Redbank Copper Limited

ABN 66 059 326 519

INTERIM FINANCIAL REPORT
For the half-year ended 31 December 2019

CONTENTS

CORPORATE DIRECTORY

Directors

Mr Michael Hannington - Executive Chairman

Mr Daryl Henthorn – Non-Executive Director

Mr Keith Middleton – Non-Executive Director

Company Secretary

Ms Kelly Moore

Registered and Principal Office

Level 1,

1A Agnew Way

Subiaco WA 6008

Telephone: +61 8 6558 1859
Fax: +61 8 9380 8300
Email: admin@redbankcopper.com.au
Web: www.redbankcopper.com.au

Auditors

Stantons International Audit and Consulting Pty Ltd

Share Registry

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA

Ph Within Australia: 1300 288 664

Ph Outside of Australia: +61 8 9324 2099

Solicitors

EMK Lawyers Pty Ltd

Suite 1B

Chamber of Commerce Building

16 Phillimore Street

Fremantle WA 6160

Securities Exchange Listing

Shares are quoted on the Australian Securities Exchange (ASX) under trading code RCP.

DIRECTORS' REPORT

The Directors present their financial report of Redbank Copper Limited ("Redbank or the "Company") and of the consolidated group, being the Company and its controlled entities for the half year ended 31 December 2019.

1. DIRECTORS

The names of the Directors of the Company in office during the course of the financial year and up to the date of this report are as follows:

Name	Position
Michael Hannington	Executive Chairman - Appointed 2 August 2019
Daryl Henthorn	Non-Executive Director- Appointed 2 August 2019
Keith Middleton	Non-Executive Director - Appointed 2 August 2019
Alan Still	Former Non-Executive Director - Appointed 30 April 2019 terminated, 2 August 2019
Carol New	Former Non-Executive Director - Appointed 9 April 2019, terminated 2 August 2019
Craig Hall	Former Non-Executive Director - Appointed 21 January 2019, terminated 2 August 2019

All Directors held their position as a Director throughout the entire half year and up to the date of this report, unless otherwise indicated.

2. REVIEW OF OPERATIONS AND ACTIVITIES

Redbank holds two large exploration projects: the Redbank Project (figure 1) in the far eastern McArthur Basin in the Northern Territory and the Millers Creek Project (figure 2) between Prominent Hill and Olympic Dam in the Gawler Craton in South Australia. Both projects are prospective for copper.

