

Red Mountain Mining Ltd and Controlled Entities



Interim Consolidated Financial Report For the Half-Year Ended 31 December 2020

These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian equivalent to International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

Red Mountain Mining Ltd and its controlled entities

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Red Mountain Mining Ltd and its controlled entities

Directors' Report

The Directors of Red Mountain Mining Ltd present their Report together with the financial statements of the consolidated entity, being Red Mountain Mining Ltd ("**Red Mountain**" or "**the Company**") and its controlled entities ("**the Group**") for the half year ended 31 December 2020 and the Independent Auditor's Review Report thereon.

Director details

The following persons were Directors of the Company during and since the end of the half-year:

- Mr Jeremy King
- Mr Lincoln Ho
- Mr Robert Parton

Review of operations and financial results

The Group has recorded an operating loss of \$0.97M for the half year ended 31 December 2020 (2019: \$0.63M loss).

Financial position

As at 31 December 2020, the Company had cash balances of \$1.22M (30 June 2020: \$1.44M) and net assets of \$2.73M (30 June 2020: \$1.83M).

Commentary

Mt Maitland Project

On 29 July 2020, the Company completed its acquisition of the Mt Maitland Gold Project in the Murchison goldfields of Western Australia. The Company holds a 100% interest in the Project.

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

On 25 November 2020, the Company announced that it has completed its maiden drill programme Mt Maitland. Approximately 1,850m of RC drilling was completed across 27 holes. The programme focused on four primary targets: Mt Maitland South, Lenanphyl, Second Chance South and Jacia.

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

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

Red Mountain Mining Ltd and its controlled entities

Directors' Report

Mt Mansbridge Heavy Rare Earth Project – 100%

Located in the Kimberly region of Western Australia, the project area is approximately 130kms south east of the township of Halls Creek and consists of three contiguous granted exploration licenses E80/5111, E80/5229 and E80/5413 containing targets prospective for HREE and nickel-cobalt. The tenements lie approximately 40km from Northern Minerals' (ASX: NTU) flagship Browns Range project.

On 28 October 2020 the Company announced that it had reached with ARD Group (ARD), the vendors of the Mt Mansbridge heavy rare earths project, to favourably restructure the transaction that was voted against by shareholders in March 2020. Mt Mansbridge Project consists of three West Australian tenements containing targets prospective for HREE and nickel-cobalt.

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

Having secured shareholder approval on 8 December 2020, the Company announced on 10 December 2020 it has finalised settlement of the acquisition of 100% of the Mt Mansbridge Project. \$100,000 in cash and 50,000,000 in shares were issued to acquire the project. The shares were issued on 15 January 2021. On 16 December 2020, the Company advised that it had conducted a fixed wing airborne radiometric survey.

On 4 February 2021, the Company announced that assessment of the data has highlighted 32 radiometric targets within the ~800km line survey. The targets are analogous to Northern Minerals Ltd.'s (ASX: NTU) unconformity related HREE deposits Dazzler and Iceman. Furthermore, the survey highlighted 'Mt Mansbridge South', a prospect with known xenotime mineralization. This is considered particularly encouraging as it validates the exploration technique as an effective method of identifying areas prospective for HREE mineralization. The Company has already begun planning access with relevant native title claimant groups, with an anticipated initial reconnaissance trip to review prioritized targets in Q2 2021.

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) Tibbooburra Gold Project where Manhattan has recently announced a new high grade gold discovery (see announcement dated 25 June 2020).

During the period, the Company advised that the recent application for ELA5980 and ELA5996 had been officially granted. The granted tenements are now known respectively as EL8997 and EL9009. EL8997 comprises tenure approximately 350km² in size and sits adjacent to Manhattan Corporation's (ASX: MHC) recent high-grade gold discovery (see MHC announcement dated 25/06/2020).

Red Mountain Mining Ltd and its controlled entities

Directors' Report

The Company had undertaken preliminary assessment of historic data within EL8997 and notes MHC's recent 5000m RC drilling campaign adjacent to its tenure which is ongoing.

