

15 March 2023

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Attached is the Red Hill Minerals Limited Interim Financial Report for the half-year ended 31 December 2022.

By authority of the Board

Peter Ruttledge
Company Secretary

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ABN 44 114 553 392



RED HILL MINERALS LIMITED
(FORMERLY RED HILL IRON LIMITED)

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2022

ABN 44 114 553 392

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DIRECTORS' REPORT

The directors of Red Hill Minerals Limited, formerly Red Hill Iron Limited, (Red Hill Minerals or the Company) submit their report for the half-year ended 31 December 2022.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as set out below. Directors were in office for this entire period unless otherwise stated.

Mr Joshua Pitt	Executive Chairman
Mr Garry Strong	Non Executive Director
Mr Mark Okeby	Non Executive Director
Ms Nanette Allen	Non Executive Director

FINANCIAL REVIEW

On 7 December 2022 the Company paid a fully franked Special Dividend of \$0.20 per share.

The Company's loss after income tax for the half-year ended 31 December 2022 was \$2,404,233 (2021: \$144,875,450 profit after income tax).

On 28 July 2022 the Company appointed Michael Wall as Chief Executive Officer and issued him with 1,000,000 options exercisable at \$3.50 per share. The options vest in three equal tranches on 27 July 2023, 27 July 2024 and 27 July 2025, and expire 24 months after vesting.

The Company's change of name from Red Hill Iron Limited to Red Hill Minerals Limited took effect on 25 November 2022. The Company's ASX ticker code, RHI, remains unchanged.

REVIEW AND RESULTS OF OPERATIONS

Red Hill Minerals' activities are concentrated in the West Pilbara region of Western Australia where it is exploring for gold and base metals and has iron ore assets including a 0.75% royalty over the Red Hill Iron Ore Joint Venture (RHIOJV) tenements which are under development by Mineral Resources Limited (MinRes).

MinRes announced on 29 August 2022 that an unconditional Final Investment Decision had been reached to develop the RHIOJV assets (ASX:MIN announcement dated 29 August 2022). The development of the RHIOJV assets is integral to the MinRes Onslow Iron Project (Onslow Iron). Construction activities are underway with MinRes reporting capital expenditure of \$295 million on Onslow Iron in the first half of FY23 and forecasting total capital expenditure of \$1,114 million in FY23 out of a total \$3 billion capital expenditure. Offtake for between 50% and 75% has been accounted for by Baowu, the world's largest steel maker, and Onslow Iron is planning a 35 Mtpa stage 1 capacity and 30+ years mine life. First Onslow Iron ore on ship is expected around June 2024 (ASX:MIN announcement dated 24 February 2023).

Red Hill Minerals will receive the second of the two \$200 million payments that form part of the proceeds for the sale of its iron ore rights to the RHIOJV tenements to MinRes upon first iron ore on ship and payment of the 0.75% royalty on iron ore produced by Onslow Iron will commence from that point in time (ASX: 30 July 2021).

The Company retains all rights to Other Minerals within the RHIOJV tenements and has an active exploration program underway for gold and base metals.

During the reporting period a 5,905 line-kilometre VTEM MAX airborne survey was completed over the northern half of the project area using 100 and 200 metre line spacing. Final results from the survey are expected in April. This survey will provide full airborne EM project coverage once the new data is merged with a previous airborne EM survey that had been flown over the southern portion of the project. Drone magnetic and ground-based gravity surveys were also completed at Red Hill (copper), Three Peaks (gold and base metals), Kens Bore (gold) and Dereks Bore (gold).

REVIEW AND RESULTS OF OPERATIONS (continued)

Archaeological heritage surveys commenced in preparation for drilling at several targets including S-Bend (base metals) and Dereks Bore (gold) with ethnographic surveys scheduled to be completed by the end of the March quarter. Rock chip and soil orientation sampling programmes also commenced to verify historic results for ground-truthing VTEM anomalies.

During the reporting period the Company worked in conjunction with CZR Resources Limited to complete baseline environmental surveys covering non-processing infrastructure and potential haul routes that can be utilised for the Company's Pannawonica Iron Ore Project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than set out above, there were no significant changes in the state of affairs of the Company during the half-year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this Interim Financial Report.

Signed in accordance with a resolution of the directors.



