

RESOLUTION MINERALS LTD  
ACN: 617 789 732



## **Interim Consolidated Financial Statements**

for the half-year ended 31 December 2020

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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](http://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 2020 and the Independent Review Report thereon.

### DIRECTORS

The following persons were directors of RML throughout the period.

- Craig Farrow (appointed 17 August 2020)
- Duncan Chessell
- Andrew Shearer
- Leonard Dean (resigned 27 November 2020)

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Resolution Minerals Ltd holds exploration projects comprising tenements in highly prospective geology for gold, vanadium and magnetite prospective tenements in Alaska, USA and copper and cobalt in the Northern Territory.

In the half year to 31 December 2020, the Company continued expenditure to earn into 64North Project in Alaska, USA.

The net loss of the Company, from the six months to 31 December 2020 was \$363,025 (2019: \$861,684). The main factors contributing to the reduced loss are a reduction in impairment expenses of \$332,424 resulting from reduced value of relinquished tenements in the Arunta and Wollongorang projects and an increase in other income of \$91,327 due to the COVID-19 cashflow boost and project recharges.

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.

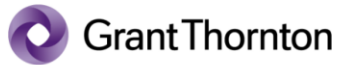
Signed in accordance with a resolution of the directors.



Duncan Chessell  
**Managing Director**

12 March 2021

## Auditor's Independence Declaration



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## Auditor's Independence Declaration

To the Directors of Resolution Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Resolution Minerals Limited for the half-year ended 31 December 2020, 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 handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

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

I.S. Kemp  
Partner – Audit & Assurance

Adelaide, 12 March 2021

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Statement of Profit or Loss and Other Comprehensive Income  
For the half year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Interest income		361	410
Government grants		50,000	-
Other income		41,327	-
Broker and investor relations		(45,100)	(84,400)
Employee benefits expense		(179,984)	(217,122)
Exploration expense		(19,127)	(30,266)
Impairment expense		-	(332,424)
Depreciation		(5,896)	(6,821)
Other expenses		(204,606)	(191,061)
Loss before tax		(363,025)	(861,684)
Income tax benefit		-	-
Loss for the period from continuing operations attributable to owners of the parent		(363,025)	(861,684)
Other Comprehensive income attributable to owners of the parent		-	-
<b>Total Comprehensive loss for the period attributable to owners of the parent</b>		<b>(363,025)</b>	<b>(861,684)</b>
Earnings / (loss) Per Share from Continuing Operations			
Basic and diluted Loss – cents per share	2	(0.14)	(1.14)

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

Statement of Financial Position  
As at 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,135,540	2,161,012
Other current assets		25,055	24,499
<b>Total current assets</b>		<b>1,160,595</b>	<b>2,185,511</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	3	16,296,351	10,536,621
Plant and equipment		60,534	75,706
<b>Total non-current assets</b>		<b>16,356,885</b>	<b>10,612,327</b>
<b>TOTAL ASSETS</b>		<b>17,517,480</b>	<b>12,797,838</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		720,234	540,423
Employee provisions		27,681	20,871
Derivative financial instruments		-	9,322
<b>Total current liabilities</b>		<b>747,915</b>	<b>570,616</b>
<b>TOTAL LIABILITIES</b>		<b>747,915</b>	<b>570,616</b>
<b>NET ASSETS</b>		<b>16,769,565</b>	<b>12,227,222</b>
<b>EQUITY</b>			
Issued capital	4	19,618,489	14,944,312
Reserves	5	1,585,043	1,353,852
Accumulated losses		(4,433,967)	(4,070,942)
<b>TOTAL EQUITY</b>		<b>16,769,565</b>	<b>12,227,222</b>

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 2020

	Issued capital	Option / rights reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2019	9,520,723	831,143	(2,788,975)	7,562,891
Share placements	1,500,000	-	-	1,500,000
Fair value of shares issued for the acquisition of projects	245,000	-	-	245,000
Issue costs	(715,084)	593,403	-	(121,681)
Fair value of rights forfeited	-	(22,057)	-	(22,057)
Transactions with owners	1,029,916	571,346	-	1,601,262
<b>Comprehensive income:</b>				
Total profit or loss for the reporting period	-	-	(861,684)	(861,684)
Total other comprehensive income for the reporting period	-	-	-	-
<b>Balance 31 December 2019</b>	<b>10,550,639</b>	<b>1,402,489</b>	<b>(3,650,659)</b>	<b>8,302,469</b>
	Issued capital	Option / rights 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
<b>Comprehensive income:</b>				
Total profit or loss for the reporting period	-	-	(363,025)	(363,025)
Total other comprehensive income for the reporting period	-	-	-	-
<b>Balance 31 December 2020</b>	<b>19,618,489</b>	<b>1,585,043</b>	<b>(4,433,967)</b>	<b>16,769,565</b>

