



Red Mountain Mining Ltd

ACN 119 568 106

Interim Financial Report for the Half-Year Ended 31 December 2023

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 2023 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.

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Corporate Directory

Board of Directors

Mr Troy Flannery	Non-Executive Chairman
Mr Lincoln Ho	Non-Executive Director
Mr Robert Parton	Non-Executive Director

Secretary

Mr Mauro Piccini

Registered Office

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SUBIACO WA 6008

Telephone: 08 6559 1792

Website: <https://www.redmountainmining.com.au/>

Securities Exchange Listing

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

Auditors

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Perth WA 6000

Solicitors

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

Bankers

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

Share Registry

Automic Share Registry
Level 5, 191 St Georges Terrace
Perth WA 6000

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Directors' Report

The Directors present their report, together with the financial statements of the Group (referred to hereafter as the "Group"), being Red Mountain Mining Ltd ("Red Mountain" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Director details

The following persons were Directors of the Company during and since the end of the half-year and up to the date of this report, unless otherwise stated:

Director	Position
Mr Troy Flannery	Non-Executive Chairman
Mr Lincoln Ho	Non-Executive Director
Mr Robert Parton	Non-Executive Director

Principal activities

The Group's principal continuing activities during the financial half-year consisted of mineral exploration.

Review of operations and financial results

The Group has recorded an operating loss of \$783,933 for the half-year ended 31 December 2023 (2022: loss of \$527,670).

Mustang Lithium Project – Nevada, USA (RMX 100%)

Mustang is located on the south-eastern flank of the hydrologically closed Monte Cristo Valley, 9 km south of Belmont Resources Kibby Lake project and 40 km east of American Lithium's TLC deposit.

At the commencement of the half year, the Mustang project consisted of 140 claims (1070 hectares) of a generally flat alluvial outwash plane with well exposed fines-dominant sediments and lithic tuffs. The outcrops are finely laminated mudstone beds and volcanic tuff and ash layers. This mixed unit of lacustrine sedimentary beds with minor volcanics is similar to host rocks found at American Lithium's TLC deposit and Cypress' Clayton Valley deposit. This claim area is within a mapped caldera with the Monte Cristo Valley containing a significant area of volcanic rock capable of supplying lithium to the closed basin. Andesite and basalt flows are exposed in all directions within 2 – 6 km of the project in erosional windows through the alluvium.

On 12 July 2023, RMX announced that it had completed a maiden reverse circulation (RC) program at Mustang has successfully provided confirmation of lithium discovery from initial surface sampling in February 2023.

Significant thick high-grade lithium claystone was intersected in eight (8) out of ten (10) drill holes at the greenfields tenure of Mustang (see Figure 1), with seven (7) holes intersecting high-grade lithium from or near surface.

Significant intercepts from the maiden drill program include:

- **RMDH-1:** 48.77 metres @ 687ppm Li from 3.05 metres
- **RMDH-2:** 30.50 metres @ 629ppm Li from surface (0 metres)
- **RMDH-3:** 30.50 metres @ 608ppm Li from 4.6 metres
- **RMDH-4:** 28.96 metres @ 564ppm Li from 4.5 metres
 - including 3.05 metres @ 690ppm Li from 30.5 metres
- **RMDH-6:** 32.00 metres @ 639ppm Li from 6.1 metres
- **RMDH-7:** 29.00 metres @ 600ppm Li from 1.5 metres
- **RMDH-9:** 29.00 metres @ 642ppm Li from surface (0 metres)

Directors' Report

- **RMDH-14:** 21.30 metres @ 488ppm Li from 83.8 metres
 - including 4.6 metres @ 627ppm Li from 88.5 metres
 - including 1.53 metres @ 722ppm Li from 103.7 metres

On 9 August 2023, it was announced that RMX staked an additional 88 Mining Claims (“**Claims**”) north of the current tenure at the 100% owned Mustang Lithium Project, resulting in a total of 228 claims or 1906.3 hectares.

