Red Mountain Mining Limited
ACN 119 568 106

Annual Report for the Year Ended 30 June 2020

Annual Report
For the year ended 30 June 2020

Contents

Corporate Directory

Board of Directors

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

Secretary

Mr Mauro Piccini

Registered Office

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

Telephone: 08 6381 0054
Facsimile: 08 9481 4950
Website: https://www.redmountainmining.com.au/

Securities Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: RMX)

Auditors

RSM Australia Partners
Level 32, 2 The Esplanade
Perth WA 6000

Solicitors

Nova Legal
Level 2/50 Kings Park Road
West Perth WA 6005

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Limited
172 St Georges Terrace,
Perth WA 6000
Telephone: 08 6188 0800

Directors' Report

The Directors of Red Mountain Mining Limited ("RMX" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Red Mountain Mining Limited and its controlled entities (the "Group") for the financial year ended 30 June 2020.

DIRECTORS

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

Jeremy King | Non-Executive Director

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

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

- Non-Executive Director of ECS Botanics Holdings Limited (current);
- Non-Executive Director of Smart Parking Limited (current);
- Non-Executive Director of EHR Resources Limited (current);
- Non-Executive Director of Transcendence Technologies Limited (current);
- Non-Executive Director of Sultan Resources Limited (current);
- Non-Executive Chairman of Aldoro Resources Limited (resigned November 2019);
- Non-Executive Director of Vanadium Resources Limited (formerly Tando Resources Limited) (resigned July 2019);
- Non-Executive Director of DTI Group Limited (resigned January 2019);
- Non-Executive Chairman of Pure Minerals Limited (resigned November 2018); and
- Non-Executive Director of Aquaint Capital Holdings Limited (resigned October 2017).

Lincoln Ho | Non-Executive Director

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

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

- Sultan Resources Limited (resigned) and
- Pure Minerals (resigned)

Rob Parton | Non-Executive Director

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

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

- Pure Minerals (resigned);
- Directmoney limited (resigned);
- Telesso Technologies Limited (resigned);
- Motopia Limited (resigned); and
- Lanka Graphite Limited (resigned)

Directors' Report

COMPANY SECRETARY

Mr Mauro Piccini

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

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

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

Director	Ordinary Shares	Listed Share Options	Performance rights
Mr Jeremy King	16,000,000	5,500,000	13,000,000
Mr Lincoln Ho	4,000,000	2,000,000	6,000,000
Mr Robert Parton	-	1,000,000	500,000
Total	**20,000,000**	**8,500,000**	**19,500,000**

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

REVIEW AND RESULTS OF OPERATIONS

Overview

On 30 July 2020 RMX completed the acquisition of the Mt Maitland Gold Project.

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

RMX has recently staked additional ground to the north which contains untested extensions of the two shear zones.

The Mt Maitland Gold Project has multiple drill-ready targets and has benefited from historic production which averaged 19g/t Au. Outstanding results from historic exploration at Mt Maitland include:

- gold-in-soils: peak 2,724 ppb, anomalies over 13 kilometres of strike
- rock chips: up to 62g/t Au, 8.8% Cu and 290g/t Ag
- channel sampling: 2.50m @ 22.7 g/t Au and 0.75m @ 61.8 g/t Au
- Drill results include 13m @ 2.53 g/t from 9m, 2m @ 1.53 g/t from 13m

Koonenberry Gold Project

As announced on 29 June, the Company made applications for 3 tenements that will comprise 100% ownership of a new project, Koonenberry, prospective for gold in north-western New South Wales (Koonenberry Gold Project).

The Koonenberry Gold Project covers approximately 657 km2, and is located in a geologic setting considered analogous to the prolific Victorian Goldfields located in south-eastern Australia.

The Koonenberry Gold Project adjoins Manhattan Corporation's (ASX:MHC) Tibooburra Gold Project where Manhattan has recently announced a new high grade gold discovery (see announcement dated 25 June 2020). It is understood Manhattan Corporation will re-commence drilling at Tibooburra during August 2020.
The 3 applications are now pending grant, a process which is expected to take approximately 30 to 60 days.

Directors' Report

Batangas Gold Project, Phillippines

The Company retains its leverage to the Philippines based Batangas Gold project by way of its 1% NSR production royalty and as at the end of the Relevant Quarter held approximately 5.5 million shares in London listed Bluebird Merchant Ventures Ltd (share price as at 30 June 2020: 3.90 pence per share).

Financial Performance

The financial results of the Group for the year ended 30 June 2020 are:

	30-June-20 $	30-June-19 $
Cash and cash equivalents	**1,443,884**	2,275,421
Net Assets	**1,834,726**	3,137,270
Revenue	**51,384**	92,026
Net loss after tax	**(1,960,519)**	(1,164,964)

DIVIDENDS

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

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 6 July the Company issued 75,000,000 ordinary shares at an issue price of $0.004 per share to raise $300,000 before costs. On 10 July the Company issued 74,500,000 quoted options (exercisable at $0.008, expiring on 14 July 2021) as free attaching options issued to placement and SPP participants.

On 30 July 2020 the Company acquired the Mt Maitland Gold Project.

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

On 25 September 2020 the Company received firm commitments for a placement of 114,285,714 shares at a price of $0.007 per share to professional and sophisticated investors to raise $800,000 before costs. One attaching RMXOI option (exercisable at $0.008 per share, expiring 14 July 2021) for every two placement shares will be issued to participants.

