



Red Emperor Resources NL

Interim Financial Report

31 December 2020

ABN 99 124 734 961

redemperorresources.com

CONTENTS	PAGE
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8
Directors' Declaration	11
Independent Auditor's Review Report	12

CORPORATE DIRECTORY

Directors

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

Registered Office

First Floor
 35 Richardson Street
 West Perth WA 6005

Share Registry

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

Auditors

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

Solicitors

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

Nominated Adviser

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

Stock Exchanges

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

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



The Directors are pleased to present their report for Red Emperor Resources NL ("Red Emperor" or the "Company") and its subsidiaries (the "Group") for the half-year ended 31 December 2020 (the "Period").

DIRECTORS

The persons who were directors of Red Emperor during the half-year and up to the date of this report are:

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

REVIEW OF OPERATIONS

Corporate

During the reporting period, Red Emperor continued to evaluate potential deal opportunities, primarily in the global oil and gas sector. While mainly focused on exploration projects, the Board has continued to be very mindful of protecting the Company's balance sheet and by extension, shareholder value.

There were also a number of potential projects considered during the period in the wider natural resources sector outside of oil and gas cognisant that pursuant to AIM Rule 15, the Company is required to make an acquisition, or acquisitions, which constitute(s) a reverse takeover under AIM Rule 14, or alternatively seek re-admission to trading on AIM as an investing company pursuant to AIM Rule 8 (either being a "Re-admission Transaction"), either of which would require, *inter alia*, the preparation and publication of an AIM admission document and a full re-admission process. If a Re-admission Transaction is not completed by 20 July 2021 admission to trading on AIM of the Company's ordinary shares will be cancelled pursuant to AIM Rule 41.

The Company has recently made an application to ASX in respect of a proposed transaction under ASX Listing Rule 11.1, which is under consideration, and the Company's ordinary shares remain suspended from trading on both ASX and AIM.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no significant events subsequent to the end of the reporting period to the date of this report which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future reporting periods.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of the Company with an Independence Declaration in relation to their review of the interim financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' report for the half-year ended 31 December 2020.

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

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

Greg Bandy
Managing Director
Perth, Western Australia
5 March 2021

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF RED EMPEROR RESOURCES NL

As lead auditor for the review of Red Emperor Resources NL for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 05 March 2021



Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2020

	31-Dec-20	31-Dec-19
	\$	\$
Continuing Operations		
Interest received	12,520	13,412
Other income	40,009	-
Employee and director benefits expense	(124,645)	(136,706)
Professional and consultants	(112,376)	(114,124)
ASX and AIM and share registry fees	(68,115)	(86,550)
Travel expenditure	(4,801)	(7,493)
Exploration expenditure written off	(12,588)	(93,999)
Amortisation/depreciation expense	(23,744)	-
Unrealised foreign exchange (loss)/gain	(9,859)	1,154
Other expenses	(62,280)	(73,710)
Loss before income tax	(365,879)	(498,016)
Income tax expense	-	-
Loss after Income Tax	(365,879)	(498,016)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Other comprehensive income	-	54
Other comprehensive income/(loss) for the period net of tax	-	54
Total comprehensive loss for the period	(365,879)	(497,962)
Loss per share for the period attributable to the members of Red Emperor Resources NL		
Basic and diluted loss per share (cents)	(0.07)	(0.09)

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



Consolidated Statement of Financial Position

as at 31 December 2020

	Note	31-Dec-20 \$	30-Jun-20 \$
Current Assets			
Cash and cash equivalents		4,225,863	4,603,010
Trade and other receivables		26,626	28,562
Total Current Assets		4,252,489	4,631,572
Non-Current Assets			
Right of use assets	3(a)	118,718	-
Deferred exploration and evaluation expenditure		-	-
Total Non-Current Assets		118,718	-
Total Assets		4,371,207	4,631,572
Current Liabilities			
Trade and other payables		39,601	53,782
Lease liabilities	3(b)	70,620	-
Total Current Liabilities		110,221	53,782
Non-Current Liabilities			
Lease liabilities	3(b)	49,075	-
Total Non-Current Liabilities		49,075	-
Total Liabilities		159,296	53,782
Net Assets		4,211,911	4,577,790
Equity			
Issued capital	4(a)	61,811,451	61,811,451
Reserves	5	5,270,653	5,270,653
Accumulated losses	6	(62,870,193)	(62,504,314)
Total Equity		4,211,911	4,577,790

