



**Rincon Resources Limited**

**ABN 54 628 003 538**

**Half-Year Financial Report**  
**for the period ended 31 December 2023**

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Rincon Resources Limited is an Australian listed company focused on the acquisition, exploration and development of commercially significant resource projects in Western Australia, with a focus on copper, gold, REE's and other critical metals. For more details visit [www.rinconresources.com.au](http://www.rinconresources.com.au).

**DIRECTORS**

Mr David Lenigas  
(Executive Chairman)

Mr Gary Harvey  
(Managing Director)

Mr Blair Sergeant  
(Non-Executive Director)

Mr Don Strang  
(Non-Executive Director)

**JOINT COMPANY SECRETARIES**

Mr Zane Lewis  
Mr Victor Goh

**REGISTERED OFFICE**

Suite 1  
295 Rokeby Road  
SUBIACO WA 6008

**AUDITORS**

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

**SHARE REGISTRAR**

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
PERTH WA 6000

GPO Box 5193,  
SYDNEY, NSW 2000  
Telephone: 1300 288 664 (within Australia)  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)

**SECURITIES EXCHANGE LISTING**

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

The Directors present their report, together with the financial statements, of Rincon Resources Limited (the "Company") and the entities it controlled (referred to hereafter as the "consolidated entity" or "the Group") at the end of the half-year ended 31 December 2023 ("Half-Year").

### **Directors**

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

Mr David Lenigas –Executive Chairman  
Mr Gary Harvey – Managing Director  
Mr Blair Sergeant - Non-Executive Director  
Mr Don Strang – Non-Executive Director

### **Principal activities**

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

### **Operating results**

The loss, after tax, attributable to the Group for the financial half-year ended 31 December 2023, amounted to \$805,478 (2022: \$744,322).

### **Review of operations**

Rincon has a 100% interest in three exploration assets in Western Australia that are highly prospective for copper, gold, REE's and other critical metals for the energy transition; these are the South Telfer Project, West Arunta Project and the Laverton Project.

Each asset has previously been subject to historical exploration which has identified prospective mineral systems that warrant further exploration. The Company's aim is to create value for its shareholders by advancing its assets by applying technically sound methodical and systematic exploration work programs to test, discover, and delineate economic resources.



