



Redbank Copper Limited

ABN 66 059 326 519

ANNUAL REPORT

For the year ended 30 June 2019

REDBANK COPPER LIMITED

CORPORATE DIRECTORY AND CONTENTS

BOARD OF DIRECTORS

Mr Michael Hannington Executive Chairman
Mr Daryl Henthorn Non-executive Director
Mr Keith Middleton Non-executive Director

COMPANY SECRETARY

Ms Kelly Moore

REGISTERED OFFICE

Level 1 1A Agnew Way
Subiaco WA 6008

Telephone: +61 8 6558 1859
Facsimile: +61 8 9380 8300
Email: admin@redbankcopper.com.au
Website: www.redbankcopper.com.au

SHARE REGISTRY

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

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033
Email: perth.services@computershare.com.au
Website: www.computershare.com.au

AUDITORS

Stantons International Audit and Consulting Pty Ltd

SOLICITORS

EMK Lawyers

SECURITIES EXCHANGE LISTING

Shares are quoted on the Australian Securities Exchange (ASX) under trading code RCP.

Chairman's Report.....	2
Directors' Report.....	3
Auditor's Independence Declaration	23
Consolidated Statement of Profit or Loss and Other Comprehensive Income	24
Consolidated Statement of Financial Position	25
Consolidated Statement of Changes in Equity	26
Consolidated Statement of Cash Flows.....	27
Notes to the Financial Statements.....	28
Declaration by Directors	53
Independent Auditor's Report.....	54
Corporate Governance Statement.....	58
Tenement Schedule.....	68
Annual Mineral Resource Statement.....	69
Shareholder Information Section.....	72

REDBANK COPPER LIMITED

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the 2019 Annual Report.

The past year has been one of the most difficult in the history of your Company.

Your previous Chairman, Michael Fotios 'suffered' an event of bankruptcy on 5 September 2018, just over 2 months into the new financial year. This played out over a number of hearings brought on by the Deputy Commissioner of Taxation in the Federal Court and on 30 April 2019, resulted in the Court affirming Mr Fotios' bankruptcy on 5 September 2018. Consequently, Mr Fotios resigned as your Chairman on 30 April 2019.

Mr Fotios continued to control and authorise banking transactions on behalf of Redbank, provide an ongoing loan facility to the Company and also provide services to Redbank via associated companies to which Mr Fotios was a prior director and existing shareholder up to the end of the financial year.

I would like to thank the numerous staff and contractors of Mr Fotios' related companies for supporting and maintaining Redbank's projects over the past year.

Notwithstanding the personal issues of your past Chairman, it has been a difficult year for the junior resource sector with an uncertain global political and economic environment causing investors to shy away from small resource companies. Such a state of affairs provides opportunity.

On 2 August 2019, you voted to remove your Directors, Craig Hall, Carol New and Alan Still and appoint three new Directors: myself, Daryl Henthorn and Keith Middleton.

The three of us work for you, the shareholders and owners of your Company.

We are 'hands on' managers, you have backed us to turn your Company around and we intend to build a new reputation for Redbank based on a combination of character and intellect; mainly character.

The challenge is to create value in the Company and to turn you from an understandable pessimistic shareholder into an optimistic one. We seek to demonstrate this with a clear strategy to develop a copper business and take action to realise this strategy.

This can only be achieved by resolving the past and re-focussing on what we can achieve in the future. I look forward to reporting on how we perform.

I thank my fellow Directors for their commercial rigour since we took over management and look forward to the support of my shareholders in the coming years.

A handwritten signature in blue ink that reads "MAJ Hannington". The signature is written in a cursive style with a large, stylized "M" and "A" followed by "J" and "Hannington".

Michael Hannington
Executive Chairman

REDBANK COPPER LIMITED

DIRECTORS' REPORT

This Annual Report includes the consolidated financial statements of Redbank Copper Limited ("Redbank" or "Redbank Copper" or "the Company") for its consolidated group, consisting of Redbank Copper Limited and its subsidiaries. The Annual Report is presented in Australian dollars.

