



REDCASTLE RESOURCES LIMITED
(Formerly Transcendence Technologies Limited)

ABN 57 096 781 716

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2021

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CORPORATE DIRECTORY

Board of Directors

Mr Trevor Dixon	Technical Director
Mr Jeremy King	Non-Executive Chairman
Mr Patrick Holywell	Non-Executive Director

Secretary

Ms Sarah Smith

Registered Office

Suite 2, Level 1
1 Altona Street
West Perth WA 6005

Telephone: 08 6559 1792
Website: redcastle.net.au

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: RC1)

Auditors

BDO (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2, 5 Spring St
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 4, Brookfield Place, Tower Two
123 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

DIRECTORS' REPORT

The Directors of Redcastle Resources Limited (formerly Transcendence Technologies Limited) ("RC1" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Redcastle Resources Limited and its controlled entity for the half-year ended 31 December 2021 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2021 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

DIRECTORS

The names of the Company's Directors who held office during the Period and until the date of this report are set out below. Directors were in office for this entire Period unless otherwise stated.

Director	Position	Duration of Appointment
Trevor Dixon	Technical Director	Appointed 14 December 2021
Jeremy King	Non-Executive Chairman	Appointed 8 June 2016
Patrick Holywell	Non-Executive Director	Appointed 20 November 2019
Mauro Piccini	Non-Executive Director	Appointed 28 June 2021, resigned 14 December 2021

REVIEW OF OPERATIONS AND ACTIVITIES

During the period, the Company has completed re-compliance with Chapters 1 and 2 of the ASX Listing Rules and has been reinstated to official quotation on 24 December 2021. The Board wishes to thank shareholders for their patience.

The Company is now a gold and mineral resources exploration company. Its immediate focus will be pursuing success at its 100% owned Redcastle Gold Project. The Redcastle Gold Project covers a prospective area of 1,088ha, surrounding the locality of the historical Redcastle Mining Centre within the Mt Morgans District of the Mt Margaret Mineral Field of WA, approximately 60km east of Leonora and 60km west of Laverton in the North-eastern Goldfields. Gold was originally discovered at the Redcastle Mining Centre in 1897. The Company has identified immediate target areas based on its review of historical exploration results including drilling programs by previous owners.

Programme of Work Reg ID 100494 has been lodged with the Department of Mines, Industry Regulation and Safety (DMIRS) and assessment is now complete and approval granted on 7th January 2022, with an 18 hole 1275 metre RC drilling programme marked out and due now to commence during March 2022 after significant rain events caused delays on site during January and February. The drilling is to confirm:

- Orientation and continuity of the known mineralisation
- Details regarding the extent of the historic underground workings
- Preliminary geotechnical data

Having raised \$4.5m under its re-compliance prospectus, the Company is well funded to carry out its activities at the Redcastle Gold Project as well as pursuing other opportunities within the mineral resources industry.

DIRECTORS' REPORT

The Board has significant expertise and experience in the resources industry particularly with the appointment of Mr Trevor Dixon as technical director. Mr Dixon is an entrepreneur with more than 30 years of experience in the mining and exploration sector in Western Australia. He was a founding vendor to listed companies including Jubilee Mines, Terrain Minerals, Regal Resources and Kin Mining where he served as the founding managing director and former chairman.

Background to the Project

The Project is a gold focused holding consisting of:

- a) one (3) pending Mining Lease (MLA) (which is expected to be granted in the next 3-6 months, following native title negotiations);
- b) one (1) granted Mining Lease (ML); and
- c) nine (8) granted Prospecting Licences (PL's),

covering a prospective area (1,088ha) surrounding the locality of the historical Redcastle Mining Centre within the Mt Morgans District of the Mt Margaret Mineral Field of WA approximately 60km east of Leonora and 60km west of Laverton in the North Eastern Goldfields.

The tenements comprising the Project (**Tenements**) are set out below:

Tenement	Area (ha)	Expiry Date	Status
M39/318	106	15/09/2036	Live
P39/5184	54	15/12/2019	Live
M39/1140	54	Application	Pending
P39/5307	155	05/02/2022	Live
M39/1155	155	Application	Pending
M39/1149	58	Application	Pending
P39/5568	151	17/04/2024	Live
P39/5573	123	18/04/2024	Live
P39/5814	197	07/02/2022	Live
P39/5815	172	07/02/2022	Live
P39/5858	57	01/07/2022	Live
P39/6185	15	30/06/2025	Live

Gold was originally discovered at the Redcastle mining centre in 1897.

