensure sufficient funding to meet expenditure.

The directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

## Note 18. 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 Group 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 Group is managed primarily on the basis of evaluation of its gold and copper exploration tenements in Australia and its corporate activities. Operating segments are therefore determined on the same basis.

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

#### *Types of reportable segments*

(i) Exploration and evaluation

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

(ii) Corporate

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

### Basis of accounting for purposes of reporting by operating segments

#### *Accounting policies adopted*

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

#### *Segment assets*

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

#### *Segment liabilities*

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

**Note 18. Segment Reporting (continued)**

30 June 2022	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
<b>(i) Segment performance</b>			
<b>Segment income</b>	2,503	60,000	62,503
<b>Segment results</b>	(1,360,698)	60,000	(1,300,698)
Included within segment results:			
• Interest income	403	-	403
• Other income	2,100	60,000	62,100
• Depreciation	(35,953)	-	(35,953)
<b>Segment assets</b>	1,369,752	3,799,101	5,168,853
<b>Segment liabilities</b>	(183,052)	(15,910)	(198,962)

30 June 2021	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
<b>(i) Segment performance</b>			
<b>Segment income</b>	621	-	621
<b>Segment results</b>	(1,162,425)	(9,670)	(1,172,095)
Included within segment results:			
• Interest income	621	-	621
<b>Segment assets</b>	4,604,506	1,625,681	6,230,187
<b>Segment liabilities</b>	(108,408)	(94,023)	(202,431)

**(ii) Revenue by geographical region**

There was \$60,000 other income attributable to Department of Mines, Industry Regulation and Safety Co-Funded Exploration Drilling for the year ended 30 June 2022 (2021: Nil).

**(iii) Assets by geographical region**

All assets are held in Australia.

Note 19. Income tax

	Consolidated	
	30 June 2022 \$	30 June 2021 \$
<b>a. The components of tax (benefit) comprise:</b>		
Current tax	-	-
Deferred tax	-	-
Income tax benefit reported in Statement of Profit or Loss and Other Comprehensive Income	-	-
<b>b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2021: 30%)	(325,175)	(351,629)
Add tax effect of:		
- Other non-allowable items	61,163	93,996
- Revenue losses and other deferred tax balances not recognised	264,012	257,633
	-	-
Less tax effect of:		
- Other non-assessable items	-	-
	-	-
<b>c. Deferred tax recognised at 25% (2021: 30%):</b>		
<b>Deferred tax liabilities:</b>		
- Exploration and evaluation	(870,402)	(398,151)
<b>Deferred tax assets:</b>		
- Revenue losses	870,402	398,151
<b>Net deferred tax</b>	-	-
<b>d. Unrecognised deferred tax assets at 25% (2021: 30%):</b>		
Revenue losses	557,234	338,308
Capital raising costs	48,702	78,495
Provisions and accruals	11,392	5,334
Lease liability	844	-
	618,172	422,137
<b>e. Current tax liabilities</b>		
Provision for tax	-	-
	-	-

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Group continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

**Note 20. Cash flow information**

	<b>Consolidated</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash:</b>		
Cash balances	1,149,397	4,429,462
	<b>1,149,397</b>	<b>4,429,462</b>

Reconciliation of net loss after tax to the net cash flows from operations:

	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Net loss</b>	(1,300,698)	(1,172,095)
<i>Non-cash items</i>		
Depreciation	35,953	926
Consulting fee paid via option issue	205,894	311,710
Equity based payments	36,939	1,521
Lease liabilities interest	1,094	-
<b>Changes in assets and liabilities:</b>		
Trade and other receivables	(30,654)	(100,972)
Trade and other payables	(45,912)	(9,333)
<b>Net cash flows used in operating activities</b>	<b>(1,097,384)</b>	<b>(968,243)</b>
<b>Non-cash financing activities</b>		
Repayment of loan by share issuance	-	80,766
	-	80,766

