



# REDSTONE RESOURCES

**REDSTONE RESOURCES LIMITED**

**ACN 090 169 154**

**CONSOLIDATED FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2020**

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 2020 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.

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### Competent Persons Statement

The information in this document that relates to exploration results for the West Musgrave Project was authorised by Dr Greg Shirliff, who is employed as a Consultant to the company through Zephyr Professional Pty Ltd. Dr Shirliff is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the tasks with which he is employed 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'*. Dr Shirliff consents 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 Mineral Resource for the West Musgrave Project was authorised by Mr Darryl Mapleson, a Principal Geologist and full time employee of BM Geological Services, who were 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.

### ASX Listing Rule Information

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements referred to in this report, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement referred to in the release.

### 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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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 2020 ("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 \$230,462 (2019: \$167,555).

### 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

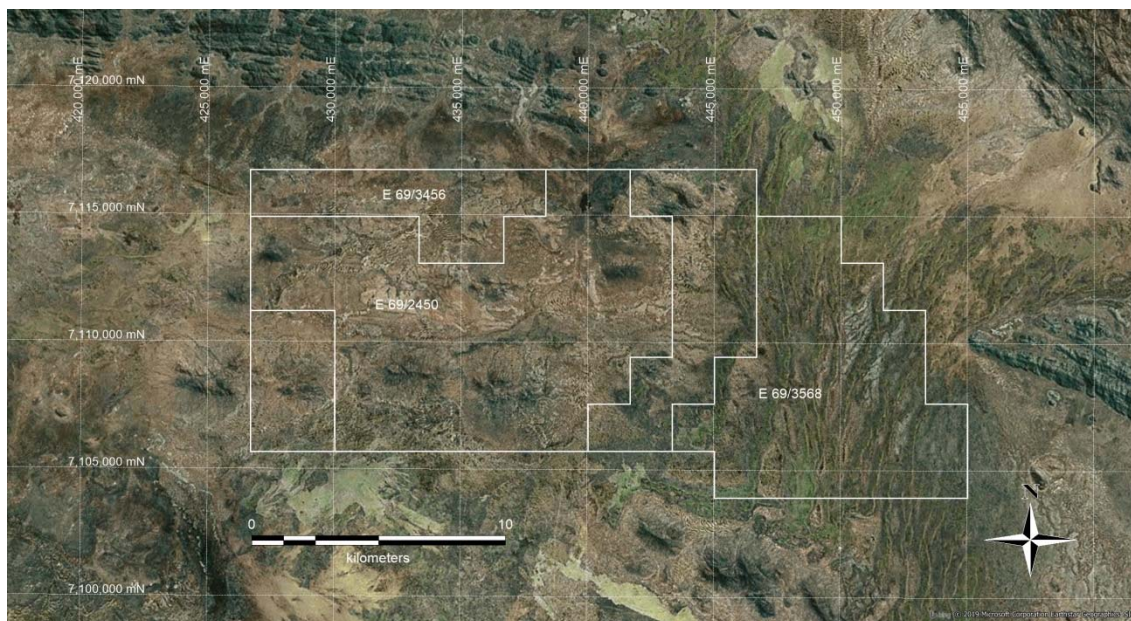


Figure 2– West Musgrave Project Tenements

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 2017), the mineralised area, and the volume of hydrothermal mineralisation, to increase significantly with further drilling.

Geological mapping of the Project area along with detailed geochemical analysis of the EM1 (**VTEM<sub>max</sub>**) target assay results suggest that the West Musgrave 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).

During the half year period to 31 December 2020 the Company completed its detailed geological assessment and interpretation of results from its 2019 exploration programme (the **Programme**). The Programme, which included reverse circulation (**RC**) drilling at Tollu, RC drilling of the five best electromagnetic (EM) targets delineated by ground EM survey and project scale mapping and rock chip sampling, significantly enhanced existing prospects and established new areas of copper prospectivity on the West Musgrave Project.



## DIRECTORS' REPORT

## TOLLU COPPER VEIN PROJECT

The Programme included two RC drill holes, TLC172 and TLC173, aimed at testing continuity of mineralisation lenses previously intersected in the 2017 drilling of the Forio Prospect (ASX announcement of 31 October 2017). Another drill hole, TLC166, was aimed at testing for deeper mineralisation below historical drilling at the intersection of the Chatsworth and Eastern Reef Prospects (Figure 3). The significant assay results for these drill holes are summarised below.

The 2019 significant copper intercepts (ASX Announcement 25 June 2020) included:

- 26m @ 1.03% Cu from 277m downhole (TLC166), including:
  - 2m @ 2.9 % Cu from 281m downhole.
- 13m @ 3.04% Cu from 56m downhole (TLC172), including:
  - 8m @ 4.4% from 57m downhole.
- 11m @ 1.4% Cu from 4m downhole (TLC173), including:
  - 4m @ 2.7% from 7m downhole

