



# **Red Emperor Resources NL**

## **Annual Report**

### **30 June 2020**

ABN 99 124 734 961  
[redemperorresources.com](http://redemperorresources.com)

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## CORPORATE DIRECTORY

### Directors

Greg Bandy – Managing Director  
 Aaron Bertolatti – Director & Company Secretary  
 Jason Bontempo – Non-Executive Director

### Registered Office

First Floor  
 35 Richardson Street  
 West Perth WA 6005

### Share Registry

Computershare Investor Services Pty Ltd  
 Level 11  
 172 St Georges Terrace  
 Perth WA 6000

### Auditors

BDO Audit (WA) Pty Ltd  
 38 Station Street  
 Subiaco WA 6008

### Solicitors

Edwards Mac Scovell  
 Level 7, 140 St Georges Terrace  
 Perth WA 6000

### Nominated Adviser

Strand Hanson Limited  
 26 Mount Row,  
 Mayfair, London W1K 3SQ, UK

### Stock Exchanges

Australian Securities Exchange (ASX)  
 (Home Exchange: Perth, Western Australia)  
 ASX Code: **RMP**

The AIM market of the London Stock Exchange (AIM)  
 AIM Code: **RMP**



The Directors present their report for Red Emperor Resources NL ("Red Emperor" or "the Company") and its subsidiaries (together "the Group") for the year ended 30 June 2020.

### DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the year and at the date of this report are set out below. The Directors were in office for the entire year unless otherwise stated.

#### **Greg Bandy – B.Com** **Managing Director**

Greg Bandy has nearly 20 years of experience in retail, corporate and capital markets, both in Australia and overseas. Mr. Bandy worked as a Senior Client Advisor at Montagu Stockbrokers and Patersons Securities for over 10 years before moving to the corporate sector. A former director of Empire Beer Group Limited, Mr. Bandy oversaw the acquisition of Car Parking Technologies (now Smart Parking Limited (ASX: SPZ)) before stepping down as Executive Director. Mr. Bandy is also the former Managing Director of Fin Resources Limited (ASX: FIN).

#### **Jason Bontempo – B.Com, CA** **Non-Executive Director**

Jason Bontempo has 23 years' experience in public company management, corporate advisory, investment banking and public company accounting, qualifying as a chartered accountant with Ernst & Young. Mr. Bontempo has worked primarily serving on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development. Mr. Bontempo also provides corporate advice and financing services for resource companies across multiple capital markets including resource asset acquisitions and divestments.

#### **Aaron Bertolatti – B.Com, CA, AGS** **Director & Company Secretary**

Aaron Bertolatti is a qualified Chartered Accountant and Company Secretary with over 15 years' experience in the mining industry and accounting profession. Mr. Bertolatti has both local and international experience and provides assistance to a number of resource companies with financial accounting and stock exchange compliance. Mr. Bertolatti acts as Company Secretary for listed ASX companies, Fin Resources Ltd (ASX: FIN), Odin Metals Limited (ASX: ODM) and American Pacific Borates Ltd (ASX: ABR).

### DIRECTORSHIPS OF OTHER LISTED COMPANIES

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

Director	Company	Period of Directorship
Greg Bandy	Fin Resources Limited	Director from August 2011 to 14 May 2018
Aaron Bertolatti	Odin Metals Limited	Director from October 2017 to April 2020
Jason Bontempo	Odin Metals Limited	Director since 7 February 2018
	Fin Resources Limited	Director since July 2011
	First Cobalt Corporation	Director from November 2015 to December 2017

### INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Red Emperor Resources NL are:

Director	Ordinary Shares	Options <sup>1</sup>
Greg Bandy	1,000,000	6,000,000
Jason Bontempo	-	2,000,000
Aaron Bertolatti	375,000	2,000,000

<sup>1</sup> Options are exercisable at \$0.04 each on or before 31 December 2020.



### RESULTS OF OPERATIONS

The Company's net loss after taxation attributable to the members of Red Emperor for the year to 30 June 2020 was \$1,037,013 (2019: \$10,271,311).

### DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

### CORPORATE STRUCTURE

Red Emperor Resources NL is a company limited by shares, which is incorporated and domiciled in Australia.

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was oil and gas exploration and project identification.

### REVIEW OF OPERATIONS

#### Perth Basin, Western Australia

In December 2019, the Company entered into a binding Letter of Intent ("LOI") with Pilot Energy Limited (ASX: PGY) ("Pilot Energy") and Key Petroleum Limited (ASX: KEY) ("Key Petroleum") (together, the Joint Venture ("JV") partners) in order to secure an option to acquire a 70% operated interest in the offshore Perth Basin exploration permit, WA-481-P.

Pursuant to the terms of the LOI, Red Emperor agreed to fund the completion of an existing committed work programme (comprising geological and geophysical studies) for the final year of the existing permit term, up to a capped amount of \$150,000 which was completed on time and on budget. Contemporaneous with such work programme being completed, the existing JV partners, formally applied to the National Offshore Petroleum Titles Administrator (NOPTA) for a renewal of the permit, which expired on 19 February 2020. Whilst the renewal application was successful and ultimately granted to the JV, the Board felt it prudent not to exercise the Company's option, which therefore expired on 5 June 2020.

#### Alaska North Slope

The Operator of ADL#s 391718, 391719, 319720 & 391721 (collectively, the "Western Blocks"), namely 88 Energy Limited (ASX/AIM: 88E), on behalf of the JV, held discussions with the relevant regulatory authorities in Alaska in relation to seeking relief on the rentals due on 1 May 2020. Unfortunately, such discussions were unsuccessful and as a result the Western Blocks were relinquished by the JV during the quarter ended 30 June 2020.