**Note 21. Parent Entity Disclosures**

	30 June 2022 \$	30 June 2021 \$
<b>(a) Financial position</b>		
<b>Assets</b>		
Current assets	1,292,055	4,541,395
Non-current assets	3,876,799	1,579,089
<b>Total Assets</b>	<b>5,168,854</b>	<b>6,120,484</b>
<b>Liabilities</b>		
Current liabilities	175,253	(202,431)
Non-current liabilities	23,710	-
<b>Total Liabilities</b>	<b>198,963</b>	<b>(202,431)</b>
<b>Equity</b>		
Issued capital	7,149,857	7,149,857
Accumulated losses	(2,424,320)	(1,233,325)
Reserves	244,354	1,521
<b>Total Equity</b>	<b>4,969,891</b>	<b>5,918,053</b>
<b>(b) Financial performance</b>		
Loss for the year	(1,190,995)	(970,089)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(1,190,995)</b>	<b>(970,089)</b>

**(c) Contingent liabilities**

As at 30 June 2022 (2021: nil), the Company had no contingent liabilities.

**(d) Contractual Commitments**

As at 30 June 2022 (2021: nil), the Company had no contractual commitments.

**(e) Guarantees entered into by parent entity**

As at 30 June 2022 (2021: nil), the Company had not entered into any guarantees.

The financial information for the parent entity, Rincon Resources Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

*Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## Note 22. Remuneration of auditors

The following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	30 June 2022 \$	30 June 2021 \$
Audit and review of financial reports	34,000	29,500
Independent Accountant's Report	-	16,750
	<u>34,000</u>	<u>46,250</u>

## Note 23. Right-of-Use-Assets

	Consolidated	
	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Buildings – right-of-use	79,232	-
Less: Accumulated depreciation	(16,529)	-
	<u>62,703</u>	<u>-</u>
<i>Movement during the year</i>		
	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Additions	79,232	-
Depreciation expense	(16,529)	-
	<u>62,703</u>	<u>-</u>

The Company leases a building for its office under agreement of one year with the option to extend. On renewal, the terms of the lease are renegotiated.

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

### Note 23. Right-of-Use-Assets (cont.)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to statement of profit or loss and other comprehensive income as incurred.

### Note 24. Events after the reporting date

On 11 July 2022, the Company announced the commencement of a heritage survey at Westin Trend on the South Telfer Copper-Gold Project.

On 11 August 2022, the Company announced the results of diamond drilling at the Hasties Prospect on the South Telfer Copper-Gold Project.

On 18 August 2022, the Company announced the appointment of Non-Executive Director Don Strang and resignation of Non-Executive Director, Caroline Keats.

On 13 September 2022, the Company announced the following:

- o Securing of the rights to acquire Exploration Licence Application E45/6163 in the Company's Westin Tenement Area
- o Appointment of Executive Chairman, Mr David Lenigas
- o Resignation as Chairman of Mr Blair Sergeant
- o Proposed capital raising of \$1.2 million via a Placement of 15,000,000 fully paid ordinary shares at \$0.08 per share, before costs.

On 19 September 2022, the Company announced that it has issued and allotted 12,834,188 fully paid ordinary shares at \$0.08 per share for cash consideration.

Other than as discussed above, no other matter or circumstance has arisen since 30 June 2022 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.

## RINCON RESOURCES LIMITED DIRECTORS' DECLARATION

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

- a. the financial statements, notes and the additional disclosures are 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 2022 and of its performance for the year then ended; and
  - II. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Board of Directors.



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Gary Harvey  
Managing Director  
30 September 2022

**RSM Australia Partners**

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

**Opinion**

We have audited the financial report of Rincon Resources Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2022 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.