Projects Location Map

## South Telfer Project

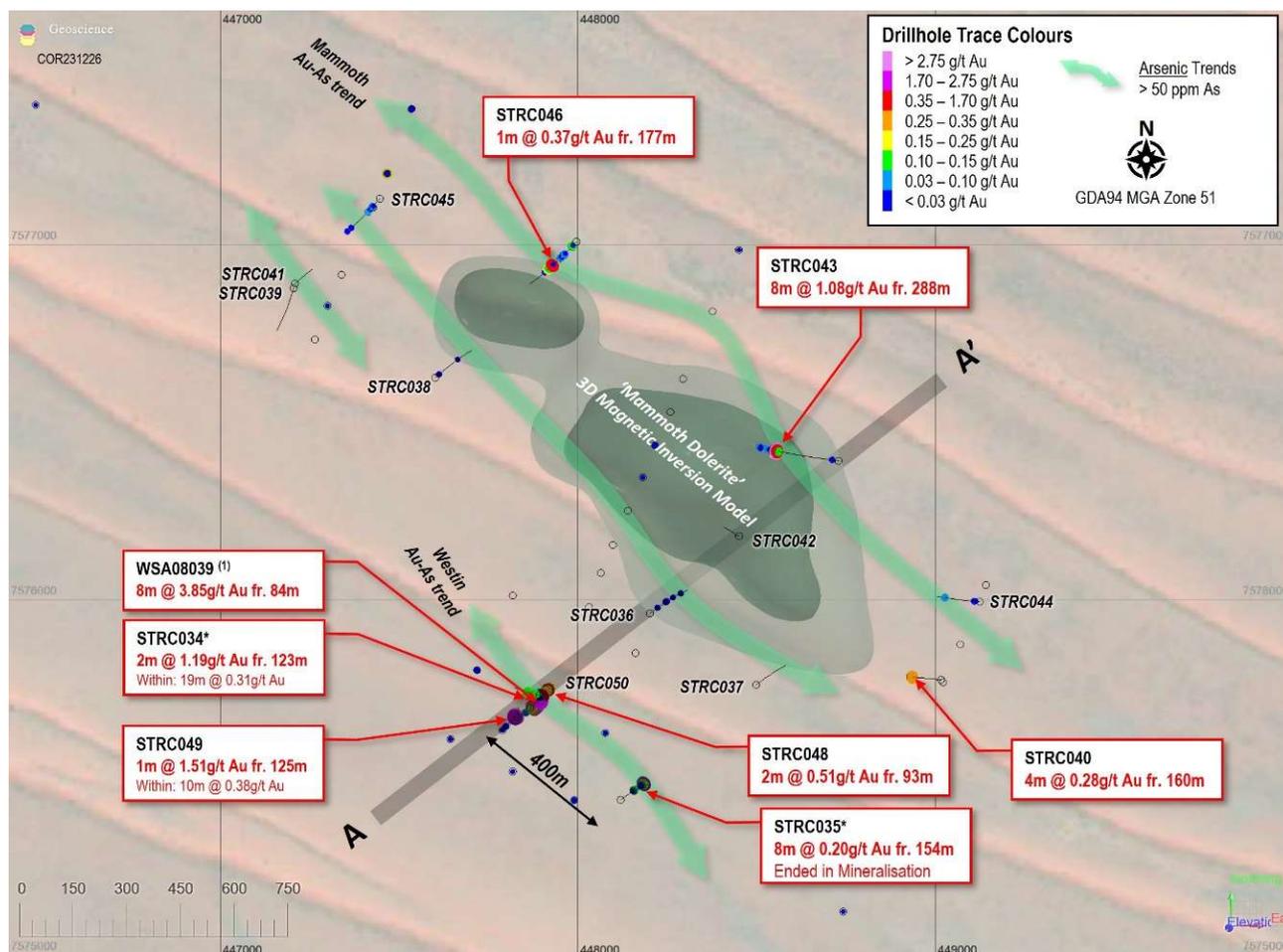
### Reverse Circulation (RC) drilling

In November, the Company completed a 17-hole RC drilling program at its Mammoth Target and Westin Prospect at the South Telfer Project.

There were two aims of the program; firstly, test the Mammoth Target, an intrusive dolerite body ('Mammoth Dolerite'), for brecciated and stockwork-style gold-copper mineralisation along its contact zones. Secondly, to follow-up historic drillhole WSA08039, which intercepted 8m @ 3.85g/t Au from 84m at Westin, about 700m southwest of the Mammoth Target (refer to Figure 1).

The program successfully confirmed the presence of a developing gold system at Westin, with multiple zones of anomalous gold mineralisation highlighting at least three interpreted sub-vertical lodes that remain open down-dip and along strike, including:

- 23STRC034: **2m @ 1.19g/t Au** from 123m downhole; within a mineralised zone of **19m @ 0.31g/t Au, 810ppm As & 45ppm Bi** from 112m, and
- 23STRC049: **1m @ 1.51g/t Au** from 125m downhole; within a mineralised zone of **10m @ 0.38g/t Au & 552ppm As** from 125m.



**Figure 1 - Plan View of Mammoth drilling program, showing 'Mammoth Target', the 'Westin Prospect', and drillhole gold anomalism. Anomalous gold-arsenic trends highlighted key structural zones interpreted to control gold mineralisation.**

At Mammoth, two drillholes (23STRC043 and 046) confirmed the presence gold mineralisation proximal to the northeast contact zone of the Mammoth Dolerite with the potential for additional breccia and stockwork-style gold mineralisation along the contact zone yet to be tested.

An important observation was the presence of strong gold-arsenic trends coincident with the northeast Mammoth Dolerite contact zone, and other similar trends like those observed importantly along strike at the nearby Dolphy and Ironclad deposits (owned by Newmont Mining). These gold-arsenic trends suggest that mineralisation at both Mammoth and Westin may be peripheral to a larger, high-grade zones of gold mineralisation.

The Company is encouraged by the results as they have confirmed the presence of gold mineralisation associated with the targeted structures at both Westin and Mammoth and importantly, have provided sufficient evidence to warrant further investigation and in addition, the gold-pathfinder geochemistry has confirmed we are in a potentially significant mineralised system at Westin.

The fact we have observed similar geology, structures, and alteration like that observed at Dolphy and Ironclad, just 8km northwest along trend, is also telling us we may not be too far away from a new discovery.

The Company will take some time to fully digest and review all the data available to us to determine our next steps.

### Haslies Prospect Area

During the period, the Company applied for a mining lease (MLA45/1319) over the Haslies Southeast Zone. The mining lease application was applied over existing P45/2929 (due to expire) for pursuant to Section 49 of the Western Australian Mining Act. MLA45/1319 has since been recommended for grant and the Company will now enter the process of Native Title negotiations to facilitate the grant of the lease.

