

RESOLUTION MINERALS LTD
ACN: 617 789 732



Interim Consolidated Financial Statements

for the half-year ended 31 December 2021

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This Interim Report covers Resolution Minerals Ltd ("RML" or the "Company") as a Group consisting of Resolution Minerals Ltd and its subsidiaries, collectively referred to as the "Group". The financial report is presented in the Australian currency.

RML is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Resolution Minerals Ltd
Level 4, 29-31 King William Street
Adelaide SA 5000

Website www.resolutionminerals.com

Directors' Report

The Directors of Resolution Minerals Ltd present their Report together with the financial statements of the consolidated entity, being Resolution Minerals Ltd ("RML" or "the Company") and its controlled entities ("the Group") for the half year ended 31 December 2021 and the Independent Review Report thereon.

DIRECTORS

The following persons were directors of RML throughout the period.

- Craig Farrow
- Duncan Chessell
- Andrew Shearer

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Resolution Minerals Ltd holds exploration projects for gold and battery minerals (Cu & Co) respectively in the highly prospective Tintina Gold Belt in Alaska, USA and in the McArthur and Nicholson's Basins in the Northern Territory.

In the half year to 31 December 2021, the Company continued expenditure to earn into 64North Project in Alaska, USA and progress its battery metals projects in the Northern Territory.

The net loss of the Company, from the six months to 31 December 2021 was \$524,854 (31 December 2020: \$363,025). The main factors contributing to the increased loss were primarily a reduction in other income of \$83,156 due to the COVID-19 cashflow boost and project recharges.

On 2 March Dr Paul Kitto joined the Board of the Company as a Non-Executive Technical Director and Managing Director Duncan Chessell will transition to a Non-Executive Director role in early May 2022 as the Company undertakes a search for a new Chief Executive Officer.

A copy of the auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* (Cth) is included on page 3 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



Duncan Chessell
Managing Director

9 March 2022

Auditor's Independence Declaration



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Auditor's Independence Declaration

To the Directors of Resolution Minerals Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Resolution Minerals Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature in grey ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in grey ink that reads "I S Kemp".

I S Kemp
Partner – Audit & Assurance

Adelaide, 9 March 2022

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Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2021

	Notes	31 December 2021 \$	31 December 2020 \$
Interest income		299	361
Government grants		-	50,000
Other income		8,171	41,327
Broker and investor relations		(49,213)	(45,100)
Employee benefits expense		(194,375)	(179,984)
Exploration expense		(35,726)	(19,127)
Impairment expense		(1,964)	-
Depreciation		(11,973)	(5,896)
Other expenses		(240,073)	(204,606)
Loss before tax		(524,854)	(363,025)
Income tax benefit		-	-
Loss for the period from continuing operations attributable to owners of the parent		(524,854)	(363,025)
Other Comprehensive income attributable to owners of the parent		6,268	-
Total Comprehensive loss for the period attributable to owners of the parent		(518,586)	(363,025)
Earnings / (loss) Per Share from Continuing Operations			
Basic and diluted Loss – cents per share	2	(0.10)	(0.14)

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position
As at 31 December 2021

	Notes	31 December 2021 \$	30 June 2021 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,783,681	1,751,998
Other current assets		53,862	41,643
Total current assets		2,837,543	1,793,641
Non-current assets			
Exploration and evaluation expenditure	3	21,052,997	19,261,092
Plant and equipment		147,944	126,272
Total non-current assets		21,200,941	19,387,364
TOTAL ASSETS		24,038,484	21,181,005
LIABILITIES			
Current liabilities			
Trade and other payables		503,258	1,037,859
Employee provisions		77,438	53,672
Total current liabilities		580,696	1,091,531
TOTAL LIABILITIES		580,696	1,091,531
NET ASSETS		23,457,788	20,089,474
EQUITY			
Issued capital	4	27,389,333	23,558,922
Reserves	5	926,878	1,527,122
Accumulated losses		(4,858,423)	(4,996,570)
TOTAL EQUITY		23,457,788	20,089,474

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity
For the half year ended 31 December 2021

