



**REDSTONE RESOURCES LIMITED**  
**ACN 090 169 154**

**CONSOLIDATED FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2019**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2019 and any public announcements made by Redstone Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# REDSTONE RESOURCES LIMITED

ACN 090 169 154

## CONTENTS

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Half-Year Financial Statements	12
Directors' Declaration	18
Independent Auditor's Review Report to the Members	19

### Competent Persons Statement

The information in this document that relates to drilling and exploration results was authorised by Dr Greg Shirliff, who is engaged as a Consultant to the Company through Zephyr Professional Pty Ltd. The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Barry Bourne, who is also engaged as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and Dr Shirliff is a Member of the Australian Institute of Mining and Metallurgy. Both Mr Bourne and Dr Shirliff have sufficient experience of relevance to the tasks with which they were engaged to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Both Mr Bourne and Dr Shirliff consent to the inclusion in the report of matters based on information in the form and context in which it appears.

The information in this report that relates to Exploration Targets and Mineral Resources was authorised by Mr Darryl Mapleson, a Principal Geologist and a full time employee of BM Geological Services, who are engaged as consultant geologists to Redstone Resources Limited. Mr Mapleson is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to act as a competent person as defined in the 2012 edition of the "Australasian Code for reporting of Exploration results, Mineral Resources and Ore Reserves". Mr Mapleson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Redstone Resources Limited's (**Redstone**) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Redstone believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

**REDSTONE RESOURCES LIMITED**

ACN 090 169 154

**CORPORATE DIRECTORY**

**DIRECTORS:**

Mr Richard Homsany (Chairman)  
Mr Brett Hodgins (Non-Executive Director)  
Mr Edward van Heemst (Non-Executive Director)

**COMPANY SECRETARY:**

Ms Miranda Conti

**REGISTERED AND PRINCIPAL OFFICE:**

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WEST PERTH WA 6005  
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Fax: (08) 9328 2660  
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Tel: +61 8 9389 8033  
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Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)

**HOME STOCK EXCHANGE:**

Australian Stock Exchange Limited  
Level 40  
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152-158 St George's Terrace  
PERTH WA 6000  
ASX Code: RDS, RDSOB

**AUDITOR:**

Butler Settineri (Audit) Pty Ltd  
Unit 16, First Floor  
100 Railway Road (Cnr Hay Street)  
SUBIACO WA 6008

# REDSTONE RESOURCES LIMITED

ACN 090 169 154

## DIRECTORS' REPORT

Your directors submit the financial report of Redstone Resources Limited and its controlled entities ("Redstone" or the "Entity") for the half-year ended 31 December 2019 ("Half-year"). In order to comply with the provisions of the Corporations Act 2001, the directors' report follows:

### The Board of Directors

The names of Redstone Resources Limited's directors in office during or since the end of the half-year until the date of this report are:

Richard Homsany  
Brett Hodgins  
Edward van Heemst

(Chairman)  
(Non-Executive Director)  
(Non-Executive Director)

### Review of Operations

The consolidated loss after income tax for the Half-year is \$167,555 (2018: \$122,642).