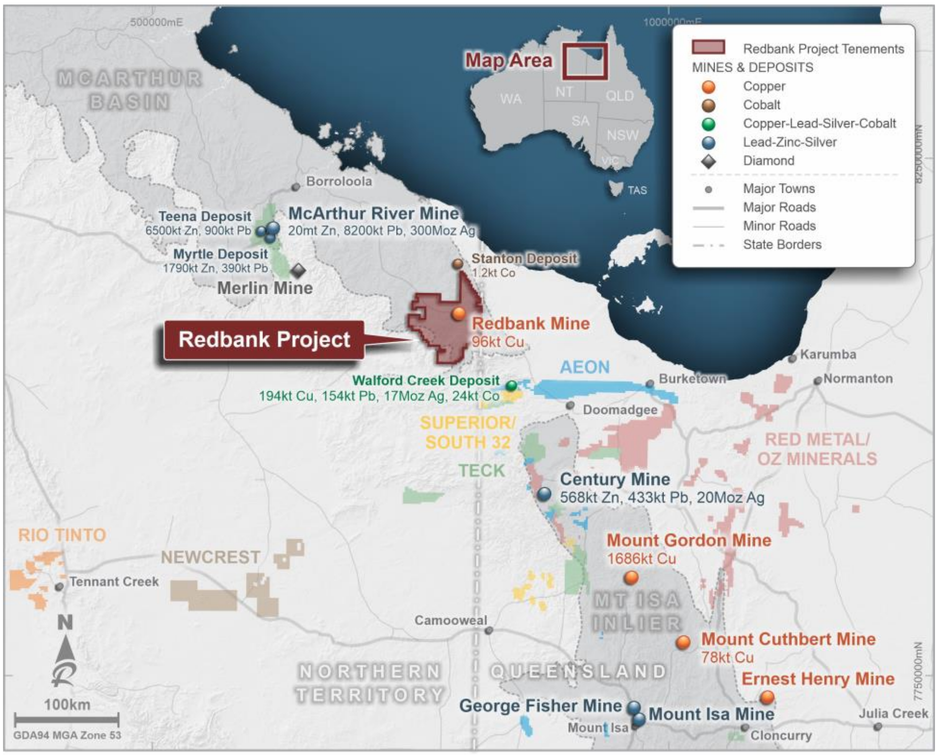

Figure 1. Redbank Project, Northern Territory: location map in relation to selected deposits

The Redbank Project was acquired by the Company in 2005 for approximately A$4M and included a small copper mining operation at the Sandy Flat Mine Site where a copper cement product was produced and sold to Glencore between 2006 and 2008. The Redbank Project also includes exploration tenements comprising historic copper deposits hosted within vertically oriented breccia pipes.

The Millers Creek Project comprises two exploration licences (figure 3) 'pegged' as vacant ground in 2018 with EL6247 (Millers Creek) granted in September 2018 and EL6321 (Kingoonya) granted in February 2019.

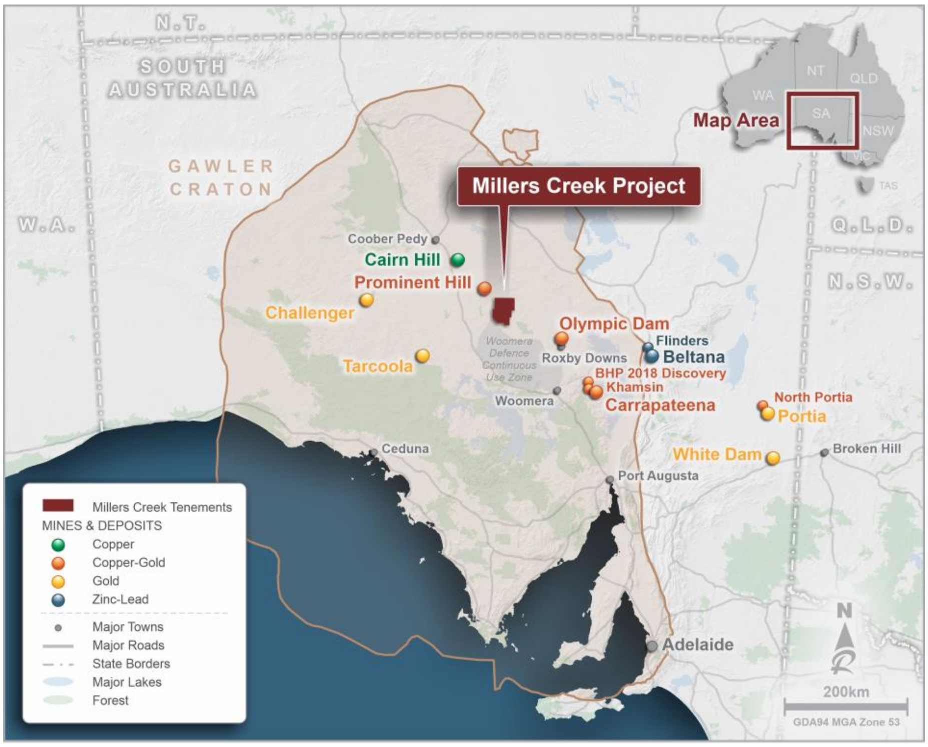

Figure 2. Millers Creek Project, South Australia: location map in relation to selected deposits