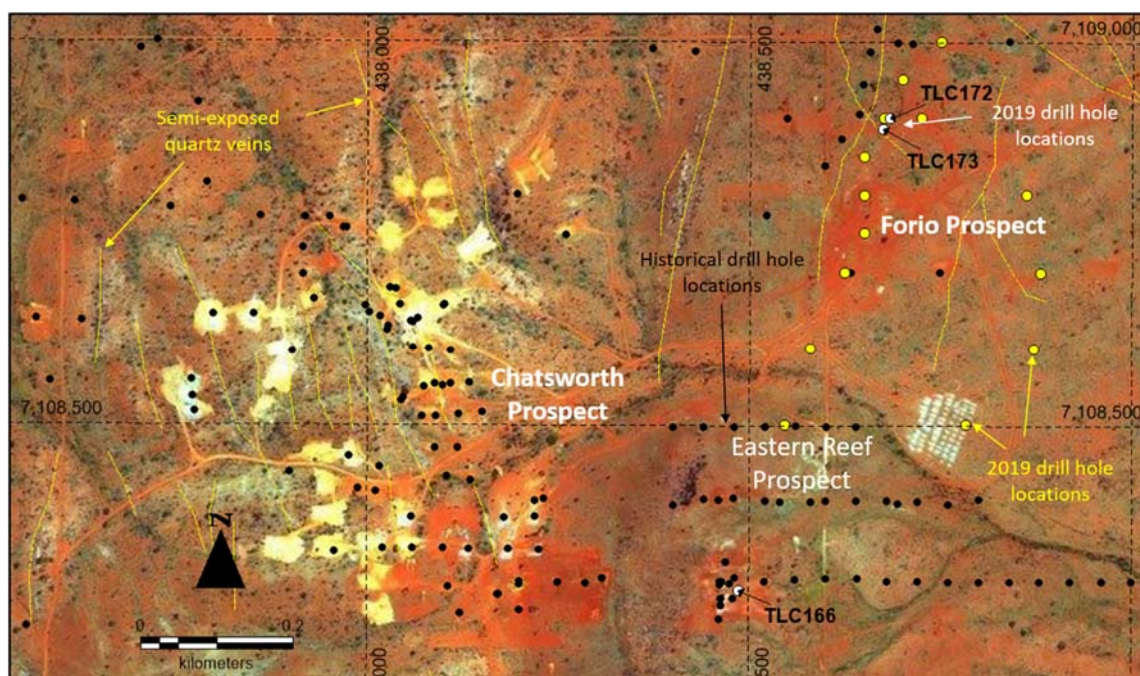
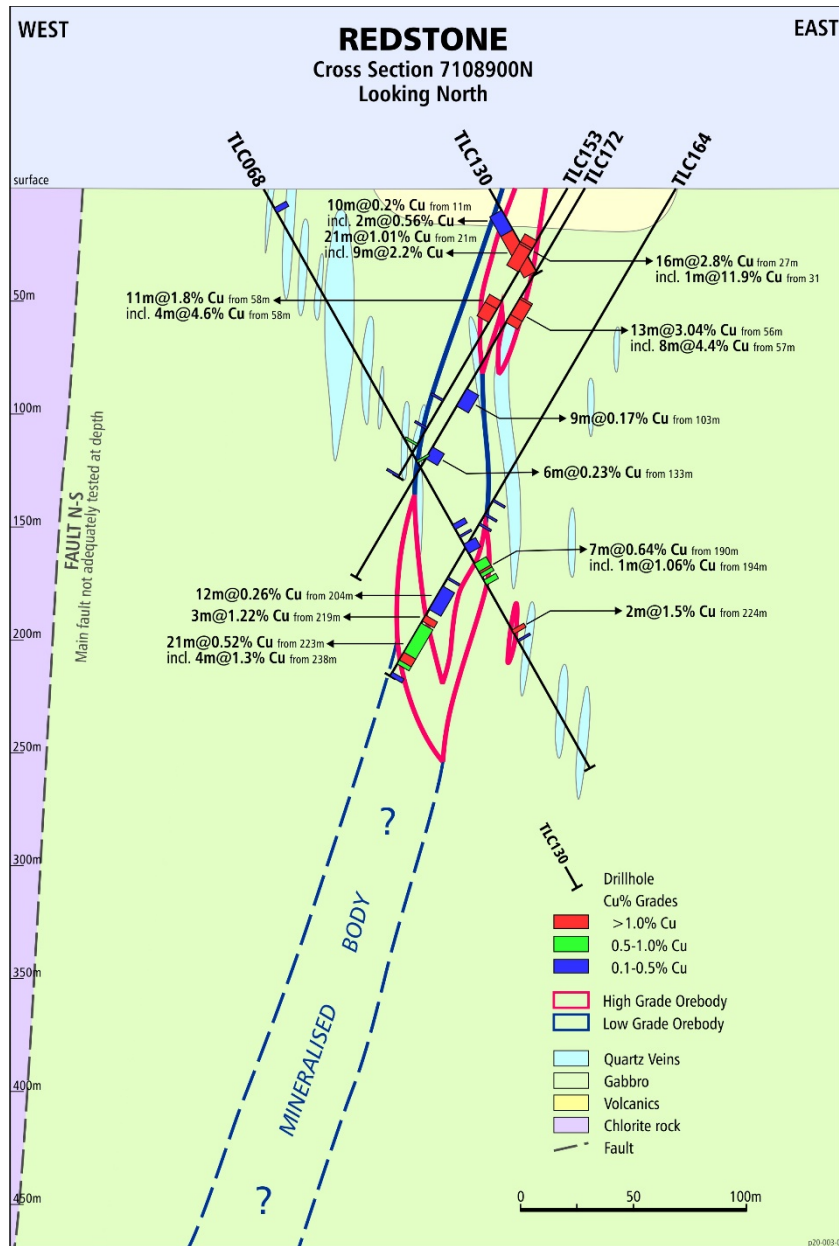