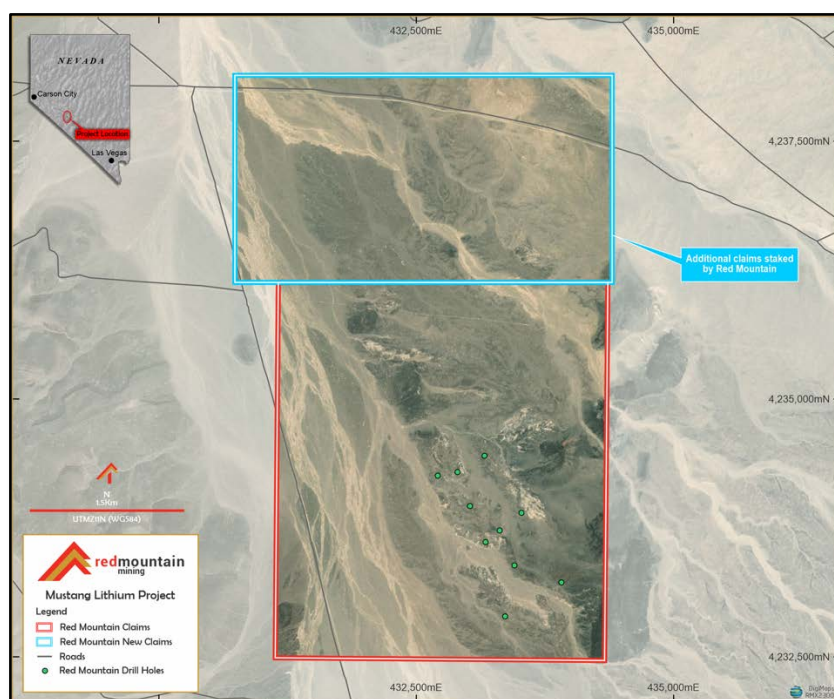


Figure 1: Additional 88 Claims staked by Red Mountain – Mustang Project

On 27 September 2023, RMX announced results received from preliminary metallurgical test work on several core samples. Following the successful maiden drilling campaign at Mustang, a metallurgical program was designed as proof of concept that lithium can be extracted from collected drill samples through the use of sulphuric acid as a metallurgical process. In addition, permit application for phase II drilling at Mustang was submitted successfully to the Bureau of Land Management Nevada.

On 23 October 2023, RMX announced that Phase II Reverse Circulation (RC) maiden drilling has been completed. Nevada based drilling company, Alloy Drilling LLC, was engaged to undertake the Phase II drilling program. A total of eleven (11) holes were drilled as part of this program (Figure 2).

Directors' Report

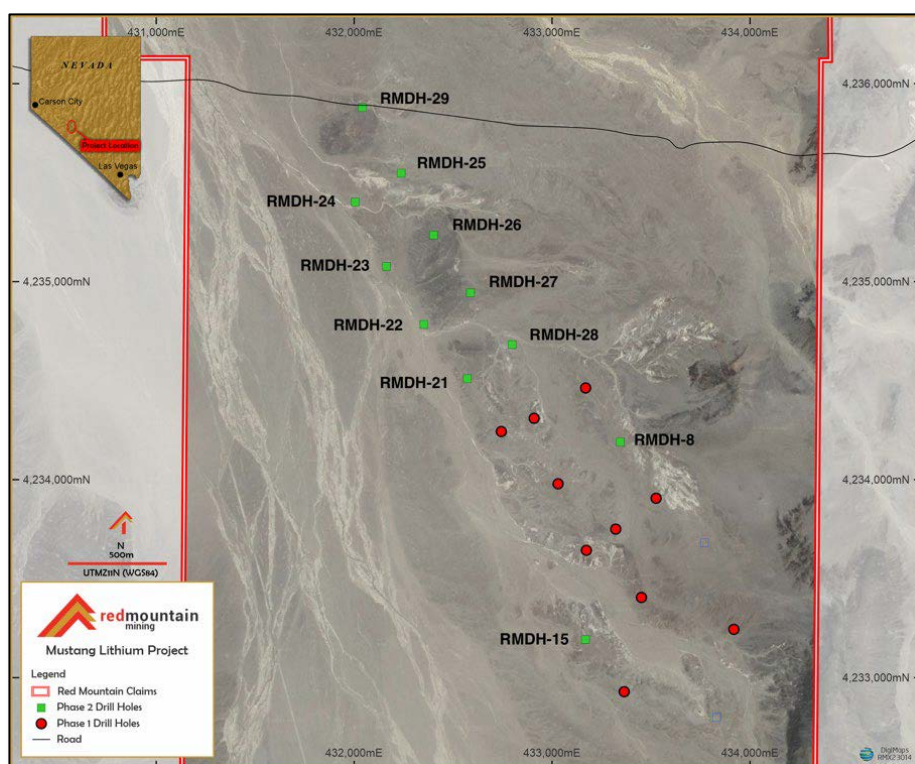


Figure 2. Phase II drill program completed for a total of 11 holes

Hole ID	Easting	Northing	Datum	Elevation (m)	Dip	Depth (m)
RMDH-8	433339	4234202	WGS84	1664	-90	32
RMDH-15	433169	4233190	WGS84	1682.5	-90	126.5
RMDH-21	432562	4234515	WGS84	1658	-90	74.7
RMDH-22	432366	4234801	WGS84	1646	-90	30.5
RMDH-23	432190	4235098	WGS84	1647	-90	30.5
RMDH-24	432002	4235406	WGS84	1643	-90	61
RMDH-25	432241	4235555	WGS84	1646	-90	38.1
RMDH-26	432398	4235250	WGS84	1649	-90	61
RMDH-27	432596	4234968	WGS84	1651.4	-90	38.1
RMDH-28	432790	4234699	WGS84	1652	-90	16.8
RMDH-29	432041	4235880	WGS84	1647	-90	61

Table 1. Summary of Phase II drilling program

On 15 November 2023, RMX announced the successful phase II lithium assay results. High grade lithium mineralisation was intersected in 8 out of 11 drillholes.