## WEST MUSGRAVE PROJECT

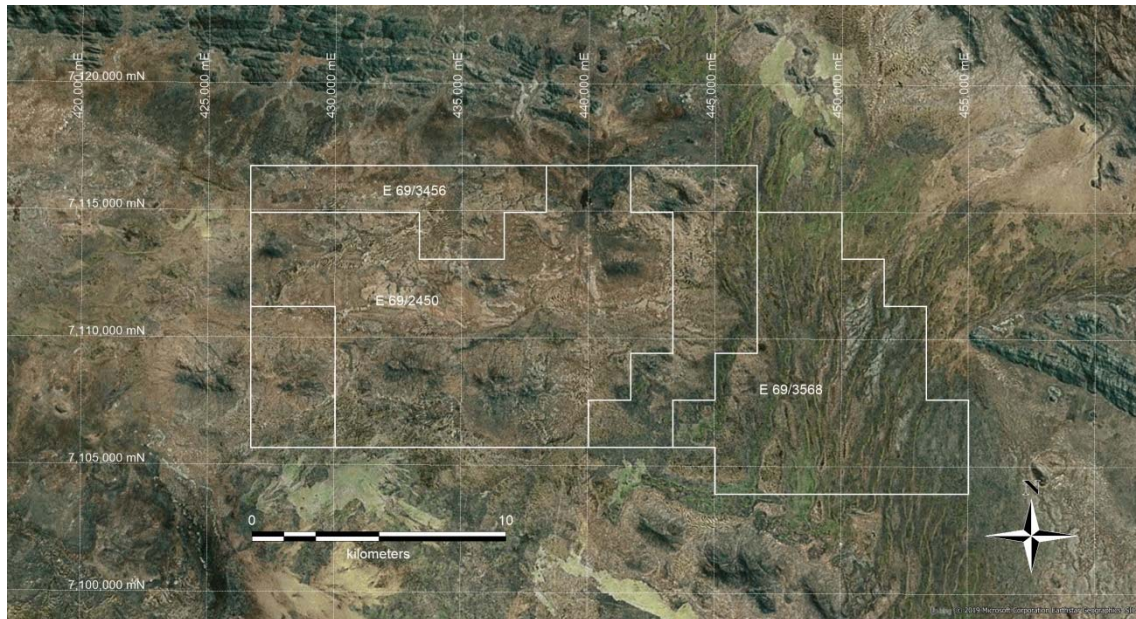
During the Half-year Redstone held interests in two granted exploration licences, E69/2450 and E69/3456 and a further tenement in application (E69/3568), in the West Musgrave region of Western Australia (the **West Musgrave Project** or **Project**), which includes the Company's 100% owned Tollu Copper Vein project (**Tollu**).

The Project is prospective for major copper and nickel-copper mineralisation. The tenements and Project location is shown on **Figures 1** and **2**.



Figure 1 – West Musgrave - Location Map

## DIRECTORS' REPORT



**Figure 2– West Musgrave Project Tenements**

Redstone's primary focus is the advancement of its 100% owned West Musgrave Project, which includes the Tollu project, located in the southeast portion of the West Musgrave region of Western Australia. The Project has the right geological and structural setting for large magmatic Ni-Cu sulphide deposits just 40km east of the world-class Nebo-Babel Ni-Cu deposit.

Tollu hosts a giant swarm of hydrothermal copper rich veins in a mineralised system covering an area at least 5km<sup>2</sup>. Copper mineralisation is exposed at the surface and forms part of a dilation system within and between two major shears.

Redstone expects the initial JORC 2012 resource at Tollu of 3.8 million tonnes at **1% Cu, containing 38,000 tonnes of copper, and 0.01% cobalt, which equates to 535 tonnes of contained cobalt** (ASX release 15 June 2016 and 1 May 2018), the mineralised area, and the volume of hydrothermal mineralisation, to increase significantly with further drilling.

Detailed geochemical analysis of the EM1 (**VTEM<sub>max</sub>**) target assay results suggest that the Project may also be prospective for Volcanic Hosted Massive Sulphide (VHMS) deposits, large continental type Molybdenum (Mo)-porphyry deposits, strata-bound Gold (Au)- Silver (Ag) deposits, Tin (Sn) – Tungsten (W) mineralisation related to granites, granite stockworks or greissens, intrusion related polymetallic veining and Intrusion Related Gold deposits (IRG).

### **2019 Exploration Program and Project Prospectivity**

During the Half-year Redstone completed a 2,037m reverse circulation (RC) drilling program primarily aimed at drill testing five EM targets (**Targets**) delineated by a ground EM completed in FY2019, namely EM targets EM2 through to EM6. A total of 5 RC holes for 1,375m was drilled at these Targets. Targets EM2, EM3 and EM4 occur along strike to the north and south of Tollu while targets EM5 and EM6 are close to discrete magnetic anomalies along a NE trend from Tollu (**Figure 3**).

