



Redbank Copper Limited

ABN 66 059 326 519

Interim Financial Report for the half year ended - 31 December 2021



Directors	<p>Mr Anthony Kiernan AM – Non-Executive Chairman</p> <p>Mr Hugh Thomas – Managing Director (appointed 7 February 2022)</p> <p>Mr Dale Henderson – Non-Executive Director</p> <p>Mr Bruce Hooper - Non-Executive Director</p> <p>Mr Michael Hannington – Executive Director (resigned 24 January 2022)</p> <p>Mr Daryl Henthorn – Non-Executive Director (resigned 24 November 2021)</p> <p>Mr Keith Middleton – Non-Executive Director (resigned 2 August 2021)</p>
Company secretary	Ms Melanie Ross
Registered office and principal place of business	<p>Level 1,</p> <p>1A Agnew Way</p> <p>Subiaco WA 6008</p> <p>Ph: +61 8 9362 9888</p> <p>Email: admin@redbankcopper.com.au</p> <p>Web: www.redbankcopper.com.au</p>
Share registry	<p>Automic Registry Services</p> <p>Postal address: Level 5, 191 St Georges Terrace</p> <p>Ph within Australia: 1300 288 664</p> <p>Ph outside Australia: +61 8 9324 2099</p>
Auditor	<p>Stantons International Audit and Consulting Pty Ltd</p> <p>Level 2, 40 Kings Park Road</p> <p>West Perth WA 6005</p>
Stock exchange listing	Redbank Copper Limited shares are listed on the Australian Securities Exchange (ASX code: RCP)



DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Redbank Copper Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

The following persons were Directors of Redbank Copper Limited during the half-year and up to the date of this report, unless otherwise stated:

Name	Position
Anthony Kiernan AM	Non-Executive Chairman
Hugh Thomas	Managing Director – Appointed 7 February 2022
Dale Henderson	Non-Executive Director – Appointed 2 September 2021
Bruce Hooper	Non-Executive Director
Michael Hannington	Executive Director – resigned 24 January 2022
Daryl Henthorn	Non-Executive Director – resigned 24 November 2021
Keith Middleton	Non-Executive Director – resigned 2 August 2021

1. REVIEW OF OPERATIONS AND ACTIVITIES

REDBANK PROJECT, NORTHERN TERRITORY

The Redbank Project is located in the far northeast of the Northern Territory with the eastern boundary of the tenement package along the Northern Territory / Queensland State border.

The Group holds 10,016km² of granted tenure and 4,396km² of tenement applications within the McArthur Basin in the Northern Territory (see Figures 1 and 2). Total tenure, both granted and in application is 14,412km². Known copper mineralisation at the Redbank Project is hosted in multiple occurrences of steeply-dipping brecciated zones ("breccia pipes") forming cylindrical 'pipes' of up to 130m in diameter. Drilling has confirmed that the drilled breccia pipes extend to at least 300m depth.