#### Philippines (SC 55)

On 26 August 2019, the 4-month extension to the moratorium period granted by the Philippine's Department of Energy ("DoE") expired. The Joint Venture then sought to enter into Sub-Phase 5 which required further, significant expenditure including the commitment to drill an exploration well in 2020. The Board decided that this was not the optimum use of shareholder funds and as a result, during Q4 2019, the Company advised the operator, Palawan55 Exploration and Production Corporation, of its intention to withdraw from the Joint Venture. The Company's equity interest was subsequently re-assigned to its Joint Venture partners.

### Corporate

In August 2019, Mr. Gracjan Lambert, Chief Executive Officer, resigned from the Company.

Red Emperor retained the services of Mr. John Begg on a part-time basis to assist with introducing and reviewing business opportunities. John is an expert, upstream oil and gas project generator and deal closer. With decades of experience in equity capital markets, John is an industry-leading geoscientist who has lived and worked with consistently high business impact in Australia, developing SE Asian countries, the UK, Middle East and the USA.



## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year, other than as set out in this report.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 10 August 2020, the Company announced that, pursuant to the relinquishment of the Western Blocks on the North Slope, Alaska, as announced on 24 July 2020, the Company had become an AIM Rule 15 cash shell.

As an AIM Rule 15 cash shell, the Company is required to make an acquisition, or acquisitions, which constitute(s) a reverse takeover under AIM Rule 14, or alternatively seek re-admission to trading on AIM as an investing company pursuant to AIM Rule 8, within six months from 21 July 2020, failing which the Company's ordinary shares will be suspended from trading on AIM pursuant to AIM Rule 40 and cancelled from admission to trading on AIM if such a transaction has not been completed within a further six month period thereafter.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been no other significant events subsequent to the end of the financial year to the date of this report.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group remains committed to identifying suitable assets for listing purposes. The Group intends to pursue acquisition and investment opportunities to secure new assets in accordance with its outlined strategic philosophy.

## ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of its shareholders, employees and suppliers. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The Group has no current reporting obligations under the Natural Greenhouse and Energy Reporting Act 2007 due to all operations during the year occurring overseas. The Directors are mindful of the regulatory regime in relation to the impact of its organisational activities on the environment. There have been no known breaches by the Group during the year.

## SHARE OPTIONS

As at the date of this report, there were 32,000,000 unissued ordinary shares under options. Details of the options are as follows:

Number	Exercise Price	Expiry Date
26,000,000	\$0.04	31 December 2020
6,000,000	\$0.05	15 January 2022
<b>32,000,000</b>		

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options expired unexercised during the financial year. No options were exercised during or since the year ended 30 June 2020.



### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence.

The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

### DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the Directors met regularly to discuss all matters associated with investment strategy, review of opportunities, and other Company matters on an informal basis. The regular nature of these meetings is facilitated through the sharing of office space along with Max Capital Pty Ltd, Red Emperor's Corporate Advisor. Circular resolutions were passed as necessary to execute formal Board decisions.

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Greg Bandy	4	4
Jason Bontempo	4	4
Aaron Bertolatti	4	4

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Red Emperor Resources NL support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Red Emperor complies to the extent possible with those guidelines, which are of importance to the commercial operation of a junior listed resources company.

During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

The Company has established a set of corporate governance policies and procedures which can be found, along with the Company's Corporate Governance Statement, on Red Emperor's website at:  
[www.redemperorresources.com](http://www.redemperorresources.com).

### AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Red Emperor with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within this annual report. There were no non-audit services provided by the Company's auditor.

### Officers of the Company who are former partners of BDO Audit (WA) Pty Ltd

There are no officers of the Company who are former partners of BDO Audit (WA) Pty Ltd.

**Auditor**

BDO Audit (WA) Pty Ltd continue in office in accordance with section 327 of the Corporations Act 2001.

**AUDITED REMUNERATION REPORT**

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Red Emperor Resources NL for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

**Details of Key Management Personnel**

- Greg Bandy (Managing Director)
- Jason Bontempo (Non-Executive Director)
- Aaron Bertolatti (Director and Company Secretary)
- Gracjan Lambert (CEO) (resigned on 12 August 2019)

**Remuneration Policy**

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The expected outcome of this remuneration structure is to retain and motivate directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter and Remuneration Policy. The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, such directors. Non-executive directors' fees and payments are reviewed annually by the Board. Any Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. Non-executive directors do not receive performance-based pay.

The following fees have applied:

Level	Cash Remuneration
Managing Director	\$180,000
Director / Non-Executive Director	\$36,000 to \$60,000

***Additional fees***

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

***Retirement allowances for Directors***

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable.



## Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director and Executive of the Company for the year ended 30 June 2020 are as follows:

2020	Base Salary \$	Short term Directors' Fees \$	Consulting Fees \$	Options Share Based Payments \$	Post-Employment Benefits \$	Other Benefits \$	Total \$	Option related %
<b>Directors</b>								
Greg Bandy	180,000	-	-	-	17,100	-	197,100	-
Jason Bontempo	-	30,000	-	-	2,850	-	32,850	-
Aaron Bertolatti	-	-	60,000	-	-	-	60,000	-
<b>Officers</b>								
Gracjan Lambert <sup>1</sup>	19,846	-	-	-	1,885	-	21,731	-
	<b>199,846</b>	<b>30,000</b>	<b>60,000</b>	<b>-</b>	<b>21,835</b>	<b>-</b>	<b>311,681</b>	<b>-</b>

<sup>1</sup> Gracjan Lambert resigned on 12 August 2019.

There were no other executive officers of the Company during the financial year ended 30 June 2020.

2019	Base Salary \$	Short term Directors' Fees \$	Consulting Fees \$	Options Share Based Payments \$	Post-Employment Benefits \$	Other Benefits \$	Total \$	Option related %
<b>Directors</b>								
Greg Bandy	180,000	-	-	192,829	17,100	-	389,929	49.5
Jason Bontempo	-	30,000	-	64,276	2,850	-	97,126	66.2
Aaron Bertolatti	-	-	60,000	64,276	-	-	124,276	51.7
<b>Officers</b>								
Gracjan Lambert	180,000	-	-	142,106	17,100	20,000 <sup>1</sup>	359,206	39.6
	<b>360,000</b>	<b>30,000</b>	<b>60,000</b>	<b>463,487</b>	<b>37,050</b>	<b>20,000</b>	<b>970,537</b>	<b>47.8</b>

<sup>1</sup> Gracjan Lambert relocated with his family from the USA to take up the CEO position with the Company and was paid a relocation amount of \$20,000.