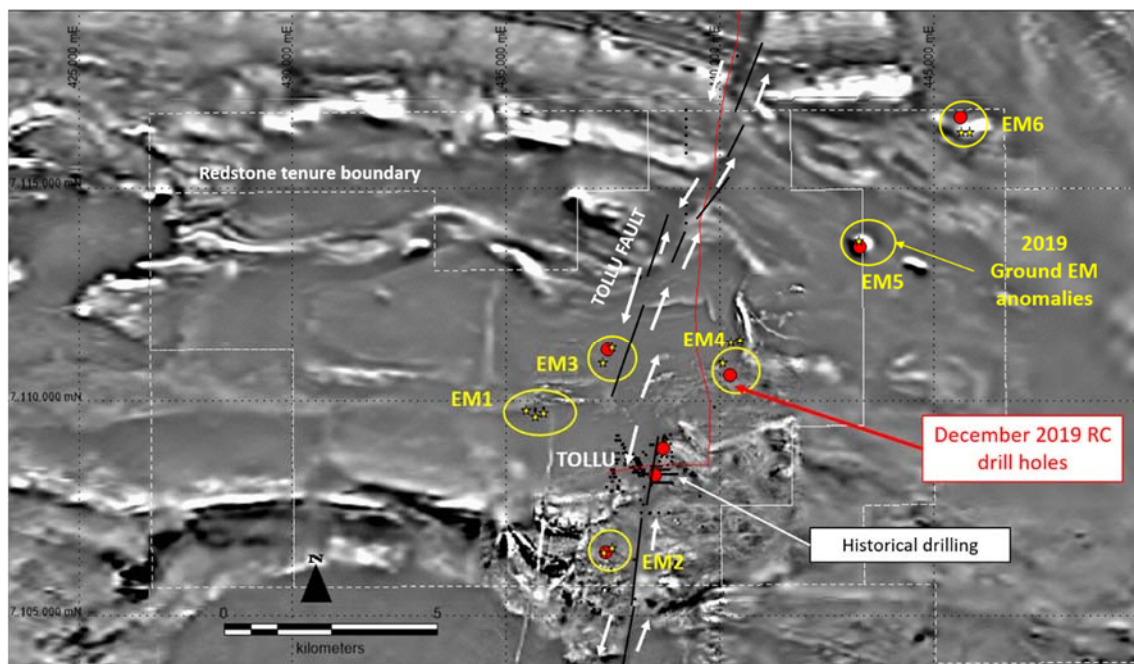


## DIRECTORS' REPORT

A further 3 holes for 662m was also drilled at Tollu to further test the Eastern Reef and Chatsworth intersections at depth as well as to test the lateral and vertical extensions of the Forio Prospect. Lab assay results for the drilling are pending.

Whilst the drilling program was being undertaken the geological field crew also completed extensive geological mapping and rock chip sampling over newly identified prospective target areas (**Target Areas**). These prospective Target Areas were identified from a Prospectivity Assessment and Review of the Project successfully completed during the Half-year (ASX announcement of 24 October 2019). A number of these Target Areas are also co-incident with the recently drilled EM Targets, EM2 through to EM6.

These additional potentially prospective areas have further enhanced Redstone's confidence that the most prospective areas of the Project have not yet been tested outside of the already defined JORC compliant Copper and Cobalt resource at Tollu.



**Figure 3 - Map showing the location of the RC drill holes recently completed in December 2019 relevant to the final EM anomalies as defined by the ground EM survey completed in early 2019. The interpreted trace of the Tollu Fault is shown as is the location of all of the historical drill holes. Background geophysical image is the first vertical derivative of the total magnetic intensity reduced to the pole over the Redstone tenure.**

### Exploration Incentive Scheme Co-Funded Drilling Grant

During the Half-year Redstone applied for a West Australian Government Exploration Incentive Scheme (**EIS**) grant (Round 20) to co-fund a deep drill hole at Tollu.

Redstone was awarded the co-funding grant applicable for the year to 31 December 2020 for up to \$200,000, to assist with a single deep drill hole of approximately 1,000m at the Chatsworth Prospect. The deep drill hole has been designed to test the transition of Cu-only hydrothermal mineralisation to a potential primary, magmatic Cu-Ni-(Co) mineralisation at depth and has the potential to considerably increase the copper resource at Tollu.