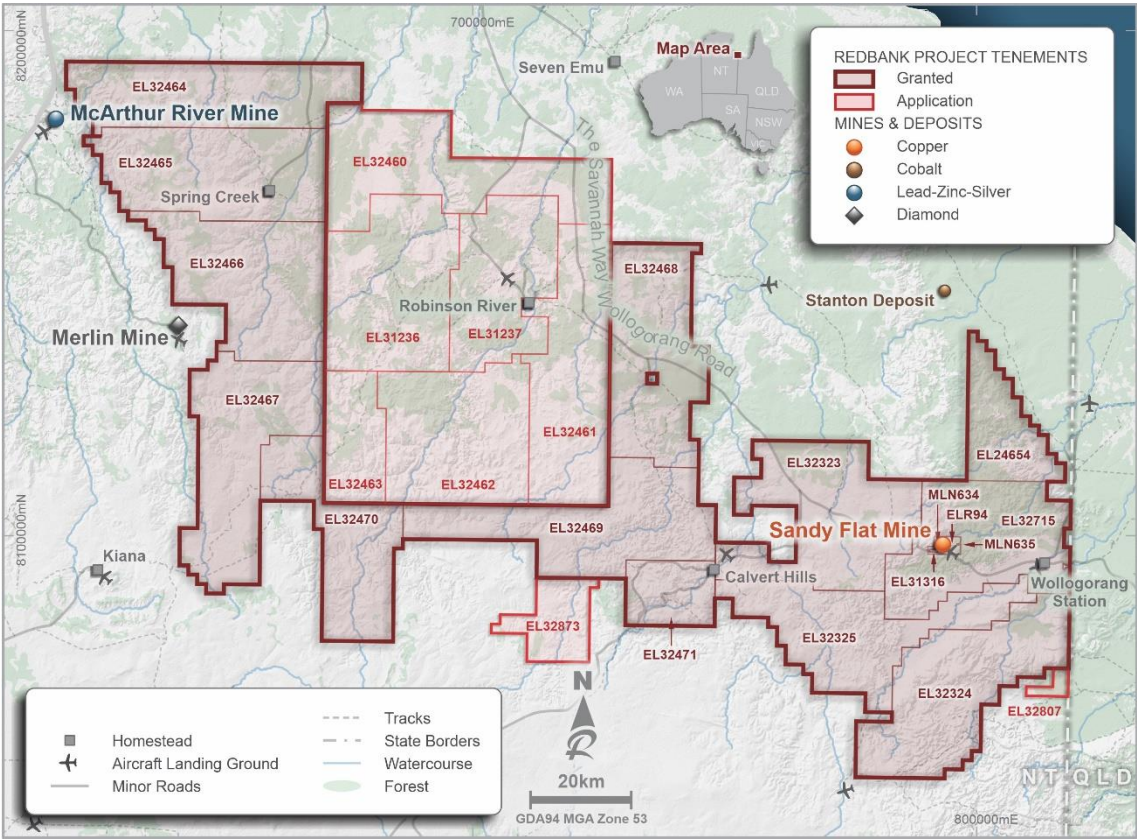


Figure 1. Redbank Project: Granted tenements – McArthur Mine to NT/Qld border

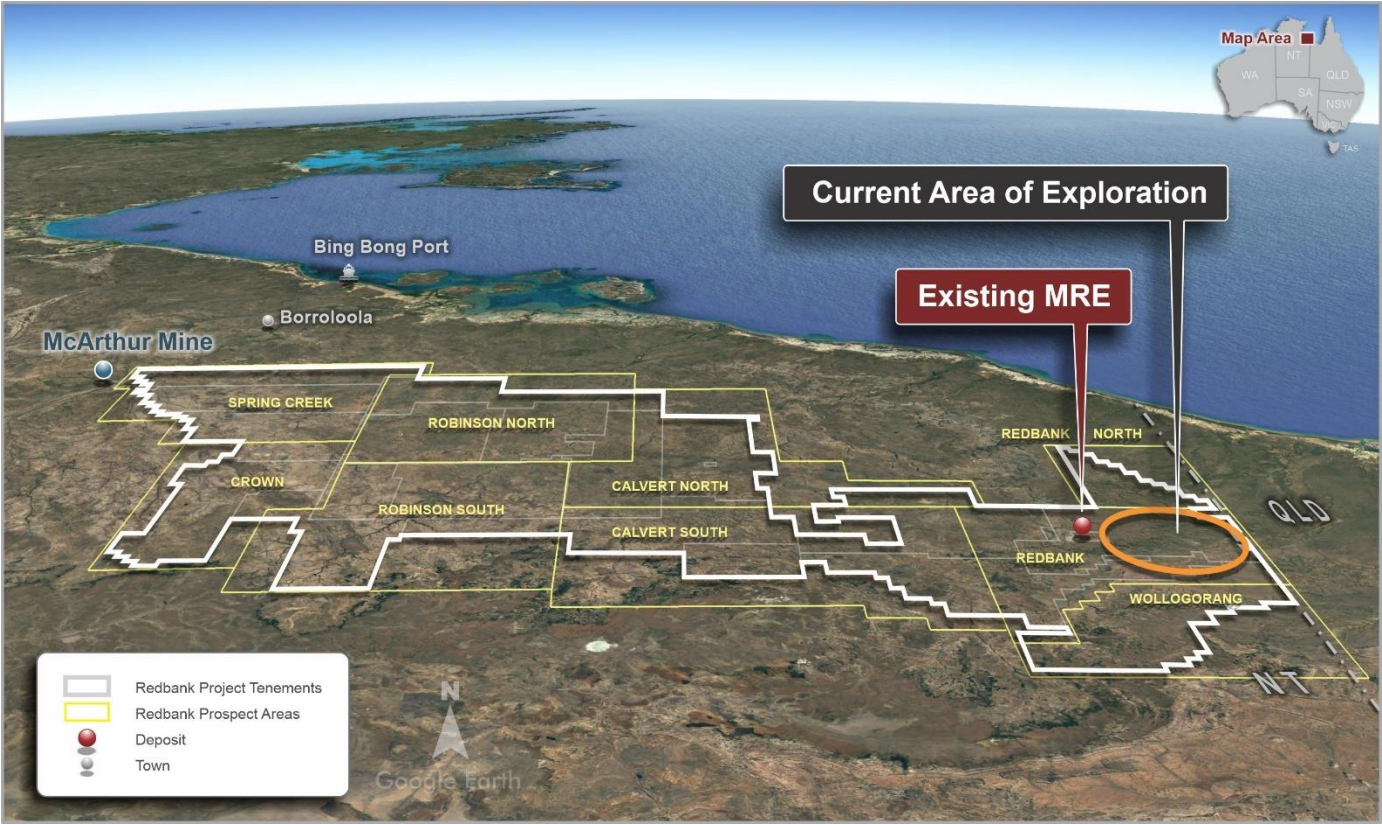


Figure 2. Redbank Project: Prospect Areas – McArthur Mine to NT/Qld border

Known copper mineralisation is hosted within vertically oriented breccia pipes, that are open at depth often ending in copper mineralisation in historic drilling. The source of the copper which was transported into the pre-existing breccia pipes has long been speculated by geologists. The remoteness of the region, sporadic limited drilling and tenement holdings by small, poorly funded explorers has inhibited exploration using modern techniques. Redbank is testing the potential for sediment hosted copper mineralisation separate to the already identified breccia hosted mineralisation.

During the half-year, Redbank continued to advance its extensive regional soil sampling until early December when first rains of the wet season slowed on-ground movement of field crews. The western most prospects of Spring Creek and Crown were sampled via helicopter supported stream sediment, soil and rock chip sampling programs (see Figure 3). A large soil sampling program was also completed at the Calvert Prospects. Results from the soil sampling program will form a key exploration tool for copper prospect target generation over the Project area and will be reported when the results are finalised.