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 2020

	<b>31 December 2020 \$</b>	<b>31 December 2019 \$</b>
<b>Operating activities</b>		
Interest received	361	410
Government grants	50,000	-
Other receipts	41,327	-
Payments to suppliers and employees	(446,960)	(488,168)
Net cash used in operating activities	<u>(355,272)</u>	<u>(487,758)</u>
<b>Investing activities</b>		
Proceeds on sale of plant and equipment	-	5,191
Payments for plant and equipment	(264)	(317)
Payments for capitalised exploration expenditure	(5,438,724)	(1,002,272)
Net cash used in investing activities	<u>(5,438,988)</u>	<u>(997,398)</u>
<b>Financing activities</b>		
Proceeds from issue of share capital	5,112,597	1,500,000
Proceeds from exercise of options	167	-
Payments for capital raising costs	(343,976)	(121,537)
Net cash from financing activities	<u>4,768,788</u>	<u>1,378,463</u>
<b>Net change in cash and cash equivalents</b>	<u>(1,025,472)</u>	<u>(106,693)</u>
Cash and cash equivalents, beginning of reporting period	<u>2,161,012</u>	<u>741,889</u>
<b>Cash and cash equivalents, end of period</b>	<u>1,135,540</u>	<u>635,196</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 2020

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Nature of operations

The Group's principal activities are the exploration for gold, vanadium and iron ore in Alaska, USA and copper and cobalt deposits in the Northern Territory.

#### 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 2020 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 2020 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 12 March 2021.

#### c) Significant accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted the following new or amended standards which became applicable on 1 January 2020:

*AASB 2019- Amendments to Australian Accounting Standards – References to the Conceptual Framework*

*AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business*

*AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

*AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

*AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*

The adoption of these amended standards has no material impact on the financial results of the Group. Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half-year ended 31 December 2020.

The impact of these new standards or amendments to the standards (to the extent relevant to the Group) and interpretation is as follows:

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective from 1 January 2022). This amends AASB 10 – Consolidated Financial Statements and AASB 128 – Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB128 in dealing with the sale or contribution of assets between an Investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2022). This amends AASB 101 – Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. This amendment is not expected to have a significant impact on the financial statements on application.

#### 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 2020 #	6 months to December 2019 #
Weighted average number of shares used in basic earnings per share	267,245,764	75,351,741
Weighted average number of shares used in diluted earnings per share	267,245,764	75,351,741
Loss per share – basic and diluted (cents)	0.14	1.14

There were 129,056,201 options, rights and performance shares outstanding at the end of the year (2019: 52,523,225) 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 2020 \$	30 June 2020 \$
Opening balance	10,536,621	6,809,980
Expenditure on exploration during the period	5,659,730	3,064,891
Acquisition of projects	100,000	994,174
Impairment expense	-	(332,424)
Closing balance	16,296,351	10,536,621
Expenditure is capitalised as follows:		
Group owned assets	6,912,280	6,748,268
Joint operations	9,384,071	3,788,353
Total exploration and evaluation expenditure	16,296,351	10,536,621

In the half-year to 31 December 2020, acquisition of projects includes the fair value of share based payments of \$100,000 being the value of 2,500,000 shares as the acquisition price for the Benmara project (EL 32228) in the Northern Territory.

During the prior period, the Group recognised an impairment expense of \$332,424 related to the relinquishment of the remaining Arunta Project tenements \$299,234 and one Wollgorang Project tenement of \$33,190.

#### 4. SHARE CAPITAL

##### 31 December 2020

	Number of shares	31 December 2020 \$
<b>(a) Issued and paid up capital</b>		
Fully paid ordinary shares	281,972,458	19,653,975
	281,972,458	19,653,975
<b>(b) Movements in fully paid shares</b>		
Balance as at 1 July 2020	206,433,688	14,944,312
Fair value of shares issued for the acquisition of projects	2,500,000	100,000
Share placement and SPP	73,037,103	5,112,597
Option exercise	1,667	167
Capital raising costs (including fair value of options issued to brokers)	-	(503,101)
	281,972,458	19,653,975