# REDSTONE RESOURCES LIMITED

ACN 090 169 154

## DIRECTORS' REPORT

### R&D Rebate

During the Half-year the Company commenced preparation for a Research and Development Incentive claim (**the R&D Rebate**) in relation to the 2019 financial year. The Company is currently in the process of finalising the R&D Rebate claim which has been determined for an amount of approximately \$215,000 (before fees). The R&D Rebate claim, which is assessed under the Australian Taxation Office's self-assessment system, is required to be lodged by 30 April 2020.

### Subsequent Events

The Entity is currently in the process of finalising a Research and Development Incentive claim (**the R&D Rebate**) in relation to the 2019 financial year for a R&D Rebate amount of approximately \$215,000 (before fees). The R&D Rebate claim, which is assessed under the Australian Taxation Office's self-assessment system, is required to be lodged by 30 April 2020.

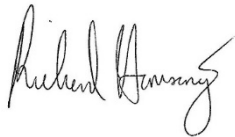
There are no other matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Entity in future financial years.

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Butler Settineri (Audit) Pty Ltd, to provide the directors of Redstone with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors



R Homsany  
Chairman  
Perth, Western Australia  
13 March 2020

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of Redstone Resources Limited for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

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

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 13 March 2020



REDSTONE RESOURCES LIMITED

ACN 090 169 154

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
<i>Revenue</i>			
Other Income		12,000	57,623
<b>Total revenue</b>		<b>12,000</b>	<b>57,623</b>
<i>Expenses</i>			
Administration and other expenses from ordinary activities		(76,908)	(80,417)
Employee benefit expense		(102,217)	(97,878)
Depreciation and amortisation expense		(760)	(1,095)
Finance costs		(684)	(1,064)
Exploration expenditure		(1,430)	-
<b>Total expenses</b>		<b>(181,999)</b>	<b>(180,454)</b>
<b>Loss before interest and taxes</b>		<b>(169,999)</b>	<b>(122,831)</b>
Interest revenue		2,444	189
<b>Loss before income tax</b>		<b>(167,555)</b>	<b>(122,642)</b>
Income tax expense		-	-
<b>Loss after income tax for the period</b>		<b>(167,555)</b>	<b>(122,642)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(167,555)</b>	<b>(122,642)</b>
Earnings per share (cents per share)		Cents	Cents
- Basic and diluted loss for the half-year	11(c)	(0. 04)	(0. 03)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

REDSTONE RESOURCES LIMITED

ACN 090 169 154

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2019

	Note	At 31 December 2019 \$	At 30 June 2019 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		442,461	766,426
Trade and Other Receivables		23,553	20,417
Other Assets		21,759	4,266
<b>TOTAL CURRENT ASSETS</b>		<b>487,773</b>	<b>791,109</b>
<b>NON-CURRENT ASSETS</b>			
Deferred Exploration Expenditure	5	6,679,338	6,436,913
Property, Plant and Equipment		4,418	5,178
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,683,756</b>	<b>6,442,091</b>
<b>TOTAL ASSETS</b>		<b>7,171,529</b>	<b>7,233,200</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	440,161	333,924
Provisions		16,677	17,030
<b>TOTAL CURRENT LIABILITIES</b>		<b>456,838</b>	<b>350,954</b>
<b>TOTAL LIABILITIES</b>		<b>456,838</b>	<b>350,954</b>
<b>NET ASSETS</b>		<b>6,714,691</b>	<b>6,882,246</b>
<b>EQUITY</b>			
Issued Capital	11	25,200,714	25,200,714
Reserves		138,256	138,256
Accumulated Losses		(18,624,279)	(18,456,724)
<b>TOTAL EQUITY</b>		<b>6,714,691</b>	<b>6,882,246</b>

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

REDSTONE RESOURCES LIMITED

ACN 090 169 154

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

**Six months ended 31 December 2019**

	Issued Capital	Accumulated Losses	Share based Payments Reserve	Total Equity
	\$	\$	\$	\$
<b>At 1 July 2019</b>	<b>25,200,714</b>	<b>(18,456,724)</b>	<b>138,256</b>	<b>6,882,246</b>
Total comprehensive income attributable to members	-	(167,555)	-	(167,555)
<b>At 31 December 2019</b>	<b>25,200,714</b>	<b>(18,624,279)</b>	<b>138,256</b>	<b>6,714,691</b>