Figure 3 – Tollu Drill Hole Location

### ***Forio Prospect Mineralisation***

RC drill holes TLC172 and TLC173 have proven short to medium scale continuity, both laterally and to depth, of the thick high grade lens of copper mineralisation intersected at the Forio Prospect in 2017 (Figure 4). In the 2017 drilling TLC153 intersected 14m at 3.2% copper from only 27m downhole from the surface. This included one of the highest grade intersections ever recorded at Tollu, being 1m at 11.9% copper from 31m downhole. Sub-cropping oxide copper mineralisation (malachite) was observed at the surface.

# DIRECTORS' REPORT



**Figure 4 – East-West cross-section (looking north) through the Forio Prospect vein system showing the short and medium scale continuity of the high grade copper mineralisation lens proven by TLC153 and the recently drilled TLC172. Note that the projection of a question marked potential mineralised body at depth in this cross-section is not suggesting that there is, rather that more lenses could exist where drilling has not tested.**

TLC172 aimed to test this high grade copper mineralisation lens for depth continuity, some 14-15m beneath the 2017 Forio Prospect intersection (**Figure 4**). TLC173 aimed to test the high grade lens for lateral continuity, by drilling along the strike of the structure some 15m to the south of the 2017 intersection.

The 2019 drill holes show that the lens continues at depth with similar thickness and grade with 13m at 3.04% copper from 57m downhole and laterally to the south, very close to the surface, with 11m at 1.4% copper from 4m downhole, inclusive of 4m at 2.7% copper from 7m downhole (**Figure 4**).

## DIRECTORS' REPORT

### *Chatsworth Prospect and Eastern Reef Prospect Mineralisation*

RC drill hole TLC166 has proven that very thick mineralisation discovered at the intersection of the vein systems of the Chatsworth Prospect and Eastern Reef Prospect is not lost at depth as was previously thought from historical drilling. TLC166 was aimed to test beneath historical drilling which showed that a thick lens of mineralisation intersected in TLC045 (27m at 1.45% Copper from 232m downhole (refer to JORC Table 1 of ASX announcement of 15 June, 2016) had not continued in TLC055, which was drilled approximately 70m beneath TLC045 vertically. TLC166 is positioned some 30m beneath TLC055 and 100m beneath TLC045 vertically and 10-12m to the south of both drill holes. It intersected 26m at 1.03% copper from 277m downhole, proving that the thick lens intersected in TLC045 re-emerges at depth or continues but is possibly oriented in a way that did not allow TLC055 to intersect it.

The completed RC drilling has continued to show that the Tollu copper vein system is capable of producing thick high grade lenses of copper mineralisation that can be continuous over the short to medium scale.

### EM5 TARGET

During the Half-year results received and interpreted from RC drilling of five EM targets confirmed that the drilling at the EM5 Target (**EM5**), over 7.2km north east of Tollu, intersected a large gabbroic intrusion over 400m in diameter bearing a thick sequence of anomalous disseminated copper sulphides, continuous for 95m (up to 0.06% copper) from 66m downhole (TLC170) (**Figure 5**) (ASX announcement 6 July 2020).