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

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

Directors' Report

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company undertook a comprehensive soil sampling review, which confirmed 5 high priority targets at Mt Maitland Gold Project. Based on a comprehensive analysis of historic data, Red Mountain's technical team has designed a multi-phase drilling programme of up to 3,000m RC to test targets at Mt Maitland.
The initial phase will comprise 1,000m RC to test the two main areas at Lenanphyl and Jacia - Mt Maitland, along with a fence of drilling at the previously undrilled Second Chance South prospect. The precise drill programme is subject to heritage clearances which are currently being sought from the representatives of the native title group with approvals for certain areas having been received by previous operators.

Drilling at Mt Maitland South will test the extension to mineralisation intersected in MUDC008 (13m at 2.53g/t from 9m, refer ASX Announcement 6 July 2020). At Lenanphyl a fence of drilling will provide a systematic test of the entire magnetic and soil signature, from an area where shafts over 10m deep have been dug with limited records of production.

Follow-up drilling will be guided by results from the first phase, particularly the geology observed while drilling. The Company may implement the second phase of drilling immediately following the completion of the first phase if observations are sufficiently encouraging, minimising mobilisation costs.

The Company has contacted drill contractors and active explorers in the region and anticipates sharing a rig with one of these to aid rapid mobilisation and decrease costs.

The Company is anticipating approval of its Programme of Work for its drill programme from DMIRS imminently.

DIRECTORS' MEETINGS

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

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

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

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

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2020 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

Voting and comments made at the Company's 2019 Annual General Meeting ('AGM')
At the 2019 AGM, 86.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors' Report

a) Key Management Personnel Disclosed in this Report

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

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

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

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

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

A Remuneration Philosophy

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

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

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

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

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

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

❖ Non-Executive Remuneration Structure

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

Directors' Report

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

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

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

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

❖ **Executive Remuneration Structure**

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

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

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

C Remuneration and Performance

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

	30-Jun-20	30-Jun-19
Revenue ($)	**51,384**	92,026
Net loss after tax ($)	**(1,960,519)**	(1,164,964)
EPS ($)	**(0.23)**	(0.53)
Share price	**0.005**	0.004

Relationship between Remuneration and Company Performance

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

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

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

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

a) Fixed Remuneration – Base Salary

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

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to

Directors' Report

reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

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

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

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

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

D Details of Remuneration

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

Table 1 – Remuneration of KMP of the Group for the year ended 30 June 2020 is set out below:

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

* Relates to cash bonus.

Table 2 – Remuneration of KMP of the Group for the year ended 30 June 2019 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2019	$	$	$	$	$	$
Directors						
Mr Jeremy King	120,000	-	-	34,200	-	154,200
Mr Lincoln Ho	36,000	-	-	9,785	-	45,785
Mr Robert Parton	24,000	-	-	-	-	24,000
Total	180,000	-	-	43,985	-	223,985

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

Table 3 – Relative proportion of fixed vs variable remuneration expense

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
Name	**2020**	**2019**	**2020**	2019	**2020**	2019
Directors						
Mr Jeremy King	**81%**	100%	**19%**	-	-	-
Mr Lincoln Ho	**57%**	100%	**43%**	-	-	-
Mr Robert Parton	**100%**	100%	-	-	-	-

Directors' Report

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

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

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

30 June 2020	Balance at 01/07/2019	Issued as Remuneration	Received during the year on the exercise of options	Net Change – Other*	Balance at 30/06/2020
Directors					
Mr Jeremy King	**10,000,000**	-	-	**3,000,000**	**13,000,000**
Mr Lincoln Ho	**4,000,000**	-	-	-	**4,000,000**
Mr Robert Parton	-	-	-	-	-
Total	**14,000,000**	**-**	**-**	**3,000,000**	**17,000,000**

*Shares purchased on market

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

30 June 2019	Balance at 01/07/2019	Issued as Remuneration	Exercise of options	Lapsed	Balance at 30/06/2020
Directors					
Mr Jeremy King	10,000,000	-	-	(10,000,000)	-
Mr Lincoln Ho	2,500,000	-	-	(2,500,000)	-
Mr Robert Parton	-	-	-	-	-
Total	12,500,000	-	-	(12,500,000)	-

E Service Agreements

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

❖ **Lincoln Ho – Non-Executive Director**
- Contract: Commenced on 1 July 2016
- Director's Fee: $36,000 per annum
- Term: No fixed term

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

F Share-based Compensation

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

Directors' Report

Options

There were no options issued to directors during the year ended 30 June 2020.

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

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2020.

I Other Transactions with KMP

The following transactions occurred with related parties:	**2020** **$**	**2019** **$**
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**179,476**	128,100
Rental income from Mirador Corporate Pty Ltd, an entity related to Mr Jeremy King.	**6,000**	3,000
Rental income from Pure Minerals Limited, an entity related to Mr Jeremy King and Mr Lincoln Ho	**22,500**	33,750

Trade and other payables to related parties:	**2020** **$**	**2019** **$**
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**13,125**	13,125
Director fees payable to Bushwood Nominees, an entity related to Mr Jeremy King	**10,000**	-

Amounts outstanding and receivable from related parties at 30 June	**2020** **$**	**2019** **$**
Receipt of rental income from Pure Minerals Limited, an entity related to Mr Jeremy King and Mr Lincoln Ho	**-**	11,250
Receipt of rental income from Mirador Corporate Pty Ltd, an entity related to Mr Jeremy King.	**-**	3,000

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

Directors' Report

J Additional Information

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020 $	**2019 $**	**2018 $**	**2017 $**	**2016 $**
Sales Revenue	**-**	**-**	-	-	-
EBITDA	**(1,788,541)**	(1,181,316)	(1,377,618)	(27,187,743)	(387,807)
EBIT	**(1,936,015)**	(1,181,316)	(1,377,618)	(27,187,743)	(387,807)
Loss after income tax	**(1,960,519)**	(1,164,964)	(1,348,989)	(27,187,743)	(387,807)
Share Price ($)	**$0.005**	0.004	0.008	0.024	0.1
EPS (cents per share)	**(0.23)**	(0.53)	(0.25)	(2.63)	(0.004)

End of Audited Remuneration Report.