Notable lithium assay results include:

- RMDH-21: 51.8 metres @ 644ppm Li from 12.2 metres (including 29 metres @ 701ppm Li from 12.2 metres)
- RMDH-15: 54.9 metres @ 500ppm Li from 48.8 metres
- RMDH-27: 21.3 metres @ 606ppm Li from 4.6 metres
- RMDH-23: 10.7 metres @ 577ppm Li from 4.6 metres

Planning for Phase III drilling is underway, with anticipation to commence in the first half of 2024 subject to regulatory approval and weather conditions.

Directors' Report

Lithic Lithium Project – Nevada, USA (RMX 100%)

Lithic is located 29 km north of Silver Peak, the only operational lithium producing mine in the United States. The property consists of 115 claims (961 ha) and adjoins Jindalee's (ASX: JRL) Clayton North Project and Victory Resource's Smokey Lithium Project.

On 1 August 2023, Red Mountain received an additional 29 surface samples from American Assay Laboratories, with Figure 2 providing a summary of the latest sampling results. These samples were additionally collected from areas of claystone outcrop mostly in the western parts of the mineral claim. The highest assay result of 1,541ppm Li was taken from an auger sample of grey-green claystone sediments located on the western side of the Lithic property. A total of ten (10) surface samples returned assay results of over 1,000ppm Li, which are highly anomalous given the high mobility of lithium in the weathered surficial environment.

On 17 August 2023, RMX advised that drill permit application for RMX's 100% Lithic Lithium Project had been successfully submitted to the Nevada Bureau of Land Management. Application is currently under review and pending.

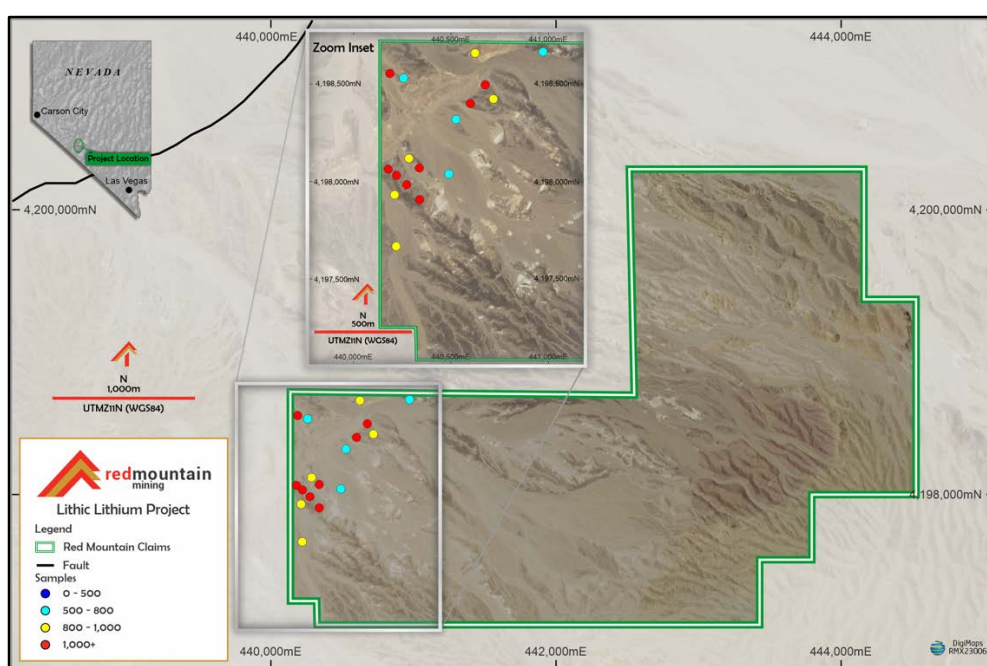


Figure 3: Summary of latest samples at the Lithic Lithium Project

Magante Lithium Project – Nevada, USA (RMX 100%)

On 9 October 2023, the Company announced it has staked a total of 199 Mining Claims at the north-east region of Nevada, USA, located in the Granite Range approximately 34km south-east of the township Jackpot. The series of claims, which Red Mountain refers to as the Magante Project ("Magante"), have been properly recorded by both US Bureau of Land Management and the Elko County, Nevada.

On 26 October 2023, Red Mountain advised that preliminary sampling had been completed at the Magante property. A total of 53 sample locations were determined as part of initial investigation. The sample targets are predominantly spaced 1km apart along broad sheetwash drainages to initially explore for anomalous lithium occurrences. Results obtained revealed broad anomalous lithium levels distributed across the Magante property, with next steps being auger soil sampling to be designed as part of further exploration investigation.

Directors' Report

Monjebup Rare Earth Project – Western Australia (RMX Farm in 80%)

On 10 July 2023, the Company announced that it entered into a farm-in agreement with LBM (Aust) Pty Ltd ("LBM"), a wholly owned subsidiary of Liontown Resources Ltd ("Liontown"), to acquire an 80% interest in their Monjebup Rare Earth Project. The project consists of 321 blocks covering ~910km² and it is prospective for Rare Earths in southern Western Australia.

Material Terms of Farm-in Transaction

- RMX will earn an 80% interest in the Monjebup Project by expending not less than A\$500,000 of exploration expenditure within the farm-in period of 24 months.
- Within 5 business days from agreement execution, RMX shall issue Liontown an aggregate of 40,000,000 fully paid ordinary shares. The shares were issued on 20 July 2023.
- Upon RMX acquiring the tenement interest, the Company shall grant LBM a 2% net smelter royalty the minerals produced and sold from the Monjebup Project attributable to RMX's participating interest in the project.