##### 30 June 2020

	Number of shares	30 June 2020 \$
<b>(a) Issued and paid up capital</b>		
Fully paid ordinary shares	206,433,688	14,944,312
	206,433,688	14,944,312
<b>(b) Movements in fully paid shares</b>		
	<b>Number</b>	<b>\$</b>
Balance as at 1 July 2019	66,009,806	9,520,723
Fair value of shares issued for the acquisition of projects	5,000,000	245,000
Share placements and option exercise	133,823,882	6,048,337
Option exercise (including fair value of options exercised)	1,600,000	159,296
Capital raising costs	-	(1,029,044)
	206,433,688	14,944,312

## 5. RESERVES

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

<b>Reconciliation of options / rights reserve</b>	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Opening balance	1,353,852	831,143
Fair value of options issued during the period	192,342	593,403
Fair value of options exercised during the period	-	(63,296)
Fair value of rights issued during the period	38,849	14,659
Fair value of rights forfeited during the period	-	(22,057)
Closing balance	1,585,043	1,353,852
Options reserve	1,443,307	1,250,965
Performance rights reserve	141,736	102,887
Total reserves	1,585,043	1,353,852

During the six months to 31 December 2020, 5,000,000 unlisted options were issued to brokers supporting the Group's capital raising activities. The options have an exercise price of 12.0 cents and expiry of 30 September 2023. A further 2,000,000 performance rights were issued to officers as remuneration.

<b>Assumption</b>	<b>Broker options</b>	<b>Remuneration rights</b>
Valuation methodology	Black-Scholes option pricing model	Monte Carlo pricing model
Share price at grant date	\$0.053	\$0.040
Historic volatility	151.95%	159.66%
Risk free interest rate	0.21%	0.09%
Expected life of securities (years)	3.0	2.1
Fair value at grant date	3.85 cents	3.21 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. Wologorang Project, Australia – copper and cobalt exploration.
2. 64North and Snettisham Projects in Alaska, USA – predominantly gold exploration, includes vanadium and iron.
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	-	-	(429,691)	(429,690)
Profit / (Loss) before tax	(19,127)	-	(343,899)	(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

## 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 were reduced to very low levels over the past 12 months due to COVID-19 and consequently expenditure commitments have been met on all Northern Territory tenements. Subsequent to the end of the reporting period, the Group revised the 64North Project earn-in commitments as listed below, having earned a 30% interest in the project. All other material contractual terms remain unchanged.

Stage	RML% interest	Trigger	Expenditure requirement US\$	RML Share milestone	Millrock payment US\$
Stage 2 within a further 12 months of electing to earn such further interest	42%	Undertake exploration	\$0.9 million	10,000,000	\$100,000
Stage 3 within a further 12 months of electing to earn such further interest	51%	Undertake exploration	\$2.35 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
<b>Total performance shares</b>				<b>13,175,000</b>

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 2020 the consolidated group recorded a net cash outflow from operating and investing activities of \$5,794,260 and an operating loss of \$363,025. 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 28 January 2021, the Group issued 10,000,000 shares as consideration for the year-1 30% earn-in to the 64North project to project partner Millrock.

On 1 February 2021, the Group issued 1,950,000 performance rights with KPI vesting conditions to employees and consultants as remuneration under the Group's Performance Share Plan. At the same time, 500,000 of the rights were exercised and the corresponding shares were issued. A further, 250,000 rights lapsed as performance conditions were not met.

On 25 February 2021, the Group issued 15,000,000 shares to project partner Millrock as consideration for a change in the 64North project earn-in arrangement. At the same time, 100,000 rights were exercised and the corresponding shares were issued.

On 25 February 2021 and 26 February 2021, the Company issued 50,000,000 shares and 66,071,443 shares respectively, under a share placement to raise \$3.25 million (before costs). The funds were raised to progress the Group's 64North Project in Alaska and Wollogorang and Benmara projects in the Northern Territory and for working capital purposes.

## 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 2020 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  
12 March 2021



## Independent Review Report



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## Independent Auditor's Report

To the Members of Resolution Minerals Limited

Report on the review of the half year-financial report

### Conclusion

We have reviewed the accompanying half-year financial report of Resolution Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Resolution Minerals Limited'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 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 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.

### 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 \$363,025 and recorded a net cash outflow from operating and investing activities of \$5,794,260 during the half year ended 31 December 2020. 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 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 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 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*.

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 large, stylized handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in black ink that reads "J S Kemp".

J S Kemp  
Partner – Audit & Assurance

Adelaide, 12 March 2021