Directors' Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

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

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

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

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

ENVIRONMENTAL REGULATIONS

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR

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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and included within these financial statements.

SHARE UNDER OPTION

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

85,500,000 listed options exercisable at $0.008 each on or before 14 July 2021
35,000,000 unlisted options exercisable at $0.02 each on or before 28 June 2023

SHARE ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of Red Mountain Mining Limited were issued during the year ended 30 June 2020 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Directors' Report

NON-AUDIT SERVICES

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

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 20 to the financial statements.

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

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

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

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

Jeremy King
Director
29 September 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Red Mountain Mining Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 29 September 2020

TUTU PHONG
Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2020

	Note	**Consolidated Entity 2020 $**	Consolidated Entity 2019 $
Revenue from continuing operations			
Other income	4	**51,384**	92,026
Expenses			
Consultancy costs		**(257,529)**	(196,936)
Depreciation expense		**(147,474)**	-
Employee benefits expenses		**(254,837)**	(223,985)
Exploration consulting expenditure		**(291,023)**	(186,488)
Finance cost		**(24,504)**	(2,740)
Impairment of exploration and evaluation assets		**(715,828)**	-
Legal fees		**(55,827)**	(8,601)
Gain/(Loss) on financial instrument revaluation		**203,120**	(94,876)
Other expenses		**(166,596)**	(329,448)
Professional fees		**(293,115)**	(202,040)
Share-based payment expenses	5	**(3,260)**	(8,000)
Travelling expenses		**(5,030)**	(3,876)
Loss from continuing operations before income tax		**(1,960,519)**	(1,164,964)
Income tax expense		**-**	-
Loss from continuing operations after income tax		**(1,960,519)**	(1,164,964)
Other comprehensive (loss)/income for the year		**(4,041)**	5,638
Other comprehensive (loss)/income for the year, net of tax		**(4,041)**	5,638
Total comprehensive loss attributable to the members of Red Mountain Mining Limited:		**(1,964,560)**	(1,159,326)
Loss per share for the year attributable to the members Red Mountain Mining Limited:			
Basic loss per share (cents)	7	**(0.23)**	(0.53)
Diluted loss per share (cents)	7	**(0.23)**	(0.53)

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

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	Consolidated Entity 2020 $	Consolidated Entity 2019 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**1,443,884**	2,275,421
Trade and other receivables	9	**150,275**	228,684
Financial assets at fair value through profit or loss	9	**408,436**	205,316
Total current assets		**2,002,595**	2,709,421
Non-Current assets			
Exploration and evaluation	12	**-**	645,998
Right of use asset	10	**319,528**	-
Total Non-Current assets		**319,528**	645,998
Total assets		**2,322,123**	3,355,419
LIABILITIES			
Current liabilities			
Trade and other payables	11	**157,128**	218,149
Lease liability	13	**146,629**	-
Total current liabilities		**303,757**	218,149
Non-Current liabilities			
Lease liability	13	**183,640**	-
Total Non-Current liabilities		**183,640**	-
Total liabilities		**487,397**	218,149
Net assets		**1,834,726**	3,137,270
EQUITY			
Contributed equity	14	**42,303,996**	41,645,240
Reserves	15	**10,694,750**	10,695,531
Accumulated losses		**(51,164,020)**	(49,203,501)
Total equity		**1,834,726**	3,137,270

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2020

	Issued Capital $	Accumulated Losses $	Foreign Currency Reserve $	Share-based Payment Reserve $	Other Reserve $	Total $
At 1 July 2019	**41,645,240**	**(49,203,501)**	**4,938,847**	**5,707,997**	**48,687**	**3,137,270**
Loss for the year	**-**	**(1,960,519)**	**-**	**-**	**-**	**(1,960,519)**
Other comprehensive loss for the year	**-**	**-**	**(4,041)**	**-**	**-**	**(4,041)**
Total comprehensive loss for the year after tax	**-**	**(1,960,519)**	**(4,041)**	**-**	**-**	**(1,964,560)**
Transactions with owners in their capacity as owners:						
Issued capital (net of costs)	**658,756**	**-**	**-**	**-**	**-**	**658,756**
Performance rights	**-**	**-**	**-**	**3,260**	**-**	**3,260**
At 30 June 2020	**42,303,996**	**(51,164,020)**	**4,934,806**	**5,711,257**	**48,687**	**1,834,726**
At 1 July 2018	41,220,240	(48,038,537)	4,933,209	5,699,997	48,687	3,863,596
Loss for the year	-	(1,164,964)	-	-	-	(1,164,964)
Other comprehensive income for the year	-	-	5,638	-	-	5,638
Total comprehensive loss for the year after tax	-	(1,164,964)	5,638	-	-	(1,159,326)
Transactions with owners in their capacity as owners:						
Issued capital (net of costs)	425,000	-	-	-	-	425,000
Performance rights	-	-	-	8,000	-	8,000
At 30 June 2019	41,645,240	(49,203,501)	4,938,847	5,707,997	48,687	3,137,270