Redbank Copper is a company limited by shares, incorporated and domiciled in Australia.

The Directors present their report together with the financial report of Redbank Copper and of the consolidated entity, being the Company and its controlled entities ("the Group") for the year ended 30 June 2019.

DIRECTORS

The names of the Directors of the Company in office during the course of the financial year and up to the date of this report are as follows:

Michael Hannington (Executive Chairman)
Daryl Henthorn (Non-executive Director)
Keith Middleton (Non-executive Director)
Alan Still (Former Non-executive Director) – appointed 30 April 2019, terminated 2 August 2019
Carol New (Former Non-executive Director) – appointed 9 April 2019, terminated 2 August 2019
Craig Hall (Former Non-executive Director) – appointed 21 January 2019, terminated 2 August 2019
Neil Porter (Former Non-executive Director) – resigned 9 April 2019
Craig Readhead (Former Non-executive Director) – resigned 21 January 2019
Michael Fotios (Former Executive Chairman) – resigned 30 April 2019

All Directors held their position as a Director throughout the entire financial year and up to the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS

Director	Qualifications, experience and special responsibilities
Michael Hannington Length of service: 2 months Not an independent Director	Executive Chairman – appointed 2 August 2019 Mr Hannington is a geophysicist and lawyer with over 30 years' experience managing exploration and mining projects with roles acquiring, financing, developing and managing mining operations within North Ltd and Oxiana Ltd. Mr Hannington is the past founding director of Talisman Mining Ltd and Alchemy Resources Ltd and has more recently acted as a technical consultant for high wealth individuals acquiring base metal projects and undertaking development studies on projects in North America, Africa and Asia. Mr Hannington has not held any other listed directorships in the last 3 years.
Daryl Henthorn Length of service: 2 months Independent Director	Non-executive Director – appointed 2 August 2019 Mr Henthorn has over 30 years of experience in financial services, advisory and operational management across a number of industry sectors and has broad commercial skills. Mr Henthorn's company, Viridian Equity Group Pty Ltd, holds AFSL 343442 and is authorised to issue and deal in financial products and has acted for a number of public and private companies in mining and property. Mr Henthorn has experience in equity raising, debt, private equity and the structuring of financial instruments for ASX listed and private companies. He has served on the board of public companies previously and acts as trustee for unlisted investment vehicles. Mr Henthorn is currently the Executive Chairman of Orminex Limited (ASX: ONX) and has not held any other listed directorships in the last 3 years.
Keith Middleton Length of service: 2 months Independent Director	Non-executive Director – appointed 2 August 2019 Mr Middleton has worked in senior executive positions in major corporations for over 20 years. He has a Bachelor of Arts from the Flinders University in South Australia; major Economics. He was a Director of SA Capital Pty Ltd, AFSL: 320797, a corporate advisory firm specialising in equity raisings and underwriting in the Australian resources sector. Mr Middleton is an experienced operator and company director with his skills and knowledge gained at executive levels of management in the corporate and small business arenas with companies such as Hills Industries; Coles Myer; and BHP Billiton. He has extensive experience in financial analysis, risk management, major capital works expenditure, project management, corporate governance and WHS regulations. Mr Middleton has not held any other listed directorships in the last 3 years.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