Joshua Pitt
Executive Chairman
Perth, 15 March 2023

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022 \$	31 December 2021 \$
Gain on disposal of joint venture interest	2	-	199,897,890
Revenue from continuing operations	3	558,738	55,711
Other income	3	14,119	-
Exploration expenses		(1,589,365)	(439,376)
Administration expenses	4	<u>(1,458,155)</u>	<u>(2,235,543)</u>
(Loss)/profit before income tax		(2,474,663)	197,278,682
Income tax benefit/(expense)	5	<u>70,430</u>	<u>(52,403,232)</u>
(Loss)/profit for the half-year after tax		(2,404,233)	144,875,450
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the half-year attributable to the ordinary equity holders of the Company		<u><u>(2,404,233)</u></u>	<u><u>144,875,450</u></u>
(Loss)/earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted (loss)/earnings per share		(3.77) cents	235.2 cents

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

**STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2022**

	Note	31 December 2022 \$	30 June 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		41,053,431	69,046,408
Income tax receivable	5	45,391	-
Other receivables		<u>186,327</u>	<u>133,366</u>
Total Current Assets		<u>41,285,149</u>	<u>69,179,774</u>
Non-Current Assets			
Exploration assets	6	9,905,915	9,905,915
Plant and equipment		526,809	302,453
Right-of-use asset		352,389	173,486
Other assets		90,775	61,419
Total Non-Current Assets		<u>10,875,888</u>	<u>10,443,273</u>
Total Assets		<u>52,161,037</u>	<u>79,623,047</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		299,205	306,522
Income tax payable		-	13,025,039
Lease liability		<u>154,897</u>	<u>64,604</u>
Total Current Liabilities		<u>454,102</u>	<u>13,396,165</u>
Non-Current Liabilities			
Lease liability		<u>197,555</u>	<u>111,667</u>
Total Non-Current Liabilities		<u>197,555</u>	<u>111,667</u>
Total Liabilities		<u>651,657</u>	<u>13,507,832</u>
Net Assets		<u>51,509,380</u>	<u>66,115,215</u>
EQUITY			
Issued capital	7	30,188,863	30,188,863
Reserves		1,886,330	1,322,302
Retained earnings		19,434,187	34,604,050
Total Equity		<u>51,509,380</u>	<u>66,115,215</u>

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

**STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	Issued Capital \$	Share Based Payments Reserve \$	Exercised Options Reserve \$	Retained Earnings \$	Total Equity \$
2022						
Balance at 1 July 2022		30,188,863	243,532	1,078,770	34,604,050	66,115,215
Net loss after income tax for the half-year		-	-	-	(2,404,233)	(2,404,233)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss for the half-year		-	-	-	(2,404,233)	(2,404,233)
Dividends paid	8				(12,765,630)	(12,765,630)
Issue of share-based payments		-	564,028	-	-	564,028
Balance at 31 December 2022		30,188,863	807,560	1,078,770	19,434,187	51,509,380
2021						
Balance at 1 July 2021		28,081,923	1,036,532	285,770	(19,625,518)	9,778,707
Net profit after income tax for the half-year		-	-	-	144,875,450	144,875,450
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the half-year		-	-	-	144,875,450	144,875,450
Dividends paid	8				(76,593,779)	(76,593,779)
Transactions with equity holders in their capacity as equity holders:						
Issue of ordinary fully paid shares, net of issue costs		2,106,940	-	-	-	2,106,940
Transfer of expense on expired options		-	(793,000)	793,000	-	-
Balance at 31 December 2021		30,188,863	243,532	1,078,770	48,656,153	80,167,318

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

**STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 December 2022	31 December 2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(808,506)	(2,626,461)
Payments for exploration expenditure	(1,645,211)	(420,198)
Interest received	532,886	39,573
Interest paid	(7,767)	(458)
Income tax paid	(13,000,000)	(11,000,000)
Office services	14,119	-
	<u>(14,914,479)</u>	<u>(14,007,544)</u>
Net cash outflows from operating activities		
	<u>(14,914,479)</u>	<u>(14,007,544)</u>
Cash flows from investing activities		
Proceeds from disposal of joint venture interest	-	200,000,000
Payments to acquire property, plant and equipment	(233,218)	(403)
Payments for term deposits classified as financial assets	-	(30,000,000)
	<u>(233,218)</u>	<u>(30,000,000)</u>
Net cash (outflows)/inflows from investing activities		
	<u>(233,218)</u>	<u>169,999,597</u>
Cash flows from financing activities		
Proceeds from share issue	-	2,112,500
Payments for share issue costs	-	(1,250)
Proceeds from borrowings	-	220,000
Repayment of borrowings	-	(220,000)
Lease payments	(79,650)	-
Dividends paid	(12,765,630)	(76,593,779)
	<u>(12,845,280)</u>	<u>(74,482,529)</u>
Net cash outflows from financing activities		
	<u>(12,845,280)</u>	<u>(74,482,529)</u>
Net (decrease)/increase in cash and cash equivalents	(27,992,977)	81,509,524
Cash and cash equivalents at the beginning of the half-year	69,046,408	92,029
	<u>69,046,408</u>	<u>92,029</u>
Cash and cash equivalents at the end of the half-year	<u>41,053,431</u>	<u>81,601,553</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**
NOTE 1 – SEGMENT INFORMATION