### Haslies Technical Review

A comprehensive technical review of the Haslies Prospect Area was completed with the final report received during the period. The Company is now in the process of developing a revised exploration strategy for Haslies before recommencing activities.

### West Arunta Project

#### Diamond drilling

The Company mobilised to West Arunta in December to commence its diamond drilling program at Pokali. Unfortunately, due to the on-set of the wet season and the unpredictability of grass fires, safety was paramount, and the program was abandoned.

The diamond drilling program will recommence from late February 2024.

#### Rock-chip Sampling & Mapping

Site reconnaissance and rock-chip sampling continued throughout the period, with over 100 additional samples collected.

Preliminary portable x-ray florescence ('pXRF') analysis highlighted two anomalous Rare Earth Element ('REE') trends within and proximal to the Tin-Tungsten system at Pokali North. Best pXRF Total Rare Earth Element ('TREE') results in rock-chip samples included:

- KWRK094 – **0.48% TREE**
- KWRK104 – **0.43% TREE**, and
- KWRK107 – **0.25% TREE**

The rock-chip samples have highlighted two apparent REE trends ('Trend-1' and 'Trend-2'). Trend-1 extends southeast of Pokali North, where rockchip KWRK070 (**0.29% TREO**), and Trend-2, a new anomalous trend, is located southwest of Pokali North (refer to Figure 2).

Trend-1 is potentially associated with a gravity target located near Pokali North, which will be tested with diamond drilling.