Alan Still Length of service: 4 months Not an independent Director	Former Non-executive Director – appointed 30 April 2019, terminated 2 August 2019 Mr Still is a metallurgist with over 40 years' experience in a variety of commodities. In the previous 3 years, Mr Still has also been a director of the following ASX listed companies: Scorpion Minerals Limited October 2018 to January 2019 Horseshoe Metals Limited October 2015 to current General Mining Corporations Limited August 2016 to January 2019
Carol New Length of service: 4 months Not an independent Director	Former Non-executive Director – appointed 9 April 2019, terminated 2 August 2019 Ms New is a Chartered Accountant and has over 20 years' experience working with publicly listed companies in director, chief financial officer and company secretarial roles. In the previous 3 years, Ms New has also been a director of the following ASX listed companies: Scorpion Minerals Limited January 2019 to current Horseshoe Metals Limited April 2019 to current Target Energy Limited January 2019 to current
Craig Hall Length of service: 5 months Not an independent Director	Former Non-executive Director – appointed 21 January 2019, terminated 2 August 2019 Mr Hall is an experienced geologist with over 30 years of minerals industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas. In the previous 3 years, Mr Hall has also been a director of the following ASX listed companies: Scorpion Minerals Limited February 2019 to current Horseshoe Metals Limited April 2019 to current Target Energy Limited February 2019 to current Auris Limited August 2018 to current
Neil Porter Length of service: 1 year, 3 months Independent Director	Former Non-executive Director – resigned 9 April 2019 Neil Porter is a Commercial Manager with over 20 years' experience specialising in supply and logistics across all facets of the mining industry. He has created and operated two logistics and supply companies (SLR Australia and National Supply Partners) servicing the mining and industrial sectors. In the previous 3 years, Mr Porter has also been a director of the following ASX listed companies: Horseshoe Metals Limited January 2017 to April 2019 Scorpion Minerals Limited January 2017 to February 2019
Craig Readhead Length of service: 5 years and 3 months Independent Director	Former Non-executive Director – resigned 21 January 2019 Mr Readhead is one of WA's leading mining and resource lawyers with over 35 years' legal and corporate advisory experience specialising in the resources sector, including the implementation of large scale mining projects both in Australia and overseas. In 2009, Mr Readhead was identified as one of the top ten Best Mining Lawyers in Australia published by the Australian Financial Review. Mr Readhead was until recently a Partner of the law firm, Allion Legal. In the previous 3 years, Mr Porter has also been a director of the following ASX listed companies: Western Areas Limited June 2014 to current Beadell Resources Limited April 2010 to March 2019 Eastern Goldfields Limited March 2013 to February 2019

REDBANK COPPER LIMITED

DIRECTORS' REPORT

Michael Fotios Former Executive Chairman – resigned 30 April 2019
Length of service: 6 years and 7 months
Not an independent Director

Mr Fotios has qualifications in geology specialising in economic geology with extensive experience in exploration throughout Australia working with gold, base metals, tantalum, tin and nickel from exploration to feasibility. Mr Fotios has held the position of Managing Director of a number of listed companies in the past and has substantial interests in the mining and exploration industry.

In the previous 3 years, Mr Fotios has also been a director of the following ASX listed companies:

Scorpion Minerals Limited	December 2009 to 31 October 2018
Horseshoe Metals Limited	May 2012 to 30 April 2019
Eastern Goldfields Limited	September 2012 to August 2018
Oklo Resources Limited	July 2016 to 24 December 2018
General Mining Corporations Limited	June 2012 to November 2016
Galaxy Resources Limited	August 2016 to December 2016

Company Secretary

Kelly Moore B.Com, CA, ACIS, GAICD Appointed 2 August 2019

Ms Moore is a qualified Chartered Accountant and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore holds a Bachelor of Commerce degree from the University of Western Australia, is a member of the Institute of Chartered Accountants Australia and New Zealand, is a graduate of the Australian Institute of Company Directors and an associate member of the Governance Institute of Australia.

Former Company Secretaries

Ms Carol New B.Bus, CA Appointed 16 January 2019, resigned 2 August 2019

Brendon Morton B.Bus, CA, ACIS Appointed 30 June 2018, resigned 16 January 2019

DIRECTORS' INTERESTS

At the date of this report, the interests of each Director in the shares and options of Redbank Copper Limited were:

Director	Fully paid shares
Michael Hannington	-
Daryl Henthorn	1,658,089
Keith Middleton	-

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director was:

	No. of meetings attended	No. of meetings held whilst a Director
M Fotios	2	2
C New	1	1
C Hall	1	1
A Still	1	1
N Porter	2	2
C Readhead	2	2

In addition to the above meetings, a number of circular resolutions were passed by Directors on matters of significance.