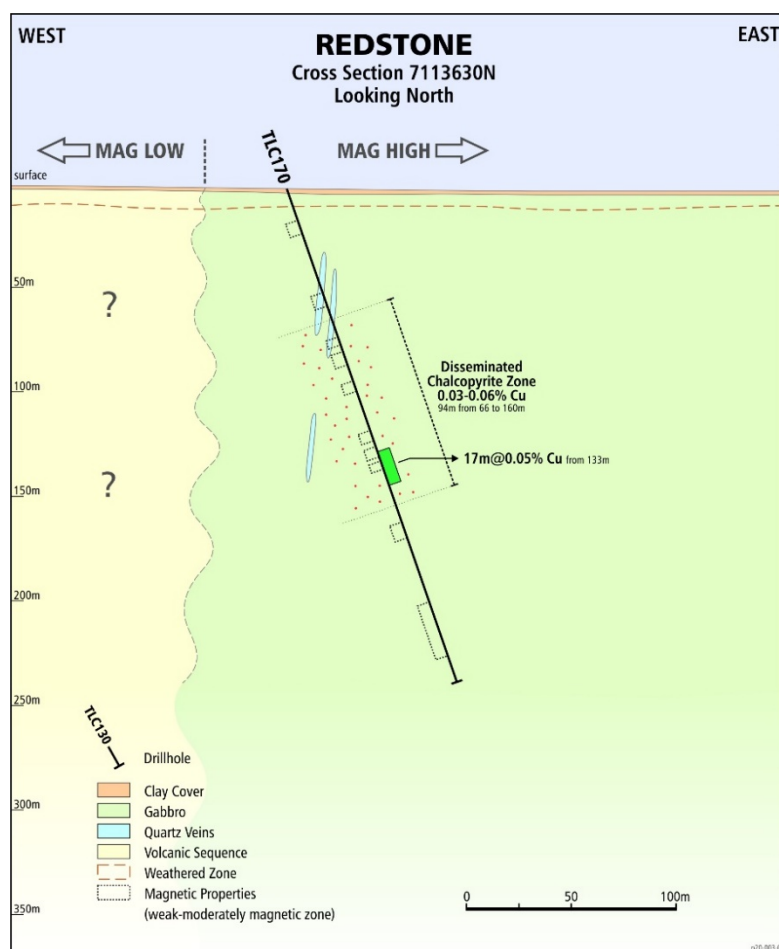


Figure 5 – East-West Cross Section of RC drill hole TLC170, looking North

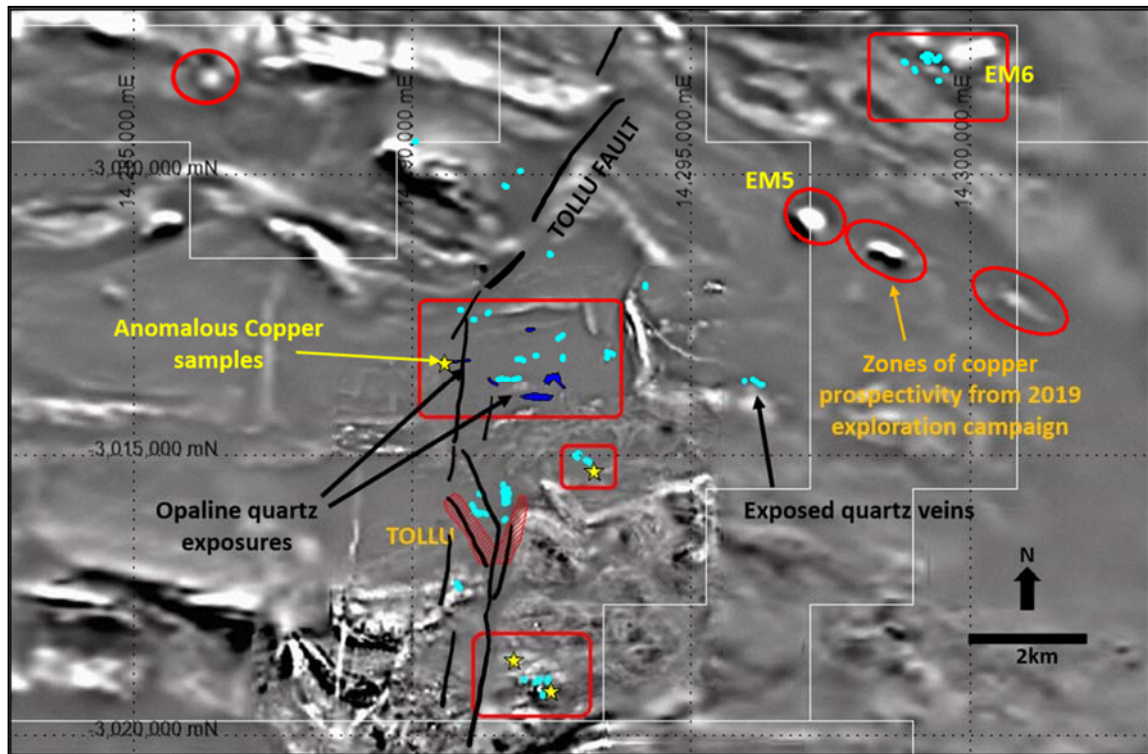


## DIRECTORS' REPORT

The magnetic anomaly shows that the gabbroic intrusion containing the disseminated copper sulphides in TLC170 is at least 400-450m in diameter, although it may be much larger at depth.

Similar magnetic features are located within the Project including a cigar shaped anomaly only 800m SE of the EM5 Target and which is probably related to the same intrusion at depth (**Figure 6**). The 95m intersection of disseminated copper mineralisation in the gabbroic intrusion at EM5, proves that the West Musgrave Project is prospective for copper mineralisation in the greater Project area, beyond what is already known at Tollu. It shows that there is potential for magmatic intrusions throughout the Project that may contain economic concentrations of metals themselves or that may have created the hydrothermal conditions necessary for mobilising and concentrating metals in the volcanic sequences they have intruded or at their contacts.

No other exploration has been carried out in the immediate area, which leaves the copper occurrence at EM5 untested in all directions, including at depth. As a result the anomalous copper at EM5, combined with these two other EM5 'look-a-like' magnetic anomalies, have been upgraded to drilling targets for an upcoming drilling programme.



**Figure 6 - Location of the anomalous copper samples (yellow stars) and the new Target Areas of prospectivity (red boundaries) identified by the recent exploration campaign (geological mapping and drilling). Opaline quartz is mapped in dark blue and quartz vein outcrops are mapped in light blue.**

### PROJECT SCALE MAPPING - ADDITIONAL PROSPECTIVE TARGET AREAS IDENTIFIED OUTSIDE TOLLU

Geological interpretation and assessment of the data gathered from the project scale geological mapping and rock chip sampling programme undertaken in the 2019 exploration campaign was completed during the Half-year.