	Issued capital	Share based payments reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2020	14,944,312	1,353,852	(4,070,942)	12,227,222
Share placement and SPP	5,112,597	-	-	5,112,597
Fair value of shares issued for the acquisition of projects	100,000	-	-	100,000
Exercise of quoted options	167	-	-	167
Issue costs	(538,587)	192,342	-	(346,245)
Fair value of performance rights issued	-	38,849	-	38,849
Transactions with owners	4,674,177	231,191	-	4,905,368
Comprehensive income:				
Total profit or loss for the reporting period	-	-	(363,025)	(363,025)
Total other comprehensive income for the reporting period	-	-	-	-
Balance 31 December 2020	19,618,489	1,585,043	(4,433,967)	16,769,565

	Issued capital	Share based payments reserve	Foreign currency reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	23,558,922	1,509,844	17,278	(4,996,570)	20,089,474
Share placements and SPP	3,707,694	-	-	-	3,707,694
Fair value of shares issued for the acquisition of projects	300,000	-	-	-	300,000
Issue costs	(177,283)	-	-	-	(177,283)
Lapse of IPO options	-	(663,001)	-	663,001	-
Fair value of performance rights issued	-	56,489	-	-	56,489
Transactions with owners	3,830,411	(606,512)	-	663,001	3,886,900
Comprehensive income:					
Total profit or loss for the reporting period	-	-	-	(524,854)	(524,854)
Total other comprehensive income for the reporting period - foreign currency reserve movement	-	-	6,268	-	6,268
Balance 31 December 2021	27,389,333	903,332	23,546	(4,858,423)	23,457,788

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows
For the half year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
Operating activities		
Interest received	299	361
Government grants	-	50,000
Other receipts	-	41,327
Payments to suppliers and employees	(376,696)	(446,960)
Net cash used in operating activities	<u>(376,397)</u>	<u>(355,272)</u>
Investing activities		
Cash receipts from joint ventures	336,824	-
Payments for plant and equipment	(14,638)	(264)
Payments for capitalised exploration expenditure	(2,453,315)	(5,438,724)
Net cash used in investing activities	<u>(2,131,129)</u>	<u>(5,438,988)</u>
Financing activities		
Proceeds from issue of share capital	3,707,694	5,112,597
Proceeds from exercise of options	-	167
Payments for capital raising costs	(168,485)	(343,976)
Net cash from financing activities	<u>3,539,209</u>	<u>4,768,788</u>
Net change in cash and cash equivalents	<u>1,031,683</u>	<u>(1,025,472)</u>
Cash and cash equivalents, beginning of reporting period	<u>1,751,998</u>	<u>2,161,012</u>
Cash and cash equivalents, end of period	<u>2,783,681</u>	<u>1,135,540</u>

This statement should be read in conjunction with the notes to the financial statements.

Notes to the consolidated financial statements For the period ended 31 December 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of operations

The Group's principal activities are the exploration for gold in Alaska (USA) and battery metals in the Northern Territory (Australia).

b) General information and basis of preparation

The interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2021 and are presented in Australian dollars (\$), 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* (Cth) and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in Annual Financial Statements in accordance with AIFRS, and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 30 June 2021 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001* (Cth). The Company is a for profit entity for the purposes of preparing its financial statements.

The Interim Financial Statements have been approved and authorised for issue by the Board of Directors on 9 March 2022.

c) Significant accounting Policies

The Group has adopted all the amendments to the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the period beginning 1 July 2021. The adoption of all of the relevant new and/or revised Australian Accounting Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has had no effect on either the amounts reported for the current or previous financial years. There are no other changes to policies from the financial year ended 31 June 2021.

A number of Australian Accounting Standards and Interpretations, along with revisions to the Conceptual Framework for Financial Reporting, have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in the preparation of this financial report.

d) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

i) Key estimates - impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

ii) Key judgements - exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

2. EARNINGS PER SHARE

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to December 2021 #	6 months to December 2020 #
Weighted average number of shares used in basic earnings per share	535,817,677	267,245,764
Weighted average number of shares used in diluted earnings per share	535,817,677	267,245,764
Loss per share – basic and diluted (cents)	0.10	0.14

There were 264,118,881 options, rights and performance shares outstanding at the end of the year (2020: 129,056,201) that have not been taken into account in calculating diluted EPS due to their effect being anti-dilutive.

