



REDSTONE RESOURCES LIMITED
ACN 090 169 154

CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2022

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 2022 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 from 2017 to date was authorised by Dr Greg Shirtliff, who is employed as a Consultant to the Company through Zephyr Professional Pty Ltd. Dr Shirtliff 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 Shirtliff 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:	60 Havelock Street WEST PERTH WA 6005 Tel: (08) 9328 2552 Fax: (08) 9328 2660 Internet: www.redstone.com.au email: contact@redstone.com.au
SHARE REGISTRY:	Advanced Share Registry Services 110 Stirling Highway NEDLANDS WA 6009 PO Box 1156 NEDLANDS WA 6909 Tel: +61 8 9389 8033 Fax: +61 8 9262 3723 Website: www.advancedshare.com.au
HOME STOCK EXCHANGE:	Australian Stock Exchange Limited Level 40 Central Park 152-158 St George's Terrace PERTH WA 6000 ASX Code: RDS
AUDITOR:	Dry Kirkness (Audit) Pty Ltd Ground Floor 50 Colin Street WEST PERTH WA 6005 Tel: +61 8 6244 2502

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 2022 (the **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 \$288,593 (2021: \$181,186).

WEST MUSGRAVE PROJECT

During the Half-year Redstone held interests in two granted exploration licences, E69/2450 and E69/3456, which includes the Company's 100% owned Tollar Copper Vein project (**Tollar**), and a further two tenements in application (ELA 69/3568, ELA 69/3750) in the West Musgrave region of Western Australia (the **West Musgrave Project** or **Project**).

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 5km². 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** (the **Tollu Resource** – 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 interpretation suggests 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 2022, the Company completed its second phase RC drilling programme (the **Programme**) on the Project. The second phase programme follows-on from the first phase completed in late 2021 and comprised 14 RC drill holes for approximately 4,294m of drilling (including deep drilling at 300m+ depths).

Commencement of the second deeper drilling campaign was significantly delayed due to limited availability of a suitable RC rig for the Project location and Programme scope as well as COVID related personnel issues. After finally commencing in late June 2022, the drilling campaign made very slow progress due to slow production rates and consequently not all targets selected for drilling in this campaign were able to be drilled. The deeper drilling campaign concentrated on the EM5 Target and two other EM5 'look-a-like' magnetic anomalies, the Hiding Maggie Target Area, and the Forio, Chatsworth and Eastern Reef prospects at the Tollu Copper deposit. The drilling targeted copper mineralisation but also tested for rock types that may have the potential to host nickel-cobalt-copper mineralisation.

DIRECTORS' REPORT

The second phase deeper drilling campaign was completed in September with final geochemical assays still pending, however it is anticipated that these should be available in coming weeks. The Company's geological consultants will assess the results once available.

WEST MUSGRAVE PROJECT - EXTENSION OF TERM APPLICATIONS

The Company's West Musgrave Project tenements, E69/3456 and E69/2450 were due to expire on 13 August 2022 and 18 September 2022 respectively. During the September 2022 quarter the Company applied for Extension of Term (the **Applications**) for both E69/3456, for a further five (5) year term to 13 August 2027, and E69/2450, for a further two year period to 18 September 2024. The Applications were successfully granted during the Half-year.

EXPLORATION INCENTIVE SCHEME (EIS) CO-FUNDED DRILLING GRANT – TOLLU

During the Half-year Redstone was successful in its application for a West Australian Government Exploration Incentive Scheme (EIS) grant (Round 26) to co-fund a deep drill hole at Tollu.

Redstone was awarded the co-funding grant applicable for the year to 30 November 2023 for up to \$220,000, to assist with a single deep drill hole of approximately 1,000m at the Chatsworth Prospect. The deep drill hole has been designed to test the transition of Cu-only hydrothermal mineralisation to a potential primary, magmatic Cu-Ni-(Co) mineralisation at depth and has the potential to considerably increase the copper resource at Tollu.

The co-funded deep hole will be subject to sufficient funding and availability of a diamond drill rig.

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

In July 2020 Redstone entered into a Farm-in and Joint Venture (the **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.

