



Rincon Resources Limited

ABN 54 628 003 538

Annual Report
for the year ended 30 June 2023

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CORPORATE DIRECTORY

Rincon Resources Limited is an Australian listed company focused on the acquisition, exploration and development of commercially significant resource projects in Western Australia, with a focus on gold and copper.

For more details visit www.rinconresources.com.au.

DIRECTORS

Mr David Lenigas
(Executive Chairman)

Mr Gary Harvey
(Managing Director)

Mr Blair Sergeant
(Non-Executive Director)

Mr Don Strang
(Non-Executive Director)

JOINT COMPANY SECRETARIES

Mr Zane Lewis
Mr Victor Goh

REGISTERED OFFICE

Suite 1
295 Rokeby Road
SUBIACO WA 6008

AUDITORS

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

SHARE REGISTRAR

Automic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000

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

SECURITIES EXCHANGE LISTING

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

Dear Shareholders,

It is my pleasure to present this Annual Report for Rincon Resources Limited ("Rincon") for the year ended 30 June 2023.

FY2023 was a year of transition, focusing on generating new untested targets for drill testing on our major project areas in the Paterson Range and the West Arunta Region of Western Australia, and ensuring all necessary clearances and statutory approvals are in place so we can hit the ground running in FY2024.

Our goal as an explorer is to find significant new discoveries, the team has worked hard to maximise our chances of success in FY2024.

The search for the next major gold/copper discovery in the Paterson continues in earnest and gathering pace. The discovery of the phenomenal Havieron gold/copper deposit east of Telfer and deep under sand cover, by Greatland Gold and Newcrest exemplifies the potential of the Telfer area to deliver more mega sized gold/copper deposits through diligent targeting and exploration.

Rincon is the largest holder of granted ground immediately southeast and along trend of Telfer, and southwest of the Havieron. The team has done a fantastic job in generating two highly prospective, very large targets at Mammoth and Recurve that are now ready to drill.

Mammoth, our highest priority target has the potential to be company maker. We already know there is gold in the system here, with an historic hole near Mammoth returning 8m at 3.85 g/t Au from 84m depth. Drilling at Mammoth is set to commence in September with results due towards the end of the year.

Our West Arunta Project is also starting to show significant promise. FY2023 was all about finalising a Native Title access agreement and gaining statutory permitting to allow MD Gary Harvey and his team to finally get boots on the ground and work up drilling targets. Pokali, our most exciting target area, is showing real promise for both IOCG-style copper/gold and carbonatite-related REE mineralisation within the same system.

The West Arunta Region is one of Australia's newest and most exciting exploration frontiers following new carbonatite hosted niobium-REE discoveries by WA1 Resources Ltd and Encounter Resources Limited. The Company believes it has a fantastic opportunity to add another discovery.

On behalf of the Rincon Board and management, I would like to thank all our shareholders, staff and consultants for their continued support, and I am looking forward to an active, successful and engaging year ahead.

David Lenigas
Executive Chairman

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') consisting of Rincon Resources Limited (referred to hereafter as the 'Company', 'Rincon' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

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

Mr David Lenigas – Executive Chairman (*appointed 13 September 2022*)

Mr Gary Harvey – Managing Director

Mr Blair Sergeant – Non-Executive Director

Mr Don Strang – Non-Executive Director (*appointed 18 August 2022*)

Ms Caroline Keats – Non-Executive Director (*resigned 18 August 2022*)

Information on Directors

David Lenigas Executive Chairman Director (*appointed 13 September 2022*)

BSc (Eng)

Mr Lenigas is a mining engineer with a Western Australian First Class Mine Managers Certificate. He has extensive corporate experience at Chairman and Chief Executive Officer level on many of the world's leading stock exchanges overseeing multiple business sectors. Mr Lenigas has held senior financial and management positions in both publicly listed and private enterprises in Australia, United Kingdom, Canada, and Africa.

Mr Lenigas is currently the Executive Director of Odessa Minerals Ltd (ASX: ODE) and Executive Chairman of Riversgold Ltd (ASX: RGL).

Gary Harvey Managing Director

BSc (Applied Geology), MAIG

Mr Harvey is a geologist with over 25 years of experience in the Australian mining industry, most notably in gold and base metal exploration. He has held project, senior and management roles and been a member of successful teams at various stages ranging from grass-roots exploration, near-mine evaluation, through to resource definition and mining on several projects throughout Western Australia. Prior to joining Rincon, Mr Harvey was Exploration Manager for Barra Resources Ltd (now Greenstone Resources Ltd (ASX: GSR)).

Blair Sergeant Non-Executive Director

BBus, PostGradDip (CorpAdmin), MAICD, AGIA, ACIS, ASCPA

Mr Sergeant is an experienced mining executive, having been a former Executive Director of Bowen Coking Coal Ltd & Celsius Resources Limited, former founding Managing Director of Lemur Resources Limited, as well as the former Finance Director of Coal of Africa Limited, growing the company from a sub-\$2m market capitalisation to over \$1.5b at its peak. During his career, Mr Sergeant has also held the position of Managing Director, Non- Executive Director and/or Company Secretary for numerous listed entities across a broad spectrum of industry.

Mr Sergeant graduated from Curtin University, Western Australia with a Bachelor of Business and subsequently, a Post Graduate Diploma in Corporate Administration. He is a Chartered Secretary, member of the Governance Institute of Australia, member of the Australian Institute of Company Directors and an Associate of the Australian Certified Practising Accountants. Blair is currently a Non-Executive Director of Vmoto Limited (ASX: VMT).

Don Strang Non-Executive Director (*appointed 18 August 2022*)

BCom, CA, GradDip (Applied Finance)

Mr Strang is a member of the Australian Institute of Chartered Accountants and has more than 25 years' experience in corporate finance and the mining and resources industry with a focus on oil and gas, and mining exploration & development projects. He has experience in strategic planning, business development, project evaluation & development, project funding, management, finance and operations.

Mr Strang has held senior financial and management positions in both publicly listed and private enterprises in Australia, Europe, and Africa. In addition, Mr Strang is a graduate of the University of Western Australia with a Bachelor of Commerce majoring in Finance and Accounting as well as holding a Graduate Diploma in Applied Finance with a major in Investment Analysis from the Securities Institute of Australia. Mr Strang is currently a Non-executive Director of Gunsynd Plc, a substantial shareholder of the Company.

Caroline Keats Non-Executive Director (*resigned 18 August 2022*)

BBus, LLB (Hons)

Ms Keats is a legally qualified, strategically focused business leader and corporate executive with over 20 years of corporate/commercial experience. She has extensive operational experience working with assets in foreign jurisdictions, particularly Africa.

Ms Keats is currently Managing Director of ASX listed ENRG Elements Limited (ASX: EEL) (previously Kopore Metals Limited (ASX: KMT)).

Joint Company Secretaries

Zane Lewis

Mr Lewis has more than 20 years corporate advisory experience and is a principal and founder of corporate advisory firm SmallCap Corporate, which specialises in corporate advice to public companies and is managing director of Golden Triangle Capital which connects listed entities with a community of professional and sophisticated investors, providing funding for all stages in strategic development.

Mr Lewis is a Fellow of the Governance Institute of Australia and is the Chairman of Odessa Minerals Limited (ASX:ODE) and is a Non-Executive Director of Kairos Minerals Limited (ASX:KAI), Lion Energy Limited (ASX:LIO) and Kingsland Global Limited (ASX:KLO).

Victor Goh

Mr Goh is a Chartered Accountant with over 8 years of experience as an auditor, with a client base primarily consisting of ASX-listed companies. Mr Goh currently works as a corporate advisor at SmallCap Corporate and provides company secretarial, accounting and financial management services for a number of listed and unlisted companies.

Mr Goh holds a Bachelor of Commerce from the University of Western Australia and is a member of Chartered Accountants Australia and New Zealand.

Directorships of Other Listed Companies

Directorships of other listed companies held by Directors currently and in the 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship
David Lenigas	Odessa Minerals Ltd	26 April 2022 - current
	Riversgold Ltd	10 March 2022 - current
Gary Harvey	-	-
Blair Sergeant	Vmoto Limited	4 November 2020 - current
	Celsius Resources Limited	17 March 2021 – 15 December 2021
	Bowen Coking Coal Ltd	28 September 2018 – 20 September 2021
	Ikwezi Limited	17 March 2021 – 26 May 2021
Don Strang	Gunsynd Plc	15 September 2014 - current
	Cadence Minerals Plc	19 September 2013 – current
	Dorimus Plc	3 October 2017 – 23 June 2022
	Afriag Global Plc	1 May 2013 – 31 March 2021
	Primorus Investments Plc	19 September 2012 – 27 October 2020

Principal activities

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

Operating results

The loss, after tax, attributable to the Group for the financial year ended 30 June 2023, amounted to \$1,219,741 (2022: \$1,300,698 loss).

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Directors' Interests in Shares, Options and Performance Rights

At the date of this report, the following represents the shares, options and performance rights holdings of the Directors of the Company:

	Ordinary shares		Performance Rights		Options	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Directors						
David Lenigas ¹	-	1,045,454	-	-	4,000,000	-
Gary Harvey ²	104,799	513,636	1,500,000	2,000,000	-	-
Blair Sergeant ^{3,4}	-	1,658,251	-	1,700,000	-	-
Don Strang ⁵	663,636	-	-	-	-	2,000,000
Total	768,435	3,217,341	1,500,000	3,700,000	4,000,000	2,000,000

1. Appointed 13 September 2022. 1,045,454 fully paid ordinary shares are held by HSBC Custody Nominees (Australia) Limited, an entity of which Mr David Lenigas is a beneficiary.
2. 104,799 fully paid ordinary shares and 1,500,000 performance rights are held by Mr Gary Harvey. 513,636 fully paid ordinary shares and 2,000,000 performance rights are held by Mrs Julia Harvey, spouse of Mr Gary Harvey.
3. 375,547 fully paid ordinary shares and 1,700,000 performance rights are held by Evolution Capital Partners Pty Ltd <Golden Triangle A/C>, an entity related to Mr Blair Sergeant. 1,282,704 fully paid ordinary shares are held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>, an entity related to Mr Blair Sergeant.
4. Appointed Chairman 6 December 2021, resigned as Chairman 13 September 2022 and continued as Non-Executive Director.
5. Appointed 18 August 2022. 2,000,000 unlisted options are held by Nichola Strang, spouse of Mr Don Strang.

REVIEW OF OPERATIONS

Rincon Resources Limited ('Rincon' or the 'Company') is pleased to present its Annual Report to Shareholders for the financial year ended 30 June 2023.

Rincon has a 100% interest in three exploration assets in Western Australia that are highly prospective for gold, copper, and critical rare-earth elements (REE's): these are the South Telfer Project (gold/copper), Laverton Project (gold/REE's), and the Kiwirrkurra Project (IOCG¹-style copper/gold, and REE's).

Each asset has previously been subject to historical exploration which identified prospective mineralised systems and warrant further exploration. The Company aims to create value for its shareholders by methodically and systematically exploring these assets to discover and delineate economic resources.

South Telfer Project

The South Telfer Project consists of 9 granted tenements and three 3 tenement applications that cover an area of 566km² in the Paterson Range Region of Western Australia. The project area encompasses a combined 60km of strike length along two significant mineralised trends referred to as the Telfer-Westin Trend and the Hasties-Grace Trend. Both trends have been under explored, despite being highly prospective for the discovery of new gold-copper deposits.

The Company has multiple prospects and targets including: the existing 'Hasties Main', 'Hasties Southeast', 'Frenchman's' and 'Kurili Hill' prospects (together referred to as the 'Hasties Prospect Area'), the new 'Recurve' target located along the Hasties-Grace Trend, and the new 'Mammoth', 'Brolga' and 'Hawk-Eye' targets located along the Telfer-Westin Trend.

The Company is looking to emulate the success of its neighbours in the region, targeting the discovery of the next Telfer (+32Moz Au²), Havieron (5.5Moz Au³) or Winu (5.9Moz Au⁴) style gold-copper deposit.

Activity Highlights

- *Technical Review of the Hasties Prospect Area.*
- *New targets: Mammoth, Brolga, Hawk-Eye, Recurve and Wilki Range.*
- *New tenement 'Wilki Range' acquired.*
- *Aircore drilling completed to test three target areas along Hasties-Grace Trend.*
- *Statutory approvals received for drilling and disturbance activities for Mammoth, Brolga, Hawk-Eye, Recurve and Kurili Hill target areas.*
- *Exploration Incentive Scheme ('EIS') co-funding grant of up to \$180,000 received for the Mammoth drilling program.*

Technical Review – Hasties Prospecting Area

In May 2022, the Company completed a deep exploratory diamond hole 22STDC002, to test for copper-gold mineralisation within an anticlinal fold-hinge zone at the contact of a dolerite sill intrusion ('Hasties Deeps' target) some 350m below the outcropping Hasties Main Zone.

The 'Hasties Deeps' target area was successfully tested with 22STDC002 passing through a wide zone of altered and brecciated veining within the anticlinal fold-hinge zone above the dolerite sill, then proceeding to pass through and exiting the eastern limb of the sill back into strongly altered hangingwall sediments.