The Monjebup Project is located circa 80km north-east of Albany, Western Australia and lies predominantly over private land with efficient road access within and around the Project area. From a geological standpoint, the Monjebup Project is located in the Albany portion of the Albany Fraser Orogen. The Albany Fraser Orogen extends along the southern and south eastern margin of the Archaen Yilgarn Craton and comprises ortho-gneisses, granites and to a lesser degree sedimentary rocks and remnants of mafic dykes and large sheets of metagabbros, as well as mafic granulites.

On 4 September 2023, Red Mountain commenced preliminary surface sampling at the Monjebup Project. This initial sampling phase was mainly confined to the road reserves within the Project's 910km² tenure package at approximately 500m intervals (Figure 4).

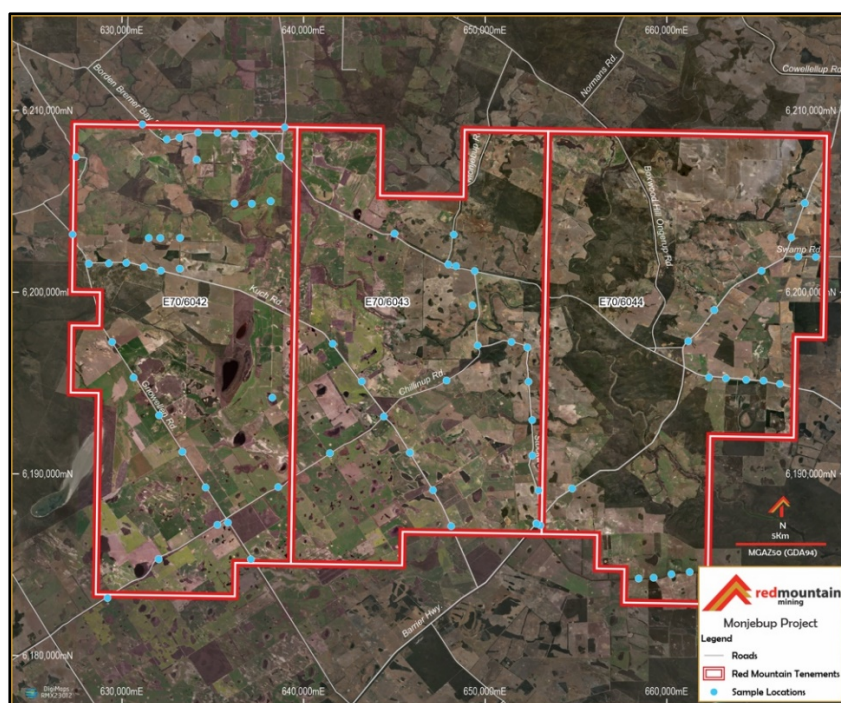


Figure 4: Monjebup locations for soil sampling (initial phase)

On 18 September 2023, the Company completed the first phase soil sampling at Monjebup. A total of 81 samples were taken and processed by Intertek Genalysis. Assay results were obtained and multiple zones of anomalous REE were identified at the Chillinup prospect within E70/6043.

Directors' Report

Koonenberry Gold Project – 100%

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 previously announced a new high grade gold discovery.

The Company has completed an internal review of the project's historic data and has recently completed an exploration programme at targeted locations within EL8997. Subsequent to the half-year, Red Mountain received final results indicating samples taken at Gum Vale and smaller quartz veins are uneconomic in the accessible area of Mount Stuart Station. However, with an apparent increase in gold values moving south along the Gum Vale Reef, the Company endeavours to design an exploration program for future mapping and sampling further south.

Charlotte Lithium Project - Northern Territory (RMX 100%)

The Charlotte Lithium Project, less than 100kms by road from Darwin, N.T, is located within the Bynoe Pegmatite Field. All prospects within the mapped area occur in the western third of the tenement (south from historically mapped pegmatite occurrences).

Field mapping delineated several out-cropping to sub-cropping occurrences of pegmatite. The pegmatites were generally confined to the ridges within the tenement and trended north-north-west. The north-north-west strike of the pegmatites conforms with the regional strike of known pegmatite occurrences throughout the region. A strike length of 30m was mapped on outcrop 5, whilst other outcrops were seen to trail off down slope from ridges and were covered by colluvial scree. Interpretation of the outcrops defines 2-3 pegmatite trends currently mapped within the tenement and possibility of further occurrences in the yet unexplored eastern half of the tenement.