NON-AUDIT SERVICES

As a policy, the Board considers non-audit services provided by the auditors during the year to be satisfied that the provision of those services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and do not compromise the auditor independence requirements of the *Corporations Act 2001*.

During the year, the auditor did not provide any non-audit services for the Group.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

DIVIDENDS

No dividend was paid or declared during the year and the Directors do not recommend the payment of a dividend.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

For the year ended 30 June 2019, \$10,236 (2018: Nil) was paid for Directors and Officer's liability insurance.

The Company has entered into indemnity agreements with each of the Directors and Officers of the Company. Under the agreements, the Company will indemnify those Officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as Directors and Officers of the Company or any related entities.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included immediately following the Directors' Report and forms part of the Directors' Report.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were issued, lapsed or exercised during the financial year. At the balance date and the date of this report, there are no options over fully paid shares on issue.

REMUNERATION REPORT (AUDITED)

This report sets out the remuneration arrangements in place for Directors and executives of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

Principles used to determine the nature and amount of remuneration

Directors and executives remuneration

Overall remuneration policies are determined by the Board of Directors and are adapted to reflect competitive market and business conditions. Within this framework, the Board considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for Executive Directors and senior management. Executives may be provided with longer-term incentives through participation in option schemes, which serve to align the interests of the executives with those of shareholders. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and expert advice.

Redbank's remuneration policy for Executive Directors and senior management is designed to promote superior performance and long-term commitment to the Company. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing Redbank's operations. Executive Directors receive a base remuneration which is market related.

Redbank's remuneration policies are designed to align executive remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of Redbank. The main principles of the policy include:

1. reward reflects the competitive market in which Redbank operates;
2. individual reward should be linked to performance criteria; and
3. executives should be rewarded for both financial and non-financial performance.

The structure of remuneration packages for Executive Directors and other senior executives comprises:

1. a fixed sum base salary payable monthly in cash;
2. long-term incentives through Executive Directors being eligible to participate in a share option plan and share purchase plan as approved by shareholders. Senior executives may also participate in an employee share option plan, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders; and
3. other benefits, including participation in superannuation schemes.

The proportion of fixed and variable remuneration is established for each executive by the Board. The objective of any short term incentives is to link achievement of Redbank's operational targets with the remuneration received by executives charged with meeting those targets. The objective of long-term incentives is to reward executives in a manner which aligns this element of their remuneration with the creation of shareholder wealth. Redbank's activities comprise the exploration, evaluation and development of mineral tenements aimed at identifying economic mineral deposits capable of development. Redbank's financial performance reflects the nature of these ongoing activities.

The payment of bonuses, share options and other incentive payments are reviewed by the Board as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

The annual performance objectives are the means by which the Company links company performance and remuneration policy. Where applicable, potential discretionary merit based performance bonuses and the issue of share options or other share based incentives in the Company may be granted.

The Directors consider the principles of the remuneration of key management personnel have been successful in providing positive Company performance. The principles have provided the desired incentive and are expected to continue to provide such incentive. Whilst the Company has only been in the early formative stages of the development of the Redbank mine site it is difficult to determine the effect on shareholder wealth. Whilst it may be expected that earnings would be a loss position in these early stages, any improved earnings is viewed to be a long-term position that is not yet fully determinable.

Non-executive Directors' remuneration

In accordance with current corporate governance practices, the structure for the remuneration of Non-executive Directors and senior executives is separate and distinct. Shareholders approve the maximum fees payable to Non-executive Directors, with the current approved limit being \$250,000. The Board determines the actual payments to individual Directors. The Board approves any consultancy arrangements for Non-executive Directors who provide services outside of and in addition to their duties as Non-executive Directors.