## DIRECTORS' REPORT

The Programme covered an area of approximately 135 square kilometres and focused on a region that encompassed the major Tollu Fault from the southern to northern property boundaries, west to cover the EM1 target area and northeast through EM5 to the EM6 target areas (**Figure 6**). The returned assay results from the rock chip samples along with the observations made in the field highlighted at least four (4) areas of prospectivity for future copper exploration on the Project as shown in Figure 6. The four areas of anomalous copper (ASX Announcement 15 July 2020) include:

- A large 15m long quartz outcrop approximately 2.3km northeast of Tollu, with samples returning up to 0.71% copper.
- An area of exposed opaline quartz lag with up to 0.12% copper and which stretches E-W for approximately 1km some 3.6km north of Tollu and coincident with the Tollu Fault.
- Anomalous copper in samples of gabbro outcropping near quartz veins some 2.5km SSW of Tollu where a large gabbroic body has intruded into and incorporated parts of the overlying rift related volcanic rocks.
- An area with a large NW trending quartz veins in an exposed hill within the EM6 target area that contained visible secondary copper mineralisation (malachite), some 10km N-E of Tollu.

Combined with the 95m downhole thick zone of anomalous copper sulphide mineralisation intersected in RC drill hole TLC170 at the EM5 target area, the completed field programme has brought attention to the potential for significant additional copper mineralisation outside of the known Tollu copper vein system.

### 2021 Exploration Programme

During the Half-year the Company commenced planning and evaluation for a 2021 Exploration Programme. The proposed programme follows from the improved market sentiment for copper and the excellent results from the 2019 exploration campaign.

Applications for Programmes of Works, Clearing Permits and required heritage clearances with the traditional owners are in progress. Commencement of the 2021 programme will be subject to the requisite government and heritage approvals and the availability of drilling resources.

### Exploration Incentive Scheme Co-Funded Drilling Grant

During the Half-year Redstone applied for a West Australian Government Exploration Incentive Scheme (EIS) grant (Round 22) to co-fund a deep drill hole at Tollu.

Redstone was awarded the co-funding grant applicable for the year to 31 December 2021 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 depth of the copper resource at Tollu.

### Extension of Term – E69/2450

During the Half-year the Company completed and lodged an Extension of Term (**EoT**) application for the Tollu exploration licence E69/2450 for a further two year term to 18 September 2022. The EoT was successfully granted on 2 October 2020.

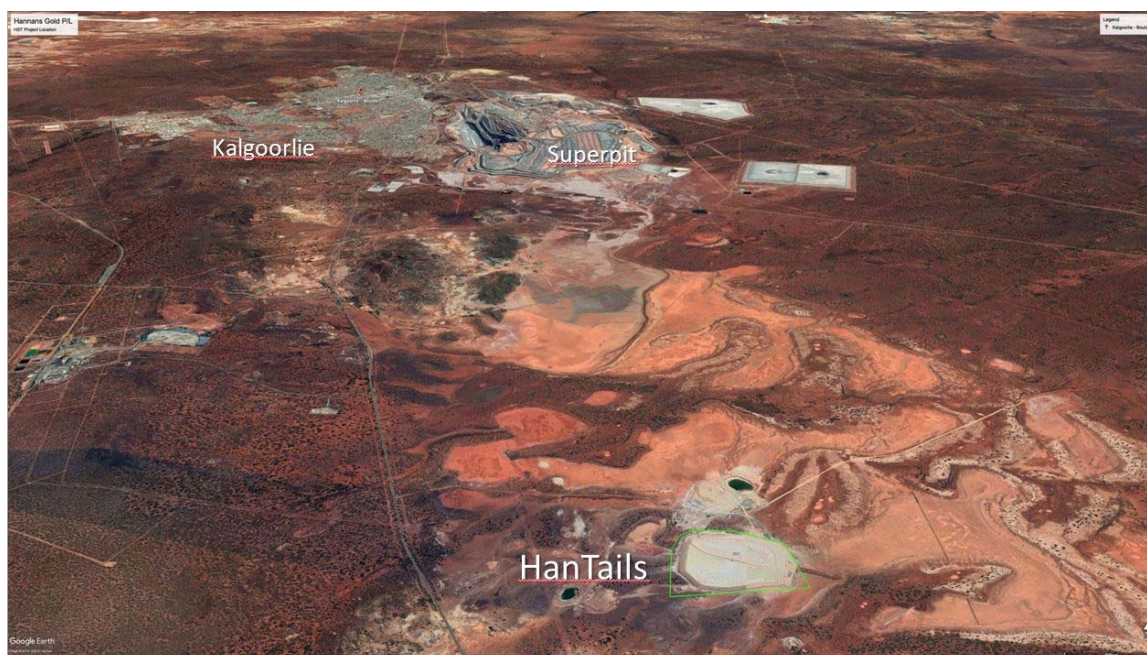
## DIRECTORS' REPORT

**HANTAILS GOLD PROJECT – FARM IN AND JOINT VENTURE AGREEMENT (RDS: 80%)**

In July 2020 Redstone entered into an agreement to farm-in to an 80% interest in the HanTails Project (**HanTails** or the **Project**). HanTails is a historic large scale gold mine Tailings Storage Facility (**TSF**) located on the historic Hannans South Gold Mill site, just 15kms south of Kalgoorlie-Boulder, Western Australia.