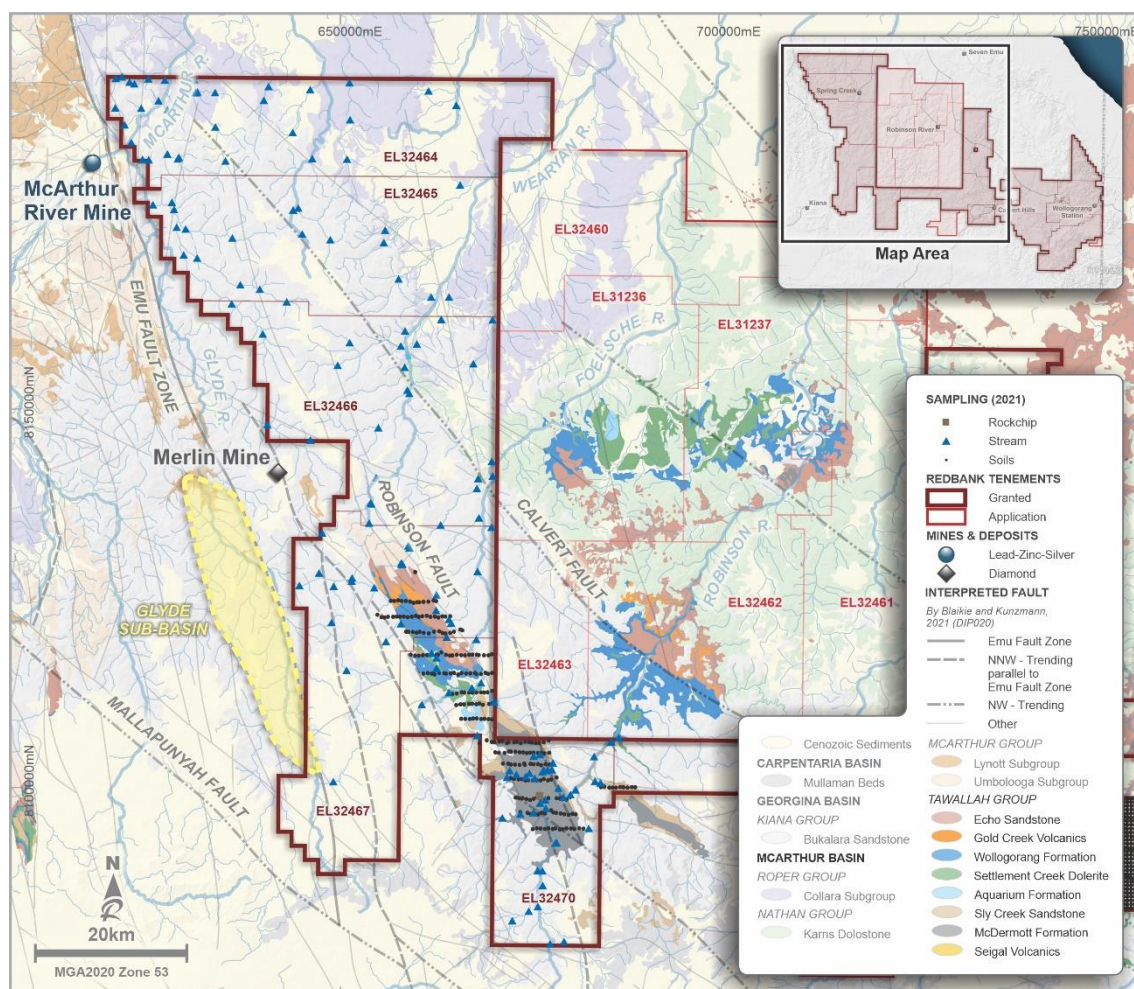


Figure 3. Redbank West stream sediment, soil and rock chip sampling

During the half-year, Redbank's exploration team completed drilling east of the Bluff Copper Deposit along the Redbank structural corridor along which a series of breccia pipe copper deposits are aligned (see ASX release dated 26 October 2021).

Assaying of samples and reporting of results from this program were severely delayed by the large amount of exploration activity in Australia. Assay results were reported on 22 February 2022 with plans for follow up drilling in the upcoming field season.

A total of 30 holes were completed for ~3,500m with an average hole depth achieved of 117m and deepest hole reaching 192m. Copper prospectivity in the Wollgorang Formation has been identified in this area at approximately 100m depth.



This field season has been a foundation year for Redbank to consolidate all work that has previously been completed over the Redbank Project area and compare to all the new survey data collected in the 2021 field season. Most of the previous work has comprised review of various satellite imagery and broad airborne aeromagnetic and radiometric surveys. Redbank is using all this data including data from oil and gas explorers to re-compile existing geology.

Forward plan for 2022 drilling programs include testing for extensions of copper mineralisation nearby but outside the breccia hosted copper deposits based on follow up of chargeability anomalies from recent induced polarisation (IP) surveys. A detailed plan and budget is being prepared by the exploration team for the forthcoming 2022 field season exploration program.

The Redbank Project contains an inferred resource of 88,600 tonnes of contained copper, from a JORC 2012 compliant inferred mineral resource estimate (MRE) of 8.4Mt @ 1.1% Cu (refer ASX announcement released on 24 June 2021 for further details). This resource estimate does not include 40,000 tonnes of ore (at 2% Cu) stockpiled at surface within the Sandy Flat mining area.

Annual Mineral Resource statement- Redbank

Table 1. Redbank Project Open Pit Mineral Resource by oxidation at a 0.3% copper cut-off

Project Area	Mineral Resource Category	Weathering	Tonnes (t)	Copper (%)	Metal (t)