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

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2020

	Note	Consolidated Entity 2020 $	Consolidated Entity 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		**(1,016,420)**	(1,168,132)
Interest and other finance costs paid		**(21,604)**	-
Other income received		**43,500**	55,049
Interest received		**7,884**	16,352
Payments made for exploration expenditure		**(291,023)**	-
Net cash used in operating activities	8(a)	**(1,277,663)**	(1,096,731)
Cash flows from investing activities			
Payments of exploration activities capitalised		**(69,830)**	(4,790)
Net cash used in investing activities		**(69,830)**	(4,790)
Cash flows from financing activities			
Proceeds from issue of shares		**740,000**	500,000
Share issue costs		**(81,244)**	(75,000)
Repayment of lease liabilities		**(138,759)**	-
Net cash from financing activities		**519,997**	425,000
Net decrease in cash and cash equivalents		**(827,496)**	(676,521)
Effect of exchange rate changes on cash and cash equivalents		**(4,041)**	-
Cash and cash equivalents at the beginning of the year		**2,275,421**	2,951,942
Cash and cash equivalents at the end of the year	8	**1,443,884**	2,275,421

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Red Mountain Mining Limited (referred to as "Company" or "parent entity") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation

Statement of compliance

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

Basis of measurement

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 22.

Changes to the Group's accounting policies

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

Details of the impact of AASB 16 Leases and IFRIC Uncertainty over Income Tax Treatments have had are detailed below. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

AASB 16 Leases

The Group has adopted AASB 16 f

rom 1 July 2019 using the retrospective modified approach and as such the comparatives have not been restated.

AASB 16 Leases replaces the provisions of AASB 117 Leases that relates to the recognition, classification and measurement of leases.

The adoption of AASB 16 Leases from 1 July 2019 resulted in changes to the accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On 1 July 2019, the Group held one lease, for the principal office based in Perth.

Initial recognition

The Group elected to value the right-of-use asset using the modified retrospective approach from 1 July 2019. The liability was measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 5.53%. The initial amount recognised for each asset and liability is the same and uses the current borrowing rate.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(b) Basis of Preparation (cont.)

The option to extend the lease has been incorporated into the initial recognition as the lease is renegotiated on renewal.

The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows:

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117)	507,817
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5.53% (AASB 16)	(40,815)
Right-of-use assets (AASB 16)	467,002
Lease liabilities - current (AASB 16)	(138,759)
Lease liabilities - non-current (AASB 16)	(328,243)
	(467,002)
Reduction in opening accumulated losses as at 1 July 2019	-

Subsequent recognition

The Group will recognise a lease liability based on the discounted payments under the lease. The lease liability is to be measured with reference to an estimate of the lease term. The Group will use the cost model to recognise the right-of-use asset and amortise it over the remaining of its lease term.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The consolidated entity has adopted IFRIC 23 from 1 July 2019. The impact of adoption is not material to the financial statements.

Significant Judgements and Estimates

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

(c) Comparatives

Comparative balances for the Group are for the financial year, 1 July 2018 to 30 June 2019.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red Mountain Mining Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Red Mountain Mining Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

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

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

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

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

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

(e) Segment Reporting

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Foreign Currency Translation

Functional and presentation currency

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

Transactions and balances

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

Consolidated entity companies

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

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

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

(g) Revenue Recognition

Interest revenue

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(h) Income Tax

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

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

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

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

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

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

(i) Exploration and evaluation expenditure

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

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

(j) Cash and Cash Equivalents

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(k) Trade and Other Receivables

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

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

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

(l) Impairment of non-financial assets

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

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

(m) Investments and other financial assets

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

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

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(m) Investments and other financial assets (continued)

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

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

(n) Impairment of Assets

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

(o) Trade and Other Payables

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

(p) Employee Benefits

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(q) Share-based Payments

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

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

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) Contributed equity

Ordinary shares are classified as equity.

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

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

(s) Earnings Per Share

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

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

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

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

(t) Goods and Services Tax (“GST”)

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(u) Current and Non-Current classification

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

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

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

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

(v) Dividends

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020.

The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

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

Share based payments

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

Exploration and evaluation costs

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

NOTE 3 SEGMENT INFORMATION

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

NOTE 4 REVENUE

	2020	2019
	$	$
Revenue		
Interest received	**8,021**	16,352
Foreign exchange (loss)/gain	**(137)**	674
Subleasing income	**43,500**	75,000
	51,384	92,026

Notes to the Consolidated Financial Statements

NOTE 5 SHARE BASED PAYMENTS EXPENSE	**2020** **$**	2019 $
Performance rights amortised during the period (i)	**3,260**	8,000
	3,260	8,000

(i) Performance Rights

34,500,000 performance rights were granted during the 2018 year to Key Management Personnel.

During the year ended 30 June 2020, 9,500,000 rights lapsed as the condition was not met by 15 May 2020.

Set out below are summaries of performance rights granted by the Company to directors during the 2018 year.

Refer to Remuneration Report for details of the performance rights granted during the 2020 year to Key Management Personnel.

2020	**Number of rights**	**Number of Shares**	**Grant date**	**Hurdle**
Tranche 1 (lapsed)	5,500,000	5,500,000	15/05/2018	Performance Rights will vest upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding $0.02 within 12 months of the date of issue;
Tranche 2 (lapsed)	9,500,000	9,500,000	15/05/2018	Performance Rights will vest upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding $0.03 within 24 months of the date of issue; and
Tranche 3	19,500,000	19,500,000	15/05/2018	Performance Rights will vest upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding $0.05 within 36 months of the date of issue.