Gold targets are located within highly altered and sheared mafic rocks that have been intruded by small ovoid granites and porphyries. Several significant historical drill intersections that have never been followed up present as immediate target areas.

DIRECTORS' REPORT

The northern portion of the project area hosts the 7.5km long east-west trending mineralised 'Red castle Reef'(Fig1)

Exploration is focusing on the delineation of structures sub-parallel to the Redcastle Reef that could potentially be concealed beneath the weathered regolith. The majority of mineralised zones in the Redcastle area are open along strike and at depth, they have not been tested beneath the zone of weathering and oxidation, 40-50m (vertical depth). The Redcastle Reef and associated sub-parallel structures are the most obvious target zones.

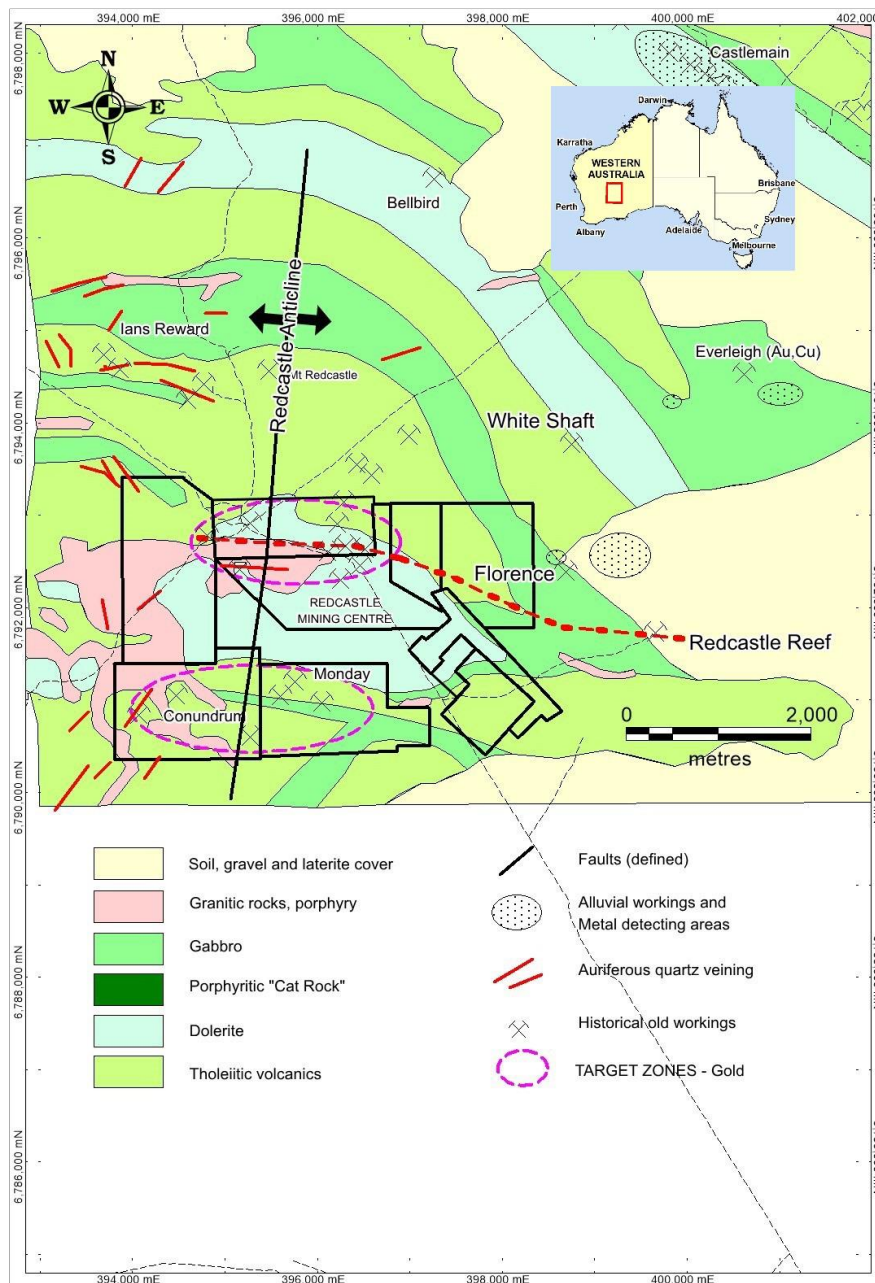


Figure 1 Redcastle tenement holding and regional geology

DIRECTORS' REPORT

The source of the alluvial gold on the holdings with the exception of the Redcastle Mining Centre remains unknown however additional mineralisation on site could be sitting directly above an as yet undiscovered sub-parallel reef, related to the Redcastle Reef, that is concealed beneath the regolith.