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021 \$	30 June 2021 \$
Opening balance	19,261,092	10,536,621
Expenditure on exploration during the period	1,485,093	8,108,486
Acquisition of projects	308,776	860,000
Impairment expense	(1,964)	(244,015)
Closing balance	21,052,997	19,261,092
Expenditure is capitalised as follows:		
Group owned assets	8,605,443	7,436,564
Joint operations	12,447,554	11,824,528
Total exploration and evaluation expenditure	21,052,997	19,261,092

In the half-year to 31 December 2021, acquisition of projects includes the fair value of share based payments of \$300,000 being the value of 13,773,778 shares as the acquisition price for the Benmara Project (EL 32228) in the Northern Territory and 2,469,984 shares for the Murphy Project (EL 32229 and EL 31287) in the Northern Territory.

During the period, the Group recognised an impairment expense of \$1,964 related to the relinquishment of the Snettisham Project.

During the half-year to 31 December 2021, Resolution entered into a joint venture arrangement with OZ Minerals Limited on the existing Wollgorang Copper Project. The terms of the binding heads of agreement are detailed below:

Timeline		RML ownership %
60 days (Due diligence)	Establish the Tenements are in good standing - completed	100%
2 Years Initial Period	\$1.6m Minimum spend Reimburse \$300k VTEM to begin Stage 1	100%
3 Years Stage 1	\$3.0m spend, then a JV is formed and RML has right to participate	49%
5 Years Stage 2	\$1.0m/year until deliver positive final investment decision to mine	25%

4. SHARE CAPITAL

31 December 2021	Number of shares	31 December 2021 \$
(a) Issued and paid up capital		
Fully paid ordinary shares	656,366,599	27,389,333
	<hr/> 656,366,599	<hr/> 27,389,333
(b) Movements in fully paid shares		
	Number	\$
Balance as at 1 July 2021	447,679,614	23,558,922
Fair value of shares issued for the acquisition of projects	16,243,762	300,000
Share placement and SPP	192,443,223	3,707,694
Capital raising costs (including fair value of options issued to brokers)	-	(177,283)
	<hr/> 656,366,599	<hr/> 27,389,333
Balance as at 31 December 2021		
30 June 2021		
(a) Issued and paid up capital		
	Number of shares	30 June 2021 \$
Fully paid ordinary shares	447,679,614	23,558,922
	<hr/> 447,679,614	<hr/> 447,679,614
(b) Movements in fully paid shares		
	Number	\$
Balance as at 1 July 2020	206,433,688	14,944,312
Fair value of shares issued for the acquisition of projects	27,500,000	860,000
Share placements and option exercise	213,145,926	8,519,765
Option exercise (including fair value of options exercised)	600,000	28,710
Capital raising costs	-	(793,865)
	<hr/> 447,679,614	<hr/> 23,558,922
Balance as 30 June 2021		

5. RESERVES

Share based payments are in line with the Resolution Minerals Ltd remuneration policy. Listed below are summaries of options granted:

Reconciliation of reserve	31 December 2021	30 June 2021
	\$	\$
Opening balance	1,527,122	1,353,852
Fair value of options issued during the period	-	192,342
Fair value of options forfeited during the period	(663,001)	(57,857)
Fair value of rights issued during the period	56,489	55,150
Fair value of rights exercised during the period	-	(28,710)
Fair value of rights and options forfeited during the period	-	(4,933)
Movement in foreign currency reserve	6,268	17,278
Closing balance	926,878	1,527,122
Options reserve	722,449	1,385,450
Performance rights reserve	180,883	124,394
Foreign currency reserve	23,546	17,278
Total reserves	926,878	1,527,122

The Group incurs costs in US\$ primarily in relation to the 64North Project. The foreign currency reserve recognises movements in currency on translation between A\$ and US\$.

During the six months to 31 December 2021, 7,000,000 performance rights were issued to officers as remuneration.

Assumption	Short-term incentive	Long-term incentive
No of performance rights	2,000,000	5,000,000
Valuation methodology	Monte Carlo pricing model	Monte Carlo pricing model
Share price at grant date	\$0.018	\$0.018
Historic volatility	130.35%	130.35%
Risk free interest rate	0.56%	0.56%
Expected life of securities (years)	5.0	6.0
Fair value at grant date	1.37 cents	1.47 cents

Nature and purpose of reserves

The share option reserve and performance rights reserves are used to recognise the fair value of all options and performance rights.