¹ Iron-Oxide Copper Gold (IOCG)

² ASX:NCM, Province Endowment from Newcrest NewGenGold 2021 Presentation

³ ASX:NCM, Annual Mineral Resources and Ore Reserves Statement, 19/08/2022

⁴ ASX:RIO, Rio Tinto reports first Indicated Mineral Resource and 40% increase in contained copper at Winu project, 23/02/2022

Unfortunately, no significant gold or copper mineralisation was encountered; the best gold result ($\text{Au} \geq 0.10\text{g/t Au}$) was **0.25m @ 0.11g/t Au** from 498.15m, intercepted along the eastern limb of the dolerite. Observation of abundant alteration, brecciation, and sulphide mineralisation suggested the hole tested a potential distal alteration zone of the Hasties mineralised system.

The result of the diamond hole prompted the Company to postpone the completion of its Phase 2 drilling program at Hasties in favour of taking a step back and completing a technical review of the Hasties Prospect Area. The technical review, which commenced in August 2022, involved three study areas:

1. A review of the geophysics data with recommendations for further geophysics surveys.
2. A review of the structural and geological model, which involved acquiring new 1:2,500 scale field mapping data.
3. Obtaining a deeper understanding of the lithogeochemical, metal association, and alteration relationships, to gold and copper mineralisation.

The technical review will inform future decision making and underpin a revised exploration strategy. The three study areas of the technical review were completed just prior to the end of the reporting period. Receipt of the final report was pending at the time of this report.

New Targets

The perpetual process of reviews and reinterpretation to develop a pipeline of prospective drilling targets is key to exploration success. Several new targets were delineated primarily using two and three-dimensional geophysical inversion modelling (2D/3D-Inv) of aeromagnetic, airborne gravity, gradient array inverse polarisation (GAIP), and versatile time-domain electro-magnetic (VTEM) geophysics survey data.

Mammoth, Brolga and Hawk-Eye

Mammoth is the largest and most exciting of three new targets (Mammoth, Brolga and Hawk-Eye) delineated over a 15km distance along the highly prospective Telfer-Westin Trend, with Mammoth located about 35km southeast from the world-class Telfer Gold Mine and about 25km southwest of the new Havieron deposit.

The modelling indicates the larger Mammoth target body is shallow, starting at approximately 85m below surface however the smallest and deepest target Hawk-Eye, starts from approximately 310m below surface.

The modelled surface expression of the Mammoth target body is about 1,700m in length, up to 500m in width, and currently extends to a modelled depth of at least 1,100m vertically below surface (see Figure 1).

Mammoth is ranked highly. It is only 700m northeast of the Westin Prospect, where an historic aircore drillhole 'WS08039' intercepted 8m @ 3.85g/t Au from 84m (including 4m @ 6.98g/t Au from 88m). Importantly, on the same aircore drill traverse, historic hole 'WSA08028' intercepted 3m @ 61ppb Au at the end of hole and in weathered mafic intrusive rock, suggesting Mammoth potentially be another Havieron-like intrusive related copper-gold system.

A reverse circulation (RC) drilling program of up to 3,000m has been scheduled to commence at Mammoth and Westin from late August 2023.



Image: Hasties Prospect Area

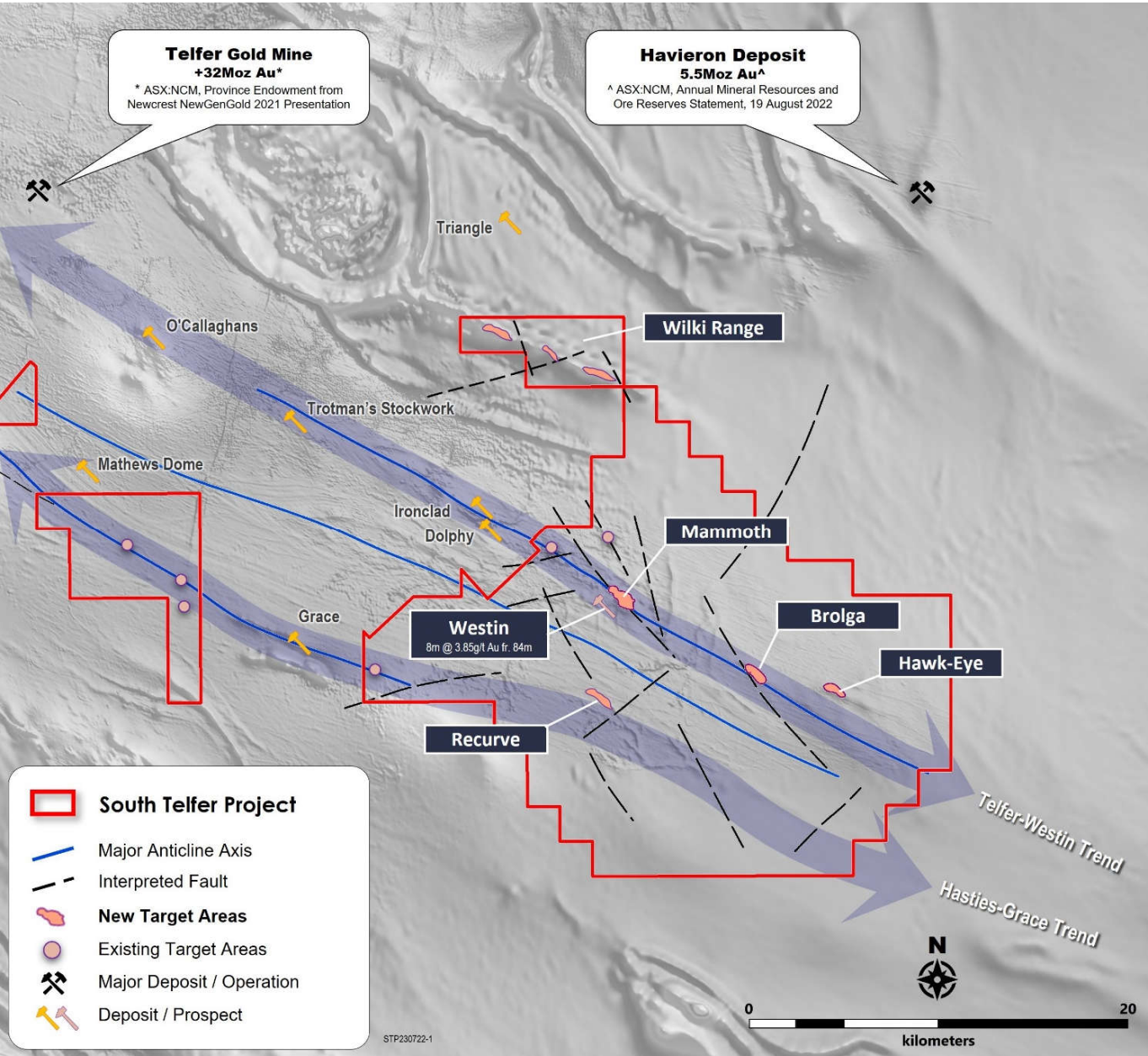


Figure 1 – Overview Map showing new targets delineated during the period.

Recurve

Reinterpretation of existing VTEM and gravity data elevated the Recurve target to a high-priority drilling target. Recurve is located along the highly-prospective Hasties-Grace Trend, southwest of Mammoth (refer to Figure 1).

Encompassing a surface area of approximately 1,700m in length by 350m in width, Recurve is the largest target delineated along the Hasties-Grace Trend and may represent a zone of extensive deep weathering, thought to be the result of oxidised sulphide mineralisation, formed along a prominent flexure in a shear zone.

An inferred felsic intrusive body (based on gravity data modelling) is interpreted to have intruded along the flexure zone giving rise to the development of a mineralised breccia/stockwork system within the shear.

Wilki Range

Preliminary geophysical 3D-Inv modelling delineated three new areas of interest for follow-up investigation at Wilki Range (refer to Figure 1). The new areas of interest are associated with an 8km long magnetic trend within the Wilki Range tenement. As the results are preliminary, further investigation is required to determine if any of these new target areas warrant drill testing.

New Tenement Acquisition – Wilki Range

The Company secured the rights to acquire exploration tenement 45/6163 ('Wilki Range') from CRC Minerals Pty Ltd for cash and script. Wilki Range abuts our existing project tenements (refer to Figure 2) and is strategically located between the world-class Telfer Gold Mine and the Havieron Gold Deposit.

During the period, the Company negotiated and executed a Mineral Exploration and Land Access Agreement with Native Title holders to facilitate the grant of the tenement. The Wilki Range tenement was granted early July 2023 and the Company now awaits Ministerial Consent to the transfer of the tenement to Rinco.

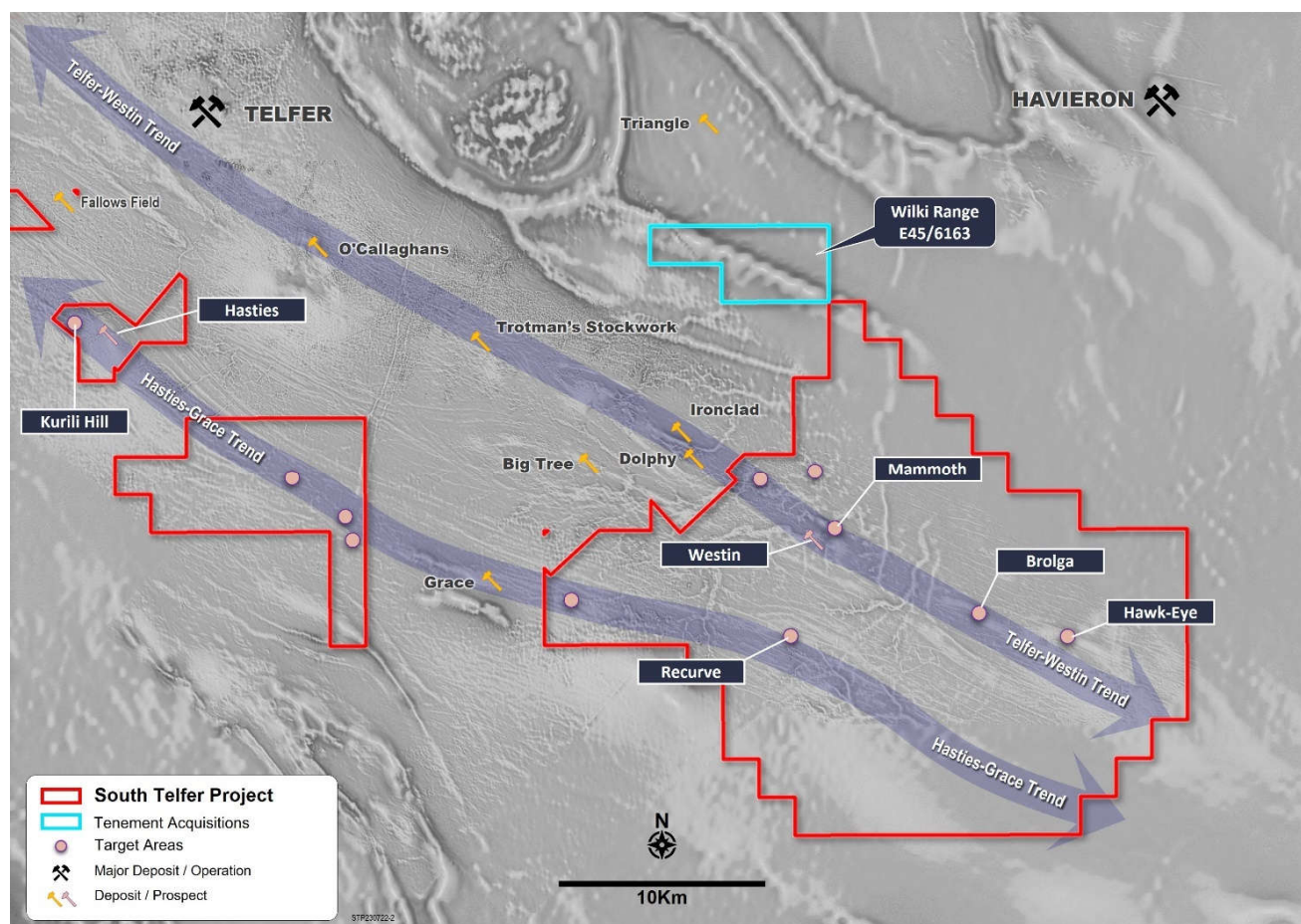


Figure 2 – South Telfer Project showing location of the Wilki Range tenement 'E45/6163' acquisition.

Aircore drilling

A maiden 76-hole 2,412 metre aircore drilling program was completed in December 2022 to test three target areas, 'Julia', 'Matilda' and 'Defender', located along the Hasties-Grace Trend.

The aircore drilling program was a cost-effective first-pass method of testing the target areas for supergene copper-gold mineralisation in the shallow oxide zone, potentially indicating a deep primary source.

Drilling at Julia and Matilda failed to intercept any anomalous mineralisation and no further work is warranted.

At Defender however, aircore hole 22STAC071 intercepted **8m @ 0.11g/t Au from 8m** within a wide zone of 44m @ 0.05g/t Au & 34.5ppm Cu from 4m and was associated with brecciated quartz-veining within a sequence of weakly oxidised siltstones.

Unfortunately, inclement weather brought an end to the drilling program before fully completing testing of the Defender target area. The Company aims to complete the Defender drilling program in conjunction with its planned Recurve drilling program.