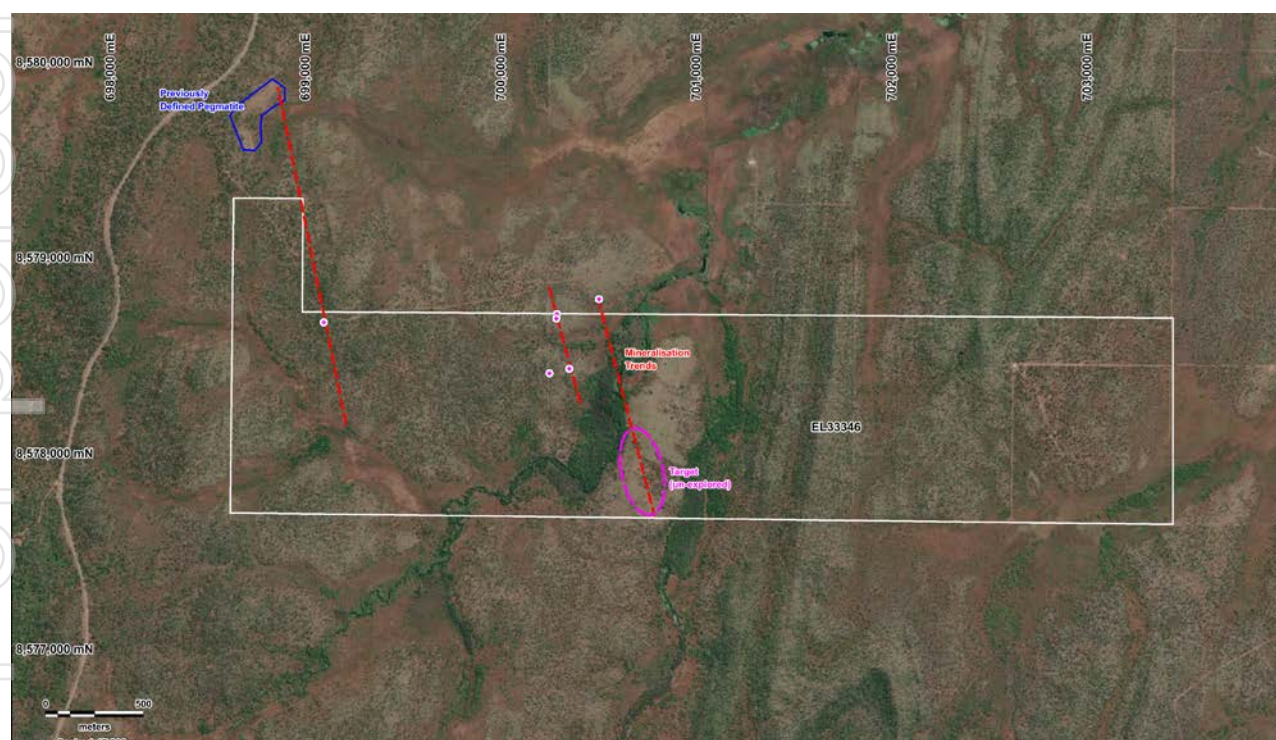


Figure 5. Location map of outcropping pegmatites and the mineralization trends associated.

Access to the central and eastern areas of the tenement were restricted by access issues associated with the current wet season. These areas remain prospective for exploration and will be further investigated during the dry season.

Directors' Report

Nannup Lithium, Nickel, Gold & Base Metals Project – 100%

The Nannup project is a granted exploration tenement south-west of Greenbushes lithium, Western Australia. The Project is prospective for lithium and located in the southwest terrane with potential to support a Julimar-style geological system.

During the half year, the Company's wholly owned subsidiary Airdrie Exploration Pty Ltd ("Airdrie"), which holds 100% of the Nannup project, entered into an option agreement with a third party for sale of 100% of the Project. A non-refundable option fee was received by the Company and due diligence by the third party is continuing.

Batangas Gold Project, Philippines – Shares and NSR

The Company holds approximately 1.7m 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 2023 was 0.48 pence.

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

Financial position

As at 31 December 2023, the Company had cash balances of \$613,397 (30 June 2023: \$978,550) and net assets of \$3,761,102 (30 June 2023: \$2,790,393).

Corporate

On 20 July 2023, the Company issued 40,000,000 fully paid ordinary shares to Lione Resources Ltd for consideration to acquire an 80% interest in their Monjebup Rare Earth Project.

On 8 August 2023, the Company completed a Placement to professional and sophisticated investors and issued 212,500,000 fully paid ordinary shares at \$0.004 per share raising \$850,000 before costs. One attaching option (exercisable at \$0.008 per option, expiring 3 years from the date of issue) for every two Placement shares will be issued to participants, subject to shareholder approval.

The Company plans to undertake a Share Purchase Plan to raise \$750,000 on the same terms as the Placement ("SPP"). Each participant in the SPP will be entitled to receive one free attaching option for every two SPP shares issued to them under the SPP (exercisable at \$0.008 per option, expiring 3 years from the date of issue). The SPP closed on 8 September 2023 with the Company raising \$596,900 (before costs). The SPP was well received, demonstrating healthy support of almost 80% uptake from shareholders.

The SPP was completed in September 2023 and on 13 September 2023, the Company issued 149,225,000 New Shares at an issue price of \$0.004 per share raising \$596,900.

Subject to ASX requirements, the Company intends to seek quotation of the attaching options under the Placement and SPP. If quotation of the attaching options cannot be obtained, they will remain as unquoted options. The options were quoted on 29 September 2023.