**Six months ended 31 December 2018**

	Issued Capital	Accumulated Losses	Share based Payments Reserve	Total Equity
	\$	\$	\$	\$
<b>At 1 July 2018</b>	<b>23,745,739</b>	<b>(18,179,586)</b>	<b>138,256</b>	<b>5,704,409</b>
Total comprehensive income attributable to members	-	(122,642)	-	(122,642)
Share capital issued	1,537,511	-	-	1,537,511
Share-based payments expiring	(156,267)	-	-	(156,267)
<b>At 31 December 2018</b>	<b>25,126,983</b>	<b>(18,302,228)</b>	<b>138,256</b>	<b>6,963,011</b>

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

REDSTONE RESOURCES LIMITED

ACN 090 169 154

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	12,000	6,000
Payments to suppliers and employees	(154,436)	(48,169)
Interest received	2,444	189
Interest paid	(684)	-
Net R&D tax concession	-	(11,534)
Net cash flows used in operating activities	(140,676)	(53,514)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration expenditure	(160,536)	(92,323)
Net R&D tax concession	-	(12,216)
Net cash used in investing activities	(160,536)	(104,539)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	862,511
Payment of share issue costs	(22,753)	(39,621)
Net cash flows from financing activities	(22,753)	822,890
Net increase/(decrease) in cash held	(323,965)	664,837
Cash at the beginning of the half-year	766,426	122,818
<b>CASH AT THE END OF THE HALF-YEAR</b>	<b>442,461</b>	<b>787,655</b>

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

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

### 1. Corporate Information

The financial report of Redstone Resources Limited (the “Company”) for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 13 March 2020.

Redstone Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares commenced public trading on the Australian Stock Exchange on 3 August 2006.

The nature of the operations and principal activities of the Company are described on pages 3 to 6 in the Directors’ Report.

### 2. Summary of Significant Accounting Policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Entity as the full financial report.

This half-year financial report should be read in conjunction with the annual financial report of Redstone Resources Limited for the year ended 30 June 2019.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### a) Basis of Consolidation

The half-year consolidated financial statements comprise the financial statements of Redstone Resources Limited and its controlled entities as at 31 December 2019 (the “Entity” or “Group”) - refer note 10.

#### b) Basis of Accounting

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements.

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

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 2. Summary of Significant Accounting Policies (continued)

##### c) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as the annual financial statements for the year ended 30 June 2019.

The Entity has reviewed all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. It has been determined that there is no impact, material or otherwise, and therefore no change is required to the Entity's accounting policies.

The Entity has also reviewed all new standards and interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore, no change necessary in the Entity's accounting policies.

##### d) Going Concern

The Entity recorded a loss of \$167,555 for the half-year ended 31 December 2019 and as at 31 December 2019 had net current assets of \$30,935. Exploration and operating commitments for the following 12 months to 31 December 2020 of \$140,981 (note 7), however, the activities undertaken on granted tenements E69/2450 and E69/3456 during the half-year period and incurred to the date of this report are sufficient to meet the minimum expenditure commitments required to the anniversary date of the tenements, being 18 September 2020 and 13 August 2020 respectively. Additionally, the Entity is currently in the process of finalising a Research and Development Incentive claim (the R&D Rebate) in relation to the 2019 financial year for a R&D Rebate amount of approximately \$215,000 (before fees). The R&D Rebate claim, which is assessed under the Australian Taxation Office's self-assessment system, is required to be lodged by 30 April 2020.

The Entity is also actively pursuing funding opportunities and is confident it will raise capital through the equity markets to fund Entity operations for the short to medium term.

The financial report has been prepared on a going concern basis as the Directors are of the opinion that the Group will be able to pay its debts as and when they fall due. The Directors contemplate continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

#### 3. Dividends

The Entity has not declared or paid a dividend during the half-year ended 31 December 2019.

#### 4. Segment Information

The Entity has one operating segment being mineral exploration in Australia.