The directors of Red Hill Minerals (who, collectively as the board, are the chief operating decision makers) have determined that the Company has one reportable segment, being mineral exploration within Australia. The board of directors monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is considered by the Board to be the most relevant to assist with making decisions regarding its ongoing exploration activities.

NOTE 2 – GAIN ON DISPOSAL OF JOINT VENTURE INTEREST

During the prior period, the Company sold its interest in the RHIOJV to a wholly owned subsidiary of Mineral Resources Limited (MinRes) for an initial cash payment of \$200 million, a further cash payment of \$200 million payable when the first commercial shipment of iron ore extracted from the RHIOJV mining tenements departs port (FOOS date) and a royalty of 0.75% of FOB revenue payable on all iron ore extracted and sold from the RHIOJV mining tenements, MinRes's Bungaroo South mining tenement that is developed in association with RHIOJV production and, during the first 10 years from the FOOS date, the APIJV-owned Upper Red Hill Creek mining tenement.

The initial cash consideration received, less the carrying value of the asset of \$102,110 (refer note 6) was accounted for within profit and loss. The further cash receipt will be accounted for when the deferred contingent consideration milestone is virtually certain to be met and the royalty receipts when the relevant iron ore is extracted and sold.

	31 December 2022	31 December 2021
	\$	\$
Proceeds from disposal of joint venture interest	-	200,000,000
Acquisition cost of exploration asset	-	(102,110)
	<hr/>	<hr/>
Gain on disposal of joint venture interest	-	199,897,890

NOTE 3 – REVENUE

	31 December 2022	31 December 2021
	\$	\$
Revenue from continuing operations		
Interest income	<hr/> 558,738	<hr/> 55,711
Other income		
Office services	<hr/> 14,119	<hr/> -

Office services relate to income received for use of the Company's office space and other related services by entities associated with a director.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**
NOTE 4 – ADMINISTRATION EXPENSES

	31 December 2022	31 December 2021
	\$	\$
Loss/Profit before income tax includes the following specific administration expenses:		
Personnel expenses:		
Salaries, directors' fees and associated expenses	701,412	242,136
Superannuation	56,049	20,886
Share-based payments	564,028	-
Less: recharged to exploration expenditure	<u>(359,858)</u>	<u>(8,568)</u>
	961,631	254,454
Other administration expenses:		
Depreciation	110,792	-
Accounting fees	61,972	55,654
Administration services	7,042	29,557
Audit fees	20,154	12,439
Company secretarial	44,514	20,672
Consulting fees	3,050	1,500,000
Legal	67,698	239,466
Rental of office	68,645	38,370
Other	143,793	84,931
Exploration recovery	<u>(31,136)</u>	<u>-</u>
	<u>1,458,155</u>	<u>2,235,543</u>

NOTE 5 – INCOME TAX

	31 December 2022	31 December 2021
	\$	\$
(a) Income tax benefit/(expense)		
The components of income tax benefit/(expense) comprise:		
Current tax	70,430	(59,362,156)
Deferred tax	-	6,958,924
	<u>70,430</u>	<u>(52,403,232)</u>

(b) Reconciliation of income tax benefit/(expense) to prima facie tax benefit/(payable) on accounting (loss)/profit

(Loss)/profit before income tax	<u>(2,474,663)</u>	<u>197,278,682</u>
Prima facie tax benefit/(payable) at Australian rate of 30% (2022: 25%)	742,398	(49,319,670)
Adjusted for tax effect of the following amounts:		
Non-deductible items	(169,208)	(282)
Non-taxable items	667	-
Adjustment for change in tax rate	1,501,675	(893,651)
Over-provision in prior period	70,430	-
Tax benefit not brought to account	<u>(2,075,532)</u>	<u>(2,189,629)</u>
Income tax benefit/(expense)	<u>70,430</u>	<u>(52,403,232)</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**
NOTE 5 – INCOME TAX (continued)

The current income tax benefit/(expense) is based on the profit or loss for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or substantively enacted by the balance date.