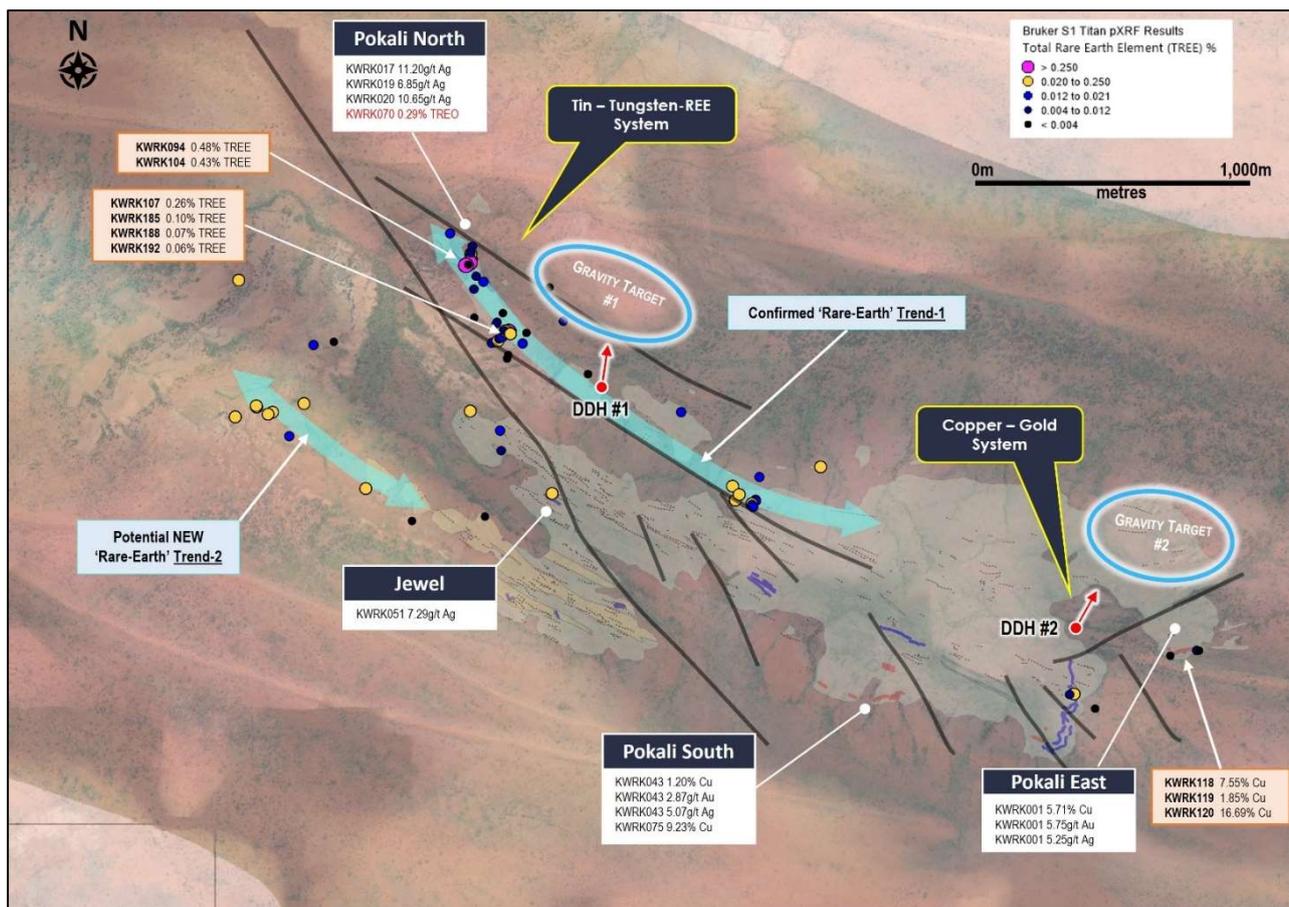


Figure 2 – Pokali IOCG Prospect showing location of planned diamond holes DDH#1 and DDH#2, gravity high targets, previous rock-chip results at Pokali East, North, South and Jewel, and new REE anomalism indicated by recent rock-chip pXRF sampling (Overlying a combined Google Earth and gravity imagery).

## Laverton Project

The Company completed a comprehensive review and targeting process for its Laverton Project during the period. This followed a period of tenement acquisitions made by the Company over the last 12-months. The review involved interpretation of newly acquired aeromagnetic and gravity data, seismic and multispectral data, to identify new targets for investigation and the development of a revised exploration strategy.

## Corporate Activities

During the half-year ended 31 December 2023 the Company had the following equity issues:

- On 25 July 2023, the Company completed a Share Purchase Plan, as announced 5 June 2023, raising \$217,000 before costs and issuing 3,945,447 fully paid shares.
- On 10 October 2023, the Company issued 1,250,000 fully paid ordinary shares in accordance with the tenement acquisition agreement of E45/6163 ('Wilki Range') from CRC Minerals Pty Ltd.
- On 18 October 2023, the Company completed a Placement raising \$2.6 million (before costs) and issuing 104,000,000 fully paid ordinary shares.
- On 1 December 2023, the Company issued 12,000,000 Unlisted Options at various exercise prices and expiring 4 years from issue to Directors and 3,750,000 Unlisted Options at various exercise prices to employees and consultants expiring 4 years from issue.

### Significant changes in the state of affairs

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

### Events after the reporting date

On 3 January 2024, report the results of the Mammoth drilling program at its South Telfer Project in the Paterson Range, Western Australia.

On 19 January 2024, the Company completed a capital raising via Placement raising \$1.43 million (before costs) and issuing 43,488,478 fully paid ordinary shares and 16,000,000 Unlisted Options to Lead Managers.

On 19 February 2024, the Company announced a new tenement grant, E80/5761 expanding the West Arunta footprint.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

### Auditor's independence declaration

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

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Mr David Lenigas  
Executive Chairman  
27 February 2024

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Rincon Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 27 February 2024

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

<b>Consolidated</b>		
<b>Note</b>	<b>Half-Year ended 31 December 2023 \$</b>	<b>Half-Year ended 31 December 2022 \$</b>
Interest income	6,244	4,774
Administration expenses	(69,626)	(63,798)
Consultancy expenses	(79,141)	(3,215)
Corporate and compliance expenses	(96,565)	(112,012)
Depreciation	(25,130)	(28,687)
Equity based payments	(292,748)	(338,499)
Exploration expenses	(29,429)	(3,420)
Employee related expenses	(219,083)	(199,465)
<b>Loss before income tax</b>	<b>(805,478)</b>	<b>(744,322)</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Loss after tax</b>	<b>(805,478)</b>	<b>(744,322)</b>
<b>Total comprehensive loss for the period</b>	<b>(805,478)</b>	<b>(744,322)</b>
Basic and diluted loss per share (cents per share)	(0.70)	(1.26)