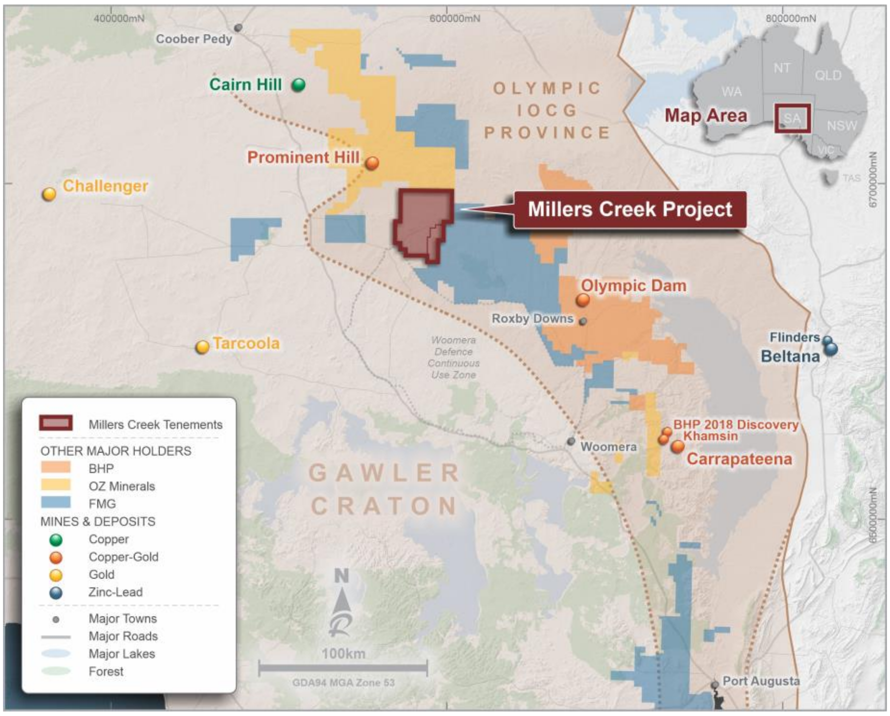

Figure 3. Millers Creek Project, South Australia: location map in relation to exploration neighbours

On 6 June 2019, the Company received a s249D notice requesting a Shareholder Meeting to vote on the removal of the existing Board and replacement with three new directors. This resulted in no activity being undertaken by the Company from 1 July 2019 until the Shareholder Meeting on 2 August 2019, where your three current directors were appointed.

In August and September 2019, with a loan of $300,000, the Company returned the Redbank and Millers Creek Projects to good standing and paid outstanding tenement rents. Creditors were identified and the majority of creditors' debts were negotiated and settled. A number of creditors remain who are related to Michael Fotios, a previous director of the Company.

In October 2019, a site visit to the Redbank Project located in far eastern Northern Territory on the Northern Territory and Queensland border highlighted that no Redbank personnel had visited the Project since November 2015. A six week geological field program was planned and commenced in early November. Applications for three additional exploration licences were made on 6 November, south of the existing Redbank Project tenure.

In December 2019, the Company commenced negotiations with the Northern Territory Government to assist in a rehabilitation project at the Sandy Flat Mine Site to extract copper from surface material owned by the Company. The recent history of the Sandy Flat Mine Site has previously only been sparsely reported by the Company due to the sensitivity of copper contamination of creek systems surrounding the Sandy Flat Mine Site. On 29 June 2016, some 3½ years ago, Redbank Operations Pty Ltd and the Northern Territory Government signed a Deed of Agreement which transferred environmental liability of the Sandy Flat Mine Site to the Northern Territory Government.

The Directors received details of this agreement with supporting documents on 1 October 2019 following settlement of our solicitors' invoices from 2016 when this agreement was negotiated and then visited the Sandy Flat Mine Site on 17 October 2019. The site visit highlighted the poor environmental condition of the Mine Site. Samples of copper-rich water in the Sandy Flat Pit and copper ore from historic leach pads and vats were collected and a program of hydro-metallurgical studies commenced to determine if the Company could develop a simple process to extract copper from pit water and remnant surface ore. This work involves R&D to develop a novel process to de-contaminate water and surface rock and discharge fresh water back into the creek systems. This work is ongoing.

Significant Changes in the State of Affairs

In the opinion of the directors there were no matters that significantly affected the state of affairs of the Group during the financial period, other than those matters referred to in the overview above.

3. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is included in the Directors' Report for the financial half year ended 31 December 2019.

This Directors' Report is made in accordance with a resolution of the Directors.

M A J Hannington

Michael Hannington
Executive Chairman
Redbank Copper Limited
12 March 2020

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

12 March 2020

The Directors
Level 1, 1A Agnew Way
SUBIACO WA 6008

Dear Sirs

RE: REDBANK COPPER LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Redbank Copper Limited.

As Audit Director for the review of the half year financial statements of Redbank Copper Limited for the period ended 31 December 2019, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31 December 2019 $	30 June 2019 $
Assets			
Cash and cash equivalents		46,234	3,289
Trade receivables and other assets	3.2	69,089	17,275
Total current assets		**115,323**	**20,564**
Environmental bond		23,225	23,225
Property plant and equipment		12,521	-
Exploration and evaluation expenditure	3.1	213,555	-
Total non-current assets		**249,301**	**23,225**
Total assets		**364,624**	**43,789**
Current Liabilities			
Trade and other payables	3.3	1,224,182	1,733,661
Loans and borrowings	4.1	1,319,766	777,158
Total current liabilities		**2,543,948**	**2,510,819**
Non-Current Liabilities			
Provisions		23,750	23,750
Total non-current liabilities		**23,750**	**23,750**
Total liabilities		**2,567,698**	**2,534,569**
Net liabilities		**(2,203,074)**	**(2,490,780)**
Equity			
Contributed equity	4.2	99,304,337	99,004,337
Accumulated losses		(103,235,839)	(103,223,545)
Reserves		1,728,428	1,728,428
Total Deficiency		**(2,203,074)**	**(2,490,780)**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHESIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $	31 December 2018 $
Revenue from continuing operations			
Interest Income		-	1
Other income	2.2	338,208	-
Expenses			
Finance costs		(52,873)	(25,098)
Employee and directors-remuneration expenses	5.1	(69,425)	(54,000)
Corporate and administrative expenses		(228,204)	(85,808)
Redbank Copper care and maintenance		-	(4,988)
Exploration and evaluation expenditure		-	(199,063)
Loss from continuing operations		**(12,294)**	**(368,956)**
Income tax expense		-	-
Loss for the period after income tax attributable to members of the parent company		**(12,294)**	**(368,956)**
Other comprehensive income for the period, net of income tax		-	-
Total other comprehensive loss for the period net of income tax		(12,294)	(368,956)
Total comprehensive loss for the period attributable to members of the Company		**(12,294)**	**(368,956)**
Earnings per share			
Basic and diluted (cents per share)		(0.01)	(0.32)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Reserves	Accumulated Losses	Total
Balance at 1 July 2019	99,004,337	1,728,428	(103,223,545)	(2,490,780)
Loss for the period	-	-	(12,294)	(12,294)
Total other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(12,294)	(12,294)
Transactions with owners, recorded directly in equity:				
Contributions by and distributions to owners				
Issue of convertible loans	300,000	-	-	300,000
Total contributions by and distributions to owners	300,000	-	-	300,000
Total transactions with owners	300,000	-	-	300,000
Balance at 31 December 2019	**99,304,337**	**1,728,428**	**(103,235,839)**	**(2,203,074)**

	Contributed Equity	Reserves	Accumulated Losses	Total
Balance at 1 July 2018	99,004,337	1,728,428	(102,463,350)	(1,730,585)
Loss for the period	-	-	(368,956)	(368,956)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(368,956)	(368,956)
Balance at 31 December 2018	**99,004,337**	**1,728,428**	**(102,832,306)**	**(2,099,541)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $	31 December 2018 $
Cash flows from operating activities			
Receipts from customers		-	771
Payments to suppliers and employees		(522,307)	(78,589)
Interest received		-	1
Interest paid		-	(10)
Net cash outflow from operating activities		(522,307)	(77,827)
Cash flows from investing activities			
Purchase of property plant and equipment		(13,857)	-
Payment for exploration expenditure		(148,005)	-
Net cash outflow from investing activities		(161,862)	-
Cash flows from financing activities			
Proceeds from borrowings		450,000	29,000
Proceeds from convertible loans		300,000	-
Repayment of loans from other entities		(22,886)	95
Net cash inflow from financing activities		727,114	29,095
Net increase/(decrease) in cash and cash equivalents		42,945	(48,732)
Cash and cash equivalents at 1 July		3,289	50,375
Cash and cash equivalents at 31 December		**46,234**	**1,643**

