



Red Emperor Resources NL
Interim Financial Report
31 December 2019

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redemperorresources.com

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CORPORATE DIRECTORY

Directors & Officers

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

Registered Office

First Floor
 35 Richardson Street
 West Perth WA 6005

Share Registry

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

Auditors

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

Solicitors

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

Strand Hanson Limited

26 Mount Row
 Mayfair, London W1K 3SQ
 Tel: +44 (0) 207 409 3494

Stock Exchanges

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

AIM operated by the London Stock Exchange (AIM)

AIM Code: **RMP**



The Directors are pleased to present their report for Red Emperor Resources NL ("Red Emperor" or the "Company") and its subsidiaries (the "Group") for the half-year ended 31 December 2019 (the "Period").

DIRECTORS

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

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

REVIEW OF OPERATIONS

Perth Basin, Western Australia

In early December 2019, the Company entered into a binding Letter of Intent ("LOI") with Pilot Energy Limited (ASX: PGY) ("Pilot Energy") and Key Petroleum Limited (ASX: KEY) ("Key Petroleum") (together, the Joint Venture ("JV") partners) in order to secure an option to acquire a 70% operated interest in the offshore Perth Basin exploration permit, WA-481-P.

Pursuant to the terms of the LOI, Red Emperor agreed to fund the completion of an existing committed work programme comprising geological and geophysical studies required to be undertaken within the final year of the current permit term, up to a capped amount of A\$150,000. Contemporaneous with such work programme, the existing JV partners, Pilot Energy (60% interest) and Key Petroleum (40% interest), in conjunction with Red Emperor, have formally applied to the National Offshore Petroleum Titles Administrator ("NOPTA") for a renewal of the permit, which expired on 19 February 2020.

On completion of the work programme, currently being managed and administered by Key Petroleum, and a favourable renewal decision from NOPTA, Red Emperor will have the exclusive option to acquire a 70% interest in, and the right to operate (subject to any requisite regulatory approval(s)), WA-481-P, in return for paying the JV partners, collectively, A\$500,000. Red Emperor has until 15 business days after NOPTA's approval of the permit renewal application to exercise such option. A renewal decision is currently expected to be received in Q1 2020.

For further details, please refer to the Company's ASX announcement of 3 December 2019.

Alaska North Slope

During the reporting period, the consortium partners purchased additional regional 3D seismic data within ADL#s 391718, 391719, 391720 & 391721 (collectively, the "Western Blocks"), and the consortium is currently reviewing its plans to either reprocess / reinterpret the legacy 3D seismic data or seek to monetise the blocks.

Philippines (Block SC55)

On 26 August 2019, the 4-month extension to the moratorium period granted by the Philippine's Department of Energy ("DoE") expired. The Joint Venture then sought to enter into Sub-Phase 5 which required further, significant expenditure including the commitment to drill an exploration well in 2020.

The Board decided that this was not the optimum use of shareholder funds and as a result, during Q4 2019, the Company advised the operator, Palawan55, of its intention to withdraw from the Joint Venture and have its equity interest re-assigned. Red Emperor still awaits formal approval of the reassignment of its equity interest in Block SC55 from the PoE and will advise shareholders once this has occurred.

Corporate

In August 2019, Mr. Gracjan Lambert, Chief Executive Officer, resigned from the Company, by mutual agreement, in order to pursue his other business interests.



During the Period, Red Emperor retained the services of Mr. John Begg on a part-time basis to assist with introducing and reviewing business opportunities. John is an expert, upstream oil and gas project generator and deal closer. With decades of experience in equity capital markets, John is an industry-leading geoscientist who has lived and worked with consistently high business impact in Australia, developing SE Asian countries, the UK, Middle East and the USA.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting period end, the Company transferred A\$150,000 to the JV partners of the offshore Perth Basin exploration permit WA-481-P to fund the completion of an existing committed work programme comprising geological and geophysical studies required to be undertaken within the final year of the current permit term.

There are no other significant events subsequent to the end of the Period to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of the Company with an Independence Declaration in relation to their review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' report for the half-year ended 31 December 2019.