Xcel Capital Pty Ltd were engaged to act as Lead Manager to the Placement and SPP. Fees payable are 6% across all funds raised, 30,000,000 options (same terms as attaching Placement and SPP options) and a \$20,000 management fee. The 30,000,000 options were issued on 8 August 2023 and were subsequently quoted on 29 September 2023.

As approved by shareholders at the General Meeting held on 18 September 2023, the Company issued 38,000,000 options (exercisable at \$0.008, expiring 14 September 2026) to Directors to provide a performance linked incentive component. The options were subsequently quoted on 29 September 2023.

Directors' Report

Significant and subsequent events and transactions

There has been no matter or circumstance that has arisen subsequent to 31 December 2023 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

Significant changes in the state of affairs

During the financial year, there were no significant changes in the state of affairs of the Company other than that referred to in the Directors' Report.

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.

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.



Troy Flannery
Non-Executive Chairman

Perth, Western Australia

Dated this 13th day of March 2024



RSM Australia Partners

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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 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

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 13 March 2024

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	31-Dec-23 \$	31-Dec-22 \$
Revenue			
Other income		56,901	50,186
Foreign exchange gain		-	2,234
Expenses			
Consultancy and legal fees		(241,295)	(133,126)
Compliance and regulatory expenses		(88,693)	-
Depreciation Expense		(42,312)	(45,736)
Employee benefits expense		(101,220)	(95,506)
Exploration and evaluation expenditures		(13,530)	(6,874)
Finance costs		(5,125)	(4,091)
Fair value loss on financial assets at fair value through profit or loss (FVTPL)		(11,427)	(9,005)
Professional fees		(157,354)	(119,906)
Share-based payment expense		(104,847)	-
Occupancy expenses		(27,461)	-
Other expenses		(47,570)	(165,846)
Loss from continuing operations before income tax		(783,933)	(527,670)
Income tax expense		-	-
Loss from continuing operations after income tax		(783,933)	(527,670)
Other comprehensive loss for the year		-	-
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss attributable to the members of Red Mountain Mining Ltd		(783,933)	(527,670)
Loss per share for the year attributable to the members Red Mountain Mining Ltd			
Basic loss per share (cents)	4	(0.03)	(0.03)
Diluted loss per share (cents)	4	(0.03)	(0.03)

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

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31-Dec-23 \$	30-Jun-23 \$
ASSETS			
Current assets			
Cash and cash equivalents		613,397	978,550
Trade and other receivables		109,513	119,193
Other financial assets		51,348	51,348
Total current assets		774,258	1,149,091
Non-current assets			
Financial assets at FVTPL		15,300	27,023
Right-of-use asset		148,092	190,405
Exploration and evaluation assets	3	3,130,049	1,921,274
Total non-current assets		3,293,441	2,138,702
Total assets		4,067,699	3,287,793
LIABILITIES			
Current liabilities			
Trade and other payables		149,980	300,573
Lease liability		86,516	82,427
Total current liabilities		236,496	383,000
Non-current liabilities			
Lease liability		70,101	114,400
Total non-current liabilities		70,101	114,400
Total liabilities		306,597	497,400
Net assets		3,761,102	2,790,393
EQUITY			
Contributed equity	5	51,411,875	49,951,360
Reserves	6	11,815,845	11,521,718
Accumulated losses		(59,466,618)	(58,682,685)
Total equity		3,761,102	2,790,393

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2023	49,951,360	11,521,718	(58,682,685)	2,790,393
Loss for the period	-	-	(783,933)	(783,933)
Total comprehensive loss for the period after tax	-	-	(783,933)	(783,933)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	1,646,900	-	-	1,646,900
Share issue costs	(186,385)	96,214	-	(90,171)
Share based payments – options	-	104,847	-	104,847
Share based payments – performance rights	-	93,066	-	93,066
Balance at 31 December 2023	51,411,875	11,815,845	(59,466,618)	3,761,102

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	47,422,015	11,417,530	(54,280,244)	4,559,301
Loss for the period	-	-	(527,670)	(527,670)
Total comprehensive loss for the period	-	-	(527,670)	(527,670)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	1,264,694	-	-	1,264,694
Issue of options	-	5,522	-	5,522
Balance at 31 December 2022	48,686,709	11,423,052	(54,807,914)	5,301,847

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

Note	31-Dec-23 \$	31-Dec-22 \$
Cash flows from operating activities		
Payments to suppliers and employees	(581,622)	(531,357)
Interest and other finance costs paid	-	(1,122)
Interest received	7,901	2,901
Other income received	49,000	39,000
Payments made for exploration expenditure	(63,874)	(6,874)
Net cash outflow from operating activities	(588,595)	(497,452)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,098,074)	(890,330)
Net cash outflow from investing activities	(1,098,074)	(890,330)
Cash flows from financing activities		
Proceeds from issue of shares	1,446,900	1,383,941
Proceeds from issue of options	-	5,522
Share issue costs	(90,171)	(119,247)
Repayment of lease liabilities	(35,213)	(45,446)
Net cash inflow from financing activities	1,321,516	1,224,770
Net decrease in cash held	(365,153)	(163,012)
Cash and cash equivalents at the beginning of the period	978,550	1,659,408
Effect of exchange rate fluctuations on cash held	-	349
Cash and cash equivalents at the end of the period	613,397	1,496,745

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

NOTE 1 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

(b) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board 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.