Non-executive Directors are entitled to statutory superannuation benefits. At this stage of Redbank's development, Non-executive Directors may be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a Director to participate in an equity scheme, that participation must be specifically approved by the shareholders. All Directors are entitled to have their indemnity insurance paid by Redbank.

The tables below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for five years to 30 June 2019:

	30 June 2019 \$	30 June 2018 \$	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$
Revenue	1	592,444	2,609	240,593	697,162
Net profit/(loss) before tax	(760,195)	117,433	(640,964)	(3,653,774)	(3,450,254)
Net profit/(loss) after tax	(760,195)	117,433	(640,964)	(3,653,774)	(3,450,254)
Share price at start of year	0.031	0.04	0.04	0.02	0.04
Share price at end of year	0.013	0.031	0.04	0.04	0.02
Interim and Final Dividend	-	-	-	-	-
Basic earnings/(loss) per share*	(0.65) cents	0.10 cents	(0.6) cents	(3.2) cents	(3.0) cents
Diluted earnings/(loss) per share*	(0.65) cents	0.10 cents	(0.6) cents	(3.2) cents	(3.0) cents

*In December 2017, the Company undertook a 20:1 share consolidation. Share price at start of year, Share price at end of year, Basic earnings/(loss) per share and Diluted earnings/(loss) per share comparatives for the previous years have been adjusted accordingly.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Details of remuneration

The following table discloses details of the nature and amount of each element of the remuneration of each Director of Redbank and the Group and each of the key management personnel for the year ended 30 June 2019. The information in this table has been audited.

30 June 2019	Short term employee benefits			Post-employment benefits		Share based payments			
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Termination benefits	Options	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
<i>Executive Chairman</i>	\$	\$	\$	\$	\$	\$	\$	%	%
M Fotios ¹	36,000	-	-	-	-	-	36,000	-	-
<i>Non-executive Directors</i>									
C New ²	-	-	-	-	-	-	-	-	-
C Hall ²	-	-	-	-	-	-	-	-	-
A Still ²	-	-	-	-	-	-	-	-	-
N Porter ³	17,500	-	-	-	-	-	17,500	-	-
C Readhead ⁴	16,750	-	-	-	-	-	16,750	-	-
Total	70,250	-	-	-	-	-	70,250	-	-

¹ Mr Fotios resigned on 30 April 2019.

² Ms New, Mr Hall and Mr Still were removed as Directors on 2 August 2019.

³ Mr Porter resigned on 9 April 2019.

⁴ Mr Readhead resigned on 21 January 2019.

30 June 2018	Short term employee benefits			Post-employment benefits		Share based payments			
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Termination benefits	Options	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
<i>Executive Chairman</i>	\$	\$	\$	\$	\$	\$	\$	%	%
M Fotios	48,000	-	-	-	-	-	48,000	-	-
<i>Non-executive Directors</i>									
D Delaney ¹	15,000	-	-	-	-	-	15,000	-	-
C Readhead*	30,000	-	-	-	-	-	30,000	-	-
N Porter ²	15,000	-	-	-	-	-	15,000	-	-
Total	108,000	-	-	-	-	-	108,000	-	-

*Fees were accrued during the year and remain outstanding at the date of report.

1. Mr Delany passed away on 16 January 2018.

2. Mr Porter was appointed on 22 January 2018.

No amount was paid for Directors and Officer's liability insurance for the year ended 30 June 2018.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Option Holdings of Key Management Personnel

No options over shares or interests in the Company were granted during the year or since the end of the financial period (2018: nil). Furthermore, there are no options on issue at the date of this report.

Share Holdings of Key Management Personnel

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the consolidated entity would have adopted if dealing at arm's length.