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

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

SECTION 1 BASIS OF PREPARATION

The notes to the interim consolidated financial statements are grouped into the following six sections:

1. Basis of preparation
2. Results for the year
3. Assets and liabilities relating to exploration and evaluation
4. Working capital disclosures
5. Equity and funding
6. Other disclosures

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

1.1 GENERAL INFORMATION

The Company is a for-profit, listed public company domiciled in Australia. The Company's registered office is located at Level 1, 1A Agnew Way, Subiaco WA 6008.

The interim condensed consolidated financial statements of the Group as at and for the half-year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and were authorised for issue by the Board of Directors on 12 March 2020. The half-year financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*;
- are presented in Australian Dollars, being the Company's functional currency; and
- adopt all new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2019. Refer to note 5.6 for further details; and

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2019 and considered together with any public announcements made by the Company during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations of the ASX listing rules.

1.2 BASIS OF CONSOLIDATION

The interim consolidated financial statements incorporate the interim financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each half year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.3 IMPAIRMENT

Non-financial assets
At each reporting date, the Group reviews the carrying amount of its non-financial assets, other than DTA's, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

1.4 ACCOUNTING JUDGEMENTS AND ESTIMATE

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are included as follows:

- **Fair value measurement**
  Due to their short-term nature, the carrying amount of the current receivables, current payables and current borrowings are assumed to approximate their fair value. Loans and borrowings are recognised at the fair value of the consideration received, net of transaction costs.

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

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

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

1.5 LEASES

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on the index of the rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension profits, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and initial direct costs. The subsequent measurement of the right-of-use asset is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group does not currently have any leases that would require recognition of a right-of-use asset in the current reporting period.

1.6 GOING CONCERN

The half-year report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The ability of the Group and Company to continue their mineral project evaluation activities, and hence the continued adoption of the going concern assumption, is dependent on the Group raising additional funding as and when required. The Group is also working towards capital raising initiatives and the Directors are confident that it will receive sufficient additional funding from major shareholders or other parties.

The Group has incurred a net loss after tax for the half-year ended 31 December 2019 of $12,294 (2018: $368,956) and had net cash outflows from operating and investing activities of $684,169 (2018: $77,827). As at 31 December 2019, the Group had a working capital deficit of $2,428,625 (30 June 2019: $2,490,255) and cash and cash equivalents of $46,234 (30 June 2019: $3,289).

During the half-year to 31 December 2019 and the period to the date of this report, the Directors have taken steps to ensure the Company and Group continue as going concerns. These steps include:

- On 12 September 2019, the Company announced it had secured $300,000 in interim funding through converting loans. The loans accrue interest at 10% per annum and have the option to convert into shares, subject to all necessary approvals, at a conversion rate of $0.013;
- On 21 January 2020, the Company announced it had secured a loan funding facility of up to $1,000,000 with a daily fixed interest rate of 10% per annum capitalised monthly. The facility is due for repayment on the earlier of 1 year from the date of the agreement or other such date agreed or the date the Company raises at least $1,500,000 in capital (whether debt or equity);
- On 10 February 2020, the Company announced it had raised $1.5m in convertible loans from sophisticated investors which incur interest at 10% per annum. Conversion at the option of lenders and is subject to shareholder approval. The balance will be converted into shares at conversion price of $0.015 per share and are otherwise repayable on 30 November 2020 if not converted; and
- On 10 February 2020, the Company announced the execution of a mandate to raise $4m with oversubscriptions of $2m to raise a total of $6m at $0.023 per share through the placement of shares to sophisticated investors. The placement is subject shareholder approval.