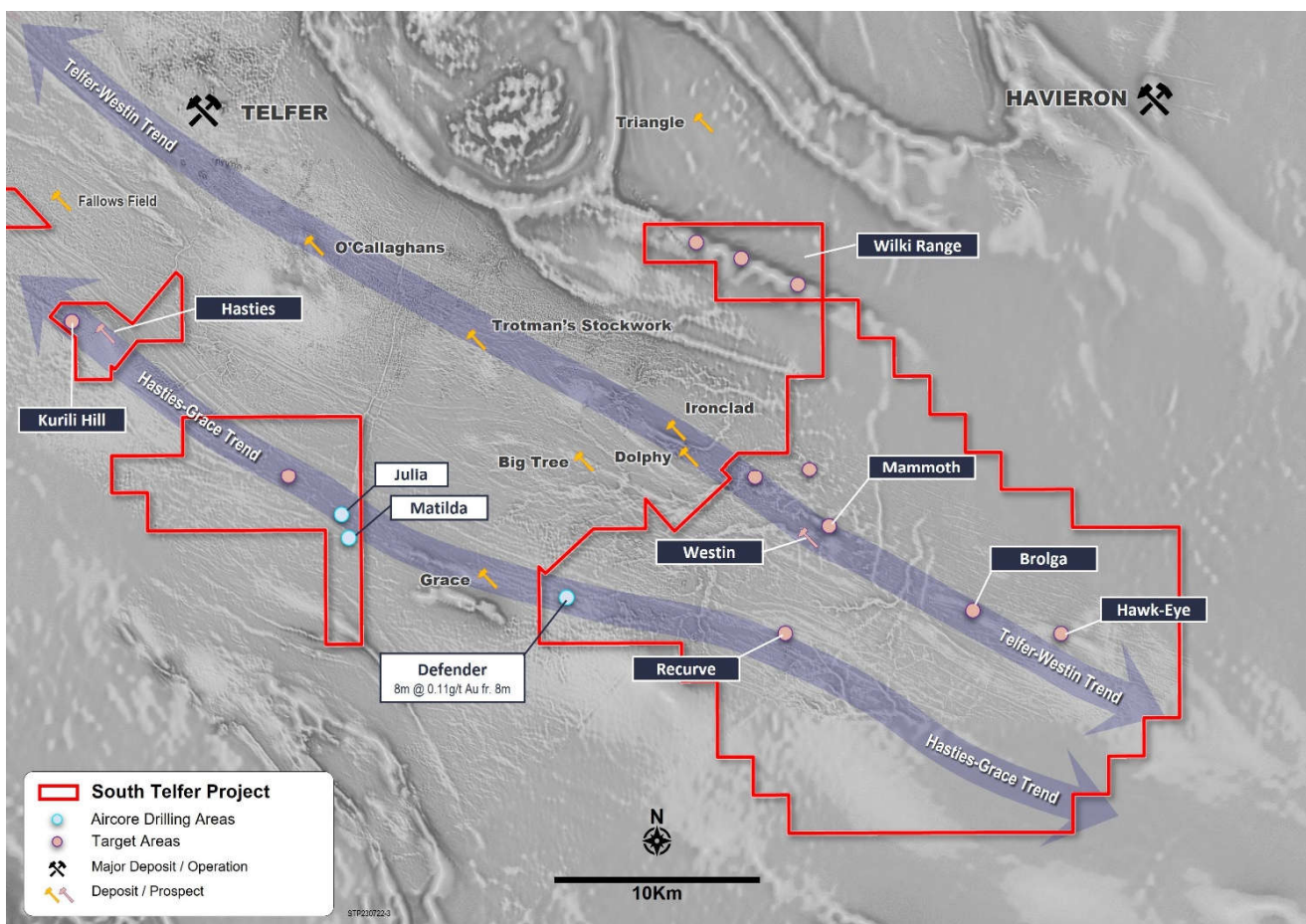


Figure 3 - South Telfer Project showing location of aircore drilling areas.

Statutory Approvals and Heritage Clearance Surveys

The following drill targets areas received statutory (Program of Work) approval from the WA Mines Department (DMIRS) for drilling and disturbance activities during the period.

- Mammoth: disturbance approval for up to 45 RC and 6 Diamond Core (DC) drillholes.
- Brolga: disturbance approval for up to 34 RC and 6 DC drillholes.
- Hawk-Eye: disturbance approval for up to 28 RC and 6 DC drillholes.
- Recurve: disturbance approval for up to 50 RC and 12 DC drillholes.
- Kurili Hill: disturbance approval for up to 50 RC drillholes.

Native title heritage surveys and clearances are still required for all the above target areas before any disturbance and drilling activities can proceed.

The Company's 2023 drilling plans were to encompass up to 6,000m of mixed reverse circulation (RC) and diamond (DC) drilling to test the high-priority Mammoth and Recurve targets. Unforeseen delays to planned heritage surveys had a flow on effect to scheduled site works and drilling activities resulting in no drilling programs commencing prior to July 2023.

The heritage survey for Mammoth however commenced late July and drilling activities are anticipated to commence September 2023; an initial program of up to 3,000m of RC drilling (about 15 holes) is planned to test the Mammoth target area.

The Company is currently liaising with the native title holders to schedule a heritage survey for Recurve before the tropical wet season commences.

Exploration Incentive Scheme (EIS)

The Company was successful under Round 27 of the WA Government's EIS for a co-funding grant of up to \$180,000 towards the RC drilling program at Mammoth. The Company acknowledges the Western Australian government for their continued investment in exploration.

Kiwirrkurra Project

The Kiwirrkurra Project consist of 5 granted tenements and 1 tenement application and covers an area of about 220km² in the exciting frontier West Arunta Region of Western Australia. The project encompasses a 65km trend of highly prospective geology adjacent to the Central Australian Suture (CAS), a major crustal deformation zone, highly favourable for the emplacement of magmatic intrusions, including Carbonatites, that give rise to the development of IOCG, and critical REE mineral deposits.

The West Arunta Region has seen a lot of attention over the past year following the recent discoveries of Carbonatite-related rich niobium-REE deposits by WA1 Resources (ASX: WA1), and more recently another potential Carbonatite-related discovery by Encounter Resources (ASX: ENR).

The Company's own activities have demonstrated the Kiwirrkurra Project has potential for significant IOCG-style copper-gold and Carbonatite-related REE-critical mineral deposits.

Activity Highlights

- *Mapping and rock-chip sampling programs were completed at Pokali.*
- *Airborne electromagnetic survey ('AEM') was completed over E80/5241, 3 Rank-3 AEM anomaly areas were outlined for further investigation.*
- *Statutory approvals received for disturbance activities for pending and future drilling programs Pokali, Passel, K1 and K2 target areas.*
- *Exploration Incentive Scheme ('EIS') co-funding grant of up to \$150,000 for the Pokali diamond drilling program.*

Mapping and Rock-Chip Sampling

The Company received a Ministerial Entry Permit ('MEP') from the Minister of Aboriginal Affairs and a Consent-to-Mine endorsement from the WA Mines Department ('DMIRS') allowing for on-ground exploration activities to proceed within the Ngaanyatjarra Central Australia Reserve.

Site Reconnaissance

The Company's maiden site reconnaissance visit occurred November 2023 following receipt of the MEP and Consent-to-Mine endorsement.

56 rock-chip samples were collected to investigate the potential for REE mineralisation at Pokali as well as to inspect areas of known high-grade copper and gold results delineated from historic rock-chip sampling and drilling.

Significant Au-Cu-Ag results were reported at various locations across the extensive Pokali system; best results included:

- KRWK001 – 5.75g/t Au, 5.71% Cu & 5.25g/t Ag at Pokali East,
- KWRK043 – 2.87g/t Au, 1.2% Cu & 5.07g/t Ag at Pokali South,
- KWRK033 – 0.37% Cu, 0.18g/t Au & 2.06g/t Ag at Pokali South,
- KWRK023 – 0.33% Cu, 0.14g/t Au & 2.28g/t Ag at Pokali South,
- KWRK017 – 11.2g/t Ag, 0.02g/t Au (+817ppm Bi) at Pokali North,
- KWRK020 – 10.65g/t Ag, 0.06g/t Au (+1530ppm Bi) at Pokali North,
- KWRK051 – 7.29g/t Ag, 0.08g/t Au at Jewel,
- KWRK049 – 1.08g/t Ag, 120ppm Bi, at Jewel, and
- KWRK050 – 0.83g/t Ag, 822ppm Bi, 15ppb Pd (peak value) at Jewel.

Subsequent analysis and interpretation of multi-element geochemical data revealed the presence of a large copper–gold dominant mineral system ('Cu-Au system') to the east (Pokali East and South areas) and a second tin–tungsten dominant mineral system ('Sn-W system') in the west (Pokali North and Jewel areas). The two systems are defined by distinct and broad metal zonation signatures commonly observed in many large hydrothermal systems (refer to Figure 4).

While the two mineral systems are spatially discrete in outcrop, they are likely related to the same overall system at depth. The presence of two metal zonation signatures of this nature suggests separate magmatic fluid events have given rise to the fertile hydrothermal fluids at the source of the larger Pokali mineral system.

Key elements in the Cu-Au system metal signature are Au-Cu-Mo-Se⁵ and this style of mineralisation and deposit types include porphyry Cu-Au, IOCG, and other intrusion-related gold systems.

Key elements in the Sn-W system metal signature are Sn-W-As-Sb⁶ and this style of mineralisation includes reduced intrusion-related gold systems and granite-related Sn-W deposits.



Image: Pokali North Prospect Area

⁵ Au (gold), Cu (copper), Mo (molybdenum) and Se (selenium).

⁶ Sn (tin), W (tungsten), As (arsenic) and Sb (antimony).

Mapping

Detailed structural and geological mapping was completed at Pokali in May 2023. Rock-chip sampling to assist in mapping stratigraphy was also completed with 24 samples collected.

The purpose of the mapping and rock-chip is to develop a more advanced understanding of the controls to known mineralisation, and when combined with knowledge of the two mineral systems, will further constrain existing and new targets for drilling.

During the mapping program, 24 additional rock-chip samples were collected and analysed for a comprehensive multi-element suite, including REE's.

While the purpose of the rock-chip sampling was to assist on classifying geology, some samples still return significant copper values, including:

- KRWK075 – 9.23% Cu at Pokali South.

The most significant result from rock-chip sampling was highly anomalous REE mineralisation reported in sample 'KWRK070' that included:

- **0.29% TREO⁷ (2900ppm), and**
- 1.94% Cr; 3,030ppm Zr; 187 ppm Th; 1.81% Ti; 71ppm Sc, 0.30 ppm Au; 0.08 ppm Pt; 0.09 ppm Pd; 158 ppm Bi; 890 ppm W & 265 ppm Sn.

The REE values reported in KWRK070 are highly significant and indicative of Carbonatite rocks and is the first concrete evidence that fertile Carbonatite intrusions are present near Pokali and has broader implications for the Company's Kiwirrkurra Project area.

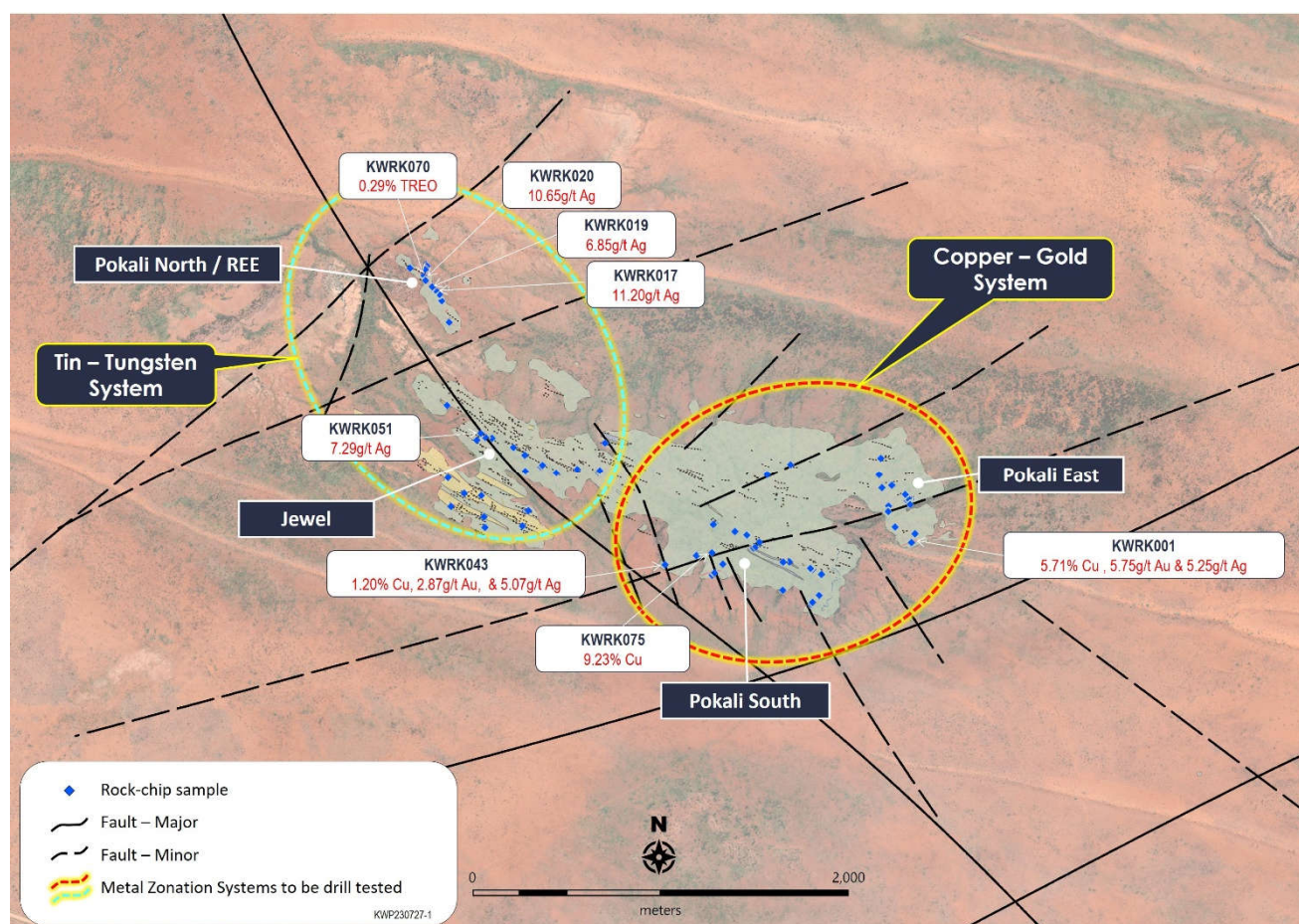


Figure 4 – Map of Pokali area showing the two mineral systems, rock-chip sample locations, significant results, and outcrop mapping.