2020	**Grant date**	**Expiry date**	**Balance at the start of the year**	**Expired during the year**	**Balance at end of the year**	**Fair value at grant date $**	**Share-based payment expense in 2020 $**	**Share-based payment expense in 2019 $**
Tranche 1	15/05/2018	1/06/2019	5,500,000	(5,500,000)	-	55,000	-	-
Tranche 2	15/05/2018	1/06/2020	9,500,000	(9,500,000)	-	95,000	-	4,750
Tranche 3	15/05/2018	1/06/2021	19,500,000	-	19,500,000	195,000	3,260	3,250

Notes to the Consolidated Financial Statements

NOTE 6 INCOME TAX	2020	2019
	$	$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
(Loss) before income tax expense	**(1,960,519)**	(1,164,964)
Prima facie tax benefit on loss before income tax at 30% (2019: 30%)	**(588,156)**	(349,489)
Tax effect of:		
Amounts not deductible in calculating taxable income		
Foreign operations – non-deductible	**30,461**	56,777
Equity based payments	**978**	2,400
Impairment – Mukabe project	**214,748**	-
Other non-assessable	**-**	(4,500)
Other non-deductible	**-**	16,190
	341,969	278,622
Current year tax assets not recognised	**(341,969)**	(278,622)
Income tax expense	**-**	-
(c) The estimated potential deferred tax benefits not brought to account at 30% (2019: 30%)		
Revenue losses – Australia	**(4,338,610)**	(3,986,667)
Capital losses	**(1,004,271)**	(1,004,271)
Temporary differences - Australia	**(209,811)**	(195,414)

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2020 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

The benefit for tax losses will only be obtained if:

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

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

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

At 30 June 2020, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

Notes to the Consolidated Financial Statements

NOTE 7 LOSS PER SHARE

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

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

	2020	2019
	$	$
Net loss for the year	**(1,960,519)**	(1,164,964)
Weighted average number of ordinary shares for basic and diluted loss per share.	**851,438,415**	221,752,948

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position.

Continuing operations		
- Basic and diluted loss per share (cents)	**(0.23)**	(0.53)

NOTE 8 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	**1,335,763**	2,167,300
Short-term deposits	**108,121**	108,121
	1,443,884	2,275,421

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

The Group's exposure to interest rate and credit risks is disclosed in Note 16.

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

Loss for the financial year	**(1,960,519)**	(1,164,964)
Adjustments for:		
(Gain)/loss on revaluation of financial assets at fair value through profit or loss	**(203,120)**	94,876
Depreciation	**147,474**	-
Share-based payments	**3,260**	8,000
Impairment of exploration and evaluation assets	**715,828**	
Other non-cash items	**2,026**	-
Changes in assets and liabilities		
Trade and other receivables	**78,409**	(45,605)
Trade and other payables	**(61,021)**	10,962
Net cash used in operating activities	**(1,277,663)**	(1,096,731)

Notes to the Consolidated Financial Statements

NOTE 9 TRADE AND OTHER RECEIVABLES & FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**2020**	2019
	$	$
Trade and other receivables - current		
Advances	**24,017**	28,057
Prepayments	**89,684**	120,220
Other	**31,824**	41,567
Lease incentive asset*	**4,750**	38,840
	150,275	228,684
Financial assets at fair value through profit or loss- current		
144,000 (2019: 1,440,000) fully paid ordinary shares held in Greenpower Limited(i)	**2,736**	1,440
96,000 (2019: 960,000) options held in Greenpower Limited	**-**	960
5,595,652 (2019: 5,595,652) fully paid ordinary shares held in Bluebird Merchant Ventures Ltd (LSE: BMV) (ii)	**405,700**	202,916
	408,436	205,316

*Lease incentive relates to office premise and is amortised over the lease term.
(i) Includes gain of $336 (impairment of $4,800 in 2019)
(ii) Includes gain of $202,784 (impairment of $90,076 in 2019)
Gain on financial instruments revaluation is $203,120 during the year ended 30 June 2020 (2019: net loss on financial instruments revaluation is $94,876).
Refer to note 23 for further information on fair value measurement.

(a) Allowance for expected credit losses

The Group did not recognise any loss in the profit or loss in respect of the expected credit losses for the year ended 30 June 2020 and 30 June 2019.

	2020	2019
	$	$
NOTE 10 RIGHT OF USE ASSET		
Office lease - right-of-use	**467,002**	-
Less: Accumulated depreciation	**(147,474)**	-
	319,528	-

	2020	2019
	$	$
NOTE 11 TRADE AND OTHER PAYABLES		
Trade payables (i)	**131,573**	68,017
Accrued expenses	**20,805**	111,292
Lease incentive liability(ii)	**4,750**	38,840
	157,128	218,149

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
(ii) Lease incentive relates to office premises and is amortised over the lease term.

Notes to the Consolidated Financial Statements

NOTE 12 EXPLORATION AND EVALUATION

	2020	2019
	$	$
Opening balance	**645,998**	641,208
Additions capitalised during the period	**69,830**	4,790
Impairment of exploration and evaluation	**(715,828)**	-
	-	645,998

NOTE 13 LEASE LIABILITY

	2020	2019
	$	$
Current		
Lease liability	**146,629**	-
Non-current		
Lease liability	**183,640**	-
	330,269	-

NOTE 14 CONTRIBUTED EQUITY

(a) Issued and fully paid	**2020**		2019	
	No.	**$**	No.	$
Ordinary shares	**938,036,775**	**42,303,996**	778,036,755	41,645,240

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share hold.