The Directors, having compared the Group’s cash position to committed expenditures in respect of the above matters and are of the opinion that the use of the going concern basis for accounting is appropriate in the circumstances.

SECTION 2 RESULTS FOR THE YEAR

This section focuses on the results and performance of the Group, with disclosures including segmental information, components of the operating profit.

2.1 OPERATING SEGMENTS

Information about reportable segments

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

The Group currently operates in one operating segment being mineral exploration and evaluation.
Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure;
- exploration being focused on copper; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief decision maker with respect to operating leases, are determined in accordance with *AASB 8 Operating Segments*.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the half-year ended 31 December 2019.

2.2 OTHER INCOME

Accounting Policy

Other income is recognised when the amount can be reliably measured and control of the right to receive the income be passed to the Group.

Finance income
Interest is recognised using the effective interest method.

	31 December 2019 $	31 December 2018 $
Other income[1]	338,208	-
	338,208	-

[1] Relates to reduction in trade creditors balances as negotiated and agreed with outstanding creditors as at 30 June 2019. Negotiations with trade creditors by the new Board has resulted in the complete write off or settlement at less than 100 cents in the dollar of owed amounts, with the totalling savings amounting to $338,208.

SECTION 3 ASSETS AND LIABILITIES SUPPORTING EXPLORATION AND EVALUATION

This section focuses on the assets and liabilities which form the core of the ongoing business, including those assets and liabilities which support ongoing exploration and evaluation as well as capital and other commitments existing at the year end.

3.1 EXPLORATION AND EVALUATION

Accounting Policy

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is expensed as incurred unless one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

	31 December 2019 $	30 June 2019 $
Exploration assets		
Opening balance	-	-
Exploration expenditure capitalised	213,555	-
Closing balance	213,555	-

3.2 TRADE RECEIVABLES AND OTHER ASSETS

	31 December 2019 $	30 June 2019 $
Current		
Other receivables	3,903	390
Prepayments - insurance	54,366	-
Other receivables due but not impaired	-	8,494
Net goods and services tax (GST) recoverable	10,820	8,391
Total trade and other receivables (Current)	69,089	17,275

3.3 TRADE AND OTHER PAYABLES

	31 December 2019 $	30 June 2019 $
Current		
Trade payables	1,125,128	1,581,908
Accruals	95,748	151,735
Other payables	3,306	18
	1,224,182	1,733,661

The Directors of the Company continue to assess the validity of creditor claims that arose prior to the appointment of the new Board on 2 August 2019 including borrowings as detailed in note 4.1 below. As at 31 December 2019, negotiations with trade creditors by the new Board has resulted in the complete write off or settlement at less than 100 cents in the dollar of owed amounts, with the totalling savings amounting to $338,208.

SECTION 4 EQUITY AND FUNDING

This section focuses on the share capital, options and debt funding available to the Group at year end.

4.1 LOANS AND BORROWINGS

	31 December 2019 $	30 June 2019 $
Current		
Other loans - Interest bearing	1,319,766	777,158
	1,319,766	**777,158**
Reconciliation of carrying amount		
Opening amount[1]	777,158	556,548
Loans received[2, 3, 4]	812,814	170,097
Interest on loans	52,680	50,513
Reclassification of convertible loans to equity (refer to note 4.2)	(300,000)	-
Repayment on loans[4]	(22,886)	-
Closing amount	**1,319,766**	**777,158**

[1] Loan facility of up to $1,500,000 from previous director Mr Michael Fotios. Loan is repayable within 10 days of receipt by the Company of sufficient funds from future capital raising and may be converted at the lender's election into equity at a conversion price equal to the issue price of shares under any future capital raising subject to necessary approvals. Loan is repayable upon demand at the discretion of the lenders. Loan incurs interest at 8% per annum.