30 June 2019	Balance at 1 July 2018	On appointment	On resignation	Balance at 30 June 2019
<i>Executive Chairman</i>				
M Fotios	24,306,122	-	(24,306,122)	-
<i>Non-executive Directors</i>				
C New	-	-	-	-
C Hall	-	4,167	-	4,167
A Still	-	-	-	-
N Porter	-	-	-	-
C Readhead	500,000	-	(500,000)	-
Total	24,806,122	4,167	(24,806,122)	4,167

30 June 2018	Balance at 1 July 2017	On the exercise of options	Net change other or at date of resignation	Balance at 30 June 2018
<i>Executive Chairman</i>				
M Fotios	24,488,126	-	(182,004) ¹	24,306,122
<i>Non-executive Directors</i>				
D Delaney	1,391,285	-	-	1,391,285
C Readhead	500,000	-	-	500,000
N Porter	-	-	-	-
Total	26,379,411	-	(182,004)	26,197,407

1. Net of adjustment for previously included non-beneficially held shares and shares acquired during the year.

Compensation options: granted and vested during the year (consolidated)

There were no options granted to key management personnel during the year (2018: nil).

No shares were issued during the year as a result of the exercise of options granted as part of remuneration.

Information on any benefits received by directors of Redbank Copper Limited by reason of a contract made by the Group with a Director or a Director-related entity is contained in Note 16 of the financial report.

Service agreements

The Company has a service agreement in place with Delta Resource Management Pty Ltd ("Delta") pursuant to which Delta provides the Company with office space rental at \$3,000 per month (reduced to \$2000 per month from November 2017) and administrative, corporate and technical services at commercial hourly rates. The agreement was effective from 1 July 2013 and can be terminated on three months' written notice by either party. Mr Fotios is a director and shareholder of Delta and Mr Hall, Ms New and Mr Still are employees of Delta.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Director agreements

As at 30 June 2019, the Company had no formal agreements in place with Non-executive Directors stipulating annual remuneration. The Company did not have a formal agreement in place with the Executive Chairman.

Share-based compensation

Directors, employees and consultants may be eligible to participate in equity based compensation schemes. An employee incentive option scheme ("EIOP") has been adopted by the Board of the Company. The primary purposes of the scheme are to increase motivation, promote retention, align interests with those of the Company and its shareholders and to reward contribution to the growth of the Company. The EIOP was last approved by shareholders on 30 November 2017. No incentive options have been issued pursuant to the scheme as at the date of this report.

Other transactions with Key Management Personnel

As at 30 June 2019, the Company was financed by loan facilities from related parties, refer to notes 11 and 17 for further detail. As at the date of this report, the availability of further drawdowns from the facilities is uncertain given the parties previously providing funding are associated with the former Chairman.

END OF AUDITED REMUNERATION REPORT (AUDITED)

OPERATING AND FINANCIAL REVIEW

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was as an Australian based mining company focused on the development of the Redbank Copper Project in the northeast of the Northern Territory ("Redbank Project") and the Millers Creek Project in the Gawler Craton of South Australia.

OPERATING RESULTS

The net loss of the Group after provision for income tax was \$760,195 (2018: profit \$117,433).

REVIEW OF OPERATIONS

Redbank Project

The Group holds approximately 1,050km² of granted tenure within the McArthur Basin in the Northern Territory (see Figure 1). Known copper mineralisation at the Redbank Project is hosted by multiple occurrences of steeply-dipping brecciated zones ("breccia pipes") forming cylindrical 'pipes' of up to 130m in diameter. Drilling has confirmed that the drilled breccia pipes extend to at least 300m depth.