Key Audit Matter	How our audit addressed this matter
<p><b>Exploration and Evaluation Expenditure</b> Refer to Note 5 in the financial statements</p> <p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$3,733,101 as at 30 June 2022.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and</li> <li>• Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the Group's accounting policy for compliance with Australian Accounting Standards;</li> <li>• Assessing whether the Group's right to tenure of each relevant area of interest is current;</li> <li>• Agreeing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation, including assessing whether amounts are capitalised in accordance with the Group's accounting policy;</li> <li>• Assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date;</li> <li>• 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;</li> <li>• Enquiring with management and reading budgets and other supporting documentation to corroborate that active and significant operations in, or relation to, each relevant area of interest will be continued in the future; and</li> <li>• Assessing the appropriateness of the disclosures in financial report.</li> </ul>
<p><b>Equity-Based Payments</b> Refer to Note 10 in the financial statements</p> <p>During the year, the Group entered into share-based payment arrangements with key management personnel and consultants. The Group's share-based payment expense for the year ended 30 June 2022 was \$242,833.</p> <p>We consider this to be a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The complexity of the accounting required to determine the grant date fair value of these instruments;</li> <li>• The judgemental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply; and</li> <li>• Complexity associated with the variety of conditions associated with each instrument.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the Group's accounting policy for compliance with Australian Accounting Standards;</li> <li>• Assessing the terms and conditions of the instruments issued;</li> <li>• Assessing the appropriateness of the valuation methodology and valuation models adopted by management to determine the grant date fair value of the instruments issued;</li> <li>• Testing for reasonableness the inputs to the valuation models and challenging the assumptions and judgments made by management;</li> <li>• Testing the mathematical accuracy of the valuation models used;</li> <li>• Recalculating the amount of the share-based payment expense to be recognised for the year ended; and</li> <li>• Assessing the appropriateness of the disclosures in financial report.</li> </ul>

## **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 2022, 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 Corporation 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](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 2022.

In our opinion, the Remuneration Report of Rincon Resources Limited, for the year ended 30 June 2022, 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 AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 September 2022

**Rincon Resources Limited**  
**Additional Shareholder Information**

**HOLDINGS AS AT 30 AUGUST 2022**

The distribution of members and their holdings of equity securities in the company as at 30 August 2022 were as follows:

Number of Securities Held	Fully Paid Shares		Options		Performance Rights	
	No. of Holders	Securities	No. of Holders	Securities	No. of Holders	Securities
1-1,000	11	2,613	-	-	-	-
1,001 - 5,000	56	164,724	-	-	-	-
5,001 – 10,000	48	400,642	-	-	-	-
10,001 - 100,000	183	6,797,464	2	100,000	-	-
100,001 and over	81	43,971,313	6	4,900,000	4	6,200,000
<b>Total</b>	<b>379</b>	<b>51,336,756</b>	<b>8</b>	<b>5,000,000</b>	<b>4</b>	<b>6,200,000</b>

Holders of less than a marketable parcel: 62

**20 LARGEST SHAREHOLDERS AS AT 30 AUGUST 2022**

Position	Holder Name	No of shares	% Holding
1	GUNSYND PLC	8,900,000	17.34%
2	TANAMERA RESOURCES PTE LTD	3,578,931	6.97%
3	THE GAS SUPER FUND PTY LTD <THE GAS SUPER FUND A/C>	2,475,000	4.82%
4	PAC PARTNERS SECURITIES PTY LTD	1,666,572	3.25%
5	MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,650,001	3.21%
6	DINGO YACHTS CREATIVE PTY LTD	1,599,035	3.11%
7	CITICORP NOMINEES PTY LIMITED	1,421,615	2.77%
8	MR ZEFFRON CHARLES REEVES <PALIN A/C>	1,363,525	2.66%
9	BNP PARIBAS NOMS PTY LTD <DRP>	1,000,867	1.95%
10	MS XIAODAN WU	922,686	1.80%
11	MR WILLIAM RICHARD BROWN	915,000	1.78%
12	ON SITE LABORATORY SERVICES PTY LTD	803,213	1.56%
13	MCNEIL NOMINEES PTY LIMITED	752,705	1.47%
14	IRONSIDE CAPITAL PTY LTD	740,333	1.44%
15	PHEAKES PTY LTD <SENATE A/C>	669,344	1.30%
16	GARRY HERBERT ERNEST GOYNE	644,444	1.26%
17	BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	624,954	1.22%
18	MR DAVID HO	606,666	1.18%
19	DINGO YACHTS CREATIVE PTY LTD	600,090	1.17%
20	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	556,634	1.08%
	<b>Total</b>	<b>31,491,615</b>	<b>61.34%</b>