The Redcastle Reef appears to be a large scale, late stage local dilational feature caused by folding and subsequent brittle fracturing of the mafic greenstone sequence along granitic contacts.

The local greenstone terrain is characterised by open, upright folds, low grade metamorphism and relatively continuous stratigraphy. Regionally the Redcastle Project area is separated by the Keith-Kilkenny Tectonic Zone, to the west, and the Laverton Tectonic Zone to the east with polyphase deformation, variable metamorphic grade, discontinuous stratigraphy and an association with fault bound polymictic conglomerates developed during late extension.

Gold mineralisation is associated with NW trending quartz lodes and the alluvial cover in close proximity to such lodes. The most extensive workings are for eluvial gold but numerous hard rock workings are scattered throughout the Redcastle area. The majority of the districts major producers lie within or immediately adjacent to a major tectonic zone. Gold mines in mafic sequences tend to occur in quartz reefs in dilational fault zones with little host rock alteration.

Following the Acquisition, the Vendors of the Tenements will retain rights to all alluvial gold and a 2% overriding gross royalty over all minerals sold from the Tenements.

Further details with respect to the Project were included in the notice of meeting lodged with ASX on 10 September 2021 and the Prospectus dated 20 September 2021.

BUSINESS MODEL OVERVIEW

Following completion of the Public Offer and the Proposed Acquisition, the Company's proposed business model will be to further explore and develop the identified mineral deposits at the Project. The Company's main objectives on completion of the Public Offer are:

- a) systemically explore the Project for gold through geological mapping, surface sampling and drilling on the Project;
- b) continue to pursue other acquisitions that have a strategic fit for the Company;
- c) focus on mineral exploration or resource opportunities that have the potential to deliver growth for Shareholders;
- d) implement a growth strategy to seek out further exploration and acquisition opportunities; and
- e) provide working capital for the Company.

CORPORATE

Change Of Name

On completion of the Acquisition, the Company has changed its name to 'Redcastle Resources Limited'.

Share Consolidation and Completion of Re-Compliance

During the quarter, the Company completed the 1 for 2.858 share consolidation which was approved by the shareholders at the General Meeting held on 12 October 2021.

DIRECTORS' REPORT

Subsequent to the end of the quarter, the Company issued 267,500,000 shares as part of its re-compliance with chapter 1 and 2 of the listing rules, comprising of:

1. 42,500,000 consideration shares to vendors
2. 225,000,000 shares pursuant to the public offer

In addition, 30,000,000 Lead Manager options and 12,000,000 Director options were issued.

FINANCIAL RESULTS

The financial results of the Group for the half-year ended 31 December 2021 are:

	31-Dec-21	30-Jun-21
Cash and cash equivalents (\$)	4,146,589	492,489
Net assets (\$)	4,878,402	409,169

	31-Dec-21	31-Dec-20
Revenue (\$)	14	498
Net loss after tax (\$)	(759,690)	(141,895)
Loss per share (cents)	(1.03)	(0.08)

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

The Directors do not propose to declare or pay any dividend for the half-year ended 31 December 2021.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

EVENTS OCCURRING AFTER REPORTING DATE

On 14 February 2022, the company announced a non-renounceable loyalty issue of one Loyalty Option for every five shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Loyalty Option to raise up to \$65,657. Meanwhile, the company will issue 20,000,000 Options to Xcel Capital Pty Ltd and 15,000,000 Options to the Directors (or their nominees). The purpose of the Offers is to reward the loyalty of Company shareholders and will result in the raising of up to \$100,657. The principal effect of the Offers, assuming all Options offered under the Prospectus are issued, will be to increase the cash reserves by approximately \$75,657 after deducting the estimated expenses of the Offers immediately after completion of the Offers; and increase the number of Options on issue from 48,298,113 as at the date of this Prospectus to 148,954,913 Options.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 31 December 2021, 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.

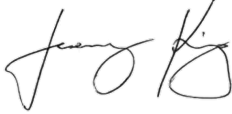
No other matter or circumstance has arisen since the end of the half-year which has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Jeremy King', with a stylized flourish at the end.