Azurite	Inferred	Oxide	208,200	1.3	2,800
		Transitional	30,800	1.2	400
		Fresh	52,700	1.0	500
		Subtotal	291,700	1.3	3,700
Bluff	Inferred	Oxide	594,600	1.0	6,100
		Transitional	107,800	0.9	1,000
		Fresh	1,518,700	1.5	24,600
		Subtotal	2,221,100	1.4	31,700
Prince	Inferred	Oxide	97,500	0.7	700
		Transitional	122,900	0.7	800
		Fresh	-	-	-
		Subtotal	220,400	0.7	1,500
Punchbowl	Inferred	Oxide	104,200	0.5	500
		Transitional	87,800	0.5	400
		Fresh	970,400	0.9	8,600
		Subtotal	1,162,400	0.8	9,500
Redbank	Inferred	Oxide	222,500	1.0	2,200
		Transitional	106,300	1.1	1,100
		Fresh	108,900	0.8	900
		Subtotal	437,700	1.0	4,200
Roman Nose	Inferred	Oxide	215,000	0.5	1,000
		Transitional	149,000	0.6	900
		Fresh	599,000	1.1	6,400
		Subtotal	963,000	0.9	8,200



Project Area	Mineral Resource Category	Weathering	Tonnes (t)	Copper (%)	Metal (t)
Sandy Flat	Inferred	Oxide	35,700	0.7	300
		Transitional	103,700	0.9	900
		Fresh	2,961,500	1.0	28,700
		Subtotal	3,100,900	1.0	29,800
Total			8,397,200	1.1	88,600

Notes accompanying Mineral Resource Statement

1. Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding

Competent Person Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Redbank is based on information reviewed by Mr Michael Hannington, who is a member of the Australian Institute of Geoscientists. Mr Hannington is Technical Director of Redbank Operations Pty Ltd a wholly owned subsidiary of Redbank Copper Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hannington consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Redbank Mineral Resource is based on information compiled by Ms Christine Shore, who is a Fellow of the Australasian Institute of Mining and Metallurgy. At the time the Mineral Resource Estimate was reported to the ASX on 24 June 2021, Ms Shore was a fulltime employee of Entech Pty Ltd. Ms Shore has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she undertook to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Shore has previously consented to the inclusion in Redbank Copper reports of the matters based on her information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement on 24 June 2021. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcement.