**Substantial Shareholders**

Substantial holders in the Company as at 30 August 2022 are set out below:

Fully Paid Ordinary Shares	No.	(%)
GUNSYND PLC	8,900,000	17.34%
TANAMERA RESOURCES PTE LTD	3,578,931	6.97%

**Holders of Unquoted Securities**

The following persons hold 20% or more of unquoted equity securities as at 30 August 2022:

Options	No.	(%)
TJA ASSETS PTY LTD <TJA INVESTMENT A/C>	2,400,000	48.00%
KFA CONSORTIUM PTY LTD	1,200,000	24.00%

## Rincon Resources Limited Additional Shareholder Information

<b>Performance Rights</b>	<b>No.</b>	<b>(%)</b>
JULIA HARVEY	2,000,000	32.26%
EVOLUTION CAPITAL PARTNERS PTY LTD <GOLDEN TRIANGLE A/C>	1,700,000	27.42%
MR GARY JAMES HARVEY	1,500,000	24.19%

### **Voting Rights**

#### Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

#### Options and Performance Rights

There are no voting rights attached to Options and Performance Rights.

### **Restricted Securities**

The Company has the following restricted securities at the current date.

<b>Class of restricted securities</b>	<b>Number</b>	<b>Date that the escrow period ends</b>
Fully paid ordinary shares	9,058,210	21/12/2022

### **Consistency with business objectives - ASX Listing Rule 4.10.19**

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 3 November 2020.

### **Company Secretary**

The name of the Company Secretary is Zane Lewis and Victor Goh.

### **Address and telephone details of the entity's registered and administrative office**

Suite 1, 295 Rokeby Road  
SUBIACO, WA, AUSTRALIA, 6008

Telephone: +61 8 6555 2950

### **Address and telephone details of the office at which a register of securities is kept**

AUTOMIC REGISTRY SERVICES  
LEVEL 5, 191 St Georges Terrace  
PERTH, WA, AUSTRALIA, 6000

Telephone: 1300 288 664 (within Australia) or  
+61 2 9698 5415 (outside Australia)

### **Securities exchange on which the Company's securities are quoted**

The Company's listed equity securities are quoted on the Australian Securities Exchange (Code: RCR).

### **Review of Operations**

A review of operations is contained in the Directors' Report.

RINCON RESOURCES LIMITED - TENEMENT LIST

Project	Tenement	Status	Area (Ha)	Comment
Kiwirrkurra	E80/5241	Live	12,650	
	E80/5648	Live	948	
	E80/5649	Live	4,107	
	E80/5650	Live	1,580	
	E80/5757	App	2,531	New (Recommended for Grant)
	E80/5761	App	632	New (Recommended for Grant)
<b>Sub-Total</b>	<b>6</b>		<b>22,448</b>	
Laverton	E38/2908	Live	2,250	
	E38/3356	Live	735	
	E38/3666	App	536	Recommended for Grant
	E38/3667	App	301	Recommended for Grant
	E38/3668	App	270	Recommended for Grant
<b>Sub-Total</b>	<b>5</b>		<b>4,092</b>	
South Telfer	E45/4336	Live	317	
	E45/4568	Live	1,212	
	E45/5359	Live	31,390	
	E45/5363	Live	4,780	
	E45/5364	Live	2,775	
	E45/5501	Live	10,830	
	P45/2929	Live	186	
	P45/2983	Live	124	
	E45/6252	App	-	New (Subject to Ballot)
	E45/6254	App	-	New (Subject to Ballot)
<b>Sub-Total</b>	<b>10</b>		<b>51,614</b>	
<b>Total</b>	<b>21</b>		<b>78,152</b>	



**Rincon Resources Limited**

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