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

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

			<b>Consolidated</b>	
	<b>Note</b>	<b>As at 31 December 2023 \$</b>	<b>As at 30 June 2023 \$</b>	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		1,054,382	227,904	
Other receivables		122,119	50,964	
Other assets		-	18,086	
<b>TOTAL CURRENT ASSETS</b>		<b>1,176,501</b>	<b>296,954</b>	
<b>NON-CURRENT ASSETS</b>				
Exploration and evaluation	2	6,600,442	5,191,405	
Plant and equipment		38,100	44,384	
Other assets		18,086	-	
Right-of-use asset		40,831	59,677	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,697,459</b>	<b>5,295,466</b>	
<b>TOTAL ASSETS</b>		<b>7,873,960</b>	<b>5,592,420</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		172,011	127,850	
Provisions		60,051	47,703	
Lease liability		39,958	39,174	
<b>TOTAL CURRENT LIABILITIES</b>		<b>272,020</b>	<b>214,727</b>	
<b>NON-CURRENT LIABILITIES</b>				
Lease liability		3,401	23,574	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,401</b>	<b>23,574</b>	
<b>TOTAL LIABILITIES</b>		<b>275,421</b>	<b>238,301</b>	
<b>NET ASSETS</b>		<b>7,598,539</b>	<b>5,354,119</b>	
<b>EQUITY</b>				
Issued capital	3	10,933,324	8,308,974	
Reserves	4	1,114,754	689,206	
Accumulated losses		(4,449,539)	(3,644,061)	
<b>TOTAL EQUITY</b>		<b>7,598,539</b>	<b>5,354,119</b>	

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

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

<b>CONSOLIDATED</b>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2023</b>	<b>8,308,974</b>	<b>689,206</b>	<b>(3,644,061)</b>	<b>5,354,119</b>
Loss for the period	-	-	(805,478)	(805,478)
<b>Total comprehensive loss for the period</b>	-	-	(805,478)	(805,478)
Performance rights issued, vesting expense for the period (Note 5)	-	60,848	-	60,848
Net options issued (Note 5)	-	364,700	-	364,700
Share based payments (Note 5)	124,000	-	-	124,000
Share issues	2,817,000	-	-	2,817,000
Cost of share issues	(316,650)	-	-	(316,650)
<b>Balance at 31 December 2023</b>	<b>10,933,324</b>	<b>1,114,754</b>	<b>(4,449,539)</b>	<b>7,598,539</b>
<b>Balance at 1 July 2022</b>	<b>7,149,857</b>	<b>244,354</b>	<b>(2,424,320)</b>	<b>4,969,891</b>
Loss for the period	-	-	(744,322)	(744,322)
<b>Total comprehensive loss for the period</b>	-	-	(744,322)	(744,322)
Performance rights issued, vesting expense for the period (Note 4)	-	61,900	-	61,900
Net options issued (Note 4)	-	323,098	-	323,098
Share issue	1,200,000	-	-	1,200,000
Cost of share issues	(199,724)	-	-	(199,724)
<b>Balance at 31 December 2022</b>	<b>8,150,133</b>	<b>629,352</b>	<b>(3,168,642)</b>	<b>5,610,843</b>

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

**RINCON RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	<b>Consolidated</b>	
	<b>Half-Year ended 31 December 2023 \$</b>	<b>Half-Year ended 31 December 2022 \$</b>
<b>Cash flows from operating activities</b>		
Interest revenue	6,244	4,774
Other revenue	-	60,000
Payments to suppliers and employees (inclusive of GST)	(566,422)	(441,197)
<b>Net cash flows used in operating activities</b>	<b>(560,178)</b>	<b>(376,423)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(1,292,519)	(751,615)
Purchase of plant and equipment	-	(409)
Deposit paid for acquisition of Wilki Range Tenement	-	(10,000)
<b>Net cash flows used in investing activities</b>	<b>(1,292,519)</b>	<b>(762,024)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	2,817,000	1,200,000
Capital raising costs	(117,350)	(70,324)
Repayment of lease liabilities	(20,475)	(20,475)
<b>Net cash flows provided by financing activities</b>	<b>2,679,175</b>	<b>1,109,201</b>
<b>Net decrease in cash and cash equivalents</b>	<b>826,478</b>	<b>(29,246)</b>
Cash and cash equivalents at beginning of period	227,904	1,149,397
<b>Cash and cash equivalents at period end</b>	<b>1,054,382</b>	<b>1,120,151</b>

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



## **Note 1. Statement of Material Accounting Policies**

### **Statement of compliance**

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Rincon Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

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

### **Basis of preparation**

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

### **Standards and Interpretations applicable to 31 December 2023**

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

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



	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>Note 2. Exploration and evaluation</b>		
Costs carried forward in respect of areas of interests:	5,191,405	5,191,405
<i>Movement during the period</i>		
Opening balance	5,191,405	3,733,101
Exploration expenditure	1,309,037	1,263,582
Payment for Wilki Tenement – E45/6163 (Note 4)	100,000	10,000
Payment for Laverton Tenements	-	184,722
<b>Closing balance</b>	<b>6,600,442</b>	<b>5,191,405</b>