There were no other executive officers of the Company during the financial year ended 30 June 2019.

## Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year by each Director and specified executives of the Group, including their personally related parties, is set out below. There were no shares granted during the reporting year as compensation.

	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
<b>Directors</b>					
Greg Bandy	1,000,000	-	-	-	1,000,000
Jason Bontempo	-	-	-	-	-
Aaron Bertolatti	375,000	-	-	-	375,000
<b>Officers</b>					
Gracjan Lambert	-	-	-	-	-





All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

### Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Red Emperor Resources NL and specified executives of the Group, including their personally related parties, are set out below:

	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Exercisable	Un-exercisable
<b>Directors</b>	-	-	-	-	-	-	-
Greg Bandy	6,000,000	-	-	-	6,000,000	6,000,000	-
Jason Bontempo	2,000,000	-	-	-	2,000,000	2,000,000	-
Aaron Bertolatti	2,000,000	-	-	-	2,000,000	2,000,000	-
<b>Officers</b>							
Gracjan Lambert <sup>1</sup>	6,000,000	-	-	(6,000,000)	-	-	-

<sup>1</sup> Gracjan Lambert resigned on 12 August 2019.

No option holder has any right under the options to participate in any other share issues of the Company. Options granted carry no dividend or voting rights.

### Service Agreements

#### Executive Directors

The Company has a service agreement with Greg Bandy as Managing Director. The key terms are summarised as follows:

- Employment commencing 1 December 2013 until agreement is validly terminated in accordance with its terms;
- The Company may terminate the employment by giving 12 months written notice if Mr. Bandy becomes incapacitated by illness or injury or becomes of unsound mind;
- The Company may terminate the employment by giving 1 month written notice if Mr. Bandy commits any serious or persistent breach of any of the provisions in the agreement and the breach is not remedied within 21 days of the receipt of written notice from the Company to do so;
- The Company may terminate the employment without reason by providing 12 months written notice;
- Mr. Bandy may terminate the employment by providing 6 months written notice to the Company;
- On termination of the employment, Mr. Bandy is entitled to payment of any accrued annual leave entitlements; and
- A salary of \$180,000 per year effective 28 November 2013 on a Total Employment Cost basis and to be reviewed annually.

Aaron Bertolatti is engaged under an Executive Agreement dated 4 June 2018. Under the agreement Mr. Bertolatti is paid an annual fee of \$60,000 for the provision of Director, Company Secretary and financial accounting services. The agreement may be terminated by the Company without notice or without cause by giving three months' notice in writing or payment in lieu of notice. The agreement may also be terminated by Mr. Bertolatti by providing three months' notice in writing.

#### Non-executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director.



## Loans to Directors and Executives

There were no loans to Directors and executives during the financial year ended 30 June 2020.

## Additional Information

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
Revenue	41,237	100,931	134,982	158,634	239,406
EBITDA	(1,037,013)	(10,271,311)	(690,097)	(758,918)	(9,034,572)
EBIT	(1,037,013)	(10,271,311)	(690,097)	(758,918)	(9,034,572)
Loss after income tax	(1,037,013)	(10,271,311)	(690,097)	(758,918)	(9,034,572)

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

	2020	2019	2018	2017	2016
Share price at financial year end (\$)	0.009	0.011	0.023	0.02	0.02
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.20)	(2.18)	(0.16)	(0.18)	(2.13)

## Voting and comments made at the Company's 2019 Annual General Meeting ("AGM")

Red Emperor Resources NL received 92.4% of "yes" votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## END OF AUDITED REMUNERATION REPORT

Signed on behalf of the board in accordance with a resolution of the Directors.

**Greg Bandy**  
Managing Director

Perth, Western Australia  
18 September 2020



**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*for the year ended 30 June 2020*

	Note	30-Jun-20 \$	30-Jun-19 \$
<b>Continuing Operations</b>			
Interest received		26,768	73,955
Other income		14,469	-
Sale of subsidiary - Georgian Oil Pty Ltd		-	26,976
Employee and director benefits expense		(251,681)	(458,573)
Professional and Consultants		(277,502)	(271,102)
ASX and AIM and share registry fees		(173,580)	(208,592)
Travel expenditure		(14,678)	(117,227)
Exploration expenditure written off	6	(249,595)	(8,374,644)
Realised gain on investment		-	326
Share based payment expense	16	-	(700,330)
Unrealised Foreign exchange gain/(loss)		3,396	74,258
Other expenses		(114,610)	(316,358)
<b>Loss before income tax</b>		<b>(1,037,013)</b>	<b>(10,271,311)</b>
Income tax expense	3	-	-
<b>Loss after Income Tax</b>		<b>(1,037,013)</b>	<b>(10,271,311)</b>
<b>Other comprehensive loss</b>			
<b>Items that may be reclassified to profit or loss</b>			
Other comprehensive income/(loss)		265	270,291
<b>Other comprehensive income/(loss) for the year net of tax</b>		265	270,291
<b>Total comprehensive loss for the year</b>		<b>(1,036,748)</b>	<b>(10,001,020)</b>
<b>Loss per share for the year attributable to the members of Red Emperor Resources NL</b>			
Basic loss per share (cents)		(0.20)	(2.18)