MILLERS CREEK, SOUTH AUSTRALIA

The Millers Creek Project comprises two exploration licenses over 1,110 km² of tenure in the Gawler Craton in South Australia. The tenements, EL6247 (Millers Creek), and EL6321 (Kingoonya) are located in a well-recognised iron-oxide copper gold or IOCG Belt, hosting IOCG deposits including Olympic Dam and Prominent Hill (see Figure 4). Redbank has maintained this Project in good standing, however, minimal work has been completed with the Company's focus remaining on the Redbank Project.

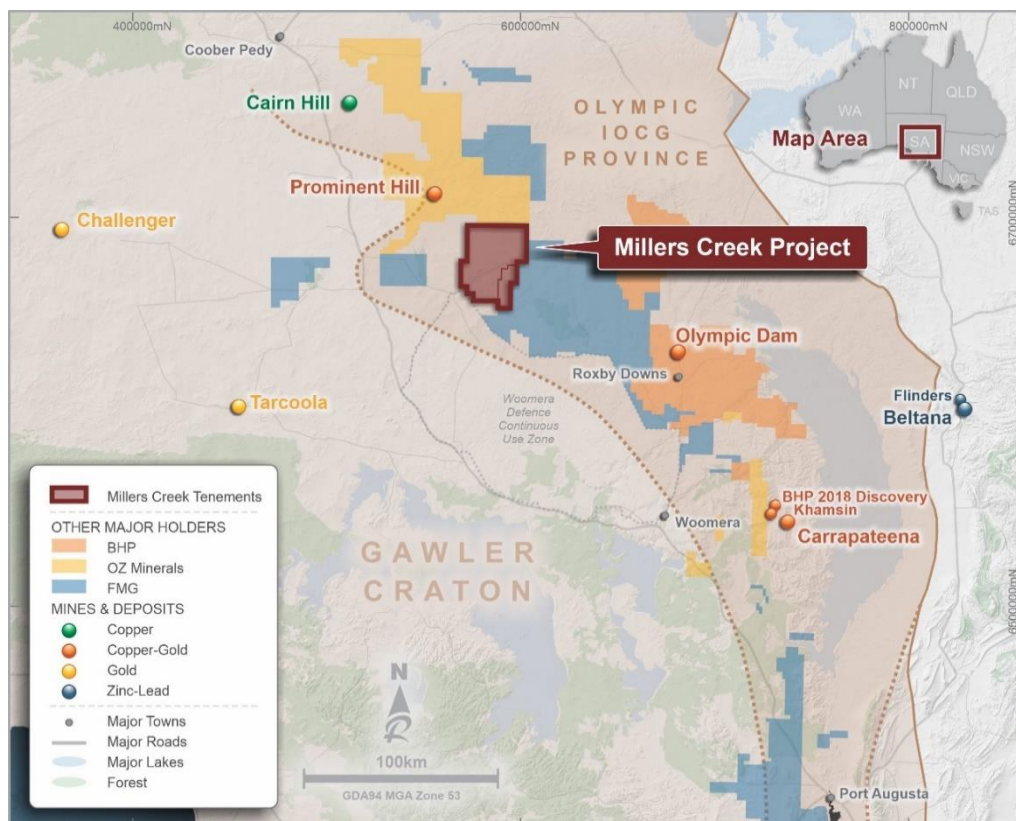


Figure 4. Millers Creek Project location in South Australia

Matters subsequent to the end of the half-year

On 24 January 2022, Mr Michael Hannington resigned as Executive Director of the Company. Mr Hannington will remain as a Technical Director of Redbank Operations Pty Ltd a wholly owned subsidiary of Redbank Copper Limited providing technical expertise on exploration for sediment hosted stratiform copper at the Redbank Project.

On 7 February 2022, Mr Hugh Thomas was appointed as Managing Director of the Company. With over 35 years industry experience, Mr Thomas brings a strong blend of commercial and operational experience to Redbank that will be important to the Company's next period of growth.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

3. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is included in the Directors' Report for the financial half-year ended 31 December 2021.