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>Note 3. Issued capital</b>		
177,662,886 (30 June 2023: 67,725,645) fully paid ordinary shares on issue	10,933,324	8,308,974
	<b>30 June 2023 Number</b>	<b>30 June 2023 \$</b>
Balance at 1 July 2022	<b>51,336,756</b>	<b>7,149,857</b>
<i>Movement in ordinary shares on issue</i>		
Placement T1 – 19 September 2022 @ \$0.08 per share	12,834,188	1,026,735
Placement T2 – 3 November 2022 @ \$0.08 per share	2,165,812	173,265
Shares issued for acquisition of Laverton tenements	1,388,889	159,722
Cost of share issue	-	(200,605)
<b>At 30 June 2023</b>	<b>67,725,645</b>	<b>8,308,974</b>



**Note 3. Issued capital (continued)**

	<b>31 December 2023 Number</b>	<b>31 December 2023 \$</b>
Balance at 1 July 2023	<b>67,725,645</b>	<b>8,308,974</b>
<i>Movement in ordinary shares on issue</i>		
Share Purchase Place 28 July 2023 @ \$0.55 per share	3,945,447	217,000
Placement T1 – 8 September 2023 @ \$0.025 per share	9,153,441	228,836
Placement T2 – 20 October 2023 @ \$0.025 per share	94,846,559	2,371,164
Shares issued for acquisition of Wilki Tenement E45/6163	1,250,000	100,000
Shares issued in lieu of Corporate Advisory services	741,794	24,000
Cost of share issue	-	(316,650)
<b>At 31 December 2023</b>	<b>177,662,886</b>	<b>10,933,324</b>

**Note 4. Reserves**

	<b>Consolidated</b>	
	<b>31 December 2023 \$</b>	<b>30 June 2023 \$</b>
Options Reserve (a)	893,692	528,992
Performance Rights Reserve (b)	221,062	160,214
<b>At 31 December 2023</b>	<b>1,114,754</b>	<b>689,206</b>

**(a) Options Reserve**

	<b>30 June 2023 Number</b>	<b>30 June 2023 \$</b>
Balance at 1 July 2022	5,000,000	205,894
<i>Movement in options on issue</i>		
Lapse of Performance options issued to consultant	(2,500,000)	(82,901)
Advisor options issued to consultant (Note 5)	2,000,000	129,400
Director options (Note 5)	6,000,000	276,599
<b>At 30 June 2023</b>	<b>10,500,000</b>	<b>528,992</b>

**Note 4. Reserves (continued)**

	Consolidated	
	31 December 2023 Number	31 December 2023 \$
Balance at 1 July 2023	10,500,000	528,992
<i>Movement in options on issue</i>		
Options issued to consultant (Note 5)	14,000,000	156,800
Director options (Note 5)	12,000,000	158,400
Employee and consultant options (Note 5)	3,750,000	49,500
<b>At 31 December 2023</b>	<b>40,250,000</b>	<b>893,692</b>

**(b) Performance Rights Reserve**

	Consolidated	
	30 June 2023 Number	30 June 2023 \$
Balance at 1 July 2022	6,200,000	38,460
<i>Movement</i>		
Performance rights on issue, vesting period expense	-	121,754
<b>At 30 June 2023</b>	<b>6,200,000</b>	<b>160,214</b>

	31 December 2023 Number	31 December 2023 \$
	Balance at 1 July 2023	6,200,000
<i>Movement</i>		
Performance rights on issue, vesting period expense	-	60,848
<b>At 31 December 2023</b>	<b>6,200,000</b>	<b>221,062</b>

**Note 5. Equity-based payments**

Equity based payments included in the Statement of Financial Position for the period are detailed below:

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Shares issued as part acquisition of Wilki Tenement – E45/6163 <sup>(i)</sup>	100,000	-
Lead Manager options issued in lieu of capital raising fees <sup>(iii)</sup>	156,800	-
Adviser Options <sup>(iii)</sup>	-	129,400
Shares issued as part acquisition of Laverton tenements <sup>(iv)</sup>	-	159,722
<b>Total</b>	<b>256,800</b>	<b>289,122</b>



**Note 5. Equity-based payments (continued)**

*i. Wilki Tenement*

On 20 October 2023, in accordance with the acquisition of the Wilki Range tenement (E45/6163), South Telfer Project, the Company issued \$100,000 worth of Rincon Shares upon the receipt of 100% legal and beneficial interest in the Tenement to the vendors, CRC Minerals Pty Ltd.

*ii. Lead Manager Options*

On 20 October 2023, the Company issued 14,000,000 Lead Manager Options in lieu of capital raising fees as detailed below.