Jeremy King
Non-Executive Chairman
14 March 2022

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF REDCASTLE RESOURCES LIMITED

As lead auditor for the review of Redcastle Resources Limited for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Redcastle Resources Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 14 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	31-Dec-21	31-Dec-20
		\$	\$
Interest income		14	498
Compliance and regulatory expenses		(132,173)	(21,358)
Consulting and corporate expenses		(404,635)	(81,341)
Employee and director benefits expense		(40,747)	(27,855)
Share based payment expense	5	(148,923)	-
Other expenses		(33,226)	(11,839)
Loss before income tax for the period		(759,690)	(141,895)
Income tax expense		-	-
Loss after income tax for the period		(759,690)	(141,895)
Total comprehensive loss for the period attributable to members of Redcastle Resources Limited		(759,690)	(141,895)
Loss per share for the period attributable to the members of Redcastle Resources Limited:			
Basic and diluted loss per share (cents)		(1.03)	(0.08)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31-Dec-21 \$	30-Jun-21 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,146,589	492,489
Trade and other receivables		59,394	14,287
Total Current Assets		4,205,983	506,776
Non-Current Assets			
Exploration and evaluation asset	3	862,129	-
TOTAL ASSETS		5,068,112	506,776
LIABILITIES			
Current Liabilities			
Trade and other payables		189,710	97,607
Total Current Liabilities		189,710	97,607
TOTAL LIABILITIES		189,710	97,607
NET ASSETS		4,878,402	409,169
EQUITY			
Issued capital	4	19,179,461	14,471,769
Reserves	5	886,613	365,382
Accumulated losses		(15,187,672)	(14,427,982)
TOTAL EQUITY		4,878,402	409,169

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2021	14,471,769	365,382	(14,427,982)	409,169
Loss for the period	-	-	(759,690)	(759,690)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period after tax	-	-	(759,690)	(759,690)
Shares issued	5,350,000	-	-	5,350,000
Share issue costs	(642,308)	372,308	-	(270,000)
Unlisted options issued	-	148,923	-	148,923
Balance at 31 December 2021	19,179,461	886,613	(15,187,672)	4,878,402
At 1 July 2020	14,471,769	365,382	(14,094,858)	742,293
Loss for the period	-	-	(141,895)	(141,895)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period after tax	-	-	(141,895)	(141,895)
Balance at 31 December 2020	14,471,769	365,382	(14,236,753)	600,398

The Consolidated Statement of Changes in Equity should be read
in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	31-Dec-21 \$	31-Dec-20 \$
Cash flows used in operating activities			
Payment to suppliers and employees		(563,785)	(154,742)
Interest received		14	498
Net cash flows used in operating activities		(563,771)	(154,244)
Cash flows used in investing activities			
Payments for exploration and evaluation costs		(12,129)	-
Net cash flows used in investing activities		(12,129)	-
Cash flows from financing activities			
Proceeds from issue of shares	4	4,500,000	-
Share issue costs	4	(270,000)	-
Net cash flows provided by financing activities		4,230,000	-
Net increase/decrease in cash and cash equivalents		3,654,100	(154,244)
Cash and cash equivalents at the beginning of the period		492,489	746,966
Cash and cash equivalents at the end of the period		4,146,589	592,722

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are presented in Australian dollars, which is Redcastle Resources Limited's functional and presentation currency.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of exploration and evaluation assets and share based payments as per note 2.

Significant accounting judgements and key estimates

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Critical Accounting Estimates and Judgements

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts in the Historical Financial Information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

New, revised or amended standards and interpretations adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

NOTE 2 SEGMENT INFORMATION

The Group has identified its 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. The information presented in the financial report in the same information that is viewed by the Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group is currently operating in one business segment being an administrative entity in the mining and exploration sector and one geographic segment being Australia.

Share based payments

The Group measures the cost of equity settled transactions with Directors, employees and consultants, where applicable, by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled shared-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Determination of fair values on exploration and evaluation assets acquired in asset acquisition

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

NOTE 3 EXPLORATION AND EVALUATION ASSET

	31-Dec-21 \$	30-Jun-21 \$
Capitalised expenditure	12,129	-
Tenement acquisition	850,000	-
	<u>862,129</u>	<u>-</u>

Management have not identified any impairment indicators as at 31 December 2021.

Tenement acquisition

In December 2021, Redcastle (Formerly "TTL") issued 42,500,000 ordinary shares at an issue price of \$0.02 each in consideration for the acquisition of tenements of Redcastle. The total of \$850,000 fair value of the acquisition is allocated to the tenements under the exploration and evaluation asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The allocation of tenements are as follows:

Tenements	Allocation Amount \$
M39/318	78,897
M39/1140	40,193
P39/5184	40,193
M39/1155	115,367
M39/1149	43,170
P39/5568	112,391
P39/5573	91,550
P39/5814	146,627
P39/5815	128,021
P39/5858	42,426
P39/6185	11,165
total	850,000

In line with the relevant accounting standards, the Group has treated the tenement acquisitions as an asset acquisition and a share-based payment transaction under AASB 2 *Share-Based Payments*. Where an acquisition does not meet the definition of a business combination the transaction is accounted as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair value of the assets transferred. Acquisition costs with regards to the acquisition are capitalised. Identified assets acquired are in the acquisition are measured at their fair value at the acquisition date.