The accounting policies used by the Entity in reporting segments are the same as those in the prior period.



**REDSTONE RESOURCES LIMITED**

ACN 090 169 154

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

**5. Deferred Exploration Expenditure**

The ultimate recoupment of costs carried forward in relation to exploration expenditure is dependent on the successful development and commercial exploitation or sale of the areas of interest at an amount at least equal to the carrying value.

Of the \$6,679,338 carrying value, \$6,656,820 relates to the net deferred exploration spend incurred on the West Musgrave Project tenements (E69/2450 and E69/3456) to 31 December 2019. The balance of \$22,518 relates to application fees incurred for the Milyuga tenement, E69/3568 of 27 blocks, located adjacent to the E69/2450 and Circus Hill tenement, E69/3750 of 107 blocks.

	31 December 2019 \$	30 June 2019 \$
Exploration costs brought forward	6,436,913	6,341,048
Expenditure incurred on exploration assets	242,425	294,251
Reimbursement of capitalised costs	-	(198,386)
<b>Carrying amount at the end of the year</b>	<b>6,679,338</b>	<b>6,436,913</b>

**6. Trade and Other Payables**

**Current**

Trade creditors (i)	317,183	273,889
Other creditors (ii)	122,978	60,035
	<b>440,161</b>	<b>333,924</b>

Terms and conditions relating to the above financial instruments:

(i) Trade creditors are non-interest bearing and are normally settled on 30 day terms. other than for related party creditors of the Entity totalling \$101,539 (30 June 2019: \$127,294) which, by mutual agreement with the Entity, currently have no set term for payment.

(ii) Other creditors are non-interest bearing and have an average term of 30 days, other than for related party creditors of the Entity totalling \$42,300 (30 June 2019: \$30,000) which, by mutual agreement with the Entity, currently have no set term for payment.

Trade and other payables include \$210,304 (excluding GST) (30 June 2019: \$128,415 (excluding GST) ) relating to exploration expenditure.

**7. Capital and Exploration Expenditure Commitments**

The future exploration commitment (including access costs) of the Entity relating to currently held and granted tenements to their expiry is as follows:

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 7. Capital and Exploration Expenditure Commitments (Continued)

Cancellable operating lease commitments for exploration tenements	31 December 2019 \$	30 June 2019 \$
Within one year	140,981	186,000
One year or later and no later than five years	45,184	59,375
Later than five years	-	-
	186,165	245,375

The activities undertaken on granted tenements E69/2450 and E69/3456 during the half-year period and incurred to the date of this report are sufficient to meet the minimum expenditure commitments required to the anniversary date of the tenements, being 18 September 2020 and 13 August 2020 respectively.

#### Joint venture commitments

As at and during the half-year ended 31 December 2019 the Entity had no joint venture commitments.

#### Capital Commitments

The Entity does not have any capital commitments as at balance date.

#### Operating lease – corporate office premises

As of 1 July 2018 the Entity is leasing office premises on a monthly tenancy from a related party entity for a gross rent inclusive of car bay of \$2,300 per month. The monthly tenancy may be terminated by either party giving at least one month's written notice to the other party.

Cancellable operating lease commitments	31 December 2019 \$	30 June 2019 \$
Within one year	2,300	2,300
One year or later and no later than five years	-	-
Later than five years	-	-
	2,300	2,300

REDSTONE RESOURCES LIMITED

ACN 090 169 154

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

**8. Contingent Assets and Liabilities**

*Foreign Subsidiary Obligations*

During the 2014 financial year, the Entity recognised a provision for foreign subsidiary obligations relating to estimated amounts that may be required to settle outstanding obligations arising from a winding-up of the Entity's investment in its Brazilian subsidiary, Redstone Mineraco Do Brasil Ltd (**Redstone Brazil**).

However, as at 30 June 2015, the Entity considered that it was more likely that a present obligation no longer existed for any of these amounts and that it was more likely that no economic outflow would be required. Further the timing and amount of any potential economic outflow is uncertain. Accordingly, there may be a contingent liability for potential obligations required to be paid in any eventual winding up of Redstone Brazil for which the timing is uncertain and amount cannot be measured reliably. The Entity considers that its position on these potential foreign subsidiary obligations remains unchanged as at 31 December 2019.