⁷ 'TREO' is an acronym for Total Rare Earth Oxides, representing a combined group of 16 elements (La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu, Y, & Sc).

Airborne Electromagnetic Survey (AEM)

A high-resolution AEM was flown over the Company's largest tenement E80/5241, which hosts the Pokali Prospect. AEM surveys have shown to be a successful targeting tool in detecting electrically conductive massive sulphide mineralisation in ironstone and gneissic rocks and can also provide for discrete targets for focused drill testing.

A high-level review of the results of the survey was completed with 14 AEM anomaly areas identified and ranked from Rank-1 (high-priority) to Rank-4 (low-priority).

Three Rank-3 AEM anomaly areas ('AEM-1' to 'AEM-3') were found to be semi-coincident with existing priority targets and require follow-up investigation. Of these, anomaly areas AEM-1 and AEM-2 were located at Pokali and semi-coincident with existing priority target areas that were defined by gravity and magnetic anomaly highs, and copper-gold geochemical anomalism.

To the east of Pokali, anomaly area AEM-3 was found to be semi-coincident with another existing high-priority target also defined by gravity and magnetic anomalism. It's uncertain however if AEM-3 is related to electrically conductive sulphide mineralisation, highly conductive graphite, thick conductive cover, or semi-isolated pods of saline groundwater within a buried paleochannel (refer to Figure 5).

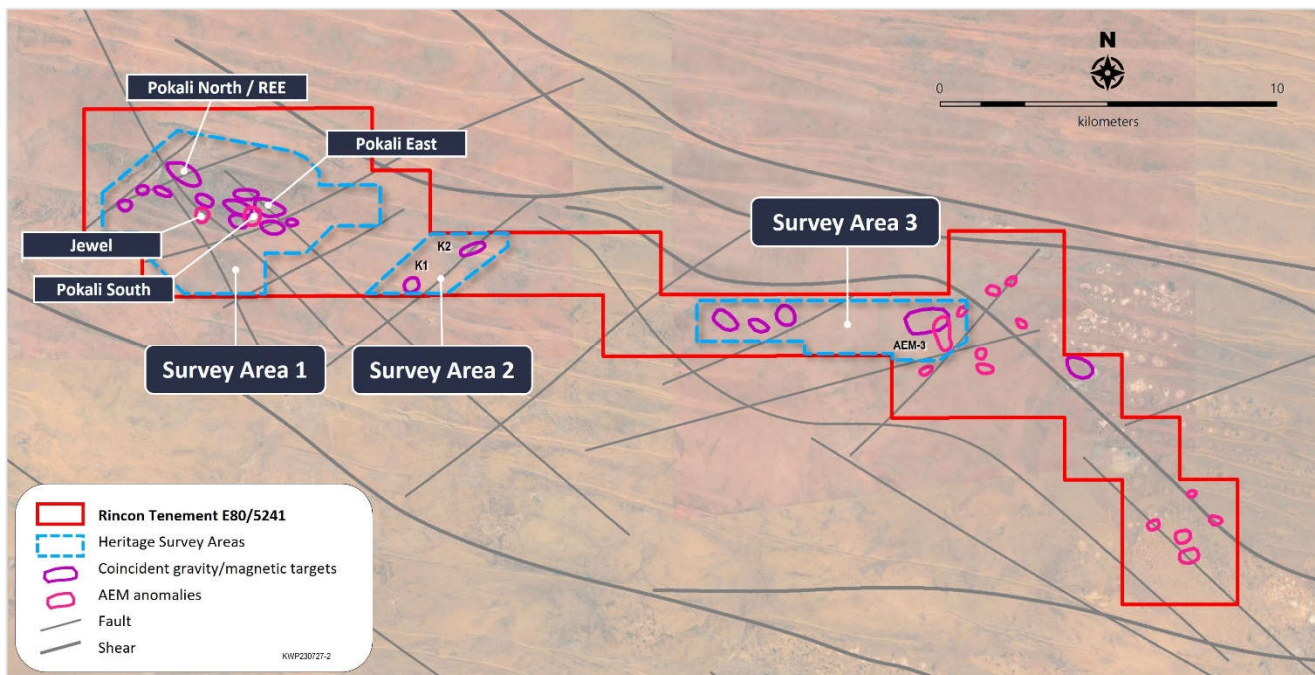


Figure 5 – Map showing anomaly areas AEM-1 to AEM-3, and their coincidence with existing gravity/magnetic anomalies within E80/5241.

New high-resolution ground-based geophysical programs are planned over several targets areas including anomaly area AEM-3, the K1 and K2 target area, and the whole Pokali mineral system area (which includes AEM-1 and AEM-2 anomaly areas).

The purpose of the surveys is to improve the resolution of data within the target areas continue to enhance and refine geology/geophysics models and interpretation, ahead of proposed drilling programs, particularly for the forthcoming diamond drilling program (refer to Figure 5).

The planned geophysics surveys are:

- Survey Area 1: high-resolution ground gravity and passive seismic surveys over AEM anomaly area 'AEM-3',
- Survey Area 2: high-resolution ground gravity over subtle gravity anomalies K1 and K2, just east of Pokali, and

- *Survey Area 3: high-resolution ground gravity and infill dipole-dipole induced polarisation (DDIP) surveys over the Pokali mineral system, including the new REE anomaly area at Pokali North.*

Statutory Approvals and Heritage Clearance Surveys

The Company is aiming to commence a heritage clearance survey in August 2023. The surveys aim to clear the following ahead of on-ground activities:

- *Areas for forthcoming diamond drilling and proposed RC drilling at Pokali,*
- *Geophysics survey over target areas (refer to Figure 6), and*
- *A new access track to gain access to targets areas east of Pokali.*

Exploration Incentive Scheme (EIS)

The Company was successful under Round 26 of the WA Government's EIS for a co-funding grant of up to \$150,000 for 2 diamond (DD) holes to be drilled at the Pokali. The Company acknowledges the Western Australian government for their continued investment in exploration.

The EIS grant under Round 26 comes after the Company withdrew from a previously successful EIS grant due to delays in receiving its MEP and Consent-to-Mine endorsement for E80/5241.

The two deep DD holes at Pokali are designed to test high-priority targets below the known prominent shallow copper mineralisation intersected in historical drilling.

Laverton Project

The Laverton Project consists of 11 granted exploration tenements and 10 tenement applications encompassing about 100km² of acreage within the highly prospective Mt Margaret-Murrin Greenstone belt and the Laverton Tectonic Zone, in Western Australia.

The project is surrounded by major gold mining centers at Granny Smith, Wallaby, Sunrise Dam and the Mt Weld REE Mine, with an abundance of associated mining infrastructure, including power, water, haulage and processing facilities.

Activity Highlights

- *Tenement acquisitions and additional new applications expand project footprint to more than 100km²,*
- *Three exploration tenements E38/3666-3668 granted, and*
- *New target generation and prioritisation process completed.*

Tenement Acquisitions

The Company acquired 6 exploration tenements from private company Mining Equities Pty Ltd and Mr Peter Gianni. The new tenements and are strategically located in the heart of the Laverton Gold District, adjacent and proximal to Rincon's existing tenements.

Consideration for the acquisition of the tenements (E38/3063, E38/3064, E38/3201, E38/3202, E38/3382 and E38/3538) was as follows:

- *Cash Consideration of \$25,000 to Mr Peter Gianni for 100% interest in E38/3382,*
- *\$125,000 worth of Rincon shares issued at \$0.08 per share to Mining Equities Pty Ltd for 100% interest in E38/3063, E38/3064, E38/3201, E38/3202, and E38/3538, and*
- *A 1.0% Net Smelter Return Royalty in favour of Mining Equities Pty Ltd.*

The Company also applied for 5 additional exploration tenements (P38/4571-4575), prospective for potential carbonatite-related REE mineralisation near the Mt Weld REE Mine in Western Australia.

The new applications near Mt Weld have underpinned a dual commodity exploration strategy for the Laverton Project.

Total landholding for Laverton increased from 41km² to 100km² in area.

Grant of Tenements

During the period the Company executed a Mineral Exploration and Land Access Agreement with native title claimants which facilitated the grant of 3 exploration tenements E38/3666, E38/3667 and E38/3668.

New Target Generation and Prioritisation Process

The Company completed a detailed review, target generation and prioritisation process at Laverton following the increase in landholding and the dual commodity exploration strategy. The results of the process will underpin a revised strategy for the discovery of gold and REE deposits.

The Company was awaiting delivery of the final report on this process at the time of this report.

COVID-19 impact

All the Group's staff and contractors, including those on site at the projects in Western Australia are safe. The Group has implemented procedures to ensure all staff and contractors remain safe and healthy during the COVID-19 pandemic, including regular testing, altered rosters and strict quarantining procedures. As at the date of this report, the Group's operations at the Western Australian projects have not been directly affected by COVID-19 restrictions in Australia, however the Group continues to monitor this closely with the health and wellbeing of all staff and contractors' priority.

Corporate Activities

On 3 November 2022, the Company completed a Placement issuing a total of 15,000,000 Fully Paid Ordinary Shares raising \$1,200,000, before costs and issued 2,000,000 options exercisable at \$0.15 on or before 30 September 2025 to Ironside Capital Pty Ltd in accordance with a capital raising mandate and 6,000,000 options exercisable at \$0.15 on or before 30 September 2025 to Directors David Lenigas and Donald Strang.

On 9 January 2023, the Company acquired six (6) new granted exploration licences at its Laverton Gold Project. The Tenements were acquired from private company Mining Equities Pty Ltd and businessman Mr Peter Gianni, and are strategically located in the heart of the Tier 1 Laverton Gold District and lie adjacent to and abut Rincon's existing tenements. The acquisition of the new tenements was an opportunity to strengthen the Company's gold portfolio by increasing its footprint over prospective geology within the Tier 1 Laverton Gold District. Terms of the acquisition is as below:

- Cash Consideration of \$25,000 to Mr Peter Gianni for 100% interest in E38/3382, paid 31 January 2023;
- \$125,000 worth of Rincon shares issuing 1,388,889 fully paid ordinary shares on 16 January 2023; and
- A 1.0% Net Smelter Return Royalty in favour of Mining Equities Pty Ltd.

On 25 July 2023, the Company's Share Purchase Plan, as announced 5 June 2023, closed raising \$217,000 before costs and issuing 3,945,447 fully paid shares.

On 26 July 2023, the Company announced the commence of the Mammoth Heritage Survey at its South Telfer Project.

On 31 August 2023, the company announced it received firm commitments under a placement to raise \$2,600,000. Tranche 1 of the Placement raising \$228,836 before costs and issuing 9,153,441 fully paid shares was completed on 8 September 2023.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Board meetings	
	Attended	Eligible to attend
David Lenigas ¹	2	2
Gary Harvey	2	2
Blair Sergeant	2	2
Don Strang ²	2	2
Caroline Keats ³	-	-

1. Appointed 13 September 2022

2. Appointed 18 August 2022

3. Resigned 18 August 2022

The full Board currently undertakes all nomination, remuneration, audit and risk functions.

Shares

As at the date of this report, there are 80,824,533 fully paid ordinary shares on issue.

Options

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Advisor Options	Advisor Options	Director Options
Number on issue	2,500,000	2,000,000	6,000,000
Grant date	28 February 2022	3 November 2022	28 October 2022
Expiry date	30 March 2025	30 September 2025	30 September 2025
Exercise price	\$0.20	\$0.15	\$0.15
Vested	2,500,000	2,000,000	6,000,000

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

During the year ended 30 June 2023, nil shares were issued upon the exercise of options and 2,500,000 Performance Options exercisable at \$0.20 expiring 30 June 2025 issued to consultant lapsed unvested and unexercised.