[2] During the half-year, the Company obtained an interim funding facility through the execution of Convertible Loan Agreements with Wyllie Group Pty Ltd and Lantech Developments Pty Ltd for $150,000 in funding each. Interest is capitalised monthly at a rate of 10% per annum with the option by the Company to convert into shares at a price of $0.013 per share subject to necessary approvals. The interim funding facility is unsecured with a repayment date of the earlier of 12 months from the date of the agreement or the date of conversion.

[3] Post half-year end, a Loan Agreement was formally executed with Viridian Capital Pty Ltd (formerly Agri-Project Services Pty Ltd) for funding of up to $1,000,000. Interest is capitalised monthly at a rate of 10% per annum with repayment due on the earlier of 1 year from date of signing or other such date agreed or the date the Company raises at least $1,500,000 in capital (whether debt or equity). The loan is unsecured with a repayment date of the earlier of 12 months from the date of the agreement or the date the Company raises at least $1,500,000 in capital. As at 31 December 2019, a total of $450,000 had been provided to the Company under this facility.

[4] The Company obtained a financing facility for its insurance premiums. This facility is repaid on a monthly basis and is due to be fully repaid on 2 May 2020. The facility is unsecured with an interest rate 4.65% per annum.

4.2 CONTRIBUTED EQUITY

	Number of shares		Amount in $	
	6 months to 31 December 2019	Year to 30 June 2019	6 months to 31 December 2019	Year to 30 June 2019
At the beginning of the period	116,971,891	116,971,891	99,004,337	99,004,337
Share movement during the period:				
Unissued share capital – convertible loans[1]	-	-	300,000	-
At end of the period	**116,971,891**	**116,971,891**	**99,304,337**	**99,004,337**

[1] On 12 September 2019, the Company announced it had secured $300,000 in interim funding through converting loans. The loans have the option to convert into shares, at the election of the lender, subject to all necessary approvals, at a conversion rate of $0.013. As the instrument is primarily equity in nature, it has been recognised as part of equity.

SECTION 5 OTHER DISCLOSURES

5.1 RELATED PARTY TRANSACTIONS

The disclosures in the section focus on other mandatory disclosures such as details of related party transactions.

	31 December 2019	31 December 2018
	$	$
Short term employee benefits	78,957	54,000
Employment benefits - capitalised	(40,000)	-
Paid to former directors	30,468	-
	69,425	54,000

Other key management personnel transactions

A number of these companies transacted with the Company during the half-year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

- Middleton Nominees Pty Ltd, a company of which Mr Keith Middleton is a director, charged the Company for directors' fees totalling $20,000 (2018: $nil). No balance was outstanding at period end.

- Viridian Capital Pty Ltd (formerly Agri-Project Services Pty Ltd), a company of which Mr Daryl Henthorn is a director, provided the Company with bookkeeping and administrative services totalling $17,730 (2018: $nil), directors' fees totalling $20,000 (2018: $nil) and consulting fees totalling $2,760 (2018: $nil) and corporate advisory fees totalling $22,745 (2018: $nil). No balance (2018: $nil) was outstanding at period end.

- Orminex Limited, an entity of which Mr Darryl Henthorn is a director, was paid $7,500 in rent for the period. No balance (2018: $nil) was outstanding at period end.

5.1 RELATED PARTY TRANSACTIONS continued

- On 12 September 2019, the Company announced it had secured $150,000 in interim funding through an unsecured converting loan with Lantech Developments Pty Ltd, a company of which Mr Daryl Henthorn is a director. Refer to notes 4.1 and 4.2 for further details.

- Post half-year end, the Company announced it had secured funding of up to $1,000,000 through an unsecured loan facility with Viridian Capital Pty Ltd (formerly Agri-Project Services Pty Ltd), a company of which Mr Daryl Henthorn is a director. Refer to note 4.1 for further details

5.2 INVESTMENTS IN CONTROLLED ENTITIES

During and at the end of the interim period, the Company had the following subsidiaries:

Name of subsidiary	Country of Incorporation	Class	Proportion of ownership interest and voting power held by the Group	
			31 December 2019 %	30 June 2019 %
Redbank Operations Pty Ltd	Australia	Ordinary	100	100
Volley Oil Pty Ltd	Australia	Ordinary	100	100
Sandy Flat Operations Pty Ltd	Australia	Ordinary	100	-

5.3 SUBSEQUENT EVENTS

On 17 January 2020, the Company announced the establishment of a small share parcels facility for parcels of ordinary, fully paid shares valued at less than $500 (26,315 or fewer shares). The facility is due to close on 11 March 2020.