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

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

Greg Bandy
Managing Director
Perth, Western Australia
27 February 2020

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RED EMPEROR RESOURCES NL

As lead auditor for the review of Red Emperor Resources NL for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2019

	31-Dec-19	31-Dec-18
	\$	\$
Continuing Operations		
Interest received	13,412	52,602
Sale of subsidiary - Georgian Oil Pty Ltd	-	26,976
Unrealised foreign exchange gain	1,154	26,585
Employee and director benefits expense	(136,706)	(245,049)
Professional and consultants	(114,124)	(123,742)
ASX and AIM and share registry fees	(86,550)	(70,996)
Exploration expenditure written off	(93,999)	-
Share based payment expense	-	(700,330)
Other expenses	(81,203)	(324,406)
Loss before income tax	(498,016)	(1,358,360)
Income tax expense	-	-
Loss after Income Tax	(498,016)	(1,358,360)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Foreign currency translation differences	54	160,936
Other comprehensive income for the period net of tax	54	160,936
Total comprehensive loss for the period	(497,962)	(1,197,424)
Loss per share for the period attributable to the members of Red Emperor Resources NL		
Basic and diluted loss per share (cents)	(0.09)	(0.32)

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



Consolidated Statement of Financial Position

as at 31 December 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
Current Assets			
Cash and cash equivalents		5,105,357	5,642,936
Trade and other receivables		40,171	36,881
Total Current Assets		5,145,528	5,679,817
Non-Current Assets			
Deferred exploration & evaluation expenditure	3	-	-
Total Non-Current Assets		-	-
Total Assets		5,145,528	5,679,817
Current Liabilities			
Trade and other payables		28,952	65,279
Total Current Liabilities		28,952	65,279
Total Liabilities		28,952	65,279
Net Assets		5,116,576	5,614,538
Equity			
Issued capital	4	61,811,451	61,811,451
Reserves	5	5,270,442	5,270,388
Accumulated losses	6	(61,965,317)	(61,467,301)
Total Equity		5,116,576	5,614,538

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

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2019

	Issued capital	Accumulated losses	Foreign exchange translation reserve	Share based payments reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	57,329,505	(51,195,990)	(14,874)	4,111,702	10,230,343
Total comprehensive loss for the period					
Loss for the period	-	(1,358,360)	-	-	(1,358,360)
Other comprehensive income	-	-	160,936	-	160,936
Total comprehensive income/(loss) for the period	-	(1,358,360)	160,936	-	(1,197,424)
Transactions with owners in their capacity as owners					
Proceeds from options issued during the period	-	-	-	2,400	2,400
Share based payments	-	-	-	700,330	700,330
Balance at 31 December 2018	57,329,505	(52,554,350)	146,062	4,814,432	9,735,649
Balance at 1 July 2019	61,811,451	(61,467,301)	255,417	5,014,971	5,614,538
Total comprehensive loss for the period					
Loss for the period	-	(498,016)	-	-	(498,016)
Other comprehensive income	-	-	54	-	54
Total comprehensive income/(loss) for the period	-	(498,016)	54	-	(497,962)
Transactions with owners in their capacity as owners					
Balance at 31 December 2019	61,811,451	(61,965,317)	255,471	5,014,971	5,116,576

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

**Consolidated Statement of Cash Flows for the half-year ended 31 December 2019**

	31-Dec-19	31-Dec-18
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(457,045)	(796,261)
Interest received	13,412	52,602
Net cash used in operating activities	(443,633)	(743,659)
Cash flows from investing activities		
Payments for exploration and evaluation	(93,999)	(3,890,334)
Payment of performance bond	-	(1,454,779)
Proceeds from sale of subsidiary - Georgian Oil Pty Ltd	-	26,976
Net cash used in investing activities	(93,999)	(5,318,137)
Cash flows from financing activities		
Proceeds from issue of options	-	2,400
Net cash provided by financing activities	-	2,400
Net decrease in cash and cash equivalents	(537,632)	(6,059,396)
Cash and cash equivalents at beginning of period	5,642,936	10,344,621
Effects of exchange rate changes on cash and cash equivalents	53	160,936
Cash and cash equivalents at the end of the period	5,105,357	4,446,161

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



1. Corporate Information

The financial report of Red Emperor Resources NL (“Red Emperor” or the “Company”) for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 27 February 2020.

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with applicable accounting standards including AASB 134 “Interim Financial Reporting” and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 “Interim Financial Reporting”.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by Red Emperor during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

(b) Compliance Statement

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

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

(c) New or amended Accounting Standards and Interpretations adopted

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

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

(d) Segment Reporting

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

	31-Dec- 2019	30-Jun-2019
	\$	\$
3. Deferred Exploration & Evaluation Expenditure		
Opening balance	-	-
Acquisition of exploration tenements ¹	-	480,784
Exploration and evaluation expenditure incurred during the period	93,999	7,624,187
Foreign exchange difference	-	269,673
Exploration expenditure written off ^{2,3}	(93,999)	(8,374,644)
Closing balance	-	-

¹ Approximately A\$480,784 (US\$350,000) of consideration was payable under an agreement with Great Bear Petroleum Ventures II LLC to acquire the majority of Great Bear's working interest in four leases on the western flank of the Alaska North Slope.

² The Winx-1 exploration well was drilled in March 2019. Whilst early indications from the logging while drilling (LWD) data were encouraging, provisional wireline results indicated low oil saturations in the Nanushuk Topsets not conducive to successfully flowing the formation. Although the Company is proceeding with its plan to further evaluate the Nanushuk potential of the Western Blocks, the Board decided to write down exploration and evaluation expenditure in relation to the Alaskan asset to nil.