(b) Movement reconciliation	**Number**	**$**
At 1 July 2018	678,036,755	41,220,240
Issue of Shares - $0.005 placement	100,000,000	500,000
Capital raising costs	-	(75,000)
At 1 July 2019	778,036,755	41,645,240
Issue of Shares - $0.005 placement	**69,000,000**	**345,000**
Issue of Shares - $0.005 placement	**31,000,000**	**155,000**
Issue of Shares - $0.004 placement	**60,000,000**	**240,000**
Capital raising costs	**-**	**(81,244)**
At 30 June 2020	**938,036,775**	**42,303,996**

NOTE 15 RESERVES

	2020	2019
	$	$
Share-based payments reserve (i)	**5,711,257**	5,707,997
Foreign currency translation reserve (ii)	**4,934,806**	4,938,847
Other reserves (iii)	**48,687**	48,687
Total reserves at the end of the financial year	**10,694,750**	10,695,531

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

Performance rights (1)	**12,962**	9,702
Options (2)	**5,698,295**	5,698,295
Total	**5,711,257**	5,707,997

Notes to the Consolidated Financial Statements

NOTE 15 RESERVES (CONT.)

1. Performance rights

	2020 No.	2020 $	2019 No.	2019 $
Performance rights	**19,500,000**	**12,962**	29,000,000	9,702

Movement reconciliation	No.	$
Performance rights		
At 1 July 2018	34,500,000	1,702
Performance rights amortisation	-	8,000
Lapsed performance rights	(5,500,000)	-
At 30 June 2019	29,000,000	9,702
Performance rights amortisation	-	3,260
Lapsed performance rights	**(9,500,000)**	-
At 30 June 2020	**19,500,000**	12,962

*On 15 May 2018 34,500,000 performance rights were granted to Directors as a part of their remuneration.

The following performance rights were issued to the Company's Directors during the 2018 year:

	J King	L Ho	R Parton	Total
Tranche 1*	3,000,000	2,000,000	500,000	5,500,000
Tranche 2*	6,000,000	3,000,000	500,000	9,500,000
Tranche 3	13,000,000	6,000,000	500,000	19,500,000
Total	22,000,000	11,000,000	1,500,000	34,500,000

*During the year ended 30 June 2020, 9,500,000 (2019: 5,500,000) performance rights lapsed as the condition was not met by 15 May 2020.

There are no voting rights for Performance Rights holders.

2. Options

	2020 No.	2020 $	2019 No.	2019 $
Options over ordinary shares of the Company	**35,000,000**	5,698,295	151,710,653	5,698,295

Movement reconciliation	Weighted Average price ($)	No.	$
Options			
At 30 June 2018	0.017	152,804,403	5,698,295
Lapsed Options – 24 December 2018		(1,093,750)	-
At 30 June 2019	0.017	151,710,653	5,698,295
Lapsed Options – 14 October 2019		**(12,500,000)**	-
Lapsed Options – 21 November 2019		**(67,210,653)**	-
Lapsed Options – 13 December 2019		**(37,000,000)**	-
At 30 June 2020	**0.020**	**35,000,000**	5,698,295

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.99 years (2019: 1.23 years)

Notes to the Consolidated Financial Statements

NOTE 15 RESERVES (CONT.)

ii) Foreign currency translation reserve

Movement reconciliation	2020 $	2019 $
Balance at the beginning year	**4,938,847**	4,933,209
Movement	**(4,041)**	5,638
Balance at the end of the financial year	**4,934,806**	4,938,847

iii) Other reserve

Movement reconciliation	2020 $	2019 $
Balance at the beginning and end of year	**48,687**	48,687

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	**1,443,884**	2,275,421
Trade and other receivables (less lease incentive asset)	**145,525**	189,844
Financial assets at fair value through profit or loss	**408,436**	205,316
	1,997,845	2,670,581
Financial Liabilities		
Trade and other payables (less lease incentive liability)	**152,378**	179,309
	152,378	179,309

(a) Market risk

(i) Foreign exchange risk

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

Foreign currency risk sensitivity analysis

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

30 June 2020	USD
Cash and cash equivalents	**152**
Total foreign currencies	**152**
Total converted into AUD	**221**

Notes to the Consolidated Financial Statements

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

30 June 2019	USD
Cash and cash equivalents	13,502
Total foreign currencies	13,502
Total converted into AUD	19,173

Based on the financial instruments held at 30 June 2020, had the Australian dollar strengthened/weakened by 10% against the US dollar with all other variables held constant, the Group's post-tax loss for the financial year would have been $22 lower/higher (2019: $1,917 lower/higher) and equity would have been $22 lower/higher (2019: $1,917 lower/higher), mainly as a result of foreign exchange losses/gains on translation of US dollar denominated financial instruments as detailed in the above table. Profit or loss is more sensitive to movements in AUD/USD exchange rates. The Group's exposure to other foreign exchange movements is not material.

(ii) Interest rate risk

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

	2020		2019	
	Weighted average interest rate (iii)	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	**0.52%**	**1,443,884**	0.6%	2,275,421

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

Sensitivity

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

At 30 June 2020, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Loss higher/(lower)	
Judgements of reasonably possible movements:	**2020 $**	2019 $
+ 1.0% (100 basis points)	**14,439**	22,754
- 1.0% (100 basis points)	**(14,439)**	(22,754)

(b) Credit risk

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

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

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

Notes to the Consolidated Financial Statements

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

(c) Liquidity risk

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

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.
The following are the contractual maturities of financial liabilities:

	6 months	6-12 months	1-5 years	> 5 years	Total
2020	**$**	**$**	**$**	**$**	**$**
Trade and other payables*	**152,378**	**-**	**-**	**-**	**152,378**
2019					
Trade and other payables*	179,309	-	-	-	179,309

* less lease incentive liability

(d) Capital risk management

The Group's objectives when managing capital are to:

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

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

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

NOTE 17 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

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

	2020	2019
	$	$
Short-term benefits	**240,000**	180,000
Post-employment benefits	**14,820**	43,985
	254,820	223,985

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

Notes to the Consolidated Financial Statements

NOTE 17 RELATED PARTY DISCLOSURE (CONT.)