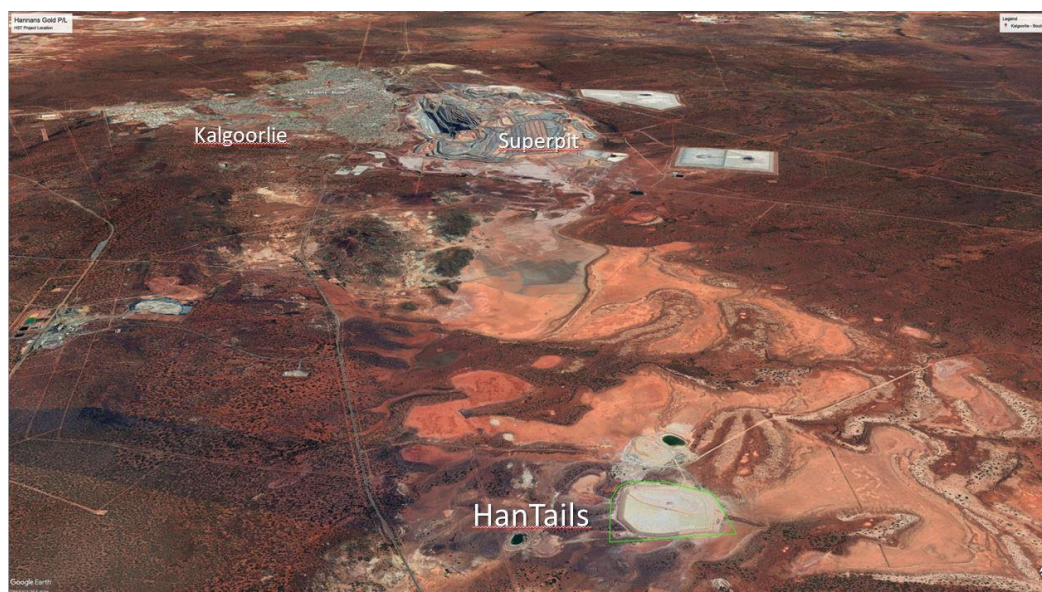


Figure 3 – Location of the HanTails Project TSF 15kms south of Kalgoorlie, Western Australia and 10kms south of the Super Pit.

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DIRECTORS' REPORT

In October 2021 Redstone completed Stage 1 of the Agreement by sole funding a minimum \$75,000 to earn a 51% legal and beneficial interest in the Project and has subsequently entered into a joint venture with the vendor. Redstone has also elected to earn into Stage 2 of the HanTails farm-in and joint venture by sole funding further farm-in spend of \$75,000 for an additional interest of 29% (for a total 80%) in the Project, in accordance with the terms of the Agreement.

During the Half-year the Company commenced planning and preparation for a small-scale RC drilling programme to test for a potential gold bearing structure beneath the tailings dam. It is anticipated that the drilling programme will be completed during the March 2023 quarter.

CORPORATE

Issue of Unlisted Options to Directors, Employee and Consultant

On 23 December 2022 the Company issued 17,000,000 unlisted options exercisable at \$0.0164 on or before 23 November 2027 to Directors, employee and consultant of the Company pursuant to shareholder approval.

New Project Appraisal

The Company continues to investigate and assess opportunities to acquire new projects in Australia and abroad that are value accretive.

Events After Balance Date

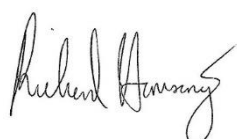
There are no matters or circumstances that have arisen since the end of the Half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Entity in future financial years.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Dry Kirkness (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 2022.

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

15 March 2023

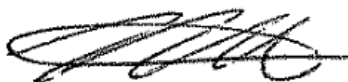
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Redstone Resources Limited for the half year ended 31 December 2022, 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.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth

Date: 15 March 2023

REDSTONE RESOURCES LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
<i>Revenue</i>			
Other Income		-	-
Total revenue		-	-
<i>Expenses</i>			
Administration and other expenses from ordinary activities		(94,853)	(76,395)
Employee and directors' benefit expense		(104,074)	(102,890)
Share based payments		(89,042)	-
Depreciation and amortisation expense		(644)	(1,660)
Finance costs		-	(274)
Total expenses		(288,613)	(181,219)
Loss before interest and taxes		(288,613)	(181,219)
Interest revenue		20	33
Loss before income tax		(288,593)	(181,186)
Income tax expense		-	-
Loss after income tax for the period		(288,593)	(181,186)
Other comprehensive income		-	-
Total comprehensive income for the period		(288,593)	(181,186)
Earnings per share (cents per share)		Cents	Cents
- Basic and diluted loss for the half-year	11(c)	(0. 04)	(0. 03)