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

Anthony Kiernan AM
Non-Executive Chairman

1 March 2022
Perth



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1 March 2022

The Directors
Redbank Copper Limited
Level 1, 1A Agnew Way
SUBIACO WA 6008

Dear Sirs

RE: REDBANK COPPER LIMITED

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

As Audit Director for the review of the half year financial statements of Redbank Copper Limited for the period ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED

Martin Michalik
Director



Redbank Copper Limited
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Redbank Copper Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 December 2021 \$	31 December 2020 \$
Continuing operations			
Other income		25,987	80,860
Interest revenue		2,237	2,287
Expenses			
Depreciation and amortisation expense		(85,290)	(12,561)
Corporate and administrative expenses		(677,336)	(501,719)
Employee and directors-remuneration expenses		(215,700)	(142,475)
Share based payment expense	9	(193,413)	(109,991)
Operating loss		(1,143,515)	(683,599)
Finance costs		(29,459)	(33,348)
Loss before income tax expense		(1,172,974)	(716,947)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Redbank Copper Limited		(1,172,974)	(716,947)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Redbank Copper Limited		(1,172,974)	(716,947)
		Cents	Cents
Basic earnings per share		(0.227)	(0.203)
Diluted earnings per share		(0.227)	(0.203)

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



		Consolidated	
	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		2,155,440	6,523,705
Trade and other receivables		83,065	137,485
Total current assets		2,238,505	6,661,190
Non-current assets			
Property, plant and equipment		524,516	377,506
Right-of-use assets		15,222	33,489
Exploration and evaluation	4	6,346,857	3,212,483
Other non-current assets		110,163	33,611
Total non-current assets		6,996,758	3,657,089
Total assets		9,235,263	10,318,279
Liabilities			
Current liabilities			
Trade and other payables	5	1,115,902	1,238,219
Provisions		12,961	2,946
Borrowings	6	923,015	894,780
Lease liabilities		16,485	35,873
Total current liabilities		2,068,363	2,171,818
Non-current liabilities			
Provisions		23,750	23,750
Total non-current liabilities		23,750	23,750
Total liabilities		2,092,113	2,195,568
Net assets		7,143,150	8,122,711
Equity			
Issued capital	7	111,952,683	111,890,933
Reserves		1,905,644	1,972,731
Accumulated losses		(106,715,177)	(105,740,953)
Total equity		7,143,150	8,122,711

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



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	100,874,438	1,734,800	(103,675,039)	(1,065,801)
Loss after income tax expense for the half-year	-	-	(716,947)	(716,947)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(716,947)	(716,947)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,797,780	-	-	3,797,780
Share-based payments	-	109,991	-	109,991
Balance at 31 December 2020	104,672,218	1,844,791	(104,391,986)	2,125,023
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	111,890,933	1,972,731	(105,740,953)	8,122,711
Loss after income tax expense for the half-year	-	-	(1,172,974)	(1,172,974)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,172,974)	(1,172,974)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	193,413	-	193,413
Performance rights converted	61,750	(61,750)	-	-
Performance rights cancelled	-	(198,750)	198,750	-
Balance at 31 December 2021	111,952,683	1,905,644	(106,715,177)	7,143,150

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



Note	Consolidated	
	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Payments to suppliers and employees	(873,840)	(575,773)
Interest received	2,237	2,287
Other revenue	-	2,640
Interest and other finance costs paid	-	(4,616)
Net cash used in operating activities	(871,603)	(575,462)
Cash flows from investing activities		
Purchase of property plant and equipment	(214,033)	(46,795)
Payment for exploration expenditure	(3,263,242)	(1,101,902)
Payment for environmental bonds	-	(35,318)
Net cash used in investing activities	(3,477,275)	(1,184,015)
Cash flows from financing activities		
Proceeds from issue of shares	-	4,078,710
Share issue transaction costs	-	(244,723)
Repayment of lease liabilities	(19,387)	(8,750)
Net cash (used in)/from financing activities	(19,387)	3,825,237
Net (decrease)/increase in cash and cash equivalents	(4,368,265)	2,065,760
Cash and cash equivalents at the beginning of the half-year	6,523,705	230,482
Cash and cash equivalents at the end of the half-year	2,155,440	2,296,242

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



Note 1. General information

The interim financial statements cover Redbank Copper Limited as a Group consisting of Redbank Copper Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2021. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The interim financial statements were authorised for issue, in accordance with a resolution of Directors, on 1 March 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

Basis of preparation

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

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021.

The principal accounting policies adopted are consistent with those of the previous annual report.