6. OPERATING SEGMENTS

The Group commenced reporting on segments in the 2019/20 financial year due to significant exploration activities in Alaska. Contributions by business segment based on geographical location are:

1. Northern territory exploration – Wollgorang and Benmara Projects, Australia – copper and cobalt exploration.
2. 64North Project in Alaska, USA – gold exploration.
3. Unallocated corporate expenditure.

31 December 2020

	Exploration		Unallocated \$	Total \$
	Australia \$	USA \$		
<u>Income</u>				
Interest income	-	-	361	361
Other income	-	-	91,327	91,327
<u>Expenses</u>				
Exploration expense	(19,127)	-	-	(19,127)
Impairment expense	-	-	-	-
Depreciation	-	-	(5,896)	(5,896)
Total expenses	-	-	(429,690)	(429,690)
Profit / (Loss) before tax	(19,127)	-	(343,898)	(363,025)
<u>Balance sheet</u>				
Restricted cash	-	59,400	-	59,400
Exploration and evaluation	6,668,266	9,628,085	-	16,296,351
All other assets	-	-	1,161,729	1,161,729
Total assets	6,668,266	9,687,485	1,161,729	17,517,480
Total liabilities	10,586	649,900	87,429	747,915
Net assets	6,657,680	9,037,585	1,074,300	16,769,565

31 December 2021

	Exploration		Unallocated \$	Total \$
	Australia \$	USA \$		
<u>Income</u>				
Interest income	-	-	299	299
Other income	-	-	8,171	8,171
<u>Expenses</u>				
Exploration expense	(35,726)	-	-	(35,726)
Impairment expense	-	(1,964)	-	(1,964)
Depreciation	-	-	(11,973)	(11,973)
Total expenses	-	-	(483,661)	(483,661)
Profit / (Loss) before tax	(35,726)	(1,964)	(487,164)	(524,854)
<u>Balance sheet</u>				
Exploration and evaluation	8,605,443	12,447,554	-	21,052,997
All other assets	-	-	2,985,487	2,985,487
Total assets	8,605,443	12,447,554	2,985,487	24,038,484
Total liabilities	164,592	933	415,171	580,696
Net assets	8,440,851	12,446,621	2,570,316	23,457,788

7. COMMITMENTS AND CONTINGENT LIABILITIES

In order to maintain rights of tenure to exploration permits, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of funds.

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure. It will be necessary for the Group to incur expenditure in order to retain present interests in exploration licences. The Group has no contingent liabilities at reporting date.

In the Northern Territory, expenditure commitments have been reduced to low levels due to COVID-19 and consequently expenditure commitments have been met on all Northern Territory tenements. The Group's 64North Project earn-in commitments are listed below, having earned a 42% interest in the project.

Stage	RML% interest	Trigger	Expenditure requirement US\$	RML Share milestone	Millrock payment US\$
Stage 3 within a further 12 months of electing to earn such further interest	51%	Undertake exploration	\$1.15 million	10,000,000	\$100,000
Stage 4 within a further 12 months of electing to electing to earn such further interest	60%	Undertake exploration	\$2.35 million	10,000,000	\$100,000

8. PERFORMANCE SHARES

The following disclosure is a condition of the Company's admission to ASX. On 4 September 2017 the Company issued 13,175,000 class A and class B performance shares as detailed in the table below:

Class of performance shares	Grant date	Expiry date	Exercise price of shares	Number on issue
Class A	4 September 2017	4 September 2022	\$Nil	9,600,000
Class B	4 September 2017	4 September 2022	\$Nil	3,575,000
Total performance shares				13,175,000

There were no performance shares converted or cancelled during the reporting period and no vesting conditions were met during the reporting period. Each performance share is convertible into one ordinary share upon vesting.

The milestones associated with each class of Performance Share are listed below.