Land access agreements for Koonenberry are currently in progress of being finalised and an exploration programme has been designed.

Mukabe-Kasari Cobalt-Copper Project, DRC

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

The Board has assessed the opportunity at Mukabe Kasari in the light of the report, and have elected to extend its right to exclusively explore Mukabe Kasari for 12 months ending 30 September 2021.

The Company shall work with Minrom to design an appropriate work programme in light of the recent work there and the upcoming wet season in DRC. However, broadly, a proposed exploration programme would comprise of the following components:

- Detailed Field Mapping: detailed lithological and structural mapping programme over the project area in order to determine the stratigraphic sequence and structural characteristics.
- Airborne Geophysical Survey: airborne electromagnetic and magnetic geophysical survey will provide data on possible mineralisation targets and major subsurface structural lineaments.
- Scout Diamond Core Drilling: proposed diamond core drilling aimed at providing detailed subsurface stratigraphic and mineralisation intersection for grade and metallurgy studies.

The Board continues to assess the prospectivity of this project in light of the work carried out there during 2020.

Batangas Gold Project, Philippines

The Company announced on 22 December 2020 that it recently sold approximately 2 million shares of the Company's shareholding in Bluebird Merchant Ventures (LON: **BMV**) for a consideration of approximately A\$192,500.

The Company currently holds over 3.5 million shares in London listed Blue Bird Merchant Ventures Limited (LON: BMV). Blue Bird is focused on its near-term production gold project in South Korea. BMV share price as at 31 December 2020 was 3.75 pence.

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

Red Mountain Mining Ltd and its controlled entities

Directors' Report

Corporate

The Company raised \$300,000 and \$800,000 via a placement to sophisticated and professional investors during the first and second quarter of the reporting period respectively.

Significant and subsequent events and transactions

In January 2021, the Company raised \$760,000 before costs via a placement to sophisticated and professional investors.


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

Other than as discussed above, no other matter or circumstance has arisen subsequent to 31 December 2020 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included within this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



Jeremy King
Executive Director

Perth, Western Australia

Dated this 12th day of March 2021

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AUDITOR'S INDEPENDENCE DECLARATION

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

RSM

RSM AUSTRALIA PARTNERS

Tutu Phong

TUTU PHONG
Partner

Perth, WA
Dated: 12 March 2021

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Red Mountain Mining Ltd and its controlled entities

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Revenue			
Other income		79,188	44,064
Expenses			
Professional fees		(169,650)	(167,980)
Consultancy costs		(190,571)	(125,263)
Depreciation expense		(73,737)	(78,668)
Employee benefits expenses		(149,050)	(153,722)
Exploration and evaluation expense		(89,178)	(48,049)
Share-based payment expense	3	(200,546)	-
Legal fees		(29,203)	(37,351)
Travelling expenses		-	(3,594)
Finance costs		(9,380)	(5,291)
(Loss)/gain on financial instrument revaluation		(23,349)	36,524
Other expenses		(115,295)	(86,841)
Loss before income tax		(970,771)	(626,171)
Income tax benefit		-	-
Net loss for the period		(970,771)	(626,171)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period (net of tax)		(970,771)	(626,171)
 Basic and diluted loss per share attributable to members of Red Mountain Mining Ltd	 6	 Cents (0.09)	 Cents (0.08)

The accompanying notes form part of these financial statements.

Red Mountain Mining Ltd and its controlled entities

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current			
Cash and cash equivalents		1,220,281	1,443,884
Trade and other receivables		167,509	150,275
Financial assets at fair value through profit or loss	5	240,082	408,436
Total current assets		1,627,872	2,002,595
Non-current			
Exploration and evaluation expenditure	4	1,201,424	-
Right of use asset		245,790	319,528
Total non-current assets		1,447,214	319,528
Total assets		3,075,086	2,322,123
Liabilities			
Current			
Trade and other payables		86,691	157,128
Lease liability		150,731	146,629
Total current liabilities		237,422	303,757
Non-current			
Lease liability		105,208	183,640
Total current liabilities		105,208	183,640
Total liabilities		342,630	487,397
Net assets		2,732,456	1,834,726
Equity			
Contributed equity	7	43,685,185	42,303,996
Reserves		11,182,062	10,694,750
Accumulated losses		(52,134,791)	(51,164,020)
Total equity		2,732,456	1,834,726

The accompanying notes form part of these financial statements.

