

23 April 2021

Quarterly Activities and Cashflow Report For the Period ended 31 March 2021

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company") provides the following commentary on its activities and an Appendix 5B for the quarter ended 31 March 2021.

Proposed Acquisition of Panton PGM Project

On 25 March 2021 Red Emperor announced that it intends to acquire Great Northern Palladium Pty Ltd ("GNP") which owns 80%, and holds an option over the remaining 20%, of Panton Sill Pty Ltd, the holder of the Panton Platinum Group Metals ("PGM") Project (the "Panton PGM Project" or "Project") in the Kimberley region of Western Australia (the "Proposed Acquisition"). Details of the Proposed Acquisition are set out in such announcement, however the key transaction highlights include:

- All equity consideration of A\$17.5m (shares and options) to be paid to GNP's shareholders
- Pre-existing Independent JORC(2012) Mineral Resource Estimate ("MRE")* of:
 - **14.3Mt @ 2.39g/t Pd, 2.19g/t Pt, 0.27% Ni for 2.06Moz Pd/Pt**
- Former Stillwater Mining Company Managing Director, Mick McMullen, to be appointed as a strategic adviser and experienced company director, Justin Tremain, to join the Board, both on completion of the Proposed Acquisition
- Subsequent to the quarter end, on 20 April 2021, Red Emperor also announced the proposed appointments of Allan Mulligan and Robert Mosig, as Proposed Non-Executive Technical Director and Proposed Non-Executive Director respectively, and Shane Hibbird as Consulting Geologist, all on completion of the Proposed Acquisition
- MRE outcrops at surface and remains OPEN, along strike and at depth
- MRE covers approximately 3.5 kilometres of the circa 12 kilometres of mapped outcropping PGM-bearing chromite reefs (remaining 8.5km relatively untested). No significant exploration performed for almost 20 years
- Located in 'Tier One' mining jurisdiction of Western Australia
- Project benefits from having a higher palladium grade relative to platinum grade, at a time of record palladium prices (c.US\$2,400/ounce)
- Historic studies on the Panton PGM Project undertaken when prevailing palladium prices were much lower
- Step-out drilling to test for extensions to the MRE to commence upon completion of the Proposed Acquisition, along with metallurgical and mining studies
- Located on granted mining leases with excellent infrastructure including nearby (c.1 kilometre away) sealed highway and an existing exploration decline
- A\$10M equity raising to be undertaken at a price of A\$0.10 per share on a post consolidated basis (14:100 consolidation) to provide strong financial position from which to advance the Panton PGM Project
- Enterprise value of approximately A\$26M at the fund raising price with cash of approximately A\$9M upon successful completion of the Proposed Acquisition and associated fundraising

BOARD & MANAGEMENT

Greg Bandy

MANAGING DIRECTOR

Jason Bontempo

NON-EXECUTIVE DIRECTOR

Aaron Bertolatti

DIRECTOR & COMPANY
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ASX CODE | AIM CODE

RMP

- The Company will seek shareholder approval for the Proposed Acquisition under ASX Listing Rule 11.1.2 and re-comply with Chapters 1 and 2 of the ASX Listing Rules

As set out in the Company's announcement of 25 March 2021, the Company has been evaluating structuring options with its Nominated Adviser from a UK perspective and in light of certain differences between the requirements of the ASX Listing Rules and the AIM Rules for Companies ("AIM Rules") and the general chronology, processes and requirements of the two stock exchanges, the Board considers it to be in the best interests of Red Emperor and its shareholders as a whole to seek cancellation of the admission to trading of the Company's ordinary shares on AIM (the "Cancellation") in order to facilitate and ensure the timely implementation of the Proposed Acquisition and associated fundraising in Australia on the ASX on the commercial terms and timeframe agreed with the major shareholders of GNP.

Accordingly, as announced on 20 April 2021, Cancellation is scheduled to occur at 7.00 a.m. (London time) on 19 May 2021 and in accordance with the guidance notes to AIM Rule 41, shareholder consent in a general meeting of the Company is not required as the Company is maintaining its listing on ASX, being an AIM Designated Market as defined in the AIM Rules. It is expected that trading on AIM will remain suspended until the Cancellation. **It is currently intended that re-admission to trading on AIM for the enlarged entity will then be sought as soon as practicable (targeting July 2021) following successful completion of the Proposed Acquisition and capital raising on the ASX in order to restore the enlarged entity's dual listing at the earliest opportunity.** There can be no guarantee that the Company will be able to complete the Proposed Acquisition or any alternative transaction and consequently be re-admitted to trading on AIM.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2021 provides an overview of the Company's financial activities. The Company is in a strong financial position with A\$3.98 million in cash at the end of the quarter. This will be sufficient to fund corporate costs well into 2021 and also facilitate the completion of the Proposed Acquisition and satisfaction of the costs associated with the re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Payments for administration and corporate costs amounted to A\$249k and related to costs incurred in respect of and associated with directors' fees, listing and compliance, legal and consulting fees. The aggregate amount of payments to related parties and their associates included in the quarter's cash flows from operating activities was approximately A\$72.5k (please refer to Table 1 below).

Authorised for release by: Greg Bandy – Managing Director

For further information, please visit www.redemperorresources.com or contact:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European (Withdrawal) Act 2018.

** - The Company announced the Mineral Resource Estimate in its announcement entitled "Proposed Acquisition of +2Moz Panton PGM Project" on 25 March 2021, which included the Competent Person statements and consents required by Listing Rule 5.22. The Company is not aware of any new information that materially affects the information included in that announcement, and all material assumptions and technical parameters underpinning the estimate in that announcement continue to apply and have not materially changed.*

Table 1: Payments to Related Parties of the Entity and their Associates

Item	Current Quarter (A\$)	Previous Quarter (A\$)
Directors' Remuneration		
Managing Director's Fees and Superannuation	49,275	49,275
Non-Executive Director Fees and Superannuation	8,213	8,213
Company Secretarial and CFO Fees	15,000	15,000
Total payments to related parties of the entity and their associates	72,488	72,488

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(249)	(665)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	15
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3	43
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(243)	(607)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	(13)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,226	4,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(243)	(607)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(13)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,983	3,983

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,667	1,912
5.2	Call deposits	2,316	2,314
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,983	4,226

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>- Payment of Directors' Fees and Remuneration - \$72k</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(243)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(243)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,983
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,983
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	16.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 April 2021



Authorised by: Aaron Bertolatti – Company Secretary

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.