Basis of consolidation

The consolidated interim financial statements incorporate the assets and liabilities of all subsidiaries of Redbank Copper Limited as at 31 December 2021 and the results of all subsidiaries for the half-year then ended. Redbank Copper Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. 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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides 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.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Going concern

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



Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. 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. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or 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 share-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.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Environmental rehabilitation provision

The Group is exposed to environmental regulations in Australia. Significant judgment is required in determining whether the Group's activities have resulted in any requirement for environmental remediation. The Group constantly monitors its areas of interest to ensure compliance with legislative requirements and to assess the liability arising from the Group's activities.

Note 4. Exploration and evaluation

	Consolidated 31 December 2021 \$	30 June 2021 \$
Opening balance	3,212,483	707,418
Exploration expenditure capitalised	3,134,374	2,505,065
Closing balance	6,346,857	3,212,483

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploration or, alternatively, sale of the respective areas.

Note 5. Trade and other payables

	Consolidated 31 December 2021 \$	30 June 2021 \$
<i>Current liabilities</i>		
Trade payables ¹	1,097,661	1,085,199
Accruals	12,500	143,443
Other payables	5,741	9,577
	1,115,902	1,238,219

¹ Included in trade payables are amounts of \$977,758 relating to entities associated with a former Chairman of the Group. The Directors of the Company continue to assess the validity and quantum of creditor and related party loan claims that arose prior to the appointment of a new Board on 2 August 2019. As at 31 December 2021, these matters remain unresolved and subject to further negotiations. For the purposes of this Interim Financial Report only, the disputed claims are recorded at 100 cents in the dollar. The Directors do not expect these balances to accurately reflect any ultimate liability or quantum.



Note 6. Borrowings

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
<i>Current liabilities</i>		
Other loans - Interest bearing	923,015	894,780
	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Reconciliation of borrowings		
Opening balance	894,780	838,770
Interest on loans	28,235	56,010
Closing balance ¹	923,015	894,780

¹ The Directors of the Company continue to assess the validity and quantum of creditor and related party loan claims that arose prior to the appointment of a new Board on 2 August 2019 including borrowings above. As at 31 December 2021, these matters remain unresolved and subject to further negotiations. For the purposes of this Interim Financial Report only, the disputed claims are recorded at 100 cents in the dollar. The Directors do not expect these balances to accurately reflect any ultimate liability or quantum.

Note 7. Issued capital

	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	518,900,730	515,650,730	111,952,683	111,890,933
Details	Date	Shares	Issue price	\$
Balance	1 July 2021	515,650,730		111,890,933
Shares issued on performance right conversion	22 November 2021	3,250,000		61,750
Balance	31 December 2021	518,900,730		111,952,683

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance Rights

On 22 November 2021, 3,250,000 performance rights were converted into ordinary shares. The value of these performance rights (\$61,750) was transferred from the share based payment reserve to issued capital.



Note 8. Interests in subsidiaries

The consolidated interim financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2021 %	30 June 2021 %
Redbank Operations Pty Ltd	Australia	100%	100%
RedX Operations Pty Ltd (formerly Volley Oil Pty Ltd)	Australia	100%	100%
Sandy Flat Operations Pty Ltd	Australia	100%	100%

These entities are members of the tax consolidated group of which the Company is the head entity.

Note 9. Share-based payments

During the half-year, a share-based payment expense of \$193,413 has been included within the consolidated statement of profit or loss (2020: \$109,991). This consisted of an expense of \$16,196 relating to performance rights granted in prior periods, and \$177,217 relating to the following performance rights and options granted during the half-year:

Incentive Awards Plan

The Redbank Copper Limited's Incentive Awards Plan ('Incentive Awards Plan') has been adopted by the Board and was approved by shareholders in general meeting on 21 May 2020.

Any performance rights or options granted are made in accordance with thresholds stipulated in the Incentive Awards Plan. Performance Rights and options are granted under the plan for no consideration and carry no dividend or voting rights.

Set out below are summaries of performance rights granted under the Incentive Awards Plan:

	Number of rights	
	31 December 2021	31 December 2020
Outstanding at the beginning of the half-year	7,500,000	7,750,000
Granted ¹	1,000,000	5,000,000
Converted ²	(3,250,000)	-
Cancelled ³	(4,250,000)	-
Outstanding at the end of the half-year	<u>1,000,000</u>	<u>12,750,000</u>
Exercisable at the end of the half-year	<u>-</u>	<u>2,250,000</u>

¹ The Performance Rights issued during the year will only vest and be exercisable into Shares (on a one for one basis subject to adjustment in accordance with the Company's Incentive Awards Plan) on 21 April 2022, subject to Mr Anthony Kiernan remaining as a director of the Company at that date.