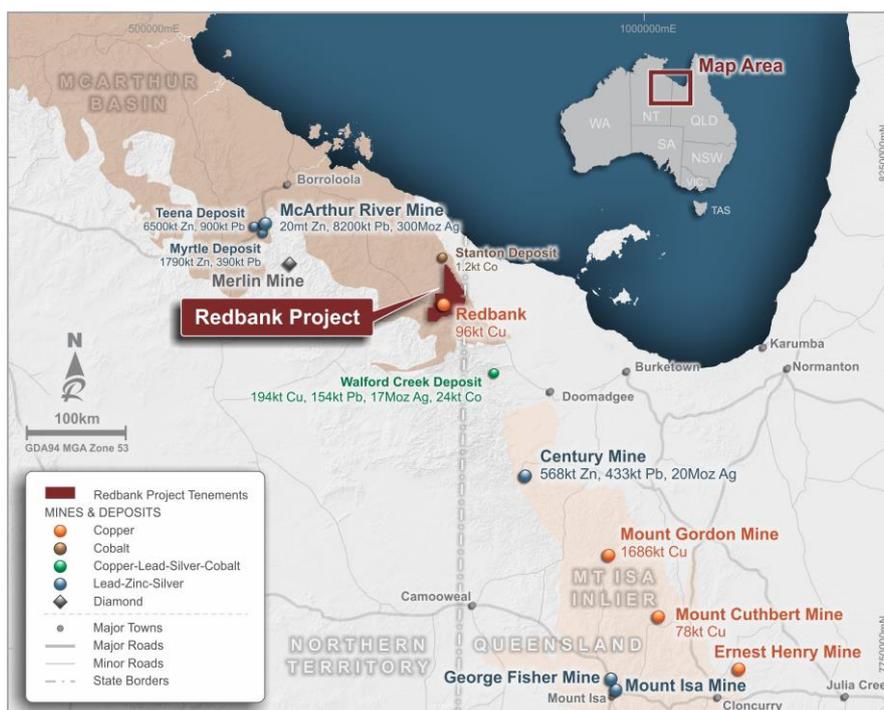


Figure 1. Redbank Project, Northern Territory: location map in relation to selected deposits

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

Small-scale historical mining occurred at the Redbank, Azurite and Prince prospects between 1916 and 1961. Open cut mining and processing of sulfide copper ore was undertaken briefly between 1994 and 1996 at the Sandy Flat mine, with the concentrate transported to Mt Isa for smelting. High grade (>5% Cu) copper oxide ore from the mine was stockpiled and later treated via vat leaching in the 2000s, producing a 'cement' copper product containing 80-90% copper metal. The Redbank site is currently on care and maintenance. The tenure holding has changed significantly over the years, with the existing tenement package a much reduced area (see Figure 2).