The Company had no other contingent assets or liabilities as at 31 December 2019.

**9. Events After Balance Date**

The Entity is currently in the process of finalising a Research and Development Incentive claim (the **R&D Rebate**) in relation to the 2019 financial year for a R&D Rebate amount of approximately \$215,000 (before fees). The R&D Rebate claim, which is assessed under the Australian Taxation Office's self-assessment system, is required to be lodged by 30 April 2020.

There are no other matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Entity in future financial years.

**10. Controlled Entities**

Redstone Resources Limited is the parent entity of the Group.

	At 31 December 2019	At 30 June 2019
	%	%
Particulars in relation to wholly owned entities:		
Allhawk Nominees Pty Ltd	100	100
Minex Services Pty Ltd	100	100
Westmin Exploration Pty Ltd	100	100
Rivergold Exploration Pty Ltd	100	100
Redstone Mineracao Do Brasil Ltda*	98	98

*\*The remaining 2% shareholding is held on trust for Redstone Resources Limited. The Board and shareholding structure is in accordance with Brazilian law.*

REDSTONE RESOURCES LIMITED

ACN 090 169 154

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

**11. Contributed Equity**

	31 December 2019 \$	30 June 2019 \$
(a) Issued and Paid Up Capital		
Shares issued and fully paid – 473,964,306 (June 2019: 473,964,306 ordinary shares fully paid)	25,200,714	25,200,714
Listed \$0.035 options issued expiring 30 April 2021 – (ASX: RDSOB) – 47,015,048 (June 2019: 47,015,048)	-	-
Issued and fully paid capital	<u>25,200,714</u>	<u>25,200,714</u>

**Reconciliation of options on issue**

Share Options	As at 30 June 2019	Issued/ (Exercised or lapsed)	As at 31 December 2019	Exercise price \$	Exercisable from	Expiry
Unlisted options	10,000,000	-	10,000,000	0.015	28 Feb 17	28 Feb 20
Unlisted options	10,000,000	-	10,000,000	0.020	28 Feb 17	28 Feb 20
Unlisted options	2,000,000	-	2,000,000	0.015	7 Mar 18	31 Jan 20
Unlisted options	2,000,000	-	2,000,000	0.020	7 Mar 18	31 Jan 20
Listed options - (ASX: RDSOB)	47,015,048	-	47,015,048	0.035	9 Oct 18, 18 Dec 18, 3 Jan 19 & 29 Mar 19	30 Apr 21
<b>Total options</b>	<b>71,015,048</b>	<b>-</b>	<b>71,015,048</b>			

**(b) Movement of fully paid ordinary shares during the period**

There were no movements in fully paid ordinary shares of the Company during the half-year period.

**(c) Earnings per Share**

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
Basic loss per share (cents per share)	<u>(0.04)</u>	<u>(0.03)</u>
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share (number)	473,964,306	418,806,639
Earnings used in the calculation of basic loss per share (\$)	(167,555)	(122,642)

As the Entity made a loss for the year, diluted earnings per share is the same as basic earnings per share.

**REDSTONE RESOURCES LIMITED**

ACN 090 169 154

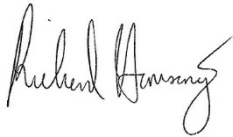
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Redstone Resources Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes of the Entity set out on pages 8 to 17 are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the financial position as at 31 December 2019 and the performance for the half-year ended on that date of the Entity; and
  - b. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

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

R Homsany  
Chairman  
Perth, Western Australia  
13 March 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF REDSTONE RESOURCES LIMITED

### Conclusion

We have reviewed the accompanying half year financial report of Redstone Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Emphasis of matter – material uncertainty related to going concern

Without modifying our conclusion, we draw attention to Note 1(d) in the financial report (which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern). These conditions, along with other matters as set out in Note 1(d), indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the ordinary course of business.

### Directors' responsibility for the half year 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 the 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 half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 2019 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*.



As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### **Independence**

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

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 13 March 2020