(b) Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2020 (30 June 2019: Nil).

(c) Other Transactions with KMP

The following transactions occurred with related parties:	**2020** **$**	2019 $
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**179,476**	128,100
Rental income from Mirador Corporate Pty Ltd, an entity related to Mr Jeremy King.	**6,000**	3,000
Rental income from Pure Minerals Limited, an entity related to Mr Jeremy King and Mr Lincoln Ho	**22,500**	33,750

Trade and other payables to related parties:	**2020** **$**	2019 $
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**13,125**	13,125
Director fees payable to Bushwood Nominees, an entity related to Mr Jeremy King	**10,000**	-

Amounts outstanding and receivable to related parties at 30 June	**2020** **$**	2019 $
Receipt of rental income from Pure Minerals Limited, an entity related to Mr Jeremy King and Mr Lincoln Ho	-	11,250
Receipt of rental income from Mirador Corporate Pty Ltd, an entity related to Mr Jeremy King.	-	3,000

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

NOTE 18 COMMITMENTS

Lease commitments	**2020** **$**	2019 $
Within one year	-	21,091
Later than one year but not later than five years	-	133,720
	-	154,811

Due to the adoption of AASB 16 the lease commitments shown in this Note 18 reduced to nil at 30 June 2020 and are now recognised as a right of use asset and lease liability, see Notes 10 and 13. There are no other material commitments as at 30 June 2020 (2019: Nil).

Notes to the Consolidated Financial Statements

NOTE 19 CONTINGENCIES

There are no contingent assets or contingent liabilities as at 30 June 2020 (2019: nil).

NOTE 20 AUDITOR'S REMUNERATION

	2020 $	2019 $
Amounts received or due and receivable by RSM Australia for:		
Audit and review of the annual and half-year financial report	**26,500**	33,500
Other services - RSM Australia for:		
- Income tax return	**13,000**	13,000
	39,500	46,500
Amounts received or due and receivable by BDO Singapore for:		
Audit of the annual financial report – subsidiary	**-**	9,265
	39,500	55,765

NOTE 21 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest 2020 %	2019 %
Red Mountain Mining Holdings Ltd*	Exploration	Hong Kong	-	-
Red Mountain Mining Pte Ltd*	Exploration	Singapore	-	100%

*During the period Red Mountain Mining Holdings Ltd was discontinued as at 30 June 2019 and Red Mountain Mining Pte Ltd as at 30 June 2020, there was no balance associated with both these companies.

NOTE 22 PARENT ENTITY

	2020 $	2019 $
Assets		
Current assets	**2,002,595**	2,704,380
Non-current assets	**319,528**	174,474
Total assets	**2,322,123**	2,878,854
Liabilities		
Current liabilities	**303,757**	218,154
Non-current liabilities	**183,640**	-
Total liabilities	**487,397**	218,154
Equity		
Contributed equity	**42,303,996**	41,645,240
Reserves	**5,699,377**	5,224,587
Accumulated losses	**(46,168,647)**	(44,209,127)
Total equity	**1,834,726**	2,660,700
Loss for the year	**(1,959,520)**	(1,149,147)
Total comprehensive loss	**(1,959,520)**	(1,149,147)

Notes to the Consolidated Financial Statement

NOTE 22 PARENT ENTITY (CONT.)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Lease commitments
The parent entity had lease commitments as disclosed in Note 18.

Significant accounting policies

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

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

NOTE 23 FAIR VALUE MEASUREMENT

Fair value hierarchy

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

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

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

Consolidated - 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares at fair value through profit or loss	205,316	-	-	205,316
Total assets	205,316	-	-	205,316

There were no transfers between levels during the financial year.

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

Notes to the Consolidated Financial Statement

NOTE 24 EVENTS AFTER THE REPORTING DATE

On 6 July the Company issued 75,000,000 ordinary shares at an issue price of $0.004 per share to raise $300,000 before costs. On 10 July the Company issued 74,500,000 quoted options (exercisable at $0.008, expiring on 14 July 2021) as free attaching options issued to placement and SPP participants.

On 30 July 2020 the Company acquired the Mt Maitland Gold Project.

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

On 25 September 2020 the Company received firm commitments for a placement of 114,285,714 shares at a price of $0.007 per share to professional and sophisticated investors to raise $800,000 before costs. One attaching RMXOI option (exercisable at $0.008 per share, expiring 14 July 2021) for every two placement shares will be issued to participants.

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

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

Directors' Declaration

In the Directors' opinion:

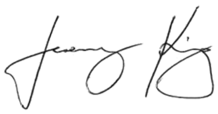
a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date.

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

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

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

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



Jeremy King
Director

29 September 2020

RSM Australia Partners

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

Opinion

We have audited the financial report of Red Mountain Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Exploration and Evaluation Expenditure
Refer to Note 12 in the financial statements</td></tr>
<tr><td>The Group has recognised an impairment of $715,828 against the capitalised exploration and evaluation expenditure as at 30 June 2020.