The Company does not satisfy all of the conditions to qualify as a base rate entity for the current period. Therefore, the ordinary corporate tax rate of 30% applies to the Company.

(c) Deferred tax assets and liabilities not brought to account	31 December 2022	30 June 2022
	\$	\$

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at period end, at the Australian corporate tax rate of 30% (2022: 25%), are made up as follows:

On income tax account:

Carried forward tax losses	647,838	-
Deductible temporary differences	12,181,972	10,106,571
Taxable temporary differences	<u>(3,242,713)</u>	<u>(2,524,553)</u>
Unrecognised net deferred tax assets	<u>9,587,097</u>	<u>7,582,018</u>

(d) Deferred tax recognised in equity

Deferred tax credit relating to share issue costs	<u>-</u>	<u>4,326</u>
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(e) Income tax receivable/(payable)

Current tax asset/(liability) comprise:

Income tax receivable/(payable)	<u>45,391</u>	<u>(13,025,039)</u>
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The income tax expense arising from the sale of the Company's interest in the RHIOJV in the prior year includes an estimate of the fair value of the contingent tranches of the consideration, for which the Company engaged an independent expert.

NOTE 6 – EXPLORATION ASSETS

	31 December 2022	30 June 2022
	\$	\$
Carrying amount at beginning of the period	9,905,915	10,008,025
Sale of the 40% interest in the RHIOJV	<u>-</u>	<u>(102,110)</u>
Carrying amount at end of the period	<u>9,905,915</u>	<u>9,905,915</u>

The carrying amount represents the initial cost of the Company's wholly-owned Pannawonica Iron Ore Project and the initial acquisition cost of the tenements that form the basis of the RHIOJV. During the prior year the Company sold its interest in the RHIOJV.

Exploration and evaluation expenditure is recorded at historical cost on an area of interest basis. Expenditure on acquisition of an area of interest is carried forward where rights to tenure of the area of interest are current and it is expected to be recouped through successful development and exploitation of the area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition is expensed as incurred. Once a decision to proceed to development has been taken, all further expenditure incurred relating to the area will be capitalised.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**
NOTE 6 – EXPLORATION AND EVALUATION

Projects are advanced to development status when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest.

At each reporting date the Company assesses for impairment expenditure on acquisition of each area of interest that is to be carried forward to ensure that the carrying amount of the exploration and evaluation expenditure does not exceed its recoverable amount. Any resulting provision for impairment is recognised as a charge to profit or loss.

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

NOTE 7 – ISSUED CAPITAL	Half-year to 31 December 2022	Year to 30 June 2022	Half-year to 31 December 2022	Year to 30 June 2022
	Number	Number	\$	\$
Ordinary Shares Fully Paid				
Balance at start of period	63,828,149	59,878,149	30,188,863	28,081,923
Shares issued: exercise of staff options	-	2,450,000	-	612,500
Shares issued: exercise of director options	-	1,500,000	-	1,500,000
Cost of capital	-	-	-	(5,560)
	<u>63,828,149</u>	<u>63,828,149</u>	<u>30,188,863</u>	<u>30,188,863</u>
Balance at end of period	<u>63,828,149</u>	<u>63,828,149</u>	<u>30,188,863</u>	<u>30,188,863</u>
Share Options				
Balance at start of period	-	3,950,000		
Issue of staff options	1,400,000	-		
Exercise of staff options	-	(2,450,000)		
Exercise of director options	-	(1,500,000)		
	<u>1,400,000</u>	<u>-</u>		
Balance at end of period	<u>1,400,000</u>	<u>-</u>		

During the period 1,000,000 options were issued to the Chief Executive Officer, exercisable at \$3.50 per option vesting in three equal tranches on 27 July 2023, 27 July 2024 and 27 July 2025, and expiring on 27 July 2025, 27 July 2026 and 27 July 2027 respectively.

During the period a further 400,000 options were issued to an employee, exercisable at \$4.15 per option vesting in three equal tranches on 22 September 2023, 22 September 2024 and 22 September 2025, and expiring on 22 September 2025, 22 September 2026 and 22 September 2027 respectively.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**
NOTE 7 – ISSUED CAPITAL (continued)

These options were valued using the Black-Scholes model for the valuation of call options, the inputs of which included:

Grant date	27 July 2022	19 September 2022
Exercise by	27 July 2025-2027	22 September 2025-2027
Expected average life of the options	3 – 5 years	3 – 5 years
Exercise price per share	\$3.50	\$4.15
Share price at grant date	\$3.20	\$3.65
Expected volatility	74%	73%
Risk-free interest rate	3.51%	3.65%
Fair value pre options at grant date:		
Tranche A	\$1.54	\$1.70
Tranche B	\$1.76	\$1.96
Tranche C	\$1.95	\$2.17