Red Mountain Mining Ltd and its controlled entities

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Total
Balance at 1 July 2020	42,303,996	(51,164,020)	4,934,806	5,711,257	48,687	1,834,726
Loss for the period	-	(970,771)	-	-	-	(970,771)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive loss for the period	-	(970,771)	-	-	-	(970,771)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of share capital	1,100,000	-	-	-	-	1,100,000
Acquisition of Mt Mansbridge Project	550,000	-	-	-	-	550,000
Share issue cost	(300,811)	-	-	-	-	(300,811)
Exercise of options	32,000	-	-	-	-	32,000
Share-based payments (note 3)	-	-	-	487,312	-	487,312
Balance at 31 December 2020	43,685,185	(52,134,791)	4,934,806	6,198,569	48,687	2,732,456
Balance at 1 July 2019	41,645,240	(49,203,501)	4,938,847	5,707,997	48,687	3,137,270
Loss for the period	-	(626,171)	-	-	-	(626,171)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive loss for the period	-	(626,171)	-	-	-	(626,171)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of share capital	443,723	-	-	-	-	443,723
Balance at 31 December 2019	42,088,963	(49,829,672)	4,938,847	5,707,997	48,687	2,954,822

The accompanying notes form part of these financial statements.

Red Mountain Mining Ltd and its controlled entities

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

	Notes	31 December 2020	31 December 2019
Operating activities			
Payments to employees and suppliers		(785,767)	(709,507)
Interest and other finance costs paid		(7,878)	(3,817)
Interest received		739	6,487
Sub-lease income received		11,000	37,500
Net cash (outflow) from operating activities		<u>(781,906)</u>	<u>(669,337)</u>
Investing activities			
Payments for exploration and evaluation expenditure		(296,725)	(25,341)
Payments made to acquire exploration projects		(350,000)	-
Purchase of financial instruments		(34,000)	-
Proceeds from sale of financial instruments		246,485	-
Net cash (outflow) from investing activities		<u>(434,240)</u>	<u>(25,341)</u>
Financing activities			
Proceeds from issue of shares		1,100,000	500,000
Proceeds from the exercise of options		32,000	-
Share issue costs		(67,153)	(56,277)
Repayment of lease liabilities		(72,304)	(78,845)
Net cash inflow from financing activities		<u>992,543</u>	<u>364,878</u>
Net decrease in cash held		(223,603)	(329,800)
Cash at the beginning of period		<u>1,443,884</u>	<u>2,275,421</u>
Cash at the end of period		<u>1,220,281</u>	<u>1,945,621</u>

The accompanying notes form part of these financial statements.

Red Mountain Mining Ltd and its controlled entities

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Red Mountain Mining Ltd (the **Company**) is domiciled in Australia.

The consolidated interim financial report of the Company as at and for the six months ended 31 December 2020 comprised the Company and its subsidiaries (together referred to as (the **Group**)).

For the purpose of preparing the consolidated financial report, the Group is a for profit entity.

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates.

Statement of compliance

The interim consolidated financial statements ("the interim financial statements") of the Group are for the six months ended 31 December 2020 and are presented in Australian dollar (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim financial statements do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

New Accounting Standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

Significant accounting judgments and key estimates

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

Red Mountain Mining Ltd and its controlled entities

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2020

2 SEGMENT REPORTING

Red Mountain Mining Ltd operates predominantly in one segment, being the mining and exploration industry.