On 21 January 2020, the Company announced it had secured a loan funding facility of up to $1,000,000 with a daily fixed interest rate of 10% per annum capitalised monthly. The facility is due for repayment on the earlier of 1 year from the date of the agreement or other such date agreed or the date the Company raises at least $1,500,000 in capital (whether debt or equity).

On 10 February 2020, the Company announced it had raised $1.5m in convertible loans from sophisticated investors which incur interest at 10% per annum. Conversion is at the election of the lender and subject to shareholder approval. The balance will be converted into shares at conversion price of $0.015 per share and are otherwise repayable on 30 November 2020 if not converted.

On 10 February 2020, the Company announced the execution of a mandate to raise $4m with oversubscriptions of $2m to raise a total of $6m at $0.023 per share through the placement of shares to sophisticated investors. The placement is subject shareholder approval.

There were no other significant events subsequent to the half-year to the date of this report.

5.4 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2019 (June 2019: nil)

5.5 COMMITMENTS

Other than the loan commitments entered into during the period, there were no significant changes in commitments held by the Group since the last annual reporting date.

5.6 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Except for the changes below, the Group has consistently applied the accounting policies set out in the notes to the consolidated financial statements to all periods presented in these consolidated financial statements.

The Group has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Group had to change its accounting policies as a result of adopting AASB 15 Revenue from Contract with Customer and AASB 9 Financial Instruments. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

New accounting policies

- **AASB 16 Leases**

The Group has adopted AASB 16 Leases from 1 July 2019 retrospectively but has not restated comparatives for the 2019 reporting period as permitted under the specific transition provisions in the standard. AASB 16 replaces AASB 117 Leases along with three interpretations. Under the new standard, right of use assets are recognized along with the related lease liability in connection with all operating leases except for those identified as low-value or having a lease term of less than 12 months.

There is no significant impact in the financial statements on the adoption of AASB 16.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1 The financial statements and notes are in accordance with the Corporations Act 2001, and:

(a) comply with Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001, and other mandatory reporting requirements; and

(b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the period ended on that date of the Group.

2 In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

M A J Hannington

Michael Hannington
Executive Chairman
Redbank Copper Limited

12 March 2020

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
REDBANK COPPER LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Redbank Copper Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Redbank Copper Limited ("the consolidated entity"). The consolidated entity comprises both Redbank Copper Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Redbank Copper Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Redbank Copper Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Redbank Copper Limited on 12 March 2020.

Basis for Qualified Conclusion

Included in the trade and other payables in Note 3.3 and in the loans and borrowings in Note 4.1 are the trade and other payables and loans to the former Chairman of the Company and his associated entities amounting to $1,874,403 (trade and other payables: $1,063,562 and loans: $810,841) as at 31 December 2019. At the date of this report we were informed by the directors of the company that certain of the amounts owed are in dispute. We have not been able to obtain satisfactory independent confirmation of the outstanding balances or the amounts in dispute. Accordingly, we were unable to satisfy ourselves on the completeness and accuracy of the balance outstanding as at 31 December 2019.

Qualified Conclusion

Except for the possible effects of the matter described in the Basis for Qualified Conclusion section, 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 Redbank Copper Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1.6 of the financial report which states that the financial report has been prepared on a going concern basis. At 31 December 2019, the Group had cash and cash equivalents of $46,234, had working capital deficiency of $2,428,625, and net cash outflows from operating and investing activities of $684,169. The Group had generated a loss for the period ended 31 December 2019 of $12,294.

The ability of the Group to continue as a going concern and meet its exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event the Group is unable to raise further working capital and/or commence profitable operations, the Group may not be able to meet its liabilities as they fall due, or to realise its assets at their stated values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
12 March 2020