

24 July 2020

## Red Emperor Resources NL

### Quarterly Activities and Cashflow Report For the Period ended 30 June 2020

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company") is pleased to provide the following commentary on its activities and an Appendix 5B for the quarter ended 30 June 2020.

#### North Perth Basin, Western Australia

During the quarter, Red Emperor announced that it had taken the decision not to exercise its option to acquire a 70% operated interest in the offshore Perth Basin exploration permit, WA-481-P.

In December 2019, in connection with the option, Red Emperor agreed to fund the completion of an existing committed work programme (comprising geological and geophysical studies) for the final year of the existing permit term, up to a capped amount of A\$150,000 which was completed on time and on budget. Contemporaneous with such work programme being completed, the existing JV partners, Pilot Energy Limited - 60% interest and Key Petroleum Limited - 40% interest, in conjunction with Red Emperor, formally applied to the National Offshore Petroleum Titles Administrator (NOPTA) for a renewal of the permit, which expired on 19 February 2020.

Whilst the renewal application was successful and ultimately granted to the JV, the Board felt it prudent not to exercise the Company's option, which therefore expired on 5 June 2020.

#### Alaska North Slope

During the previous quarter, the operator, on behalf of the JV, held discussions with the relevant regulatory authorities in Alaska in relation to seeking relief on the rentals due on 1 May 2020. Unfortunately, these discussions were unsuccessful and as a result the Western Blocks were relinquished by the JV during the quarter.

#### Corporate

Over the past 3 months, the oil price has somewhat stabilised after dipping sharply, particularly towards the end of April 2020, however global uncertainty due to COVID-19 remains the industry's biggest challenge. Red Emperor and its Board have been very mindful of protecting the Company's balance sheet and by extension, shareholder value. We remain patient in our approach to reviewing and evaluating new ventures and opportunities, but at the same time the Company is ready, willing and able to transact at the appropriate time. Red Emperor would like to thank all shareholders for their continued patience and remains extremely confident of securing a suitable transaction and generating long term shareholder value.

At the end of the quarter, the Company had cash at bank of approximately A\$4.6m. Please refer to the Appendix 5B for further details.

**Authorised for release by:** Greg Bandy – Managing Director

#### BOARD & MANAGEMENT

Greg Bandy  
MANAGING DIRECTOR

Jason Bontempo  
NON-EXECUTIVE DIRECTOR

Aaron Bertolatti  
DIRECTOR & COMPANY  
SECRETARY

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#### ASX CODE | AIM CODE

RMP

For further information, please visit [www.redemperorresources.com](http://www.redemperorresources.com) or contact:

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.*

**Table 1: Payments to Related Parties of the Entity and their Associates**

Item	Current Quarter (A\$)	Previous Quarter (A\$)
<b>Directors' Remuneration</b>		
Managing Director's Fees and Superannuation	49,275	49,275
Non-Executive Director Fees and Superannuation	8,213	8,213
Company Secretarial and CFO Fees	15,000	15,000
<b>Total payments to related parties of the entity and their associates</b>	<b>72,488</b>	<b>72,488</b>

**Table 2: Red Emperor's Tenements**

The Company's 31.5% interest in the Western Blocks (ADL#s 391718, 391719, 319720 & 391721) on the North Slope, Alaska was formally relinquished during the quarter ended 30 June 2020.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>RED EMPEROR RESOURCES NL</b>
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ABN

99 124 734 961
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Quarter ended ("current quarter")

30 June 2020
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(23)
(e) administration and corporate costs	(142)	(809)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	27
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	15	15
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(118)</b>	<b>(790)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	(250)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(250)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,721	5,643
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(118)	(790)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(250)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,603</b>	<b>4,603</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,297	4,721
5.2	Call deposits	2,306	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,603</b>	<b>4,721</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>- Payment of Directors Fees and Remuneration - \$72k</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(118)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(118)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,603
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,603
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	39
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2020

Authorised by: Aaron Bertolatti – Company Secretary

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.