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

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

• Ensuring that the right to tenure of the area of interest is current;
• Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest;
• Enquiring with management and reviewing budgets and other supporting documentation as evidence that whether or not active and significant operations in, or relation to, the area of interest will be continued in the future; and
• Assessing and evaluating management's assessment of the impairment loss recognised for the area of interest where indicators of impairment are present.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Red Mountain Mining Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2020

Corporate Governance Statement

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

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

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

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 24 September 2020.

TWENTY LARGEST SHAREHOLDERS

		Number Held	Percentage
1	BIG BAGGERS INVESTORS CLUB PTY LTD	44,285,000	4.37
2	MCNEIL NOMINEES PTY LIMITED	37,676,001	3.72
3	XCEL CAPITAL PTY LTD	30,943,124	3.05
4	MR DOMINIC VIRGARA	26,500,000	2.62
5	KALCON INVESTMENTS PTY LTD	26,250,000	2.59
6	BUSHWOOD NOMINEES PTY LTD	16,000,000	1.58
7	80 MILES & BEYOND PTY LTD <80 MILES & BEYOND S/F A/C>	15,125,000	1.49
8	JAMORA NOMINEES PTY LTD <KABOONK DISCRETIONARY A/C>	15,000,000	1.48
9	SYNC & RHYTHM PTY LTD <SYNC & RHYTHM SF A/C>	14,000,000	1.38
10	MR MATTHEW STEVEN KLEIN	13,060,037	1.29
11	MS CHUK FAH POI	11,750,000	1.16
12	YUCAJA PTY LTD <THE YOEGIAR FAMILY A/C>	10,012,628	0.99
13	MR JASON BONTEMPO + MRS TIZIANA BATTISTA <MORRISTON SUPER FUND A/C>	10,000,000	0.99
13	CHATENOIS PTY LTD	10,000,000	0.99
13	DR DAVID THOMAS CRANE	10,000,000	0.99
16	MRS ANDRIANA NICOLAOU + MISS ELYSE JADE NICOLAOU	9,000,000	0.89
16	SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	9,000,000	0.89
18	MR MARCUS JOHN HENRIQUES	8,500,000	0.84
19	CITICORP NOMINEES PTY LIMITED	7,583,973	0.75
20	MR GREGORY WAYNE COULSON	7,500,000	0.74
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		332,185,763	32.79

ASX Additional Information

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

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

Range	Total holders	Units	% of Issued Capital
1 - 1,000	52	7,028	0.00
1,001 - 5,000	26	69,922	0.01
5,001 - 10,000	28	207,705	0.02
10,001 - 100,000	404	27,138,774	2.68
100,001 Over	934	985,613,346	97.29
Total	**1,444**	**1,013,036,775**	**100.00**

(ii) listed Options

- 85,500,000 quoted options with an exercise price of $0.008 and an expiry of 14/7/2021.

TWENTY LARGEST LISTED OPTION HOLDERS

		Number Held	Percentage
1	BUSHWOOD NOMINEES PTY LTD	5,500,000	6.43
2	MR MD AKRAM UDDIN	5,000,000	5.85
3	KALCON INVESTMENTS PTY LTD	4,625,000	5.41
4	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	4,175,000	4.88
5	CH2 INVESTMENTS PTY LTD	4,000,000	4.68
5	JACK RORY PTY LTD	4,000,000	4.68
7	MR MYLES ADRIAN MOODY	3,600,000	4.21
8	MR EDWIN EDWARD BULSECO + MRS ALLISON BULSECO <KC BULSECO FAMILY A/C>	3,000,000	3.51
9	MR PHILIP MAKEDON KOCOVSKI	2,353,667	2.75
10	MR LLOYD D'MONTE	2,300,000	2.69
11	MR MD MUNTASIR BILLAH	2,000,000	2.34
11	SALTUS CORPORATE PTY LTD <THE LLPMH INVESTMENT A/C>	2,000,000	2.34
13	XCEL CAPITAL PTY LTD	1,875,000	2.19
14	MR LLOYD D'MONTE + MS GILLIAN D'MONTE <LD SUPERANNUATION FUND A/C>	1,840,000	2.15
15	MR HANS GEORG BONHS	1,500,000	1.75
15	JALAVER PTY LTD <FALCON PENSION A/C>	1,500,000	1.75
15	MS CHUK FAH POI	1,500,000	1.75
15	MR CHRISTOPHER ROBERT CANNON	1,500,000	1.75
15	SEVENTY THREE PTY LTD <KING SUPER FUND NO 3 A/C>	1,500,000	1.75
15	SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	1,500,000	1.75
Total: Top 20 holders of listed options		56,768,667	66.40

ASX Additional Information

(iii) Listed options

The number of option holders, by size of holding, is:

Range	Total holders	Units	% of Options
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	0	0	0.00
10,001 - 100,000	1	100,000	0.12
100,001 Over	75	85,400,000	99.88
Total	**76**	**85,500,000**	**100.00**

Unquoted options

- 35,000,000 unquoted options with an exercise price of $0.02 and an expiry date of 28 June 2023.

SUBSTANTIAL SHAREHOLDERS

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

VOTING RIGHTS

Ordinary shares

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

Options

Options carry no voting rights.

UNMARKETABLE PARCELS

There were 276 holders of less than a marketable parcel of ordinary shares, which as at 24 September 2020 was 6,439,314.

RESTRICTED SECURITIES

There are no restricted securities as at 24 September 2020.

ON-MARKET BUY-BACK

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

ACQUISITION OF VOTING SHARES

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

TAX STATUS

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

FRANKING CREDITS

The Company has no franking credits.