HanTails contains many years of gold tailings deposition material from its original operations during 1986 to 2006, primarily undertaken by then owners Croesus Mining Limited. The specific gravity and the average TSF gold grade have not yet been determined.

The HanTails Project presents a low cost development stage opportunity for Redstone.



**Figure 7 - Location of the HanTails Project TSF 15kms south of Kalgoorlie, Western Australia and 10kms south of the Super Pit.**

A planned 42 hole aircore drill programme and sampling commenced in late September 2020 to attempt to establish the overall grade of the material in the two cell tailings storage facility (**Figure 8**) and to provide bulk samples for metallurgical testing and recoveries. The aim of the programme was to enable Redstone to establish the average gold grade and approximate gold endowment of the HanTails TSF to JORC 2012 status.

Seventeen drill holes were planned on the northern cell and 25 drill holes were planned on the southern cell. The drill holes were planned on an approximately 80 metre grid and a planned depth was 23 metres.

The Programme commenced with a track mounted aircore rig. Fourteen drill holes were completed on the first day. However, by the end of the day drilling was halted to evaluate the efficacy of the air core method. As a result of issues with sample return it was decided that the best course of action was to source an auger drill to continue with the remainder of 28 drill holes, to complete a total of 675 metres.

Due to issues with sample return and preparation arising from the drilling and the inherent uncertainty associated with properly evaluating the assay results, the Company is planning to undertake an alternative follow up drilling programme using an alternate drilling technique such as sonic.



## DIRECTORS' REPORT



Figure 8 – Planned drill hole location and pattern of HanTails TSF

**HanTails Farm in and Joint Venture Agreement**

In return for an exclusive due diligence period Redstone paid an exclusivity fee by the issue of four (4) million fully paid ordinary shares to the vendor. Following successful completion of the due diligence and end of the exclusivity period on 24 August 2020, Redstone is required to incur a minimum farm-in spend of \$75,000 to earn a 51% interest in the Project (**Stage 1**), including a guaranteed minimum spend of \$50,000, within a 9 month period. Following Stage 1 and the establishment of an unincorporated joint venture with the vendor, Redstone will be required to incur a further farm-in spend of \$75,000 to earn an 80% interest in the Project (**Stage 2**). After Stage 2, Redstone will be required to free carry joint venture expenditure until a Decision to Mine based on the completion of an economic study. At the end of the free carry period the vendor will have the election to contribute 20% to Project joint venture expenditure or dilute to a 2% gross proceeds royalty on any gold produced and sold.

**CORPORATE****Capital Raising**

During the Hal-year the Company raised \$720,320 (before costs) by way of private placement to sophisticated and professional investors of 51,451,424 million fully paid ordinary shares in the Company (Placement Shares) at an issue price of \$0.014 per Placement Share.

**Subsequent Events***Capital Raising – \$2.6M Private Placement*

On 1 March 2021 the Company announced that it had completed a private placement to sophisticated and professional investors of 189,583,333 million fully paid ordinary shares in the Company at \$0.012 per share to raise \$2,275,000 (before costs).

The Directors (and/or their nominee(s)) have also reserved the right to place a further \$325,000 (before costs) for the issue of a further 27,083,333 fully paid ordinary shares at \$0.012 per share, subject to shareholder approval, to bring the total raising to \$2.6 million (before costs).

## REDSTONE RESOURCES LIMITED

ACN 090 169 154

### DIRECTORS' REPORT

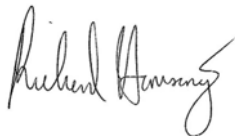
There are no other matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Entity in future financial years.

#### 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 2020.

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  
12 March 2021



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Redstone Resources Limited for the half year ended 31 December 2020, 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: 12 March 2021

REDSTONE RESOURCES LIMITED

ACN 090 169 154

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
<i>Revenue</i>			
Other Income		87,255	12,000
<b>Total revenue</b>		<b>87,255</b>	<b>12,000</b>
<i>Expenses</i>			
Administration and other expenses from ordinary activities		(68,728)	(76,908)
Employee benefit expense		(102,629)	(102,217)
Share option expense		(143,993)	-
Depreciation and amortisation expense		(1,496)	(760)
Finance costs		(941)	(684)
Exploration expenditure		-	(1,430)
<b>Total expenses</b>		<b>(317,787)</b>	<b>(181,999)</b>
<b>Loss before interest and taxes</b>		<b>(230,532)</b>	<b>(169,999)</b>
Interest revenue		70	2,444
<b>Loss before income tax</b>		<b>(230,462)</b>	<b>(167,555)</b>
Income tax expense		-	-
<b>Loss after income tax for the period</b>		<b>(230,462)</b>	<b>(167,555)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(230,462)</b>	<b>(167,555)</b>
Earnings per share (cents per share)		Cents	Cents
- Basic and diluted loss for the half-year	11(c)	(0.05)	(0.04)