Performance Rights

At the date of this report, there are 6,200,000 performance rights on issue which will vest subject to meeting applicable performance criteria.

During the year ended 30 June 2023, nil (2022: 2,100,000) performance rights were cancelled, lapsed or were converted.

Financial Position

The Group had a total issued capital of \$8,295,086 (2022: \$7,149,857) at the end of the reporting period.

During the financial year, the Group had a net increase in contributed equity of \$1,145,229 (2022: nil) as a result of a capital raising during the year.

As at 30 June 2023, the total assets for the Group are \$5,592,421 (2022: \$5,168,853) and total liabilities amount to \$238,301 (2022: \$190,955).

Significant changes in the state of affairs

The Company secured the rights to acquire exploration tenement E45/6163 ('Wilki Range') from CRC Minerals Pty Ltd for cash and script. Wilki Range abuts our existing South Telfer Project tenements. Consideration for the acquisition of the tenement was as follows:

- Cash Consideration of \$10,000 to CRC Minerals Pty Ltd,
- \$100,000 worth of Rincon shares upon the receipt of 100% legal and beneficial interest in the Tenement, and
- Royalty equal to 0.5% of the net smelter return on all minerals recovered.

The Company acquired 6 exploration tenements from private company Mining Equities Pty Ltd and Mr Peter Gianni. The new tenements are strategically located in the heart of the Laverton Gold District, adjacent and proximal to Rincon's existing tenements.

Consideration for the acquisition of the tenements (E38/3063, E38/3064, E38/3201, E38/3202, E38/3382 and E38/3538) was as follows:

- Cash Consideration of \$25,000 to Mr Peter Gianni for 100% interest in E38/3382,
- \$125,000 worth of Rincon shares issued at \$0.08 per share to Mining Equities Pty Ltd for 100% interest in E38/3063, E38/3064, E38/3201, E38/3202, and E38/3538, and
- A 1.0% Net Smelter Return Royalty in favour of Mining Equities Pty Ltd.

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

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the Key Management Personnel of the Company for the financial year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

The remuneration report details the remuneration arrangements for Key Management Personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and includes the executives in the Group.

Key Management Personnel

The following are classified as Key Management Personnel:

Directors

Mr David Lenigas – Executive Chairman (*appointed 13 September 2022*)

Mr Gary Harvey – Managing Director

Mr Blair Sergeant – Non-Executive Director

Mr Don Strang – Non-Executive Director (*appointed 18 August 2022*)

Ms Caroline Keats – Non-Executive Director (*resigned 18 August 2022*)

There are no other Key Management Personnel.

REMUNERATION REPORT (AUDITED) (continued)

The Remuneration Report is set out under the following main headings:

- a) Principles used to determine the nature and amount of remuneration;
- b) Details of remuneration;
- c) Service agreements;
- d) Equity-based remuneration;
- e) Equity instruments issued on exercise of remuneration options;
- f) Loans to/from Key Management Personnel; and
- g) Other transactions with Key Management Personnel.

a) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. The remuneration framework is designed to align executive reward to shareholders' interests. The Board considers that it should seek to enhance shareholders' interests by:

- implementing coherent remuneration policies and practices to attract, motivate and retain executives and directors who will create value for shareholders and who are appropriately skilled and diverse;
- observing those remuneration policies and practices;
- fairly and responsibly rewards executives having regard to Group and individual performance; the performance of the executives and the general external pay environment; and
- integrating human capital and organisational issues into its overall business strategy.

Additionally, the remuneration framework must refer to the following principles when developing recommendations to the Board regarding executive remuneration:

- motivating management to pursue the Group's long-term growth and success;
- demonstrating a clear relationship between the Group's overall performance and the performance of individuals; and
- complying with all relevant legal and regulatory provisions.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

The Board encourages directors to hold shares in the Company. The Company has a Share Trading Policy which directors and employees are required to comply with. During the year, Mr Blair Sergeant increased his shareholdings to 1,112,797 and Mr Gary Harvey increased his shareholdings to 254,799 via on-market transactions at arm's length. On 4 November 2022, the Company issued a total of 6,000,000 unlisted options exercisable \$0.15 on or before 30 September 2025 to Mr David Lenigas and Mr Don Strang as incentive and motivate the performance of the Directors.

REMUNERATION REPORT (AUDITED) (continued)

No other shares or options were acquired by key management personnel during the year other than as part of remuneration.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

All performance rights have been valued in accordance with AASB 2, which takes into account factors such as the underlying share price, the expected vesting date and vesting probability in achieving the specified vesting hurdles at the reporting date.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which may have both fixed and variable components. In respect of executive remuneration, remuneration packages should include an appropriate balance of fixed and performance-based remuneration and may contain any or all of the following:

Fixed remuneration

Any fixed remuneration component should:

- be reasonable and fair;
- take into account the Group's legal and industrial obligations and labour market condition;
- be relative to the scale of the Group's business; and
- reflect core performance requirements and expectations.

Performance-based remuneration

Any performance-based remuneration should:

- take into account individual and corporate performance; and
- be linked to clearly-specified performance targets, which should be
- aligned to the Group's short and long-term performance objectives; and
- appropriate to its circumstances, goals and risk appetite.

Equity-based remuneration

Equity-based remuneration can include options or performance rights or shares and is especially effective when linked to hurdles that are aligned to the Group's longer-term performance objectives. However, they should be designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks. The Board is of the opinion that the adoption of performance-based compensation for executives is necessary to reward executives consistent with increases in shareholder returns.

Termination payments

Termination payments should be agreed in advance, and any agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

Non-Executive Director's Remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

In respect of Non-Executive Director remuneration, remuneration packages could contain cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity) and may contain any or all of the following:

- fixed remuneration – this should reflect the time commitment and responsibilities of the role
- performance-based remuneration – non-executive directors generally should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their independence

REMUNERATION REPORT (AUDITED) (continued)

- equity-based remuneration – non-executive directors can receive an initial allocation of fully-paid ordinary securities if shareholders have approved such an allocation in accordance with the ASX Listing Rules. However, non-executive directors generally should not receive performance shares as part of their remuneration as it may lead to bias in their decision-making and compromise their independence; and
- termination payments – non-executive directors should not be provided with retirement benefit other than superannuation.

ASX Listing Rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum aggregate remuneration payable to Non-Executive Directors currently stands at \$500,000 per annum.

Use of Remuneration Consultants

During the financial year ended 30 June 2023, there is no use of remuneration consultants by the Group.

b) Details of Remuneration

Remuneration of Key Management Personnel is set out below.

Directors	Year	Short-term employee benefits	Post-employment benefits	Share-based payments		Total	Performance based % of remuneration
		Cash salary and fees	Superannuation	Options	Performance Rights		
Executive Chairman							
David Lenigas ¹	2023	96,000	-	184,399	-	280,399	65.76%
	2022	-	-	-	-	-	-
Managing Director							
Gary Harvey	2023	274,808	28,855	-	63,407	367,070	17.27%
	2022	269,947	25,000	-	26,196	322,133	8.44%
Non-Executive Director							
Blair Sergeant	2023	45,000	-	-	34,394	79,394	43.32%
	2022	45,000	-	-	10,184	55,184	18.45%
Non-Executive Director							
Don Strang ²	2023	35,360	3,713	92,200	-	131,273	70.24%
	2022	-	-	-	-	-	-
Non-Executive Director							
Caroline Keats ³	2023	5,927	-	-	23,953	29,880	80.16%
	2022	25,705	-	-	218	25,923	0.84%
Total	2023	457,095	32,568	276,599	121,754	888,016	
	2022	340,652	25,000	-	37,589	403,241	

1. Appointed 13 September 2022

2. Appointed 18 August 2022

3. Resigned 18 August 2022

Performance income as a proportion of total income

Performance income as a proportion of total income for Key Management Personnel is disclosed in this Remuneration Report. The performance related component resulted from the vesting period value ascribed to performance rights issued during the year.

REMUNERATION REPORT (AUDITED) (continued)

Additional information

The loss of the Group for the three years to 30 June 2023 are summarised below:

	2023	2022	2021*
	\$	\$	\$
Sales revenue	-	-	-
EBITDA	(1,155,567)	(1,261,702)	(1,261,702)
EBIT	(1,212,329)	(1,297,655)	(1,297,655)
Loss before tax	(1,219,742)	(1,300,698)	(1,300,698)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2023	2022	2021*
	\$	\$	\$
Share price at financial year end	0.047	0.10	0.26
Total dividends declared (cents per share)	-	-	-
Basic loss per share (cents per share)	(1.92)	(2.53)	(2.23)

* On 20 December 2020 the Company commenced trading on the Australian Securities Exchange.

Equity holdings

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the Company would have adopted if dealing at arms' length. The relevant interests of each director in share capital at the date of this report are as follows:

Fully Paid ordinary Shares

Movement in shareholdings of key management personnel

	Opening balance 1 July 2022	Granted as Remuneration	Other*	Balance on Appointment/ Resignation	Balance at 30 June 2023
Directors					
David Lenigas ¹	-	-	-	500,000	500,000
Gary Harvey ²	75,000	-	179,799	-	254,799
Blair Sergeant ³	762,797	-	350,000	-	1,112,797
Don Strang ⁴	-	-	-	300,000	300,000
Caroline Keats ⁵	41,666	-	-	(41,666)	-
Total	879,463	-	529,799	758,334	2,167,596

*On-market transactions at arm's length.

1. Appointed 13 September 2022.
2. 104,799 fully paid ordinary shares are held by Mr Gary Harvey. 150,000 fully paid ordinary shares are held by Mrs Julia Harvey, spouse of Mr Gary Harvey.
3. 375,547 fully paid ordinary shares are held by Evolution Capital Partners Pty Ltd <Golden Triangle A/C>, an entity related to Mr Blair Sergeant. 737,250 fully paid ordinary shares are held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>, an entity related to Mr Blair Sergeant.
4. Appointed 18 August 2022
5. Resigned 18 August 2022

REMUNERATION REPORT (AUDITED) (continued)

Performance Rights

Movement in Performance Rights of key management personnel

	Opening Balance 1 July 2022	Granted	Cancelled/ lapsed	Converted	At appointment/ resignation	Balance at 30 June 2023	Total vested at 30 June 2023
Directors							
David Lenigas	-	-	-	-	-	-	-
Gary Harvey ⁶	3,500,000	-	-	-	-	3,500,000	-
Blair Sergeant ⁷	1,700,000	-	-	-	-	1,700,000	-
Don Strang	-	-	-	-	-	-	-
Caroline Keats	1,000,000	-	-	-	(1,000,000)	-	-
Total	6,200,000	-	-	-	(1,000,000)	5,200,000	-

- 1,500,000 performance rights are held by Mr Gary Harvey. 2,000,000 performance rights are held by Mrs Julia Harvey, spouse of Mr Gary Harvey.
- 1,700,000 performance rights are held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>, an entity related to Mr Blair Sergeant.

Options

Movement in Options of key management personnel

	Opening Balance 1 July 2022	Granted	Cancelled/ lapsed	Converted	Balance at 30 June 2023	Total Exercisable at 30 June 2023
Directors						
David Lenigas	-	4,000,000	-	-	4,000,000	4,000,000
Gary Harvey	-	-	-	-	-	-
Blair Sergeant	-	-	-	-	-	-
Don Strang ⁸	-	2,000,000	-	-	2,000,000	2,000,000
Caroline Keats	-	-	-	-	-	-
Total	-	6,000,000	-	-	6,000,000	6,000,000

- 2,000,000 unlisted options are held by Nichola Strang, spouse of Mr Don Strang.

c) Service agreements

Key Management Personnel employment terms are formalised in a service agreement, a summary of which is set out below.

Name	Base Salary/Fees	Terms of Agreement	Termination Notice Period
Mr David Lenigas (Executive Chairman) (appointed 13 September 2022)	\$120,000 per annum including superannuation	Until terminated	3 months written notice
Mr Gary Harvey (Managing Director)	\$250,000 per annum plus superannuation	Until terminated	3 months written notice

Non-Executive Directors

All non-executive Directors were appointed by a letter of appointment. Directors can retire in writing as set out in the Constitution.

REMUNERATION REPORT (AUDITED) (continued)

a) Equity-based remuneration

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options. Equity-based remuneration is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Director Options

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

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

	Director Options
Number on issue	6,000,000
Grant date	28 October 2022
Issue date	3 November 2022
Expiry date	30 September 2025
Exercise price	\$0.15
Risk-free interest rate	3.28%
Share price at grant date	\$0.10
Expected volatility	100%
Dividend yield	-
Vesting period	-
Number vested as at 31 December 2022	6,000,000
Number exercisable as at 31 December 2022	6,000,000
Fair value per option	\$0.0461
Amount recognised as share based payment	\$276,599

There were no other equity-based remuneration issued to key management personnel during the year.

d) Equity instruments issued on exercise of remuneration options

No remuneration options were issued or exercised during the financial year.

e) Loans to/from Key Management Personnel

There were no loans with key management personnel of the Company during the financial year.

f) Other transactions with key management personnel

There were no transactions with key management personnel of the Company during the financial year.

END OF REMUNERATION REPORT

Diversity

The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice and is committed to managing diversity as a means of enhancing the Company's performance. As at 30 June 2023, the contract CFO is female.