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

3 SHARE-BASED PAYMENTS

	31 December 2020	31 December 2019
	\$	\$
Listed options	90,000	-
Unlisted options	397,312	-
	<u>487,312</u>	<u>-</u>

(i) Listed options

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

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

(ii) Unlisted options

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

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

Option Holder	Number of options	Value
Lead Manager	30,000,000	\$198,657 ⁽ⁱ⁾
Directors		
Jeremy King	15,000,000	\$99,328 ⁽ⁱⁱ⁾
Lincoln Ho	10,000,000	\$66,218 ⁽ⁱⁱ⁾
Consultant	5,000,000	\$33,109 ⁽ⁱⁱⁱ⁾

Red Mountain Mining Ltd and its controlled entities

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2020

3 SHARE-BASED PAYMENTS (CONTINUED)

- (i) Total of \$233,657 included in the Statement of Financial Position as share issue cost.
 (ii) Total of \$200,546 included in the Statement of Profit or Loss and Other Comprehensive Income as share-based payment expense.
 (iii) Total of \$53,109 included in the Statement of Profit or Loss and Other Comprehensive Income as consultancy costs expense.

4 EXPLORATION AND EVALUATION EXPENDITURE

The following tables show the movements in exploration and evaluation expenditures.

	31 December 2020 \$	30 June 2020 \$
Carrying amount at 1 July	-	645,998
Acquisitions:		
- Mt Maitland Project ⁽ⁱ⁾	250,000	-
- Mt Mansbridge Project ⁽ⁱⁱ⁾	650,000	-
Additions capitalised during the period	301,424	69,830
Impairment of exploration and evaluation	-	(715,828)
Carrying amount at end of period	1,201,424	-

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

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

5 FINANCIAL ASSETS

	31 December 2020 \$	30 June 2020 \$
Financial assets at fair value through profit or loss		
- Current		
144,000 (30 June 2020: 144,000) fully paid ordinary shares held in Great Northern Minerals Limited	1,728	2,736
3,595,652 (30 June 2020: 5,595,652) fully paid ordinary shares held in Bluebird Merchant Ventures Ltd (LSE: BMV)	238,354	405,700
	240,082	408,436

Red Mountain Mining Ltd and its controlled entities

Notes to the Consolidated Financial Statements for the Half-Year Ended 31 December 2020

6 LOSS PER SHARE

	31 December 2020 Cents (0.09)	31 December 2019 Cents (0.08)
Basic and diluted loss per share		
	31 December 2020 \$	31 December 2019 \$
Loss used to calculate basic and diluted loss per share	(970,771)	(626,171)
	Number	Number
Weighted average number of shares used in calculating basic and diluted loss per share	1,067,709,135	816,415,896

7 CONTRIBUTED EQUITY

(a) Issued and fully paid	31 December 2020 No.	\$	30 June 2020 No.	\$
Ordinary shares	1,181,322,489	43,685,185	938,036,775	42,303,996

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

(b) Movement reconciliation

	Number	\$
At 1 July 2019	778,036,775	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
Issue of Shares - \$0.004 placement	75,000,000	300,000
Issue of Shares - \$0.007 placement	114,285,714	800,000
Issue of Shares – acquisition of Mt Mansbridge Project at \$0.011 per share	50,000,000	550,000
Exercise of options at \$0.008	4,000,000	32,000
Capital raising costs	-	(300,811)
At 31 December 2020	1,181,322,489	43,685,185

Red Mountain Mining Ltd and its controlled entities

8 EVENTS SUBSEQUENT TO REPORTING DATE

In January 2021, the Company raised \$760,000 before costs via a placement to sophisticated and professional investors.

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

Other than as discussed above, no other matter or circumstance has arisen subsequent to 31 December 2020 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

9 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

10 COMMITMENTS

There has been no material change in commitments since the last annual reporting date.

Red Mountain Mining Ltd and its controlled entities

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Red Mountain Mining Ltd, in the opinion of the Directors:

- a. The consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Jeremy King
Executive Director

Perth, Western Australia
Dated this 12th day of March 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
RED MOUNTAIN MINING LTD**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Red Mountain Mining Ltd which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Red Mountain Mining Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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


Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Red Mountain Mining Ltd 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 2020 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*.

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG
Partner

Perth, WA
Dated: 12 March 2021