(c) 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 2023.

(d) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$783,933 and had net cash outflows from operating and investing activities of \$588,595 and \$1,098,074 respectively for the half year ended 31 December 2023. As at that date, the Group had net current assets of \$537,762 including cash and cash equivalents of \$613,397.

The directors believe that there are reasonable grounds to believe that the Group will be continue as a going concern, after consideration of the following factors:

- The Group's ability to issue additional share under the Corporation Act 2002 to raise further working capital; and
- The Group has the ability to scale down its operations in order to curtail expenditure, so as to ensure that the cash available is sufficient to meet projected expenditure.

Notes to the Consolidated Financial Statements

(d) Going concern (continued)

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the Group not achieve the matters set out above there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not able to continue as a going concern.

NOTE 2 SEGMENT INFORMATION

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

On this basis, the Group's reportable segments under AASB Operating Segments are the Group's activities in Australia and United States of America ('USA'). Information regarding the Group's reportable segments is presented below.

Period ended 31 December 2023	Australia	USA	Australia – Other	Total
	\$	\$	\$	\$
Other revenue	10,000	-	46,901	56,901
Exploration expenditure	(13,530)	-	-	(13,530)
Share-based payments expense	-	-	(104,847)	(104,847)
Administration and other expense	-	-	(722,457)	(722,457)
Loss before income tax	(3,530)	-	(780,403)	(783,933)
Income tax expense	-	-	-	-
Loss after income tax	(3,530)	-	(780,403)	(783,933)
Total Segment Assets	485,119	2,644,930	937,650	4,067,699
Total Segment Liabilities	8,805	60,017	237,775	306,597

Period ended 31 December 2022	Australia	USA	Australia – Other	Total
	\$	\$	\$	\$
Other revenue	8,285	-	41,901	50,186
Exploration expenditure	(6,874)	-	-	(6,874)
Share-based payments expense	-	-	-	-
Administration and other expense	-	-	(570,982)	(570,982)
Loss before income tax	1,411	-	(529,081)	(527,670)
Income tax expense	-	-	-	-
Loss after income tax	1,411	-	(529,081)	(527,670)

Notes to the Consolidated Financial Statements

NOTE 3 EXPLORATION AND EVALUATION ASSETS

	31-Dec-23	30-Jun-23
	\$	\$
Carrying amount of exploration and evaluation expenditure	3,130,049	2,100,761
Opening balance	1,921,274	2,821,516
Additions capitalised during the period	1,208,775	1,119,066
Acquisition of Lithium Projects ⁽ⁱ⁾	-	1,249,605
Impairment expense	-	(3,268,913)
Carrying value at end of period	3,130,049	1,921,274

- (i) On 7 December 2022, the Company entered into a purchase agreement (the “**Purchase Agreement**”) with Lithic Lithium LLC (“**LLL**”), a US subsidiary of Chariot Corporation Limited (“**Chariot**”), to acquire the Lithic Lithium Project (“**Lithic**”) and the Mustang Lithium Project (“**Mustang**”) (collectively, “the **Projects**”).

Red Mountain previously paid Lithic Lithium LLC (“LLL”) an option fee of US\$35,000 for an exclusive 45-day option period and subsequently elected to purchase the Projects for the following consideration:

- US\$150,000 cash. This cash consideration was paid in December 2022;
- 179,487,179 fully paid ordinary shares, subject to shareholder approval. Approved at the General Meeting held on 1 February 2023;
- 102,564,103 performance rights that will vest and convert into one (1) share upon the Company’s determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 200 metres of drilling on the Property over not less than ten (10) drill holes during the period commencing on the effective date and ending on the 12-month anniversary of the effective date (Expiry Date);
- 102,564,103 performance rights that will vest and convert into one (1) share upon the Company’s determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 400 metres of drilling on the Property over not less than twenty (20) drill holes during the period commencing on the effective date and ending on the 24-month anniversary of the effective date (Expiry Date); and
- a Net Smelter Royalty (“NSR”) in favour of LLL of 2%.

NOTE 4 LOSS PER SHARE

	31-Dec-23	31-Dec-22
	\$	\$
Net loss for the year	(783,933)	(527,670)
Weighted average number of ordinary shares for basic and diluted loss per share	2,564,954,999	1,672,449,510

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position. The convertible notes issued during the year were not dilutive, so the calculation excludes the impact of the shares potentially issuable. Consequently, the dilutive earnings per share is equivalent to the basic earnings per share.