NOTE 4 ISSUED CAPITAL

	31-Dec-21 Shares	31-Dec-21 \$
Audited balance at 30 June 2021	173,720,669	14,471,769
Effect of the consolidation (1:2.858)	(112,936,514)	-
Proceeds from shares issued under the public offer	225,000,000	4,500,000
Consideration Shares issued as part of the Acquisition	42,500,000	850,000
Issue of Lead Manager Options deemed to be a cost of the Offer	-	(372,308)
Costs of the Offer	-	(270,000)
	328,284,155	19,179,461

Redcastle (Formerly "TTL") consolidated its ordinary shares at the ratio of 1:2.858 in October 2021. the consolidation of the Company's Shares on such basis result in the Company having 60,784,155 ordinary Shares and 6,298,113 Options (expiring 05-Dec-22 with an exercise price of \$0.0915 each) on issue on a post-Consolidation basis.

In December 2021, Redcastle (Formerly "TTL") issued 225,000,000 with the share price of \$0.02 each, raising \$4,500,000 in total. The share issue costs of 6% gross proceeds, in total \$270,000 are paid to Xcel Capital Pty Ltd ("Xcel") under the Lead Manager Mandate agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 RESERVES

	31-Dec-21	30-Jun-21
	\$	\$
Opening Balance	365,382	365,382
Issue of Director Options	148,923	-
Issue of Lead Manager Options	372,308	-
	886,613	365,382

Along with the public offer, on 13 December 2021, 12,000,000 shares options issued to the following directors ("Director Options") for director services performed with the exercise price of \$0.03 per share, expiring in four years on 13 December 2025:

Jeremy King	4,000,000
Trevor Dixon	4,000,000
Patrick Holywell	4,000,000

Meanwhile, 30,000,000 shares of options ("Lead Manager Options") with the same exercise price and expiration date as the Director Options were issued to Xcel for capital raising services in addition to the 6% of capital raised.

The Director Options and the Lead Manager Options have been valued using the Black Scholes option pricing model, with the key inputs and values set out in the table below:

	Director Options	Lead Manager Options
Number of Instruments	12,000,000	30,000,000
Underlying share price (\$)	0.02	0.02
Life of the options (years)	4	4
Exercise Price (\$)	0.03	0.03
Expected volatility	100%	100%
Expected dividends	Nil	Nil
Risk free rate	0.73%	0.73%
Value per option (\$)	0.01241	0.01241
Value per Tranche (\$)	148,923	372,308

In accordance with AASB 2 Share based payments, the value of the Director Options is expensed immediately upon issue. The Lead Manager Options are considered to be a cost directly attributable to the capital raising and have therefore been offset against issued capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 RELATED PARTY TRANSACTIONS

During the period, the Company incurred the following related party transactions:

- a) The issue of 12,000,000 Director Options valued at \$148,923.
- b) entered a service agreement with Trevor Dixon, the managing director, for his geological consulting services paid with \$10,000 per month and the expenses reimbursed. The Company paid \$12,892 to Trevor Dixon in total during the period.

NOTE 7 EVENTS AFTER THE END OF THE INTERIM PERIOD

On 14 February 2022, the company announced a non-renounceable loyalty issue of one Loyalty Option for every five shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Loyalty Option to raise up to \$65,657. Meanwhile, the company will issue 20,000,000 Options to Xcel Capital Pty Ltd and 15,000,000 Options to the Directors (or their nominees). The purpose of the Offers is to reward the loyalty of Company shareholders and will result in the raising of up to \$100,657. The principal effect of the Offers, assuming all Options offered under the Prospectus are issued, will be to increase the cash reserves by approximately \$75,657 after deducting the estimated expenses of the Offers immediately after completion of the Offers; and increase the number of Options on issue from 48,298,113 as at the date of this Prospectus to 148,954,913 Options.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 31 December 2021, 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.

No other matter or circumstance has arisen since the end of the half-year which has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

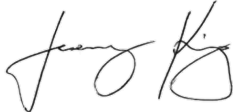
DIRECTORS' DECLARATION

In the Directors' opinion

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Jeremy King
Non-Executive Chairman
14 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Redcastle Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Redcastle Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

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

Jarrad Prue

Director

Perth, 14 March 2022