The Company, as set out in the Diversity Policy, (accessible from the Company's website) will focus on participation of women on its Board and within senior management and intends to set measurable objectives for achieving gender diversity which will be adhered to once the size and scale of the Company increases sufficiently to permit further additions to the Board or senior management.

Matters subsequent to the end of the financial year

On 3 July 2023, the Company announced it had confirmed Carbonatite-related REE mineralisation at its Kiwirrkurra Project.

On 25 July 2023, the Company's Share Purchase Plan, as announced 5 June 2023, closed raising \$217,000 before costs and issuing 3,945,447 fully paid shares.

On 26 July 2023, the Company announced the commencement of the Mammoth Heritage Survey at its South Telfer Project.

On 16 August 2023, the Company announced that the West Arunta Heritage Survey was set to commence at its Kiwirrkurra Project.

On 4 September, the Company announced the Heritage clearance was received for Mammoth and drilling was set to commence.

On 31 August 2023, the company announced it received firm commitments under a placement to raise \$2,600,000. Tranche 1 of the Placement raising \$228,836 before costs and issuing 9,153,441 fully paid shares was completed on 8 September 2023.

Other than as discussed above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Future developments, prospects and business strategies

The consolidated entity intends to continue with the advancement of exploration at its current projects located in Western Australia.

Environmental regulation

The consolidated entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors of the consolidated entity are not aware of any breach of environmental regulations for the period under review.

Indemnifying officers or auditor

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Group has a Directors and Officers insurance policy in place.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 23 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Auditor's independence declaration

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Gary Harvey
Managing Director
12 September 2023



RSM Australia Partners

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

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rincon Resources Limited for the year ended 30 June 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 12 September 2023

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RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated	
		Year ended 30 June 2023	Year ended 30 June 2022
		\$	\$
Interest income		8,887	403
Other income		17,310	62,100
Administration expenses		(102,146)	(199,449)
Consultancy expenses	11	(57,602)	(467,805)
Corporate and compliance expenses		(157,851)	(157,981)
Exploration expenses		(6,925)	-
Employee related expenses		(429,785)	(439,268)
Legal expenses		(30,255)	(22,360)
Depreciation and amortisation		(56,762)	(35,953)
Equity based payments	11	(398,353)	(36,939)
Interest and finance		(6,259)	(3,446)
Loss before income tax		(1,219,741)	(1,300,698)
Income tax expense		-	-
Loss after tax		(1,219,741)	(1,300,698)
Total comprehensive loss for the year		(1,219,741)	(1,300,698)
Basic and diluted loss per share (cents per share)	12	(1.9)	(2.5)

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

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Consolidated	
	Note	As at 30 June 2023 \$	As at 30 June 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	227,904	1,149,397
Other receivables	5	50,964	144,368
Other assets		18,086	-
TOTAL CURRENT ASSETS		296,954	1,293,765
NON-CURRENT ASSETS			
Exploration and evaluation	6	5,191,405	3,733,101
Plant and equipment	7	44,384	61,198
Other assets		-	18,086
Right-of-use asset	24	59,677	62,703
TOTAL NON-CURRENT ASSETS		5,295,466	3,875,088
TOTAL ASSETS		5,592,420	5,168,853
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8a	127,850	102,315
Provisions	8b	47,703	30,570
Lease liability	8c	39,174	42,367
TOTAL CURRENT LIABILITIES		214,727	175,252
NON-CURRENT LIABILITIES			
Lease liability	8c	23,574	23,710
TOTAL NON-CURRENT LIABILITIES		23,574	23,710
TOTAL LIABILITIES		238,301	198,962
NET ASSETS		5,354,119	4,969,891
EQUITY			
Issued capital	9a	8,308,974	7,149,857
Reserves	10	689,206	244,354
Accumulated losses		(3,644,061)	(2,424,320)
TOTAL EQUITY		5,354,119	4,969,891

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

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Reserves	Accumulated Losses	Total Equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2022	7,149,857	244,354	(2,424,320)	4,969,891
Loss for the year	-	-	(1,219,741)	(1,219,741)
Total comprehensive loss for the year	-	-	(1,219,741)	(1,219,741)
Share issue via Placement	1,200,000	-	-	1,200,000
Share based payment (Note 11)	159,722	-	-	159,722
Performance rights vesting expense for the year (Note 11)	-	121,754	-	121,754
Net Options issued (Note 11)	-	193,698	-	193,698
Cost of share issues	(200,605)	129,400	-	(71,205)
Balance at 30 June 2023	8,308,974	689,206	(3,644,061)	5,354,119
Balance at 1 July 2021	7,149,857	1,521	(1,123,622)	6,027,756
Loss for the year	-	-	(1,300,698)	(1,300,698)
Total comprehensive loss for the year	-	-	(1,300,698)	(1,300,698)
Performance rights vesting expense for the year (Note 11)	-	36,939	-	36,939
Options issued as consultant fee (Note 11)	-	205,894	-	205,894
Balance at 30 June 2022	7,149,857	244,354	(2,424,320)	4,969,891

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

RINCON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

Consolidated			
	Note	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Cash flows from operating activities			
Interest income		8,887	403
Other income		77,310	2,100
Payments to suppliers and employees (inclusive of GST)		(835,220)	(1,099,887)
Net cash flows used in operating activities	21	(749,023)	(1,097,384)
Cash flows from investing activities			
Purchase of plant and equipment		(772)	(42,925)
Payments for exploration and evaluation		(1,257,732)	(2,107,420)
Payment of security deposits and bank Guarantees for lease		-	(18,086)
Net cash flows used in investing activities		(1,258,504)	(2,168,431)
Cash flows from financing activities			
Capital raising		1,200,000	-
Capital raising costs		(71,204)	-
Repayment of lease liabilities		(42,762)	(14,250)
Net cash flows provided by /(used in) financing activities		1,086,034	(14,250)
Net (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		1,149,397	4,429,462
Cash and cash equivalents at end of year	4	227,904	1,149,397

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

Note 1. Statement of significant accounting policies

This financial report includes the financial statements and notes of Rincon Resources Limited and controlled entities ("consolidated entity" or the "Group"). The separate financial statements and notes of Rincon Resources Limited as an individual parent entity ("Company") have not been presented within this financial report as permitted by the Corporations Act 2001.

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Company is an ASX listed public company, incorporated in Australia and operating in Australia.

The Group's principal activities are mineral exploration.

The financial report is presented in Australian dollars.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Statement of Compliance

The financial report was authorised for issue on 12 September 2023.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Going Concern

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

Note 1. Statement of significant accounting policies (continued)

As disclosed in the financial statements, the Group incurred a loss of \$1,219,741 and had net cash outflows from operating activities and investing activities of \$749,023 and \$1,258,504 respectively for the year ended 30 June 2023.

The Group has not generated significant revenues from operations and the directors have prepared cash flow forecasts which indicate that the current cash resources will not be sufficient to fund planned exploration expenditure, other principal activities and working capital requirements without the raising of additional capital.

Subsequent to 30 June 2023, the Company completed a Share Purchase Plan raising \$217,000 before costs. Furthermore, on 31 August 2023 the Company announced it had received firm commitments under a placement to raise \$2,600,000. As at the date of this report, the Company has completed the Tranche 1 of the placement totaling \$228,836 before costs. The Tranche 2 Placement comprising \$2,371,164 is expected following shareholder approval at a General Meeting expected to be held in October 2023.

Based on the Group's cash flow forecasts and completion of the funding referred to above, the directors are confident that the Group will be able to continue as a going concern. The directors are also confident they are able to manage discretionary spending to ensure that cash is available to meet debts as and when they fall due..

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 ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rincon Resources Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Rincon Resources Limited and its subsidiaries together are referred to in these financial statements as the "consolidated entity" or "Group".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 1. Statement of significant accounting policies (continued)

Principles of consolidation (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Note 2. Significant accounting estimates and judgements

Exploration and evaluation expenditure:

The Directors have conducted a review of the Group's capitalised exploration expenditure to determine the existence of any indicators of impairment. Based upon this review, the Directors have determined that no impairment exists.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model.

The fair value is expensed over the vesting period.

Consolidated

30 June 2023
\$

30 June 2022
\$

Note 3. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

<i>Depreciation</i>		
Leasehold improvements	1,978	379
Plant and equipment	15,608	19,043
Buildings right-of-use assets	39,176	16,531
Total depreciation	56,762	35,953
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	1,473	1,094
<i>Leases</i>		
Variable lease payments	40,952	10,354
<i>Superannuation expense</i>		
Defined contribution superannuation expense	40,613	41,856
<i>Share-based payments expense</i>		
Director options	276,600	-
Performance rights vesting expense	121,753	36,939
Performance options vesting expense	(82,901)	205,894

Consolidated

30 June 2023
\$

30 June 2022
\$

Note 4. Cash and cash equivalents

Cash at bank	227,904	1,149,397
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Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash at bank earns interest at floating rates based on daily bank deposit rates.

Consolidated

Note 5. Other receivables

	30 June 2023	30 June 2022
	\$	\$
GST receivable	31,434	52,749
Prepayment	19,530	25,619
Other receivables	-	66,000
	<u>50,964</u>	<u>144,368</u>

Other receivables and GST receivable are due to be received by 30 June 2023. This receivable is not past due nor impaired.

Consolidated

Note 6. Exploration and evaluation

	30 June 2023	30 June 2022
	\$	\$
Costs carried forward in respect of areas of interests:	<u>5,191,405</u>	<u>3,733,101</u>
<i>Movement during the year</i>		
Opening balance:	3,733,101	1,625,681
Payment for Wilki Tenement – E45/6163	10,000	-
Payment for Laverton Tenements	184,722	-
Exploration expenditure	<u>1,263,582</u>	<u>2,107,420</u>
	<u>5,191,405</u>	<u>3,733,101</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (ii) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Note 6. Exploration and evaluation (continued)

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, assaying, sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset for the cash generating units) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to a mine development asset.

Note 7. Plant and Equipment

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<i>Plant and equipment</i>		
At cost	34,621	33,849
Accumulated depreciation	(12,750)	(6,562)
Total Plant and equipment	<u>21,871</u>	<u>27,287</u>
<i>Computer equipment</i>		
At cost	16,399	16,399
Accumulated depreciation	(8,712)	(4,940)
Total Office equipment	<u>7,687</u>	<u>11,459</u>
<i>Software</i>		
At cost	25,630	25,630
Accumulated depreciation	(14,117)	(8,469)
Total Software	<u>11,513</u>	<u>17,161</u>
<i>Leasehold improvements</i>		
At cost	5,670	5,670
Accumulated depreciation	(2,357)	(379)
Total Leasehold improvements	<u>3,313</u>	<u>5,291</u>

Note 7. Plant and Equipment (continued)

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<i>Movements in plant and equipment</i>		
Beginning of year	27,287	25,948
Additions	772	7,453
Depreciation	(6,188)	(6,114)
Balance at end of year	<u>21,871</u>	<u>27,287</u>
<i>Movements in computer equipment</i>		
Beginning of year	11,459	9,803
Additions	-	6,167
Depreciation	(3,772)	(4,511)
Balance at end of year	<u>7,687</u>	<u>11,459</u>
<i>Movements in software</i>		
Beginning of year	17,161	25,579
Additions	-	-
Depreciation	(5,648)	(8,418)
Balance at end of year	<u>11,513</u>	<u>17,161</u>
<i>Movements in leasehold improvement</i>		
Beginning of year	5,291	-
Additions	-	5,670
Amortisation	(1,978)	(379)
Balance at end of year	<u>3,313</u>	<u>5,291</u>
Total Plant and equipment	<u>44,384</u>	<u>61,198</u>

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated over the estimated useful life of the assets as follows:

- Plant and equipment – 5 years (diminishing value)
- Computer equipment – 3 years (diminishing value)
- Software – 3 years (diminishing value)
- Leasehold improvements – 2.6 years (diminishing value)

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount with the impairment loss recognised in profit or loss.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 7. Plant and Equipment (continued)

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Note 8. Current and Non-Current Liabilities

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
<i>a) Trade and other payables</i>		
Trade payables	94,650	46,846
Accruals	33,200	55,469
	<u>127,850</u>	<u>102,315</u>
Trade payables are non-interest bearing and are normally settled on 30-day terms.		
<i>b) Provisions</i>		
Employee benefits	47,703	30,570
	<u>47,703</u>	<u>30,570</u>
<i>c) Lease liability</i>		
Current – Lease liability(i)	39,174	42,367
	<u>39,174</u>	<u>42,367</u>
Non-current – Lease liability(i)	23,574	23,710
	<u>23,574</u>	<u>23,710</u>

i. Refer Note 24 for further details.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Note 8. Current Liabilities (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a expense.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the statement of profit or loss and other comprehensive income if the carrying amount of the right-of-use asset is fully written down.