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

**Consolidated Statement of Financial Position** *as at 30 June 2020*

	Note	30-Jun-20 \$	30-Jun-19 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	4,603,010	5,642,936
Trade and other receivables	5	28,562	36,881
<b>Total Current Assets</b>		<b>4,631,572</b>	<b>5,679,817</b>
<b>Non-Current Assets</b>			
Deferred Exploration & Evaluation Expenditure	6	-	-
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>4,631,572</b>	<b>5,679,817</b>
<b>Current Liabilities</b>			
Trade and other payables	7	53,782	65,279
<b>Total Current Liabilities</b>		<b>53,782</b>	<b>65,279</b>
<b>Total Liabilities</b>		<b>53,782</b>	<b>65,279</b>
<b>Net Assets</b>		<b>4,577,790</b>	<b>5,614,538</b>
<b>Equity</b>			
Issued capital	8	61,811,451	61,811,451
Reserves	9	5,270,653	5,270,388
Accumulated losses	10	(62,504,314)	(61,467,301)
<b>Total Equity</b>		<b>4,577,790</b>	<b>5,614,538</b>

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

**Consolidated Statement of Changes in Equity for the year ended 30 June 2020**

	Issued capital \$	Accumulated losses \$	Foreign exchange translation reserve \$	Share based payments reserve \$	Total \$
<b>Balance at 1 July 2018</b>	<b>57,329,505</b>	<b>(51,195,990)</b>	<b>(14,874)</b>	<b>4,111,702</b>	<b>10,230,343</b>
<b>Total comprehensive income/(loss) for the year</b>					
Loss for the year	-	(10,271,311)	-	-	(10,271,311)
Other Comprehensive income/(loss)	-	-	270,291	-	270,291
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(10,271,311)</b>	<b>270,291</b>	<b>-</b>	<b>(10,001,020)</b>
<b>Transactions with owners in their capacity as owners</b>					
Shares issued during the year	5,000,000	-	-	-	5,000,000
Proceeds from options issued during the year	-	-	-	2,400	2,400
Cost of issue	(518,054)	-	-	200,539	(317,515)
Share based payment (note 16)	-	-	-	700,330	700,330
<b>Balance at 30 June 2019</b>	<b>61,811,451</b>	<b>(61,467,301)</b>	<b>255,417</b>	<b>5,014,971</b>	<b>5,614,538</b>
<b>Balance at 1 July 2019</b>	<b>61,811,451</b>	<b>(61,467,301)</b>	<b>255,417</b>	<b>5,014,971</b>	<b>5,614,538</b>
<b>Total comprehensive income/(loss) for the year</b>					
Loss for the year	-	(1,037,013)	-	-	(1,037,013)
Other Comprehensive income/(loss)	-	-	265	-	265
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(1,037,013)</b>	<b>265</b>	<b>-</b>	<b>(1,036,748)</b>
<b>Transactions with owners in their capacity as owners</b>					
<b>Balance at 30 June 2020</b>	<b>61,811,451</b>	<b>(62,504,314)</b>	<b>255,682</b>	<b>5,014,971</b>	<b>4,577,790</b>

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

**Consolidated Statement of Cash Flows for the year ended 30 June 2020**

	Note	30-Jun-20 \$	30-Jun-19 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(831,833)	(1,449,625)
Interest received		26,768	73,955
Other receipts		14,469	-
<b>Net cash used in operating activities</b>	4	<b>(790,595)</b>	<b>(1,375,670)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(249,595)	(8,356,062)
Payment of performance bond		-	(1,454,779)
Refund of performance bond		-	1,500,544
Proceeds from sale of subsidiary - Georgian Oil Pty Ltd		-	26,976
<b>Net cash used in investing activities</b>		<b>(249,595)</b>	<b>(8,283,321)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	5,000,000
Proceeds from issue of options		-	2,400
Payments for share issue costs		-	(315,386)
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>4,687,014</b>
Net decrease in cash and cash equivalents		(1,040,190)	(4,971,977)
Cash and cash equivalents at beginning of year		5,642,936	10,344,621
Effects of exchange rate changes on cash and cash equivalents		265	270,292
<b>Cash and cash equivalents at the end of the year</b>	4	<b>4,603,010</b>	<b>5,642,936</b>

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

**1. Corporate Information**

The financial report of Red Emperor Resources NL ("Red Emperor" or "the Company") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 18 September 2020. Red Emperor is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian Securities Exchange and the AIM market of the London Stock Exchange (AIM). The nature of the operations and the principal activities of the Company are described in the Directors' Report.

**2. Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of Preparation**

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Red Emperor Resources NL is a for-profit entity for the purpose of preparing the financial statements. Red Emperor Resources NL is a listed public company, incorporated and domiciled in Australia. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Going concern**

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID19 pandemic on the position of the Group at 30 June 2020 and its operations in future periods.

**(b) Principles of consolidation****Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red Emperor Resources NL ("Red Emperor", "the Company" or "parent entity") as at 30 June 2020 and the results of all subsidiaries for the year then ended. Red Emperor Resources NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special structured entities) over which the Group controls. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are accounted for in the parent entity financial statements at cost.

**(c) Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in the deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(d) Exploration and Evaluation Expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method which is based on the successful efforts method of accounting for oil and gas exploration and evaluation expenditure. This approach is strongly linked to the Group's oil and gas reserves determination and reporting process and is considered to most fairly reflect the results of the Group's exploration and evaluation activity because only assets with demonstrable value are carried on the statement of financial position.

Accumulated costs in relation to an abandoned area are written off in full against loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.



**(e) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(f) Earnings/(loss) per share***i. Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*ii. Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(g) Cash and Cash Equivalents**

For the statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

**(h) Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(i) Foreign currency translation**Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Red Emperor Resources NL's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity when they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.



Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss on translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

**(j) Parent entity information**

The financial information for the parent entity, Red Emperor Resources NL, disclosed in note 20 has been prepared on the same basis as the consolidated financial statements.

**(k) Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**(l) Revenue Recognition**

Interest income is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. All revenue is stated net of the amount of goods and services tax (GST).

**(m) Financial instruments***Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).



For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities' business model for managing the financial asset.

#### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

#### Impairment

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### Comparative information

The Group has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

### **(n) Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.



Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Share-based payment transactions

The Group measures the cost of equity-settled transactions and cash-settled share-based payments with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions detailed in note 16.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**(o) New and amended standards adopted by the Group**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The impact on the financial performance and position of the Company from the adoption of the new or amended Accounting Standards and Interpretations was not material.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(p) New standards and interpretations not yet adopted**

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(q) Segment Reporting**

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the annual financial report have been included.

	2020 \$	2019 \$
<b>3. Income Tax</b>		
<b>(a) Income tax expense</b>		
Major component of tax expense for the year:		
Current tax	-	-
Deferred tax	-	-
	-	-



	2020 \$	2019 \$
<b>(b) Numerical reconciliation between aggregate tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate</b>		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:		
Loss from continuing operations before income tax expense	(1,037,013)	(10,271,311)
Tax at the Australian rate of 30% (2019: 27.5%)	(311,104)	(2,824,611)
Tax effect of amounts not deductible in calculating taxable income:		
Non-deductible expenses	25,696	2,564,770
Difference in global tax rates	288,583	-
Current year tax losses not recognised	1,405	304,960
Movement in unrecognised temporary differences	(4,580)	(45,119)
Income tax expense	-	-
<b>(c) Deferred tax Liabilities</b>		
Timing differences	(142,236)	(131,799)
Off set of deferred tax assets	142,236	131,799
Net deferred tax liabilities	-	-
<b>(d) Deferred tax assets arising on timing</b>		
Tax revenue losses	3,394,599	2,796,482
Tax capital losses	156,214	135,778
Deductable temporary differences	1,422,479	1,426,321
	4,973,292	4,358,580
Off set of deferred tax liabilities	(142,236)	(131,799)
Net deferred tax assets not brought to account	<b>4,831,056</b>	<b>4,226,781</b>

No deferred tax assets have been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The benefit for tax losses will only be obtained if:

- the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- no changes in tax legislation in Australia adversely affect the Company in realising the benefit from the deductions for the losses.

At 30 June 2020, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability for additional taxation should such amounts be remitted.



	2020 \$	2019 \$
<b>4. Cash and Cash Equivalents</b>		
<b>Reconciliation of cash</b>		
Cash comprises of:		
Cash at bank	<b>4,603,010</b>	<b>5,642,936</b>
<b>Reconciliation of operating loss after tax to net cash flow from operations</b>		
Loss after tax	(1,037,013)	(10,271,311)
<i>Non-cash items</i>		
Exploration expenditure written off	249,595	8,374,644
Share based payments	-	700,330
Net exchange differences	(1,247)	(89,588)
<i>Change in assets and liabilities</i>		
(Increase)/decrease in trade, other receivables and other assets	9,566	(22,462)
Increase/(decrease) in trade and other payables	(11,496)	(67,284)
<b>Net cash flow used in operating activities</b>	<b>(790,595)</b>	<b>(1,375,670)</b>

**5. Trade and other receivables**

GST receivable	9,500	9,358
Other Receivables	19,062	27,523
	<b>28,562</b>	<b>36,881</b>

Debtors, other receivables and GST receivable are non-interest bearing and generally receivable on 30-day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

**6. Deferred Exploration & Evaluation Expenditure**

Opening balance	-	-
Acquisition of exploration tenements <sup>1</sup>	-	480,784
Exploration and evaluation expenditure incurred during the year	249,595	7,624,187
Foreign exchange difference	-	269,673
Exploration expenditure written off <sup>2,3,4</sup>	(249,595)	(8,374,644)
Closing balance	-	-

<sup>1</sup> Approximately \$480,784 (US\$350,000) of consideration was payable under an agreement with Great Bear Petroleum Ventures II LLC to acquire the majority of Great Bear's working interest in four leases on the western flank of the Alaska North Slope.

<sup>2</sup> The Winx-1 exploration well was drilled in March 2019. Whilst early indications from the logging while drilling (LWD) data were encouraging, provisional wireline results indicated low oil saturations in the Nanushuk Topsets not conducive to successfully flowing the formation. Accordingly, the Board decided to write down exploration and evaluation expenditure in relation to the Alaskan asset to nil.

<sup>3</sup> The Board decided that it would not participate in the next phase of operations and would therefore withdraw from the SC55 consortium resulting in the assignment of the group's 37.5% participating interest to Palawan55. As a result, exploration and evaluation expenditure in relation to the Philippines asset was written down to nil.

<sup>4</sup> The Board made the decision not to exercise the Company's option to acquire a 70% operated interest in the offshore Perth Basin exploration permit, WA-481-P. As a result, exploration and evaluation expenditure in relation to the Perth Basin has also been written down to nil.



The ultimate recoupment of any costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective lease areas. The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective lease areas.

	2020 \$	2019 \$
<b>7. Trade and other payables</b>		
Trade payables	22,888	37,282
Other payables	15,894	12,497
Accruals	15,000	15,500
	<b>53,782</b>	<b>65,279</b>

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

## 8. Issued Capital

### (a) Issued and paid up capital

Issued and fully paid	<b>61,811,451</b>	<b>61,811,451</b>
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### (b) Movements in ordinary shares on issue

	2020		2019	
	Number of shares	\$	Number of shares	\$
Opening Balance	525,292,776	61,811,451	425,292,776	57,329,505
Shares issued via \$0.05 placement	-	-	100,000,000	5,000,000
Transaction costs on share issue	-	-	-	(518,054)
Closing Balance	<b>525,292,776</b>	<b>61,811,451</b>	<b>525,292,776</b>	<b>61,811,451</b>

### (c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

### (d) Capital risk management

The Company's capital comprises share capital and reserves less accumulated losses amounting to net equity of \$4,577,790 at 30 June 2020. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Company was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 14 for further information on the Company's financial risk management policies.