³ The Board has decided that it will not participate in the next phase of operations and will therefore withdraw from the SC55 consortium thereby assigning its 37.5% participating interest to Palawan55. As a result, exploration and evaluation expenditure in relation to the Philippines asset has been written down to nil.

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective lease areas.

	31-Dec- 2019	30-Jun-2019
	\$	\$
4. Issued Capital		
(a) Issued and paid up capital		
Issued and fully paid	61,811,451	61,811,451

(b) Movements in ordinary shares on issue

	31-Dec- 2019		30-Jun-2019	
	Number of shares	\$	Number of shares	\$
Opening Balance	525,292,776	61,811,451	425,292,776	57,329,505
Shares issued via \$0.05 placement	-	-	100,000,000	5,000,000
Transaction costs on share issue	-	-	-	(518,054)
Closing Balance	525,292,776	61,811,451	525,292,776	61,811,451

	31-Dec- 2019	30-Jun-2019
	\$	\$
5. Reserves		
Share based payments reserve	5,014,971	5,014,971
Foreign exchange translation reserve	255,471	255,417
	5,270,442	5,270,388

	31-Dec- 2019	30-Jun-2019
	\$	\$
Movements in Reserves		
<i>Share based payments reserve</i>		
Opening balance	5,014,971	4,111,702
Movements during the period	-	903,269
Closing balance	5,014,971	5,014,971

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

<i>Foreign exchange translation reserve</i>		
Opening balance	255,417	(14,874)
Foreign exchange translation difference	54	270,291
Closing balance	255,471	255,417

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

6. Accumulated losses

Movements in accumulated losses were as follows:

Opening balance	(61,467,301)	(51,195,990)
Loss for the period	(498,016)	(10,271,311)
Closing balance	(61,965,317)	(61,467,301)

	31-Dec- 2019	31-Dec- 2018
	\$	\$

7. Share based payments

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capital raising costs in the equity during the period were as follows:

Employee and Director share based payments	-	(463,487)
Share based payments to suppliers	-	(236,843)
	-	(700,330)

(b) Employee and Director share based payments

There were no unlisted options issued to employees and directors during the period ended 31 December 2019.

The fair value at grant date of options granted during the half-year ended 31 December 2018 was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option. The table below summarises options granted during the half-year ended 31 December 2018:

Grant Date	Expiry date	Exercise price per option	Balance at start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at end of the period	Exercisable at end of the period
			Number	Number	Number	Number	Number	Number
08/08/2018	31/12/2020	\$0.04	-	6,000,000	-	-	6,000,000	6,000,000
22/11/2018	31/12/2020	\$0.04	-	10,000,000	-	-	10,000,000	10,000,000
				16,000,000	-	-	16,000,000	16,000,000



The model inputs, not included in the table above, for options granted during the half-year ended 31 December 2018 included:

- a) options were issued at \$0.0001 each;
- b) expected lives of the options ranged from 2.1 to 2.4 years;
- c) share price at grant date ranged from \$0.046 to \$0.058;
- d) expected volatility of 80%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 2.04%.

(c) Share-based payment to suppliers

There were no unlisted options issued to suppliers during the period ended 31 December 2019.

The Company issued unlisted options to provide consideration to consultants and corporate advisors for services rendered during the half-year ended 31 December 2018. These options were valued using the Black-Scholes option pricing model as the value of the work performed could not be reliably determined.

Grant Date	Expiry date	Exercise price per option	Balance at start of the period Number	Granted during the period Number	Exercised during the period Number	Expired during the period Number	Balance at end of the period Number	Exercisable at end of the period Number
08/08/2018	31/12/2020	\$0.04	-	10,000,000	-	-	10,000,000	10,000,000

The model inputs, not included in the table above, for options granted during the half-year ended 31 December 2018 included:

- a) options were issued at \$0.0001 each;
- b) expected lives of the options is 2.4 years;
- c) share price at grant date was \$0.046;
- d) expected volatility of 80%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 2.04%

8. Subsidiaries

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

Name of Entity	Country of Incorporation	Equity Holding	
		31 December 2019	30 June 2019
Puntland Oil Pty Ltd	Australia	100%	100%
Vianista Pty Ltd	Australia	100%	100%
Century Red Pte. Ltd	Singapore	100%	100%
Red Emperor Alaska Limited	USA	100%	100%

9. Contingent assets and liabilities

The Directors are not aware of any new contingent liabilities or assets as at 31 December 2019. There has been no change in contingent liabilities or assets since the last annual reporting date.