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

REDSTONE RESOURCES LIMITED

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	At 31 December 2022 \$	At 30 June 2022 \$
CURRENT ASSETS			
Cash and Cash Equivalents		481,520	2,073,795
Trade and Other Receivables		5,821	13,996
Other Assets		23,990	4,328
TOTAL CURRENT ASSETS		511,331	2,092,119
NON-CURRENT ASSETS			
Deferred Exploration Expenditure	5	8,902,731	7,708,446
Property, Plant and Equipment		1,903	2,547
TOTAL NON-CURRENT ASSETS		8,904,634	7,710,993
TOTAL ASSETS		9,415,965	9,803,112
CURRENT LIABILITIES			
Trade and Other Payables	6	306,987	496,189
Provisions		23,487	21,881
TOTAL CURRENT LIABILITIES		330,474	518,070
TOTAL LIABILITIES		330,474	518,070
NET ASSETS		9,085,491	9,285,042
EQUITY			
Issued Capital	11	28,286,711	28,286,711
Reserves		496,250	407,208
Accumulated Losses		(19,697,470)	(19,408,877)
TOTAL EQUITY		9,085,491	9,285,042

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Six months ended 31 December 2022

	Issued Capital	Accumulated Losses	Share based Payments Reserve	Total Equity
	\$	\$	\$	\$
At 1 July 2022	28,286,711	(19,408,877)	407,208	9,285,042
Total comprehensive income attributable to members	-	(288,593)	-	(288,593)
Share-based payments	-	-	89,042	89,042
At 31 December 2022	28,286,711	(19,697,470)	496,250	9,085,491

Six months ended 31 December 2021

	Issued Capital	Accumulated Losses	Share based Payments Reserve	Total Equity
	\$	\$	\$	\$
At 1 July 2021	28,074,602	(18,791,288)	143,993	9,427,307
Total comprehensive income attributable to members	-	(181,186)	-	(181,186)
At 31 December 2021	28,074,602	(18,972,474)	143,993	9,246,121

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(208,083)	(205,351)
Net R&D tax concession received	-	50,119
Interest received	20	33
Interest paid	-	(274)
Net cash flows used in operating activities	(208,063)	(155,473)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(1,379,209)	(555,228)
Payments for project acquisition	(5,003)	-
Net R&D tax concession received	-	113,189
Net cash used in investing activities	(1,384,212)	(442,039)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Payment of share issue costs	-	-
Net cash flows from financing activities	-	-
Net (decrease)/increase in cash held	(1,592,275)	(597,512)
Cash at the beginning of the half-year	2,073,795	2,645,571
CASH AT THE END OF THE HALF-YEAR	481,520	2,048,059

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 2022

1. Corporate Information

The financial report of Redstone Resources Limited (the **Company**) for the Half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 15 March 2023.

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

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

2. Summary of Significant Accounting Policies

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

This Half-year financial report should be read in conjunction with the annual financial report of Redstone Resources Limited for the year ended 30 June 2022.

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 2022 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 2022 (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 2022

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 2022.

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 2022. 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 2022. 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 \$288,593 for the Half-year ended 31 December 2022 and as at 31 December 2022 had net current assets of \$180,857. Exploration and operating commitments for the following 12 months are \$227,495 (note 7), however the activities undertaken on granted tenements E69/2450 and E69/3456 during the Half-year period and to the date of this report are sufficient to meet the minimum expenditure commitments required to the anniversary date, being 18 September 2023 and 13 August 2023 respectively (total \$226,000).

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

Although the above is indicative of a material uncertainty relevant to the going concern consideration, the directors consider that the Entity can pay its debts as and when they fall due at the date of this report.

The financial report has therefore 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 2022.

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 2022

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 \$8,902,731 carrying value, \$8,666,207 relates to the net deferred exploration spend incurred on the West Musgrave Project tenements (E69/2450 and E69/3456) to 31 December 2022, whilst \$28,671 relates to application fees incurred for the Milyuga tenement, E69/3568 of 27 blocks (located adjacent to E69/2450), Circus Hill tenement, E69/3750 of 107 blocks and E69/4121 of 21 blocks (subject to a ballot). The balance includes \$207,853 for the HanTails Project.