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 2020

	Note	At 31 December 2020 \$	At 30 June 2020 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		793,880	381,991
Trade and Other Receivables		9,355	9,773
Other Assets		14,153	3,563
<b>TOTAL CURRENT ASSETS</b>		<b>817,388</b>	<b>395,327</b>
<b>NON-CURRENT ASSETS</b>			
Deferred Exploration Expenditure	5	6,814,452	6,652,408
Property, Plant and Equipment		10,231	3,666
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,824,683</b>	<b>6,656,074</b>
<b>TOTAL ASSETS</b>		<b>7,642,071</b>	<b>7,051,401</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	265,192	315,945
Provisions		19,286	18,142
<b>TOTAL CURRENT LIABILITIES</b>		<b>284,478</b>	<b>334,087</b>
<b>TOTAL LIABILITIES</b>		<b>284,478</b>	<b>334,087</b>
<b>NET ASSETS</b>		<b>7,357,593</b>	<b>6,717,314</b>
<b>EQUITY</b>			
Issued Capital	11	25,927,462	25,200,714
Reserves		143,649	-
Accumulated Losses		(18,713,518)	(18,483,400)
<b>TOTAL EQUITY</b>		<b>7,357,593</b>	<b>6,717,314</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 2020

**Six months ended 31 December 2020**

	Issued Capital	Accumulated Losses	Share based Payments Reserve	Total Equity
	\$	\$	\$	\$
<b>At 1 July 2020</b>	<b>25,200,714</b>	<b>(18,483,400)</b>	<b>-</b>	<b>6,717,314</b>
Total comprehensive income attributable to members	-	(230,462)	-	(230,462)
Share capital issued	780,320	-	-	780,320
Capital issue costs	(53,572)	-	-	(53,572)
Share-based payments	-	-	143,993	143,993
Share-based payments expired	-	344	(344)	-
<b>At 31 December 2020</b>	<b>25,927,462</b>	<b>(18,713,518)</b>	<b>143,649</b>	<b>7,357,593</b>

**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>

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 2020

	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	36,000	12,000
Payments to suppliers and employees	(185,625)	(154,436)
Government grants and tax incentives	55,255	-
Interest received	70	2,444
Interest paid	(941)	(684)
Net cash flows used in operating activities	(95,241)	(140,676)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration expenditure	(170,877)	(160,536)
Payments for property, plant and equipment	(8,061)	-
Net cash used in investing activities	(178,938)	(160,536)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	720,320	-
Payment of share issue costs	(34,252)	(22,753)
Net cash flows from financing activities	686,068	(22,753)
Net increase/(decrease) in cash held	411,889	(323,965)
Cash at the beginning of the half-year	381,991	766,426
<b>CASH AT THE END OF THE HALF-YEAR</b>	<b>793,880</b>	<b>442,461</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 2020

### 1. Corporate Information

The financial report of Redstone Resources Limited (the "Company") for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 12 March 2021.

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 11 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 2020.

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 2020 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 2020 (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 2020

#### 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 2020.

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 2020. 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 2020. 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 \$230,462 for the half-year ended 31 December 2020 and as at 31 December 2020 had net current assets of \$532,910. Exploration and operating commitments for the following 12 months to 31 December 2021 are \$210,000 (note 7).

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 2020.

#### 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.

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

#### 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 \$6,814,452 carrying value, \$6,666,718 relates to the net deferred exploration spend incurred on the West Musgrave Project tenements (E69/2450 and E69/3456) to 31 December 2020, whilst \$22,518 relates to application fees incurred for the Milyuga tenement, E69/3568 of 27 blocks (located adjacent to E69/2450) and Circus Hill tenement, E69/3750 of 107 blocks. The balance of \$125,216 has been deferred for the HanTails Project.

	31 December 2020 \$	30 June 2020 \$
Exploration costs brought forward	6,652,408	6,436,913
Expenditure incurred on exploration assets	162,044	318,775
Reimbursement of capitalised costs	-	(103,280)
<b>Carrying amount at the end of the year</b>	<b>6,814,452</b>	<b>6,652,408</b>

#### 6. Trade and Other Payables

##### Current

Trade creditors (i)	124,954	201,040
Other creditors (ii)	140,238	114,905
	<b>265,192</b>	<b>315,945</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 \$91,089 (30 June 2020: \$101,359) 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 \$82,900 (30 June 2020: \$81,600) which, by mutual agreement with the Entity, currently have no set term for payment.

Trade and other payables include \$19,346 (excluding GST) (30 June 2020: \$90,101 (excluding GST)) relating to exploration expenditure.

#### 7. Capital and Exploration Expenditure Commitments

##### Exploration expenditure commitments

##### *Australian tenements*

In order to maintain current rights of tenure over its Australian mineral tenement leases, the Entity will be required to outlay amounts in respect of rent and to meet minimum expenditure requirements of the Department of Mines, Industry, Regulation and Safety (**DMIRS**). Further, those tenements for which access agreements have been signed require annual access payments to be paid to the traditional owners.

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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

The annual expenditure commitments (including access fees) on granted tenements as at 31 December 2020 amount to \$210,000 (2020: \$90,713). Exploration Licence E69/240 was due to expire on 18 September 2020, however, an extension of term was granted during the half year period for a further two year period to 18 September 2022. The future exploration commitment (including access costs) of the Entity relating to granted tenements is as follows:

Cancellable operating lease commitments for exploration tenements	31 December 2020 \$	30 June 2020 \$
Within one year	210,000	90,713
One year or later and no later than five years	144,871	47,040
Later than five years	-	-
	354,871	137,753

#### Joint venture commitments

On 28 July 2020 the Company entered into an agreement to farm-in up to an 80% interest in the privately owned HanTails Project (**HanTails Agreement**), a large scale gold Tailings Storage Facility located on the historic Hannans South Gold Mill site in Kalgoorlie, Western Australia.