### (e) Share Options

As at the date of this report, there were 32,000,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price	Expiry Date
26,000,000	\$0.04	31 December 2020
6,000,000	\$0.05	15 January 2022
<b>32,000,000</b>		





No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options expired unexercised during the financial year. No options were exercised during or since the year ended 30 June 2020.

	2020 \$	2019 \$
<b>9. Reserves</b>		
Share based payments reserve	5,014,971	5,014,971
Foreign exchange translation reserve	255,682	255,417
	<b>5,270,653</b>	<b>5,270,388</b>

**Movements in Reserves**

<i>Share based payments reserve</i>		
Opening balance	5,014,971	4,111,702
Movements during the year	-	903,269
Closing balance	<b>5,014,971</b>	<b>5,014,971</b>

The share based payments reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options. Refer to note 16 for further details of the securities issued during the year ended 30 June 2019.

<i>Foreign exchange translation reserve</i>		
Opening balance	255,417	(14,874)
Foreign exchange translation difference	265	270,291
Closing balance	<b>255,682</b>	<b>255,417</b>

The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

**10. Accumulated losses**

Movements in accumulated losses were as follows:

Opening balance	(61,467,301)	(51,195,990)
Loss for the year	(1,037,013)	(10,271,311)
Closing balance	<b>(62,504,314)</b>	<b>(61,467,301)</b>

**11. Auditor's Remuneration**

The auditor of Red Emperor Resources NL is BDO Audit (WA) Pty Ltd

Amounts received or due and receivable for:

- an audit or review of the financial report	<b>33,750</b>	<b>34,000</b>
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**12. Key Management Personnel Disclosures**
**(a) Remuneration of Key Management Personnel**

Details of the nature and amount of each element of the emolument of each Director and Executive of the Company for the financial year are as follows:

Short term employee benefits	289,846	450,000
Long term employee benefits	21,835	37,050
Share based payments	-	463,487
Other benefits	-	20,000
<b>Total remuneration</b>	<b>311,681</b>	<b>970,537</b>




**(b) Other transactions with key management personnel**

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms. There were no other transactions with key management personnel for the year ended 30 June 2020.

**(c) Loans to/from related parties**

There were no amounts or loans made or outstanding to the directors of Red Emperor and other key management personnel of the Group, including their personally related parties.

**13. Related party disclosures**
**(a) Key management personnel**

For Director related party transactions please refer to Note 12 "Key management personnel disclosures".

**(b) Subsidiaries**

The consolidated financial statements include the financial statements of Red Emperor Resources NL and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Holding	
		30 June 2020	30 June 2019
Puntland Oil Pty Ltd	Australia	100%	100%
Georgian Oil Pty Ltd	Australia	-	- <sup>1</sup>
Vianista Pty Ltd	Australia	100%	100%
Century Red Pte. Ltd	Singapore	100%	100%
Red Emperor Alaska Limited	USA	100%	100%

<sup>1</sup> Pursuant to the terms of a Share Sale Agreement entered into on 25 September 2018, Red Emperor agreed to sell 100% of the issued capital of Georgian Oil Pty Ltd to Range Resources Ltd for nominal cash consideration of \$26,976 (US\$20,000).

**14. Financial Risk Management**

The Group's activities expose it to a variety of financial risks including interest rate risk, price risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed.

These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk. Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

**(a) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at the reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at the reporting date were trade payables incurred in the normal course of business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

**(b) Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash. The Company manages the risk by investing in short term deposits.

**Interest rate sensitivity**

The following table demonstrates the sensitivity of the Company's Statement of Profit or Loss and Other Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss (\$) Increase/(Decrease)		Effect on Equity including retained earnings (\$) Increase/(Decrease)	
	2020	2019	2020	2019
Increase 75 basis points	34,523	42,322	34,523	42,322
Decrease 75 basis points	(34,523)	(42,322)	(34,523)	(42,322)

A sensitivity of 75 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

**(c) Credit Risk Exposures**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

	2020 \$	2019 \$
Cash and cash equivalents AA-	4,603,010	5,642,936

**(d) Capital Risk Management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.



The net working capital position of the Company at 30 June 2020 was \$4,577,790 (2019: \$5,614,538) and the net decrease in cash held during the year was \$1,039,926 (2019: net decrease \$4,701,685). The Group currently has \$ 4,603,010 (2019: \$5,642,936) of cash and cash equivalents and no debt.

## 15. Loss per Share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The following reflects the loss and share data used in the total operations basic and diluted earnings per share computations:

	2020 \$	2019 \$
Loss used in calculating basic and dilutive EPS	(1,037,013)	(10,271,311)

  

	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	525,292,776	470,772,228

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements. As the Company is loss making, there is no diluted EPS calculated.

	2020 \$	2019 \$
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## 16. Share based payments

### (a) Recognised share based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capital raising costs in equity during the period were as follows:

Employee and Director share based payments	-	463,487
Share based payments to suppliers	-	437,382
	-	<b>900,869</b>

Share-based payment transactions have been recognised as follows:

Share-based payment expense	-	700,330
Issued capital – transaction costs on share issue	-	200,539
	-	<b>900,869</b>

### (b) Employee and Director share based payments

There were no unlisted options issued to employees and directors during the year ended 30 June 2020.

The fair value at grant date of options granted during the prior reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.



The table below summarises options granted during the year ended 30 June 2019:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
08/08/2018	31/12/2020	\$0.04	-	6,000,000	-	-	6,000,000	6,000,000
22/11/2018	31/12/2020	\$0.04	-	10,000,000	-	-	10,000,000	10,000,000
				<b>16,000,000</b>	-	-	<b>16,000,000</b>	<b>16,000,000</b>

The expense recognised in respect of the above options was \$463,487 which represents the fair value of the options. The model inputs, not included in the table above, for options granted during the year ended 30 June 2019 included:

- options were issued at \$0.0001 each;
- expected lives of the options ranged from 2.1 to 2.4 years;
- share price at grant date ranged from \$0.046 to \$0.058;
- expected volatility of 80%;
- expected dividend yield of nil; and
- a risk-free interest rate of 2.04%.