	31 December 2022 \$	30 June 2022 \$
Exploration costs brought forward	7,708,446	6,847,460
Expenditure incurred on exploration assets	1,188,132	860,986
Project/tenement acquisition costs	6,153	-
Carrying amount at the end of the year	8,902,731	7,708,446

6. Trade and Other Payables

Current

Trade creditors (i)	154,306	247,148
Other creditors (ii)	152,681	249,041
	306,987	496,189

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 \$31,604 (30 June 2022: \$62,404) 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 \$121,600 (30 June 2022: \$124,300) which, by mutual agreement with the Entity, currently have no set term for payment

Trade and other payables include \$16,414 (excluding GST) (30 June 2022: \$180,875 (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 2022

7. Capital and Exploration Expenditure Commitments (Continued)

The annual expenditure commitments (including access fees) on granted tenements as at 31 December 2022 amount to \$235,000 (2021: \$232,100). During the Half-year, extension of term applications for exploration licences E69/3456 and E69/2450 were granted by DMIRS for a further five (5) and two (2) year term respectively. The future exploration commitment (including access costs) of the Entity relating to granted tenements to their current expiry is as follows:

Cancellable operating lease commitments for exploration tenements	31 December 2022 \$	30 June 2022 \$
Within one year	227,495	40,466
One year or later and no later than five years	438,448	644
Later than five years	-	-
	<hr/>	<hr/>
	665,943	41,110

Joint venture commitments

HanTails Farm-in and Joint Venture Agreement

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 large scale gold mine Tailings Storage Facility located on the historic Hannans South Gold Mill site, just 15kms south of Kalgoorlie-Boulder, Western Australia.

Pursuant to the terms of the HanTails Farm-in and Joint Venture Agreement (**HanTails Farm-in and JV**) Redstone will be 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.

A variation to the HanTails Farm-in and JV was executed in April 2021 which has the effect of extending each of the farm-in Stages 1 and 2 by a further 6 months and to add another proximal tenement to the Joint Venture.

In October 2021 Redstone had completed Stage 1 of the HanTails Farm-in and JV to acquire a 51% interest in the Project.

Capital Commitments

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

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

7. Capital and Exploration Expenditure Commitments (Continued)

Operating lease – corporate office premises

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

Cancellable operating lease commitments	31 December 2022 \$	30 June 2022 \$
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

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 2022.

The Company had no other contingent assets or liabilities as at 31 December 2022.

9. Events After Balance Date

There are no 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.

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

10. **Controlled Entities**

Redstone Resources Limited is the parent entity of the Group.

	At 31 December 2022	At 30 June 2022
	%	%
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
Earaheedy Resources 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.

11. **Contributed Equity**

	31 December 2022	30 June 2022
	\$	\$
(a) Issued and Paid Up Capital		
Shares issued and fully paid –736,832,396 (June 2022: 736,832,396 ordinary shares fully paid)	28,286,711	28,286,711
Issued and fully paid capital	28,286,711	28,286,711

Reconciliation of shares on issue

	31 December 2022		30 June 2022	
	No. of Shares	\$	No. of Shares	\$
Movements in shares on issue				
Opening balance	736,832,396	28,286,711	718,999,063	28,074,602
Private placement to sophisticated and professional investors – 28 February 2022	-	-	17,833,333	214,000
Share issue costs	-	-	-	(1,891)
Closing balance	736,832,396	28,286,711	736,832,396	28,286,711

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

11. Contributed Equity (Continued)

Reconciliation of options on issue

Share Options	As at 30 June 2022	Issued/ (Exercised or lapsed)	As at 31 December 2022	Exercise price \$	Exercisable from	Expiry
Unlisted options	15,000,000	-	15,000,000	0.0204	27 Nov 20	27 Nov 20
Unlisted options	32,000,000	-	32,000,000	0.0188	28 Jan 22	23 Jan 27
Unlisted options	-	17,000,000	17,000,000	0.0164	23 Dec 22	23 Nov 27
Total options	47,000,000	17,000,000	64,000,000			

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

No Shares were issued by the Entity during the Half-year period.

(c) Earnings per Share

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
Basic loss per share (cents per share)	(0.04)	(0.03)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share (number)	736,832,396	718,999,063
Earnings used in the calculation of basic loss per share (\$)	(288,593)	(181,186)

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

REDSTONE RESOURCES LIMITED

ACN 090 169 154


DIRECTORS' DECLARATION

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

In the opinion of the directors:

1. The financial statements and notes of the Entity set out on pages 8 to 18 are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the financial position as at 31 December 2022 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
15 March 2023

**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 2022 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 2022 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half year financial report, which indicates that the Group recorded a loss of \$288,593 for the half year ended 31 December 2022 and as at 31 December 2022 had net current assets of \$180,857. Exploration and operating commitments for the following 12 months to 31 December 2023 are \$227,495 (note 7). As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Directors' responsibilities for the half year financial report

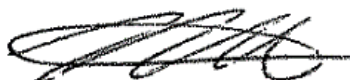
The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary 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 2022 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.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth

Date: 15 March 2023