Continuing operations

- Basic and diluted loss per share (cents) (0.03) (0.03)

Notes to the Consolidated Financial Statements

NOTE 5 CONTRIBUTED EQUITY

(a) Issued and fully paid

	31-Dec-23		30-Jun-23	
	No.	\$	No.	\$
Ordinary shares	2,673,576,037	51,411,875	2,271,851,037	49,951,360

(b) Movement reconciliation

	Date	Number	Issue Price	\$
At 1 July 2023		2,271,851,037	-	49,951,360
Consideration shares issued to Lioatown Resources	20/07/2023	40,000,000	\$0.005	200,000
Placement	8/08/2023	212,500,000	\$0.004	850,000
Share Purchase Plan	13/09/2023	149,225,000	\$0.004	596,900
Share issue costs		-		(186,385)
At 31 December 2023		2,673,576,037		51,411,875
At 1 July 2022		1,642,363,858	-	47,422,015
Placement - Tranche 1	16/12/2022	345,985,000	\$0.0040	1,383,940
Placement - Tranche 2	08/02/2023	104,015,000	\$0.0040	416,060
Consideration shares issued to Lithic Lithium LLC	17/02/2023	179,487,179	\$0.0050	897,436
Share issue costs		-		(168,091)
At 30 June 2023		2,271,851,037		49,951,360

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 6 RESERVES

	31-Dec-23	30-Jun-23
	\$	\$
Share-based payments	6,832,352	6,538,225
Foreign currency translation reserve	4,934,806	4,934,806
Other reserves	48,687	48,687
	11,815,845	11,521,718

Movement reconciliation

Share-based payments reserve

Opening balance	6,538,225	6,434,037
Equity settled share-based payment transactions (Note 7)	294,127	98,666
Issue of unlisted options as part of the Options Prospectus	-	5,522
Closing balance	6,832,352	6,538,225

Foreign currency translation reserve

Opening balance	4,934,806	4,934,806
Closing balance	4,934,806	4,934,806

Other reserves

Opening balance	48,687	48,687
Closing balance	48,687	48,687

Notes to the Consolidated Financial Statements

NOTE 7 SHARE-BASED PAYMENTS EXPENSES

	31-Dec-23	31-Dec-22
	\$	\$
Recognised as a share-based payment expense		
Options issued to Directors ⁽ⁱ⁾	104,847	-
Options issued to Lead Manager ⁽ⁱⁱ⁾	96,214	-
Amortisation of existing performance rights on acquisition of exploration projects in 30 June 2023	93,066	-
	294,127	-

Reconciliation:

Recognised as share-based payment expenses in the Statement of Profit or Loss and Other Comprehensive Income	104,847	-
Recognised as share issue costs in equity	94,214	-
Recognised as exploration and evaluation assets in the Statement of Financial Position	93,066	-
	294,127	-

- (i) Issue of 38,000,000 quoted options (\$0.008, expiring 14 September 2026) issued to Directors as approved by shareholders at the General Meeting held on 18 September 2023.
- (ii) Issue of 30,000,000 quoted options (\$0.008, expiring 14 September 2026) issued to the Lead Manager as approved by shareholders at the General Meeting held on 18 September 2023.

Unlisted Options

Set out below is a summary of unlisted options granted as share-based payments during the period:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
04-05-2022	04-02-2025	\$0.015	60,000,000	-	-	-	60,000,000
01-12-2022	02-12-2025	\$0.011	55,224,606	-	-	-	55,224,606
01-02-2023	02-12-2025	\$0.011	10,000,000	-	-	-	10,000,000
13-09-2023	14-09-2026	\$0.008	-	30,000,000	-	(30,000,000)	-
			125,224,606	30,000,000	-	(30,000,000)	125,224,606

Listed Options

Set out below is a summary of listed options granted as share-based payments during the period:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
13-09-2023	14-09-2026	\$0.008	-	30,000,000	-	-	30,000,000
18-09-2023 ^(a)	14-09-2026	\$0.008	-	180,862,500	-	-	180,862,500
18-09-2023	14-09-2026	\$0.008	-	38,000,000	-	-	38,000,000
			-	248,862,500	-	-	248,862,500

(a) Free-attaching options as part of the share purchase plan in September 2023.

Notes to the Consolidated Financial Statements

NOTE 8 CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingent liabilities and assets since 30 June 2023.

NOTE 9 COMMITMENTS

There has been no material change in commitments since 30 June 2023.

NOTE 10 DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2023. The Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2023.

NOTE 11 EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance that has arisen subsequent to 31 December 2023 that has significantly affected or may significantly affect the operations or the state of affairs of the Group in future financial years.

Directors' Declaration

In the Directors' opinion:

- a. The consolidated financial statements and notes comply with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- 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)(a) of the Corporations Act 2001.

On behalf of the directors.



Troy Flannery
Non-Executive Chairman

Perth, Western Australia

Dated this 13th day of March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Red Mountain Mining Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Red Mountain Mining Ltd (the Company) which comprises the consolidated statement of financial position as at 31 December 2023, 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 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 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 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 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.

THE POWER OF BEING UNDERSTOOD

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Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the half-year financial statements, which indicates that the consolidated entity incurred a net loss of \$783,933 and net operating and investing cash outflows of \$588,595 and \$1,098,074 respectively for the half-year ended 31 December 2023. As stated in Note 1(d), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Red Mountain Mining Ltd 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-style signature of the letters "RSM" in a dark grey or black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink, appearing to read "AIK KONG TING", with a stylized flourish at the end.

AIK KONG TING
Partner

Perth, WA
Dated: 13 March 2024