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



Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2020

	Issued capital	Accumulated losses	Foreign exchange translation reserve	Share based payments reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	61,811,451	(61,467,301)	255,417	5,014,971	5,614,538
Total comprehensive loss for the period					
Loss for the period	-	(498,016)	-	-	(498,016)
Other Comprehensive income	-	-	54	-	54
Total comprehensive loss for the period	-	(498,016)	54	-	(497,962)
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31 December 2019	61,811,451	(61,965,317)	255,471	5,014,971	5,116,576
Balance at 1 July 2020	61,811,451	(62,504,314)	255,682	5,014,971	4,577,790
Total comprehensive loss for the period					
Loss for the period	-	(365,879)	-	-	(365,879)
Other Comprehensive loss	-	-	-	-	-
Total comprehensive loss for the period	-	(365,879)	-	-	(365,879)
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31 December 2020	61,811,451	(62,870,193)	255,682	5,014,971	4,211,911

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

**Consolidated Statement of Cash Flows** *for the half-year ended 31 December 2020*

	31-Dec-20 \$	31-Dec-19 \$
Cash flows from operating activities		
Payments to suppliers and employees	(417,088)	(457,045)
Interest received	12,520	13,412
Other receipts	40,009	-
Net cash used in operating activities	(364,559)	(443,633)
Cash flows from investing activities		
Payments for exploration and evaluation	(12,588)	(93,999)
Net cash used in investing activities	(12,588)	(93,999)
Net decrease in cash and cash equivalents	(377,147)	(537,632)
Cash and cash equivalents at beginning of the period	4,603,010	5,642,936
Effects of exchange rate changes on cash and cash equivalents	-	53
Cash and cash equivalents at the end of the period	4,225,863	5,105,357

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



1. Corporate Information

The financial report of Red Emperor Resources NL ("Red Emperor" or the "Company") for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 5 March 2021.

Red Emperor is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian Securities Exchange and the AIM market operated by London Stock Exchange plc. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full 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 2020 and any public announcements made by Red Emperor during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report the half-year has been treated as a discrete reporting period.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(c) New or amended Accounting Standards and Interpretations adopted

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

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

(d) Segment Reporting

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



	31-Dec- 2020 \$	30-Jun-2020 \$
3. a) Right of Use Assets		
Opening balance	-	-
Additions – office lease	142,462	-
Accumulated amortisation	(23,744)	-
Closing balance	118,718	-

b) Lease Liabilities

Opening balance	-	-
Additional liability recognised for new lease	142,462	-
Repayment	(25,000)	-
Interest	2,233	-
Closing balance	119,695	-
Current	70,620	-
Non- Current	49,075	-
	119,695	-

4. Issued Capital**(a) Issued and paid up capital**

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

	31-Dec- 2020		30-Jun-2020	
	Number of shares	\$	Number of shares	\$
Opening Balance	525,292,776	61,811,451	525,292,776	61,811,451
Closing Balance	525,292,776	61,811,451	525,292,776	61,811,451

5. Reserves

	31-Dec- 2020 \$	30-Jun-2020 \$
Share based payments reserve	5,014,971	5,014,971
Foreign exchange translation reserve	255,682	255,682
	5,270,653	5,270,653

The share based payments reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options.

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

6. Accumulated losses

Movements in accumulated losses were as follows:

Opening balance	(62,504,314)	(61,467,301)
Loss for the period	(365,879)	(1,037,013)
Closing balance	(62,870,193)	(62,504,314)


7. Subsidiaries

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

Name of Entity	Country of Incorporation	Equity Holding	
		31 December 2020	30 June 2020
Puntland Oil Pty Ltd	Australia	100%	100%
Vianista Pty Ltd	Australia	100%	100%
Century Red Pte. Ltd	Singapore	-	100%
Red Emperor Alaska Limited	USA	100%	100%

8. Contingent assets and liabilities

The Directors are not aware of any new contingent liabilities or assets as at 31 December 2020. There has been no change in contingent liabilities or assets since the last annual reporting date.

9. Commitments

There are no known contractual commitments as at 31 December 2020.

10. Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current receivables, current trade and other payables and current interest bearing liabilities is assumed to approximate their fair value.

11. Dividends

No dividends have been paid or provided for during the half-year.

12. Significant Events after the Reporting Date

There have been no significant events subsequent to the end of the reporting period to the date of this report which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future reporting periods.



In the opinion of the Directors of Red Emperor Resources NL (the "Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Board

Greg Bandy
Managing Director
Perth, Western Australia
5 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Red Emperor Resources NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Red Emperor Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of 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 2020 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 2020 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

The image shows a handwritten signature in black ink. The signature appears to be 'Dean Just' written in a cursive, stylized script. Above the signature, the letters 'BDO' are handwritten in a simple, blocky font.

Dean Just

Director

Perth, 05 March 2021