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

	Advisor Options
Number on issue	14,000,000
Grant date	18 October 2023
Issue date	18 October 2023
Expiry date	20 October 2023
Exercise price	\$0.05
Risk-free interest rate	4.27%
Share price at grant date	\$0.03
Expected volatility	100%
Dividend yield	-
Vesting period	-
Number vested as at 31 December 2023	14,000,000
Number exercisable as at 31 December 2023	14,000,000
<b>Fair value per option</b>	<b>\$0.0112</b>
<b>Amount recognised as consultancy fee during the year</b>	<b>\$156,800</b>

*iii. Laverton Tenements*

On 16 January 2023, the company issued 1,388,889 fully paid ordinary shares to Mining Equities Pty Ltd in accordance with the Agreement for the acquisition of Laverton Tenements.

*iv. Adviser Options*

On 3 November 2022, the Company issued 2,000,000 Adviser Options exercisable at \$0.15 per option on or before 30 September 2025, vest and exercisable immediately.

**Note 5. Equity-based payments (continued)**

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

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Director Options <sup>(v)</sup>	158,400	276,599
Employee and consultant Options <sup>(vi)</sup>	49,500	-
Vesting period expense - performance rights	60,848	61,900
Lapse of Performance options issued to consultant <sup>(vii)</sup>	-	(82,901)
Shares issued in lieu of consultant fees <sup>(viii)</sup>	24,000	
	<b>292,748</b>	<b>255,598</b>

v. Director Options

On 3 November 2022, the Company issued a total of 6,000,000 Director Options to Mr David Lenigas and Mr Don Strang as incentivised remuneration. Options are exercisable at \$0.15 per option on or before 30 September 2025, vest and exercisable immediately upon issue, share based payment expenses of \$276,599 was recognised.

On 1 December 2023, the Company issued a total of 12,000,000 Director Options to the Directors of the Board as incentivised remuneration. Details of Director options are as detailed below:

Assumption	Class A	Class B	Class C
Valuation Date	29/11/2023	29/11/2023	29/11/2023
Exercise price	\$0.05	\$0.075	\$0.10
Share price	\$0.032	\$0.032	\$0.032
Expiry Date	1/12/2027	1/12/2027	1/12/2027
Risk free interest rate	4.01%	4.01%	4.01%
Volatility (expected)	100%	100%	100%
<b>Indicative Value (\$) (per Director Option)</b>	<b>\$0.015</b>	<b>\$0.013</b>	<b>\$0.012</b>
Quantity	4,000,000	4,000,000	4,000,000
<b>Value (\$) (Total)</b>	<b>\$58,400</b>	<b>\$51,600</b>	<b>\$48,400</b>
<b>Value (\$) (per Director)</b>			
David Lenigas	\$14,600	\$12,900	\$12,100
Donald Strang	\$14,600	\$12,900	\$12,100
Gary Harvey	\$14,600	\$12,900	\$12,100
Blair Sergeant	\$14,600	\$12,900	\$12,100
<b>Total Value</b>	<b>\$58,400</b>	<b>\$51,600</b>	<b>\$48,400</b>

#### Note 5. Equity-based payments (continued)

Included in Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2023 is \$158,400 as equity-based payment.

vi. Employee and consultant Options

On 1 December 2023, the Company issued a total of 3,750,000 Employee and consultant Options to employees and consultants of the Company as incentivised remuneration. Details of Employee and consultant options are as detailed below:

Assumption	Class A	Class B	Class C
Valuation Date	29/11/2023	29/11/2023	29/11/2023
Exercise price	\$0.05	\$0.075	\$0.10
Share price	\$0.032	\$0.032	\$0.032
Expiry Date	1/12/2027	1/12/2027	1/12/2027
Risk free interest rate	4.01%	4.01%	4.01%
Volatility (expected)	100%	100%	100%
<b>Indicative Value (\$) (per Director Option)</b>	<b>\$0.015</b>	<b>\$0.013</b>	<b>\$0.012</b>
Quantity	1,250,000	1,250,000	1,250,000
<b>Value (\$) (Total)</b>	<b>\$18,250</b>	<b>\$16,125</b>	<b>\$15,125</b>

Included in Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2023 is \$49,500 as equity-based payment.

vii. Performance Options

On 28 August 2022, 2,500,000 Performance Options lapsed unvested and unexercised. Reversal of \$82,901 was recognised as consultancy fee for the year ended 30 June 2023.

viii. Consultant Shares

On 5 December 2023, the Company issued 741,794 at a deemed value of \$24,000 in lieu of corporate advisory services.