(Conversion on achievement of Class A Milestone)

Each Class A Performance Share will convert into a Share on a one for one basis upon the earlier of:

- (i) the Company announcing to ASX the delineation of an Inferred (or higher category) Mineral Resource in accordance with the JORC Code containing at least 6,000 tonnes Cobalt equivalent, at a grade of 0.12% Cobalt equivalent or greater (reported in accordance with clause 50 of the JORC Code), on the Tenements (**Class A Resource Estimate Milestone**); or
- (ii) the Company selling or transferring (directly or indirectly) for value of at least \$5 million to a third party (being any person or entity other than a wholly-owned subsidiary of the Company) 100% of the shares of Mangrove, or 100% of the Company's legal or beneficial interest in the Tenements (**Class A Disposal Milestone**),

within 5 years after Completion (each a **Class A Milestone**).

(Conversion on achievement of Class B Milestone)

Each Class B Performance Share will convert into a Share on a one for one basis upon the earlier of:

- (i) the Company announcing to ASX the delineation of an Inferred (or higher category) Mineral Resource in accordance with the JORC Code containing at least 15,000 tonnes Cobalt equivalent, at a grade of 0.12% Cobalt equivalent or higher (reported in accordance with clause 50 of the JORC Code), on the Tenements (**Class B Resource Milestone**); or

- (ii) the Company selling or transferring (directly or indirectly) for value of at least \$20 million to a third party (being any person or entity other than a wholly-owned subsidiary of the Company) 100% of the shares of Mangrove, or 100% of the Company's legal or beneficial interest in the Tenements, (**Class B Disposal Milestone**),
within 5 years after Completion (each a **Class B Milestone**).

9. GOING CONCERN BASIS OF ACCOUNTING

The interim financial report has been prepared on the basis of a going concern. During the six months ended 31 December 2021 the consolidated group recorded a net cash outflow from operating and investing activities of \$2,507,825 and an operating loss of \$524,854. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the entity successfully continuing the development of its exploration assets or raising additional funds which may be from a variety of means inclusive of, but not limited to issue of new equity, debt, asset sales or entering into joint venture arrangements on mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because Directors have an appropriate plan to meet conditions.

If additional capital is not obtained, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the Interim Financial Report.

10. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

No matters or circumstances, have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company or Group, the results of those operations or the state of affairs of the Company and Group in subsequent financial years other than those listed below.

On 19 January 2022, 600,000 rights lapsed as performance conditions were not met.

On 4 February 2022, the Group issued 125,000 options to investors as attaching to the Company's 2021 Share Purchase Plan (SPP). The options have an exercise of \$0.03 and expiry of 15 December 2025.

On 7 February 2022, the Group issued 2,000,000 shares to Cientifica Pty Ltd as consideration for acquisition of tenements EL32622, EL32620, EL32577, EL32621, EL32619 and EL32578 in the Northern Territory (tranche 1). A further 7,000,000 shares will be issued (tranche 2) upon Ministerial approval of transfer of the tenements.

On 2 March Dr Paul Kitto joined the Board of the Company as a Non-Executive Technical Director and Managing Director Duncan Chessell will transition to a Non-Executive Director role in early May 2022 as the Company undertakes a search for a new Chief Executive Officer.

Directors' Declaration

In the opinion of the Directors of Resolution Minerals Ltd:

- a) the Consolidated Financial Statements and notes of Resolution Minerals Ltd are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard 134 *Interim Financial Reporting*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts when they become due and payable.

Signed in accordance with a resolution of the Directors:



Duncan Chessell
Managing Director

Adelaide
9 March 2022

Independent Review Report



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Adelaide SA 5000

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Adelaide SA 5001

T +61 8 8372 6666

Independent Auditor's Review Report

To the Members of Resolution Minerals Ltd

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Resolution Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and 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, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Resolution Minerals Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Resolution Minerals Ltd's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

Material uncertainty related to going concern

We draw attention to Note 9 in the financial report, which indicates that the Group incurred a net loss of \$524,854 during the half year ended 31 December 2021 and, as of that date, the Group recorded a net cash outflow from operating and investing activities of \$2,507,825. As stated in Note 9, these events or conditions, along with other matters as set forth in Note 9, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Directors' responsibility for the half-year financial report

The Directors of the Group 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 gives a true and fair view and 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 Group's financial position as at 31 December 2021 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 handwritten signature in grey ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in grey ink that reads "I S Kemp".

I S Kemp
Partner – Audit & Assurance

Adelaide, 9 March 2022