NOTE 8 – DIVIDENDS

	31 December 2022	30 June 2022
	\$	\$
Special dividend of \$1.20 fully franked at 30%	-	76,593,779
Special dividend of \$0.20 fully franked at 30%	-	12,765,630
Special dividend of \$0.20 fully franked at 25%	12,765,630	-
	<u>12,765,630</u>	<u>89,359,409</u>

NOTE 9 – COMMITMENTS FOR EXPENDITURE

In order to maintain the mineral tenements held by the Company, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. Since the last reporting date, there has been no material change in these commitments.

NOTE 10 – RELATED PARTY TRANSACTIONS
Payments to related parties

Office services income of \$14,119 in the current period relates to income received for use of the Company's office space and other related services by entities associated with a director.

During the period 1,000,000 options were issued to the Chief Executive Officer, exercisable at \$3.50 per option vesting in three equal tranches on 27 July 2023, 27 July 2024 and 27 July 2025, and expiring on 27 July 2025, 27 July 2026 and 27 July 2027 respectively.

NOTE 11 – CONTINGENT ASSETS AND LIABILITIES

The Company has a contingent asset of \$200 million in relation to a cash payment receivable when the first commercial shipment of iron ore extracted from the RHIOJV mining tenements departs port (FOOS date) and a royalty of 0.75% of FOB revenue payable on all iron ore extracted and sold from the RHIOJV mining tenements, MinRes's Bungaroo South mining tenement and, during the first 10 years from the FOOS date, the APIJV-owned Upper Red Hill Creek mining tenement.

The directors are not aware of any contingent liabilities as at 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022****NOTE 12 – FINANCIAL INSTRUMENTS**

The Company has a number of financial instruments which are not measured at fair value on a recurring basis in the statement of financial position. The directors consider that the carrying amounts of these financial instruments are a reasonable approximation of their fair value.

NOTE 13 – EVENTS OCCURRING AFTER BALANCE DATE

To the best of the directors' knowledge and belief, there were no matters or circumstances which have arisen since the end of the half-year which have significantly affected the operations of the Company, nor are there any such matters or circumstances or any likely developments which, in the opinion of the directors, may affect the future results of those operations or the state of affairs of the Company.

NOTE 14 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Red Hill Minerals is a for-profit public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange.

Statement of compliance and basis of preparation

The half-year financial statements are general-purpose financial statements, prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards, including AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

The half-year financial statements do not include all notes of the type normally included within the annual financial statements. It cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements and should be read in conjunction with the 30 June 2022 annual financial report of Red Hill Minerals.

It is also recommended that the half-year financial statements be considered together with any public announcements made by Red Hill Minerals during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial statements have been prepared on the accruals basis and are based on historical cost.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Critical accounting estimates and judgements

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

The income tax expense arising from the sale of the Company's interest in the RHIOJV includes an estimate of the fair value of the contingent tranches of the consideration, for which the Company engaged an independent expert.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's financial statements for the year ended 30 June 2022 and the corresponding half-year reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 14 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards and interpretations adopted

New accounting standards and interpretations applicable to 31 December 2022

In the half-year ended 31 December 2022, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2022.

As a result of this review, the directors have determined that there is no material impact on the Company of any new and revised Standards and Interpretations and therefore no material change is necessary to accounting policies.

New accounting standards and interpretations issued, not yet effective, for the period ending 31 December 2022

The directors have also reviewed all the new and revised Standards and Interpretations in issue, not yet adopted, that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2023.

As a result of this review, the directors have determined that there is no material impact of any new and revised Standards and Interpretations in issue, not yet adopted, on the Company and therefore no material change is necessary to accounting policies.

**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

1. In the opinion of the directors of the Company:
 - a) the accompanying financial statements and notes, as set out in this Interim Financial Report, are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2022 and of the performance for the half-year then ended.
 - 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.
 - c) the Interim Financial Report is in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration is signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.



Joshua Pitt
Executive Chairman
Perth, 15 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Red Hill Minerals Limited (formerly Red Hill Iron Limited) for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2023



M R Ohm
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Red Hill Minerals Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Red Hill Minerals Limited (formerly Red Hill Iron Limited) ("the company") which comprises the statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the company.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2022 and its

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performance for the period ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2023



M R Ohm
Partner