#### Note 6. Commitments for expenditure

Exploration commitments

The consolidated entity's exploration commitments are as follows:

	<b>31 December 2023 \$</b>	<b>30 June 2023 \$</b>
Not longer than 1 year	136,495	114,293
Longer than 1 but not longer than 5 years	-	-
Longer than 5 years	-	-
	<b>136,495</b>	<b>114,293</b>

Exploration commitments consist of annual rents, rates payable and minimum expenditure of tenements.



## **Note 7. Related Party Disclosure**

During the financial half-year ended 31 December 2023, there were no transactions with any related parties.

## **Note 8. Segment Reporting**

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

### **Segment Information**

#### *Identification of reportable segments*

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

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

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

#### *Types of reportable segments*

(i) Exploration and evaluation

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

(ii) Corporate

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

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

#### *Accounting policies adopted*

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

#### *Segment assets*

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

#### *Segment liabilities*

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

Note 8. Segment Reporting (continued)

31 December 2023	Corporate \$	Exploration and Evaluation \$	Total \$
Segment revenue	-	-	-
Other revenue	6,244	-	6,244
<b>Total revenue</b>	<b>6,244</b>	<b>-</b>	<b>6,244</b>
<b>EBITDA</b>	<b>(805,478)</b>	<b>-</b>	<b>(805,478)</b>
Depreciation	(25,130)	-	(25,130)
Interest revenue	6,244	-	6,244
<b>Loss before income tax expense</b>			<b>(805,478)</b>
Income tax expense			-
<b>Loss after income tax expense</b>			<b>(805,478)</b>
<b>Segment assets</b>	<b>1,176,500</b>	<b>6,697,460</b>	<b>7,873,960</b>
<b>Total assets</b>			<b>7,873,960</b>
<b>Segment liabilities</b>	<b>(196,406)</b>	<b>(79,015)</b>	<b>(275,421)</b>
<b>Total liabilities</b>			<b>(275,421)</b>

31 December 2022	Corporate \$	Exploration and Evaluation \$	Total \$
Segment revenue	-	-	-
Other revenue	4,774	-	4,774
<b>Total revenue</b>	<b>4,774</b>	<b>-</b>	<b>4,774</b>
<b>EBITDA</b>	<b>(720,409)</b>	<b>-</b>	<b>(720,409)</b>
Depreciation	(28,687)	-	(28,687)
Interest revenue	4,774	-	4,774
<b>Loss before income tax expense</b>			<b>(744,322)</b>
Income tax expense			-
<b>Loss after income tax expense</b>			<b>(744,322)</b>
<b>Segment assets</b>	<b>1,293,786</b>	<b>4,496,092</b>	<b>5,789,878</b>
<b>Total assets</b>			<b>5,789,878</b>
<b>Segment liabilities</b>	<b>(163,016)</b>	<b>(16,019)</b>	<b>(179,035)</b>
<b>Total liabilities</b>			<b>(179,035)</b>



#### **Note 8. Segment Reporting (continued)**

##### **(ii) Revenue by geographical region**

There was no revenue attributable to external customers for the half-year ended 31 December 2023 (2022: Nil).

##### **(iii) Assets by geographical region**

All assets are held in Australia.

#### **Note 9. Contingent liabilities**

On 12 September 2022, in accordance with the acquisition of the Wilkie Range tenement (E45/6163), South Telfer Project, the Company agreed to pay a 0.5% royalty from gross proceeds from the sale or other disposal of Minerals or Products extracted from the Mining Area to the vendors, CRC Minerals Pty Ltd.

There are no other contingent liabilities as at 31 December 2023 (2022: Nil).

#### **Note 10. Events after the reporting date**

On 3 January 2024, report the results of the Mammoth drilling program at its South Telfer Project in the Paterson Range, Western Australia.

On 19 January 2024, the Company completed a capital raising via Placement raising \$1.43 million (before costs) and issuing 43,488,478 fully paid ordinary shares and 16,000,000 Unlisted Options to Lead Managers.

On 19 February 2024, the Company announced a new tenement grant, E80/5761 expanding the West Arunta footprint.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

#### **Note 11. Dividends**

No dividends were paid or declared for the period.

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

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a) complying with Accounting Standards AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) giving true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



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Mr David Lenigas  
Executive Chairman  
27 February 2024



**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100

F +61(0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rincon Resources Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Rincon Resources Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Rincon Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## THE POWER OF BEING UNDERSTOOD

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

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

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized, handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'AIK KONG TING'.

AIK KONG TING  
Partner

Perth, WA  
Dated: 27 February 2024