### (c) Share-based payment to suppliers

There were no unlisted options issued to suppliers during the year ended 30 June 2020.

The Company issued unlisted options to provide consideration to consultants and corporate advisors for services rendered during the year ended 30 June 2019. These options were valued using the Black-Scholes option pricing model as the value of the work performed could not be reliably determined.

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
08/08/2018	31/12/2020	\$0.04	-	10,000,000	-	-	10,000,000	10,000,000
15/01/2019	15/01/2022	\$0.05	-	6,000,000	-	-	6,000,000	6,000,000
				<b>16,000,000</b>	-	-	<b>16,000,000</b>	<b>16,000,000</b>

The expense recognised in respect of the above options was \$437,382 which represents the fair value of the options. The model inputs, not included in the table above, for options granted during the year ended 30 June 2019 included:

- options issue price ranged from nil to \$0.0001 each;
- expected lives of the options ranged from 2.4 years to 3.0 years;
- share price at grant date ranged from \$0.046 to \$0.059;
- expected volatility of 80%;
- expected dividend yield of nil; and
- a risk-free interest rate of 2.04%.

## 17. Commitments

There are no commitments as at 30 June 2020 (30 June 2019: nil).

## 18. Contingent assets and liabilities

There are no known contingent assets or liabilities as at 30 June 2020 (30 June 2019: nil).


**19. Dividends**

No dividend was paid or declared by the Company in the year ended 30 June 2020 or the period since the end of the financial year and up to the date of this report (2019: nil). The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2020.

**20. Parent Entity Information**

The following details information related to the parent entity, Red Emperor Resources NL, at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	30 June 2020	30 June 2019
	\$	\$
Current assets	4,631,471	5,669,173
Total assets	4,631,571	5,669,273
Current liabilities	(53,782)	(65,278)
Total liabilities	(53,782)	(65,278)
Net assets	<b>4,577,789</b>	<b>5,603,995</b>
Issued capital	61,811,451	61,811,451
Reserves	5,014,971	5,014,971
Accumulated losses	(62,248,633)	(61,222,427)
	<b>4,577,789</b>	<b>5,603,995</b>
Loss of the parent entity	(1,026,206)	(10,001,644)
Other comprehensive income for the year	-	-
Total comprehensive loss of the parent entity	<b>(1,026,206)</b>	<b>(10,001,644)</b>

**21. Operating Segments**

The Company has determined the operating segments based 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. During the year the consolidated entity operated in two business segments, exploration & evaluation and treasury (other).

**Basis of accounting for purposes of reporting by operating segments**
Accounting policies adopted

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

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.


Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment: - head office and other administration expenditure. The Group operates in two industries, mineral and oil and gas exploration however due to the differing geographical areas and functional currencies the financial information has been broken down into two operating segments being exploration and administration (other) in three geographical areas.

<b>Segment Performance</b> <b>30 June 2020</b>	<b>Alaska</b> <b>Exploration</b> <b>&amp; Evaluation</b> <b>\$</b>	<b>Australia</b> <b>Exploration</b> <b>&amp; Evaluation</b> <b>\$</b>	<b>Philippines</b> <b>Exploration</b> <b>&amp; Evaluation</b> <b>\$</b>	<b>Treasury</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Income					
Interest income	-	-	-	26,768	26,768
Other income	-	-	-	14,469	14,469
Total segment income	-	-	-	<b>41,237</b>	<b>41,237</b>
Total Group income	-	-	-	41,237	41,237
<b>Segment net profit before tax</b>	-	-	-	<b>41,237</b>	<b>41,237</b>
Expenses					
Exploration expenditure written off	(36,249)	(155,596)	(57,750)	-	<b>(249,595)</b>
<b>Segment net profit/(loss) before tax</b>	<b>(36,249)</b>	<b>(155,596)</b>	<b>(57,750)</b>	<b>41,237</b>	<b>(208,358)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Unallocated items:					
Foreign exchange gain/(loss)	-	-	-	3,396	3,396
Other	-	-	-	-	(832,051)
<b>Net loss before tax from continuing operations</b>					<b>(1,037,013)</b>

<b>30 June 2019</b>					
Income					
Interest income	-	26,976	-	73,955	100,931
Other income	-	<b>26,976</b>	-	<b>73,955</b>	<b>100,931</b>
Total segment income	-	26,976	-	73,955	100,931
<b>Segment net profit before tax</b>	-	<b>26,976</b>	-	<b>73,955</b>	<b>100,931</b>
Expenses					
Exploration expenditure written off	(8,182,668)	-	(191,976)	-	<b>(8,374,644)</b>
<b>Segment net profit/(loss) before tax</b>	<b>(8,182,668)</b>	<b>26,976</b>	<b>(191,976)</b>	<b>73,955</b>	<b>(8,273,713)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Unallocated items:					
Foreign exchange gain/(loss)	-	-	-	74,528	74,528
Other	-	-	-	-	(2,072,126)
<b>Net loss before tax from continuing operations</b>					<b>(10,271,311)</b>