Note 9. Issued capital

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
a. Ordinary shares		
67,725,645 (30 June 2022: 51,336,756) fully paid ordinary shares on issue	8,308,974	7,149,857
	30 June 2022 Number	30 June 2022 \$
Balance at 1 July 2021	51,336,756	7,149,857
Movement in ordinary shares on issue	-	-
At 30 June 2022	51,336,756	7,149,857
	30 June 2023 Number	30 June 2023 \$
Balance at 1 July 2022	51,336,756	7,149,857
Movement in ordinary shares on issue	-	-
Placement T1 – 19 September 2022 @ \$0.08 per share	12,834,188	1,026,735
Placement T2 – 3 November 2022 @ \$0.08 per share	2,165,812	173,265
Shares issued for acquisition of Laverton tenements	1,388,889	159,722
Cost of share issue	-	200,605)
At 30 June 2023	67,725,645	8,308,974

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 10. Reserves

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
Options Reserve (a)	528,992	205,894
Performance Rights Reserve (b)	160,214	38,460
At 30 June 2023	689,206	244,354

(a) Options Reserve	30 June 2022 Number	30 June 2022 \$
Balance at 1 July 2021	-	-
<i>Movement</i>		
Advisor options issued to consultant (Note 11)	2,500,000	122,993
Performance options issued to consultant (Note 11)	2,500,000	82,901
At 30 June 2022	5,000,000	205,894

	30 June 2023 Number	30 June 2023 \$
Balance at 1 July 2022	5,000,000	205,894
<i>Movement</i>		
Lapse of Performance options issued to consultant	(2,500,000)	(82,901)
Advisor options issued to consultant (Note 11)	2,000,000	129,400
Director options (Note 11)	6,000,000	276,599
At 30 June 2023	10,500,000	528,992

(b) Performance Rights Reserve	30 June 2022 Number	30 June 2022 \$
Balance at 1 July 2021	2,800,000	1,521
<i>Movement</i>		
Performance rights on issue, vesting period expense	-	10,442
Performance rights issued to Managing Director (Note 11)	2,000,000	27,478
Performance rights cancelled (Note 11)	(2,100,000)	(1,141)
Performance Rights issued to Directors (Note 11)	3,500,000	160
At 30 June 2022	6,200,000	38,460

Note 10. Reserves (continued)

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

The reserve is used to record the value of equity benefits provided to key management personnel and consultants as part of their remuneration. Refer to Note 10.

Note 11. Equity-based payments

Equity-based payments included in the Statement of Financial Position for the year are as follows:

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
Shares issued as part acquisition of Laverton tenements	159,722	-
Adviser options issued in lieu of capital raising fees	129,400	-

Laverton Tenements

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

Adviser Options

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

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

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
Lapse of Performance options issued to consultant ^{1^}	(82,901)	-
Director Options ^{2*}	276,599	-
Performance rights on issue, vesting period expense ^{3*}	10,441	10,442
Performance rights issued to Managing Director ^{4*}	27,478	27,478
Cancellation of performance rights ^{5*}	-	1,141)
Performance Rights issued to Directors ^{6*}	83,835	160
Options issued as consultant fee ^{1^}	-	205,894
	315,452	242,833

*Total recognised as equity-based payment expense is \$398,353 (2022: \$36,939).

^{1^}Total recognised as equity-based payment expense is (\$82,901) (2022: \$205,894).

Note 11. Equity-based payments (continued)

1. On 30 March 2022, the Company issued 2,500,000 Advisor Options exercisable at \$0.20 per option on or before 30 March 2025, vest and exercisable immediately upon issue. \$122,993 was recognised as consultancy fee for the year ended 30 June 2022.

On 30 June 2022, the Company issued 2,500,000 Performance Options vesting upon the Company raising a total of at least \$2,000,000 of additional capital at a price of more than \$0.20 per Share by 28 August 2022 (Milestone). \$82,901 was recognised as consultancy fee for the year ended 30 June 2022. On 28 August 2022, 2,500,000 Performance Options lapsed unvested and unexercised. Reversal of \$82,901 was recognised as consultancy fee for the year ended 30 June 2023.

2. On 3 November 2022, the Company issued a total of 6,000,000 Director Options to Mr David Lenigas and Mr Don Strang as incentivised remuneration. Options are exercisable at \$0.15 per option on or before 30 September 2025, vest and exercisable immediately upon issue. \$276,599 was recognised as equity-based payment expense for the year ended 30 June 2023.
3. As at 30 June 2023, the Company had on issue 700,000 Class A-D Performance Rights, (30 June 2022: 700,000). The total amount recognised as equity-based payment expense for the year ended 30 June 2023 was \$10,441 (2022: \$10,442).
4. On 23 September 2021, the Company issued 2,000,000 Class A-D Performance Rights to the Company's Managing Director, Mr Gary Harvey, in accordance with his services agreement with the same vesting conditions as the Performance Rights on issue. The total amount recognised as equity-based payment expense for the year ended 30 June 2023 was \$27,478 (2022: \$27,478).
5. On 9 December 2021, the Company announced the cancellation of 2,100,000 Performance Rights issued to Directors in accordance with the vesting conditions of their resignation. The equity-based payment expense of (\$1,141) have been included in the statement of profit or loss and other comprehensive income for the year ended 30 June 2022.
6. On 22 June 2022, the Company granted 3,500,000 Class E-H Performance Rights to the Company's Directors and Managing Director as incentivised remuneration. The total amount recognised as equity-based payment expense for the year ended 30 June 2023 was \$83,835 (2022: \$160).

At 30 June 2023, the Company had on issue 6,200,000 Performance Rights as follows:

Class	No. of Performance Rights	Grant Date	Expiry Date	No. cancelled/lapsed	No. Vested	No. as at 30 June 2023
Class A	650,000	25 June 2021	25 June 2024	(300,000)	-	350,000
Class B	1,300,000	25 June 2021	25 June 2024	(600,000)	-	700,000
Class C	1,550,000	25 June 2021	25 June 2026	(600,000)	-	950,000
Class D	1,300,000	25 June 2021	25 June 2026	(600,000)	-	700,000
Class E	875,000	22 June 2022	22 June 2027	-	-	875,000
Class F	875,000	22 June 2022	22 June 2027	-	-	875,000
Class G	875,000	22 June 2022	22 June 2027	-	-	875,000
Class H	875,000	22 June 2022	22 June 2027	-	-	875,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.21 years (2022: 4.21 years).

Note 11. Equity Based Payments (continued)

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

	Adviser Options	Director Options
Number on issue	2,000,000	6,000,000
Grant date	3 November 2022	28 October 2022
Issue date	3 November 2022	3 November 2022
Expiry date	30 September 2025	30 September 2025
Exercise price	\$0.15	\$0.15
Risk-free interest rate	3.46%	3.28%
Share price at grant date	\$0.13	\$0.10
Expected volatility	100%	100%
Dividend yield	-	-
Vesting period	-	-
Number vested as at 31 December 2022	2,000,000	6,000,000
Number exercisable as at 31 December 2022	2,000,000	6,000,000
Fair value per option	\$0.0647	\$0.0461
Amount recognised as share based payment	\$129,400	\$276,599

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.14 years (2022: 2.75 years).

Equity-settled compensation benefits are provided to Directors, employees and consultants.

Equity-settled transactions are awards of shares or performance rights over shares, that are provided to Directors, employees and consultants in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the performance rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the performance rights, together with any vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Note 11. Equity Based Payments (continued)

If the non-vesting condition is within the control of the consolidated entity or recipient, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or recipient and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

The weighted average share price during the financial year was \$0.16 (2022: \$0.20).

Consolidated

	30 June 2023 \$	30 June 2022 \$
--	--------------------------------	--------------------------------

Note 12. Loss Per Share

Loss used in the calculation of basic and diluted earnings per share	(1,219,741)	(1,300,698)
	Number of Shares	Number of Shares
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted earnings per share:	63,413,726	51,336,756
Basic and diluted loss per share (cents per share)	(1.9)	(2.5)

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 13. Commitments for expenditure

Exploration commitments

The Group's exploration commitments are as follows:

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Not longer than 1 year	114,293	91,654
Longer than 1 but not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>114,293</u>	<u>91,654</u>

Exploration commitments consist of annual rents payable on tenements.

Note 14. Contingent liabilities

On 12 September 2022, in accordance with the acquisition of the Wilki Range tenement E45/6163), South Telfer Project, the Company agrees to pay \$100,000 worth of Rincon Shares upon the receipt of 100% legal and beneficial interest in the Tenement and a 0.5% royalty from gross proceeds from the sale or other disposal of Minerals or Products extracted from the Mining Area to the vendors, CRC Minerals Pty Ltd.

On 9 January 2023, in accordance with the acquisition of additional Laverton Project tenements E38/3063, E38/3064, E38/3201, E38/3202, E38/3382, E38/3538), the Company agrees to pay a 1.0% net smelter return royalty on gold produced from the tenements to the vendor, Mining Equities Pty Ltd.

There are no other contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 15. Interest in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Country of incorporation	Ownership %	
		2023	2022
Lyza Mining Pty Ltd	Australia	100	100
South Telfer Mining Pty Ltd	Australia	100	100
Holdings Tenements Pty Ltd	Australia	100	100

The above subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Note 16. Key Management Personnel Disclosures

Details of key management personnel:

The following persons were key management personnel of Rincon Resources Limited during the financial year:

Mr David Lenigas – Executive Chairman *appointed 13 September 2022)*

Mr Gary Harvey – Managing Director

Mr Blair Sergeant – Non-Executive Director

Mr Don Strang - Non-Executive Director *appointed 18 August 2022)*

Ms Caroline Keats - Non-Executive Director *resigned 18 August 2022)*

The aggregate compensation made to the directors and other key management personnel, or the Group is set out below:

	2023	2022
	\$	\$
Short-term benefits	457,095	340,652
Post-employment benefits	32,568	25,000
Share-based payments	398,353	37,589
	888,016	403,241

Note 17. Related Party Disclosures

Key Management Personnel and transactions with other related parties

Disclosures relating to Key Management Personnel are set out in Note 16 and the Remuneration Report included in the Directors' Report.

a) Transactions with Key Management Personnel and their related parties

There were no transactions with key management personnel of the Company during the financial year.

c) Loans to Key Management Personnel and their related parties

No outstanding loans to Key Management Personnel and their related parties during the year ended 30 June 2023 and 30 June 2022.

Note 18. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are market risk, currency risk and interest rate risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

a) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal.

(b) Currency Rate Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the consolidated entity. The consolidated entity deposits are denominated in Australian dollars. Currently, there are no foreign exchange programs in place. Based upon the above, the impact of reasonably possible changes in foreign exchange rates for the consolidated entity is not material.

c) Interest Rate Risk

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

Note 18. Financial Risk Management Objectives and Policies (continued)

Consolidated	Weighted Average Effective Interest Rate %	Less than 1 month \$	1 to 3 month s \$	3 months to 1 year \$	1 to 5 years \$	Total \$
30 June 2023						
FINANCIAL ASSETS						
Cash and cash equivalents	1.11%	227,904	-	-	-	227,904
Other assets	0.15%	18,086	-	-	-	18,086
		<u>245,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,990</u>
FINANCIAL LIABILITIES						
Trade and other payables		(127,850)	-	-	-	(127,850)
Lease liabilities		(3,265)	(9,795)	(26,120)	(23,574)	(62,748)
NET FINANCIAL ASSETS/(LIABILITIES)		<u>96,789</u>	<u>(9,795)</u>	<u>(26,120)</u>	<u>(23,574)</u>	<u>55,392</u>

Consolidated	Weighted Average Effective Interest Rate %	Less than 1 month \$	1 to 3 month s \$	3 months to 1 year \$	1 to 5 years \$	Total \$
30 June 2022						
FINANCIAL ASSETS						
Cash and cash equivalents	0.09%	1,149,397	-	-	-	1,149,397
Other assets	0.16%	-	-	-	18,086	18,086
		<u>1,149,397</u>	<u>-</u>	<u>-</u>	<u>18,086</u>	<u>1,167,483</u>
FINANCIAL LIABILITIES						
Trade and other payables		(102,315)	-	-	-	(102,315)
Lease liabilities		(3,530)	(10,592)	(28,245)	(23,710)	(66,077)
NET FINANCIAL ASSETS/(LIABILITIES)		<u>1,043,552</u>	<u>(10,592)</u>	<u>(28,245)</u>	<u>(5,624)</u>	<u>999,091</u>

Net fair value of financial assets and liabilities

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

d) Interest Rate Sensitivity Analysis

At 30 June 2023, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would have immaterial effect.

e) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Note 18. Financial Risk Management Objectives and Policies (continued)

The Group operates in the mining exploration sector; it therefore does not supply products and have trade receivables and is not exposed to credit risk in relation to trade receivables. The Group does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

The Group's maximum exposure to credit risk at each balance date in relation to each class of recognised financial assets is the carrying amount, net of any allowance for doubtful debts, of those assets as indicated in the statement of financial position. The maximum credit risk exposure of the Group at 30 June 2023 is nil 2022: nil). There are no impaired receivables at 30 June 2023 2022: Nil).

f) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by monitoring forecast cash flows on a rolling monthly basis and entering into supply contracts which can be cancelled within a short timeframe. The Group does not have any significant liquidity risk as the Group does not have any collateral debts.

g) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements, with the primary sources of project funding to date being raising funds from equity markets. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements to meet progressing exploration and evaluation work, project related costs and corporate overheads. Going forward, operations budget and cashflow forecasts are monitored to ensure sufficient funding to meet expenditure.

The directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

Note 19. Segment Reporting

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

Segment Information

Identification of reportable segments

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

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

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

Types of reportable segments

(i) Exploration and evaluation

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

(ii) Corporate

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Segment assets

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

Segment liabilities

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

Note 19. Segment Reporting (continued)

30 June 2023

Corporate	Exploration and Evaluation	Total
\$	\$	\$

(i) Segment performance

Segment income	8,887	17,310	26,197
Segment results	(1,219,741)	-	(1,219,741)

Included within segment results:

• Interest income	8,887	-	8,887
• Other income	-	17,310	17,310
• Depreciation	(56,762)	-	(56,762)

Segment assets	278,868	5,313,552	5,592,420
Segment liabilities	(177,625)	(60,676)	(238,301)

30 June 2022

Corporate	Exploration and Evaluation	Total
\$	\$	\$

(i) Segment performance

Segment income	2,503	60,000	62,503
Segment results	(1,360,698)	60,000	(1,300,698)

Included within segment results:

• Interest income	403	-	403
• Other income	2,100	60,000	62,100
• Depreciation	(35,953)	-	(35,953)

Segment assets	1,369,752	3,799,101	5,168,853
Segment liabilities	(183,052)	(15,910)	(198,962)

(ii) Revenue by geographical region

There was \$17,310 other income attributable to Department of Mines, Industry Regulation and Safety Co-Funded Exploration Drilling for the year ended 30 June 2023 (2022: 60,000).

(iii) Assets by geographical region

All assets are held in Australia.

Note 20. Income tax

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
a. The components of tax (benefit) comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax benefit reported in Statement of Profit or Loss and Other Comprehensive Income	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2022: 25%)	304,935)	325,175)
Add tax effect of:		
- Other non-allowable items	80,118	61,163
- Revenue losses and other deferred tax balances not recognised	246,318	257,100
- Other deferred tax balances not recognised	21,501)	6,912
	-	-
Less tax effect of:		
- Other non-assessable items	-	-
	-	-
c. Deferred tax recognised at 25% (2022: 25%):		
Deferred tax liabilities:		
- Exploration and evaluation	1,181,487)	870,402)
- Right of use asset	14,838)	15,676)
- Prepayments	4,627)	-
Deferred tax assets:		
- Revenue losses	1,200,952	886,078
Net deferred tax	-	-
d. Unrecognised deferred tax assets at 25% (2022: 25%):		
Revenue losses	1,674,118	541,558
Capital raising costs	72,113	48,702
Provisions and accruals	17,301	11,393
Lease liability	15,687	16,519
	1,779,219	618,172
e. Current tax liabilities		
Provision for tax	-	-
	-	-

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising the benefits.

Note 21. Cash flow information

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
Reconciliation of cash:		
<i>Cash balances</i>	227,904	1,149,397
	227,904	1,149,397

Reconciliation of net loss after tax to the net cash flows from operations:

	30 June 2023 \$	30 June 2022 \$
Net loss	(1,219,741)	(1,300,698)
<i>Non-cash items</i>		
Depreciation	56,762	35,953
Consulting fee paid via option issue	-	205,894
Equity based payments	315,453	36,939
Lease liabilities interest	3,283	1,094
Changes in assets and liabilities:		
Trade and other receivables	93,404	30,654)
Trade and other payables	1,817	45,912)
Net cash flows used in operating activities	(749,022)	(1,097,384)

Non-cash investing and financing activities

There were no other non-cash financing activities during the year ended 30 June 2023 other than detailed below. (2022: nil).

Adviser options issued in lieu of capital raising fees	129,400	-
Shares issued as part acquisition of Laverton tenements	159,722	-
	289,122	-

Note 22. Parent Entity Disclosures

	30 June 2023 \$	30 June 2022 \$
(a) Financial position		
Assets		
Current assets	276,659	1,292,055
Non-current assets	5,317,656	3,876,799
Total Assets	5,594,315	5,168,854
Liabilities		
Current liabilities	214,727	175,253
Non-current liabilities	23,574	23,710
Total Liabilities	238,301	198,963
Equity		
Issued capital	8,295,084	7,149,857
Accumulated losses	(3,642,167)	(2,424,320)
Reserves	689,207	244,354
Total Equity	5,342,124	4,969,891
	30 June 2023 \$	30 June 2022 \$
(b) Financial performance		
Loss for the year	(1,219,090)	(1,190,995)
Other comprehensive income	-	-
Total comprehensive loss	(1,219,090)	(1,190,995)

(c) Contingent liabilities

As at 30 June 2023 (2022: nil), the Company had no contingent liabilities.

(d) Contractual Commitments

As at 30 June 2023 (2022: nil), the Company had no contractual commitments.

(e) Guarantees entered into by parent entity

As at 30 June 2023 (2022: nil), the Company had not entered into any guarantees.

The financial information for the parent entity, Rincon Resources Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 23. Remuneration of auditors

The following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	30 June 2023	30 June 2022
	\$	\$
Audit and review of financial reports	37,500	34,000
	<u>37,500</u>	<u>34,000</u>

Note 24. Right-of-Use-Assets

	Consolidated	
	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Buildings – right-of-use	106,790	79,232
Less: Accumulated depreciation	(47,113)	(16,529)
	<u>59,677</u>	<u>62,703</u>

Movement during the year

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Opening balance	62,703	-
Additions	36,150	79,232
Depreciation expense	(39,176)	(16,529)
	<u>59,677</u>	<u>62,703</u>

The Company leases a building for its office under agreement of one year with the option to extend. On renewal, the terms of the lease are renegotiated. During the year ended 30 June 2023, the Company is expected to extend the year a further year.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 24. Right-of-Use-Assets (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to statement of profit or loss and other comprehensive income as incurred.

Note 25. Events after the reporting date

On 3 July 2023, the Company announced an update to the mineralisation system at its 100% owned Kiwirrkurra Project.

On 25 July 2023, the Company's Share Purchase Plan, as announced 5 June 2023, closed raising \$217,000 before costs and issuing 3,945,447 fully paid shares.

On 26 July 2023, the Company announced the commence of the Mammoth Heritage Survey at its South Telfer Project.

On 16 August 2023, the Company announced that the West Arunta Heritage Survey was set to commence at its Kiwirrkurra Project.

On 4 September, the Company announced the Heritage clearance was received for Mammoth and drilling was set to commence.

On 31 August 2023, the company announced it received firm commitments under a placement to raise \$2,600,000. Tranche 1 of the Placement raising \$228,836 before costs and issuing 9,153,441 fully paid shares was completed on 8 September 2023.

Other than as discussed above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

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

- a. the financial statements, notes and the additional disclosures are in accordance with the Corporations Act 2001 including:
 - I. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
 - II. complying with Australian Accounting Standards including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Board of Directors.



Gary Harvey
Managing Director
12 September 2023

RSM Australia Partners

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

T +61 (0) 8 92619100

F +61 (0) 8 92619111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RINCON RESOURCES LIMITED

Opinion

We have audited the financial report of Rincon Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure Refer to Note 6 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$5,191,405 as at 30 June 2023.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Assessing whether the Group's right to tenure of each relevant area of interest is current; • Agreeing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation, including assessing whether amounts are capitalised in accordance with the Group's accounting policy; • Assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; • Enquiring with management and reading budgets and other supporting documentation to corroborate that active and significant operations in, or relation to, each relevant area of interest will be continued in the future; and • Assessing the disclosures in financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

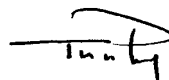
In our opinion, the Remuneration Report of Rincon Resources Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 12 September 2023

HOLDINGS AS AT 7 SEPTEMBER 2023

The distribution of members and their holdings of equity securities in the company as at 7 September 2023 were as follows:

Number of Securities Held	Fully Paid Shares		Options		Performance Rights	
	No. of Holders	Securities	No. of Holders	Securities	No. of Holders	Securities
1-1,000	12	2,426	-	-	-	-
1,001 - 5,000	53	164,265	-	-	-	-
5,001 - 10,000	60	502,431	-	-	-	-
10,001 - 100,000	192	7,959,470	2	100,000	-	-
100,001 and over	97	63,042,500	11	12,900,000	4	6,200,000
Total	414	71,671,092	13	13,000,000	4	6,200,000

Holders of less than a marketable parcel: 161

20 LARGEST SHAREHOLDERS AS AT 7 SEPTEMBER 2023

Position	Holder Name	No of shares	% Holding
1	GUNSYND PLC	11,065,812	15.44%
2	MR STEPHEN JOHN DOBSON	5,323,182	7.43%
3	THE GAS SUPER FUND PTY LTD <THE GAS SUPER FUND A/C>	2,475,000	3.45%
4	STARFIN PTY LTD <MICHAEL SALMON SUPER A/C>	2,300,454	3.21%
5	MR DUNCAN THAIN CRAIB <ERRACHT A/C>	2,170,454	3.03%
6	TANAMERA RESOURCES PTE LTD	2,099,461	2.93%
7	DINGO YACHTS CREATIVE PTY LTD	1,671,362	2.33%
8	MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,650,001	2.30%
9	TANAMERA RESOURCES PTE LTD	1,479,470	2.06%
10	MR ZEFRON CHARLES REEVES <THE PALIN A/C>	1,381,526	1.93%
11	CITICORP NOMINEES PTY LIMITED	1,297,029	1.81%
12	MR WILLIAM RICHARD BROWN	1,215,000	1.70%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,195,454	1.67%
14	PAC PARTNERS SECURITIES PTY LTD	1,168,144	1.63%
15	MINING EQUITIES PTY LTD	1,150,000	1.60%
16	RIO SUPER PTY LTD <RIO GRANDE DO NORTE SF A/C>	1,095,454	1.53%
17	BNP PARIBAS NOMS PTY LTD <DRP>	896,117	1.25%
18	HIGH PEAKS CAPITAL PTY LTD	861,632	1.20%
19	MR LEENDERT HOEKSEMA	840,000	1.17%
20	ON SITE LABORATORY SERVICES PTY LTD	803,213	1.12%
	Total	42,138,765	58.79%

Substantial Shareholders

Substantial holders in the Company as at 7 September 2023 are set out below:

Fully Paid Ordinary Shares	No.	(%)
GUNSYND PLC	11,065,812	15.44%
MR STEPHEN JOHN DOBSON	5,323,182	7.43%

Holders of Unquoted Securities

The following persons hold 20% or more of unquoted equity securities as at 7 September 2023:

Options	No.	(%)
DAVID LENIGAS	4,000,000	30.77%

Performance Rights	No.	(%)
JULIA HARVEY	2,000,000	32.26%
EVOLUTION CAPITAL PARTNERS PTY LTD <GOLDEN TRIANGLE A/C>	1,700,000	27.42%
MR GARY JAMES HARVEY	1,500,000	24.19%

Voting Rights

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options and Performance Rights

There are no voting rights attached to Options and Performance Rights.

Restricted Securities

The Company has no restricted securities at the current date.

Company Secretary

The name of the Company Secretary is Zane Lewis and Victor Goh.

Address and telephone details of the entity's registered and administrative office

Suite 1, 295 Rokeby Road
SUBIACO, WA, AUSTRALIA, 6008

Telephone: +61 8 6555 2950

Address and telephone details of the office at which a register of securities is kept

AUTOMIC REGISTRY SERVICES
LEVEL 5, 191 St Georges Terrace
PERTH, WA, AUSTRALIA, 6000

Telephone: 1300 288 664 (within Australia) or
+61 2 9698 5415 (outside Australia)

Securities exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Securities Exchange (Code: RCR).

Review of Operations

A review of operations is contained in the Directors' Report.

RINCON RESOURCES LIMITED - TENEMENT LIST

Project	Tenement	Status	Area Ha)	Comment
Kiwirrkurra	E80/5241	Live	12,650	
	E80/5648	Live	948	
	E80/5649	Live	4,107	
	E80/5650	Live	1,580	
	E80/5757	Live	2,531	
	E80/5761	App	632	Recommended for Grant
Sub-Total	6		22,448	224 km²
Laverton	E38/2908	Live	2,250	
	E38/3063	Live	292	
	E38/3034	Live	213	
	E38/3201	Live	142	
	E38/3202	Live	301	
	E38/3356	Live	735	
	E38/3382	Live	994	
	E38/3538	Live	2,043	
	E38/3666	Live	536	Granted 04/05/2023
	E38/3667	Live	301	Granted 04/05/2023
	E38/3668	Live	270	Granted 04/05/2023
	E38/3766	App	794	Recommended for Grant
	E38/3814	App	263	Recommended for Grant
	E38/3852	App		New, Subject to Ballot
	E38/3856	App		New, Subject to Ballot
	P38/4571	App	196	
	P38/4572	App	195	
	P38/4573	App	147	
	P38/4574	App	199	
	P38/4575	App	111	
	P39/2382	App	2,699	
	E39/2397	App	5,734	
Sub-Total	22		9,982	100 km²
South Telfer	E45/4336	Live	317	
	E45/4568	Live	1,212	
	E45/5359	Live	31,390	
	E45/5363	Live	4,780	
	E45/5364	Live	2,775	
	E45/5501	Live	10,830	
	P45/2929	Live	186	
	P45/2983	Live	124	
	E45/6163	Live	2,543	Granted 03/07/23
	E45/6252	App	-	Recommended for Grant
	E45/6254	App	-	Recommended for Grant

Project	Tenement	Status	Area Ha)	Comment
	E45/6566	App	-	New, Recommended for Grant
Sub-Total	12		56,636	566 km ²
Total	40		89,066	891 km ²