Details of the Performance Rights granted:

Grant Date	14 July 2021
Issue Date	11 August 2021
Number issued	1,000,000
Share price at grant date	\$0.068
Expiry date	21 April 2024
Total fair value of rights	\$68,000
Share-based payment expense recognised for the half-year ended 31 December 2021	\$41,139



Note 9. Share-based payments (continued)

² On 22 November 2021, 3,250,000 performance rights were converted into ordinary shares. The value of these performance rights (\$61,750) was transferred from the share based payment reserve to issued capital.

³ On 15 July 2021, the Company cancelled 4,250,000 Tranche 2 performance rights which had already vested, but not yet converted into shares.

Set out below are summaries of options granted:

	Number of options	
	31 December 2021	31 December 2020
Outstanding at the beginning of the half-year	-	-
Granted on 14 July 2021 ¹	6,750,000	-
Granted on 25 November 2021 ¹	1,750,000	-
Granted on 26 November 2021 ¹	1,500,000	-
Outstanding at the end of the half-year	10,000,000	-
Exercisable at the end of the half-year	5,000,000	-

¹ The Options are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes Option Pricing Model using the below inputs:

Input	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6	Tranche 7	Total
Number of options	5,000,000	875,000	875,000	875,000	875,000	750,000	750,000	10,000,000
Issue Date	11/08/21	11/08/21	11/08/21	3/12/21	3/12/21	Dec 2021	Dec 2021	
Grant Date	14/07/21	14/07/21	14/07/21	25/11/21	25/11/21	26/11/21	26/11/21	
Vesting Date	Immediately	11/08/22	11/08/23	25/11/22	25/11/23	30/06/22	30/06/23	
Expiry Date (years)	2.80	2.80	2.80	3.00	3.00	3.00	3.00	
Share price at grant date	\$0.068	\$0.068	\$0.068	\$0.060	\$0.060	\$0.058	\$0.058	
Exercise price	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	
Expected volatility	86.37%	86.37%	86.37%	79.54%	79.54%	79.34%	79.34%	
Risk free rate	0.17%	0.17%	0.17%	0.98%	0.98%	0.93%	0.93%	
Value per option	\$0.0235	\$0.0235	\$0.0235	\$0.0178	\$0.0178	\$0.0166	\$0.0166	
Total fair value of options	\$117,500	\$20,563	\$20,562	\$15,575	\$15,575	\$12,450	\$12,450	\$214,675
Share-based payment expense recognised for the half-year ended 31 December 2021	\$117,500	\$8,895	\$4,612	\$1,536	\$768	\$2,017	\$750	\$136,078

Tranche 1 – 5,000,000 options were issued to Mr Anthony Kiernan, non-executive Chairman of the Company. The options vest immediately and are not subject to any vesting conditions.

Tranche 2 & 3 – 1,750,000 options were issued to Mr Bruce Hooper, non-executive Director of the Company. 50% of the options vest 12 months after issue (11 August 2022) and the remaining 50% vest 24 months after issue (11 August 2023) subject to Mr Hooper remaining as a director of the Company at that date. If Mr Hooper ceases to be a director of the Company before all options vest, then any unvested options will lapse and be forfeited.

Tranche 4 & 5 – 1,750,000 options were issued to Mr Dale Henderson, non-executive Director of the Company. 50% of the options vest 12 months after issue (25 November 2022) and the remaining 50% vest 24 months after issue (25 November 2023) subject to Mr Henderson remaining as a director of the Company at that date. If Mr Henderson ceases to be a director of the Company before all options vest, then any unvested options will lapse and be forfeited.



Note 9. Share-based payments (continued)

Tranche 6 & 7 – 1,500,000 options were issued under the Incentive Awards Plan to employees of the Company. 50% of the options vest on 30 June 2022 and the remaining 50% vest on 30 June 2023 subject remaining employed by the Company at that date. If the employee ceases to be employed by the Company before all options vest, then any unvested options will lapse and be forfeited.

Note 10. Contingent liabilities

There are no contingent liabilities as at 31 December 2021 (June 2021: nil)

Note 11. Commitments

There were no significant changes in commitments held by the Group since the last annual reporting date.

Note 12. Events after the reporting period

On 24 January 2022, Mr Michael Hannington resigned as Executive Director of the Company.

On 7 February 2022, Mr Hugh Thomas was appointed as Managing Director of the Company.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



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 Group'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

Anthony Kiernan AM
Non-Executive Chairman

1 March 2022
Perth

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

Report on the Half-Year Financial Report*Conclusion*

We have reviewed the half-year financial report of Redbank Copper Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 Redbank Copper Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its 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*.

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 our 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* has been given to the directors of the Company on 1 March 2022.

Responsibility of the Directors for the Financial Report

The directors of Redbank Copper Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
1 March 2022