As of 24 August 2020, being completion of the due diligence period, Redstone is required to incur a minimum farm-in spend of \$75,000 to earn a 51% interest in the Project (**Stage 1**), including a guaranteed minimum spend of \$50,000, within a 9 month period. Following Stage 1 and the establishment of an unincorporated joint venture with the vendor, Redstone will be required to incur a further farm-in spend of \$75,000 to earn an 80% interest in the Project (**Stage 2**). After Stage 2, Redstone will be required to free carry joint venture expenditure until a Decision to Mine based on the completion of an economic study. At the end of the free carry period the vendor will have the election to contribute 20% to Project joint venture expenditure or dilute to a 2% gross proceeds royalty on any gold produced and sold.

#### 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 gross rent inclusive of car bay of \$2,300 per month. The monthly tenancy may be terminated by either giving at least one month's written notice to the other party.

Cancellable operating lease commitments	31 December 2020 \$	30 June 2020 \$
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

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

#### 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 2020.

The Company had no other contingent assets or liabilities as at 31 December 2020.

#### 9. Events After Balance Date

##### *Capital Raising – \$2.6M Private Placement*

On 1 March 2021 the Company announced that it had completed a private placement to sophisticated and professional investors of 189,583,333 million fully paid ordinary shares in the Company at \$0.012 per share to raise \$2,275,000 (before costs).

The Directors (and/or their nominee(s)) have also reserved the right to place a further \$325,000 (before costs) for the issue of a further 27,083,333 fully paid ordinary shares at \$0.012 per share, subject to shareholder approval, to bring the total raising to \$2.6 million (before costs).

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 2020	At 30 June 2020
	%	%
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

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**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

11.

**Contributed Equity**

	31 December 2020	30 June 2020
(a) Issued and Paid Up Capital	\$	\$
Shares issued and fully paid –529,415,730 (June 2020: 473,964,306 ordinary shares fully paid)	25,927,462	25,200,714
Listed \$0.035 options issued expiring 30 April 2021 – (ASX: RDSOB) – 47,015,048 (June 2020: 47,015,048)	-	-
Issued and fully paid capital	25,927,462	25,200,714

**Reconciliation of shares on issue**

	31 December 2020		30 June 2020	
	No. of Shares	\$	No. of Shares	\$
<b>Movements in shares on issue</b>				
Opening balance	473,964,306	25,200,714	473,964,306	25,200,714
Share issue to vendors of HanTails Gold Project – 29 July 2020	4,000,000	60,000	-	-
Private placement to sophisticated and professional investors - 10 August 2020	42,165,710	590,320	-	-
Private placement to sophisticated and professional investors – 30 September 2020	2,500,000	35,000	-	-
Private placement to directors (and/or their nominees) – 24 December 2020	6,785,714	95,000	-	-
Share issue costs	-	(53,572)	-	-
Closing balance	529,415,730	25,927,462	473,964,306	25,200,714

**Reconciliation of options on issue**

Share Options	As at 30 June 2020	Issued/ (Exercised or lapsed)	As at 31 December 2020	Exercise price \$	Exercisable from	Expiry
Unlisted options	-	15,000,000	15,000,000	0.0204	27 Nov 20	20 Nov 25
Listed options - (ASX: RDSOB)	47,015,048	-	47,015,048	0.0350	9 Oct 18, 18 Dec 18, 3 Jan 19 & 29 Mar 19	30 Apr 21
<b>Total options</b>	<b>47,015,048</b>	<b>15,000,000</b>	<b>62,015,048</b>			

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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

During the Half-year period the Entity issued 51,451,424 fully paid ordinary shares of the Company at an issue price of \$0.014 per share by way of private placement. A further 4,000,000 fully paid ordinary shares to the vendors of the Hantails Gold Project for a deemed consideration of \$60,000 in return for an exclusivity and due diligence period pursuant to the terms of the farmin and joint venture agreement dated 28 July 2020.

#### (c) Earnings per Share

	Half-year ended 31 December 2020	Half-year ended 31 December 2019
Basic loss per share (cents per share)	(0.05)	(0.04)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share (number)	511,612,113	473,964,306
Earnings used in the calculation of basic loss per share (\$)	(230,462)	(167,555)

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

## REDSTONE RESOURCES LIMITED

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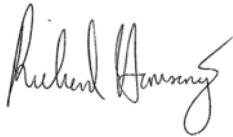
### DIRECTORS' DECLARATION

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 14 to 24 are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the financial position as at 31 December 2020 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



R Homsany  
Chairman  
Perth, Western Australia  
12 March 2021

## 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 2020 and 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, nothing has come to our attention that causes us to believe that the accompanying 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 2020 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*.

### Basis for Conclusion

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*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report.

We are independent of the Group 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 ethical requirements in accordance with the Code.

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

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* 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 responsibilities for the half year 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 in order to state whether 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 2020 and its financial performance and its cash flows 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.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 12 March 2021