10. Commitments

Red Emperor entered into a binding Letter of Intent (“LOI”) with Pilot Energy Limited and Key Petroleum Limited in order to secure an option to acquire a 70% operated interest in the offshore Perth Basin exploration permit, WA-481-P. Pursuant to the terms of the LOI, Red Emperor agreed to fund the completion of an existing committed work programme comprising geological and geophysical studies required to be undertaken within the final year of the current permit term, up to a capped amount of A\$150,000.



11. Dividends

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

12. Operating Segments

The Company has determined the operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. During the reporting period the consolidated entity operated in two business segments, exploration & evaluation and treasury (other).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment: - head office and other administration expenditure. The Group operates in two industries, mineral and oil and gas exploration however due to the differing geographical areas and functional currencies the financial information has been broken down into two operating segments being exploration and administration (other) in three geographical areas.

Segment Performance	Alaska	Georgian	Philippines	Treasury	Total
31 December 2019	Exploration	Exploration	Exploration		
	& Evaluation	&	&		
	\$	Evaluation	Evaluation	\$	\$
		\$	\$		
Revenue					
Interest revenue	-	-	-	13,412	13,412
Total segment revenue	-	-	-	13,412	13,412
Total Group revenue	-	-	-	13,412	13,412
Segment net profit before tax	-	-	-	13,412	13,412

Segment Performance	Alaska	Georgian	Philippines	Treasury	Total
31 December 2019 (continued)	Exploration & Evaluation	Exploration & Evaluation	Exploration & Evaluation	\$	\$
	\$	\$	\$	\$	\$
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Unallocated items:					
Foreign exchange gain	-	-	-	1,154	1,154
Employee and director benefits expense	-	-	-	-	(136,706)
Other	-	-	-	-	(362,464)
Net loss before tax from continuing operations					(498,016)

Segment Performance					
31 December 2018					
Revenue					
Interest revenue	-	-	-	52,602	52,602
Other income	-	26,976	-	-	26,976
Total segment revenue	-	26,976	-	52,602	79,578
Total Group revenue	-	26,976	-	52,602	79,578
Segment net profit before tax	-	26,976	-	52,602	79,578
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Unallocated items:					
Foreign exchange gain	-	-	-	26,585	26,585
Employee and director benefits expense	-	-	-	-	(245,049)
Share based payments	-	-	-	-	(700,330)
Other	-	-	-	-	(439,566)
Net loss before tax from continuing operations					(1,358,360)

Segment Assets					
31 December 2019					
Segment assets	-	-	-	-	-
<i>Segment assets increases/ (decreases) for the period:</i>					
<i>Reconciliation of segment assets to Group assets</i>					
	-	-	-	-	-
Unallocated items:					
Cash and cash equivalents					5,105,357
Trade and other receivables					40,171
Total Group assets from continuing operations					5,145,528



Segment Assets	Alaska	Georgian	Philippines	Treasury	Total
30 June 2019	Exploration & Evaluation	Exploration & Evaluation	Exploration & Evaluation	\$	\$
	\$	\$	\$	\$	\$
Segment assets	-	-	-	-	-
<i>Segment assets increases/ (decreases) for the year:</i>					
<i>Reconciliation of segment assets to Group assets</i>					
	-	-	-	-	-
Unallocated items:					
Cash and cash equivalents					5,642,936
Trade and other receivables					36,881
Total Group assets from continuing operations					5,679,817

Segment Liabilities	Alaska	Georgian	Philippines	Treasury	Total
31 December 2019	Exploration & Evaluation	Exploration & Evaluation	Exploration & Evaluation	\$	\$
	\$	\$	\$	\$	\$
Segment liabilities	-	-	-	-	-
<i>Reconciliation of segment liabilities to Group assets</i>					
Unallocated items:					
Trade and other payables					28,952
Total Group liabilities from continuing operations					28,952

Segment Liabilities	Alaska	Georgian	Philippines	Treasury	Total
30 June 2019	Exploration & Evaluation	Exploration & Evaluation	Exploration & Evaluation	\$	\$
	\$	\$	\$	\$	\$
Segment liabilities	-	-	-	-	-
<i>Reconciliation of segment liabilities to Group assets</i>					
Unallocated items:					
Trade and other payables					65,279
Total Group liabilities from continuing operations					65,279

13. Significant Events after the Reporting Date

Subsequent to the reporting period end, the Company transferred A\$150,000 to the JV partners of the offshore Perth Basin exploration permit, WA-481-P, to fund the completion of an existing committed work programme comprising geological and geophysical studies required to be undertaken within the final year of the current permit term.

There are no other significant events subsequent to the end of the reporting period to the date of this report.



Directors' Declaration

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

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy'.

Greg Bandy
Managing Director
Perth, Western Australia
27 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Red Emperor Resources NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Red Emperor Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. 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*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue'.

Jarrad Prue

Director

Perth, 27 February 2020