<u>Segment Assets</u> 30 June 2020	Alaska Exploration & Evaluation \$	Australia Exploration & Evaluation \$	Philippines Exploration & Evaluation \$	Treasury \$	Total \$
<b>Segment assets</b>	-	-	-	-	-
<i>Segment assets increases/ (decreases) for the year:</i>					
<i>Reconciliation of segment assets to Group assets</i>					
	-	-	-	-	-
Unallocated items:					
Cash and cash equivalents					4,603,010
Trade and other receivables					28,562
<b>Total Group assets from continuing operations</b>					<b>4,631,572</b>
<b>2019</b>					
<b>Segment assets</b>	-	-	-	-	-
<i>Segment assets increases/ (decreases) for the year:</i>					
<i>Reconciliation of segment assets to Group assets</i>					
	-	-	-	-	-
Unallocated items:					
Cash and cash equivalents					5,642,936
Trade and other receivables					36,881
<b>Total Group assets from continuing operations</b>					<b>5,679,817</b>
<b>Segment Liabilities</b> 30 June 2020					
<b>Segment liabilities</b>	-	-	-	-	-
<i>Reconciliation of segment liabilities to Group assets</i>					
Unallocated items:					
Trade and other payables					53,782
<b>Total Group liabilities from continuing operations</b>					<b>53,782</b>
<b>30 June 2019</b>					
<b>Segment liabilities</b>	-	-	-	-	-
<i>Reconciliation of segment liabilities to Group assets</i>					
Unallocated items:					
Trade and other payables					65,279
<b>Total Group liabilities from continuing operations</b>					<b>65,279</b>



**22. Events Occurring after the Reporting Period**

On 10 August 2020, the Company announced that, pursuant to the relinquishment of the Western Blocks on the North Slope, Alaska, as announced on 24 July 2020, the Company had become an AIM Rule 15 cash shell.

As an AIM Rule 15 cash shell, the Company is required to make an acquisition, or acquisitions, which constitute(s) a reverse takeover under AIM Rule 14, or alternatively seek re-admission to trading on AIM as an investing company pursuant to AIM Rule 8, within six months from 21 July 2020, failing which the Company's ordinary shares will be suspended from trading on AIM pursuant to AIM Rule 40 and cancelled from admission to trading on AIM if such a transaction has not been completed within a further six month period thereafter.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been no other significant events subsequent to the end of the financial year to the date of this report.





## Directors' Declaration

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In accordance with a resolution of the Directors of Red Emperor Resources NL, I state that:

1. In the opinion of the Directors:

- a) the financial statements and notes of Red Emperor Resources NL for the year ended 30 June 2020 are in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Company's consolidated financial position as at 30 June 2020 and of its performance for the year ended on that date; and
  - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the Board

**Greg Bandy**  
**Managing Director**

Perth, Western Australia  
18 September 2020

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RED EMPEROR RESOURCES NL

As lead auditor of Red Emperor Resources NL for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Red Emperor Resources NL and the entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, 18 September 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Red Emperor Resources NL

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Red Emperor Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined there are no Key Audit Matters to be communicated in our report.

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

## Responsibilities of the directors for the Financial Report

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

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

## Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Red Emperor Resources NL, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

### Responsibilities

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

BDO Audit (WA) Pty Ltd

A handwritten signature in dark ink, appearing to read 'J Prue', is written over a faint, light blue BDO logo.

Jarrad Prue

Director

Perth, 18 September 2020

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 4 September 2020.

### Distribution of Share Holders

	Number of Holders	Ordinary Shares Number of Shares	%
1 - 1,000	58	15,514	0.003
1,001 - 5,000	175	513,614	0.097
5,001 - 10,000	150	1,238,549	0.24
10,001 - 100,000	464	19,066,875	3.63
100,001 - and over	262	504,458,224	96.03
<b>TOTAL</b>	<b>1,109</b>	<b>525,292,776</b>	<b>100.00</b>

There were 682 holders of ordinary shares holding less than a marketable parcel.

### Top Twenty Share Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number of shares	%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1>	51,978,787	9.90
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	33,575,142	6.39
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	29,785,252	5.67
HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	26,659,805	5.08
MORGAN STANLEY CLIENT SECURITIES NOMINEES LIMITED	25,000,000	4.76
SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	24,000,000	4.57
HSDL NOMINEES LIMITED	20,935,598	3.99
JALAVAR PTY LTD <FALCON PENSION A/C>	16,900,000	3.22
HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	15,238,065	2.90
HSDL NOMINEES LIMITED <MAXI>	14,408,850	2.74
HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	11,490,667	2.19
SHARE NOMINEES LTD	10,312,431	1.96
INTERACTIVE BROKERS LLC <IBLLCR>	8,909,286	1.70
HSBC CLIENT HOLDINGS NOMINEE (UK) LIMITED <731504>	8,287,641	1.58
LAWSHARE NOMINEES LIMITED <SIPP>	6,966,416	1.33
LAWSHARE NOMINEES LIMITED <ISA>	6,768,861	1.29
WEALTH NOMINEES LIMITED <NOMINEE>	6,335,429	1.21
WEALTH NOMINEES LIMITED <WRAP>	6,006,834	1.14
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <TDWHSIPP>	5,165,236	0.98
JIM NOMINEES LIMITED <JARVIS>	5,043,180	0.96
	<b>333,767,480</b>	<b>63.56</b>

### Substantial Shareholders (>5%)

Name	Number of shares	%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1>	51,978,787	9.90
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	33,575,142	6.39
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	29,785,252	5.67
HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	26,659,805	5.08
	<b>141,998,986</b>	<b>27.04</b>


**Unlisted Options**

Number	Class	Holders with more than 20%
26,000,000	Options over ordinary shares exercisable at \$0.04 on or before 31 December 2020.	<ul style="list-style-type: none"> <li>- Jameker Pty Ltd &lt;AKJ Family A/C&gt; 8,000,000 Options</li> <li>- Gracjan Lambert 6,000,000 Options</li> <li>- Gregory J Bandy 6,000,000 Options</li> </ul>
6,000,000	Options over ordinary shares exercisable at \$0.05 on or before 15 January 2022.	<ul style="list-style-type: none"> <li>- Brandon Hill Capital Limited 1,696,457 options</li> <li>- ACN 161 604 315 PTY LTD 1,903,543 options</li> <li>- Max Capital Pty Ltd 2,400,000 options</li> </ul>

**On-Market Buy Back**

There is no current on-market buy back.

**Voting Rights**

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

**Use of Proceeds**

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the financial year ended 30 June 2020.

**Restricted Securities subject to escrow period**

There are no securities on issue subject to escrow.