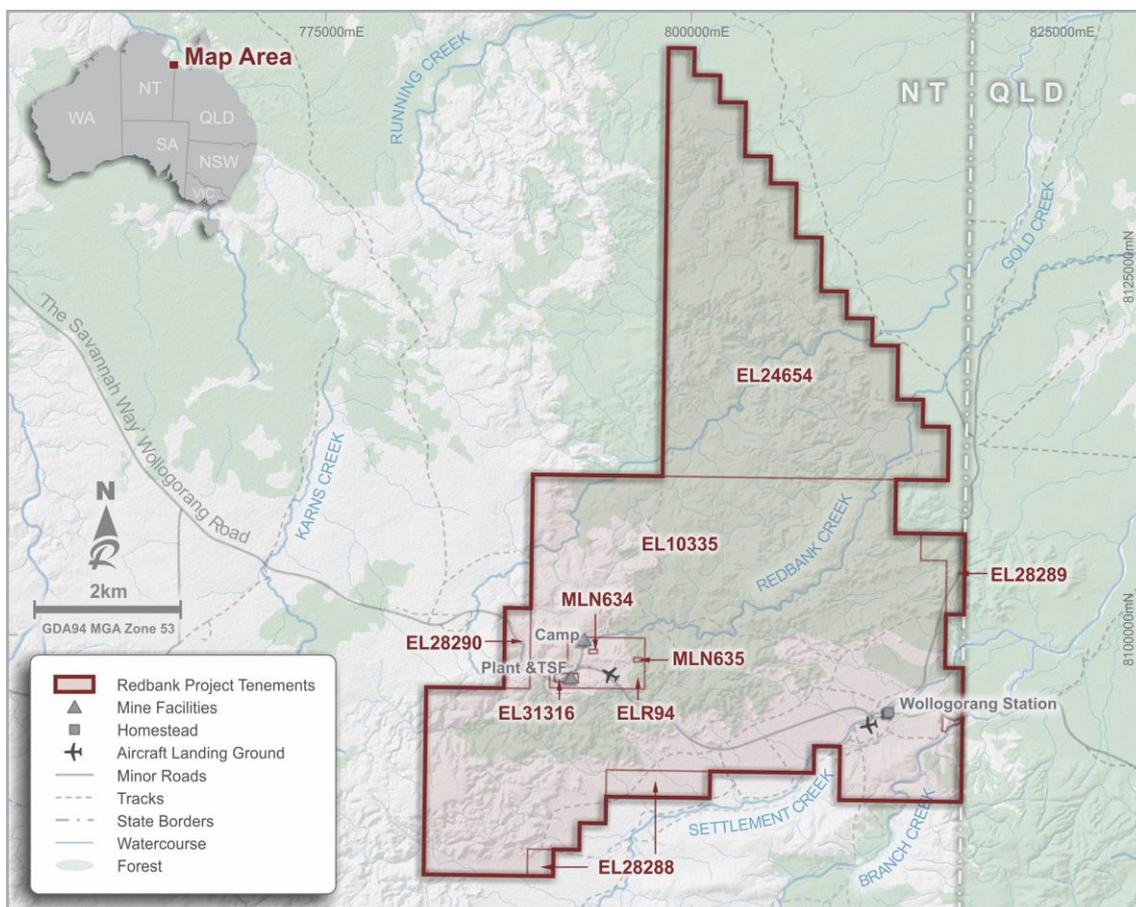


Figure 2. Redbank tenure as at June 2019

The Redbank Project contains an indicated and inferred resource of ~96,500 tonnes of copper, from a JORC 2004 resource estimate of 6.27Mt @ 1.5% Cu (refer Annual Mineral Resource Statement below and 2011 Annual Report released to ASX on 27 October 2011 and Prospectus released to ASX 13 February 2013 for further details). This resource estimate does not include 40,000 tonnes of ore (at 2% Cu) stockpiled at surface within the Sandy Flat mining area.

Table 1. Annual Mineral Resource statement- Redbank

By Deposit

	Indicated			Inferred			Total		
	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)
Azurite	222,000	1.6	3,500	20,000	1.3	200	242,000	1.5	3,700
Redbank	196,000	2.2	4,300	185,000	1.1	2,000	381,000	1.7	6,300
Punchbowl	435,000	1.2	5,100	259,000	1.6	4,200	694,000	1.3	9,300
Roman Nose	-	-	-	1,287,000	1.4	17,900	1,287,000	1.4	17,900
Bluff	1,062,000	1.6	17,400	922,000	1.6	14,600	1,984,000	1.6	32,000
Prince	-	-	-	101,000	1.7	1,700	101,000	1.7	1,700
Sandy Flat	851,000	1.5	12,800	688,000	1.8	12,000	1,539,000	1.6	24,800
Stockpiles	-	-	-	40,000	2.0	800	40,000	2.0	800
Total Project	2,766,000	1.55	43,100	3,502,000	1.52	53,400	6,268,000	1.53	96,500

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

By Style

Oxide	Indicated			Inferred			Total		
	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)
Azurite	132,000	1.6	2,100	5,000	1.2	100	137,000	1.6	2,200
Redbank	101,000	2.1	2,100	59,000	1.1	600	160,000	1.7	2,700
Punchbowl	20,000	0.7	100	-	-	-	20,000	0.7	100
Roman Nose	-	-	-	46,000	0.7	300	46,000	0.7	300
Bluff	436,000	1.3	5,700	-	-	-	436,000	1.3	5,700
Prince	-	-	-	43,000	2.2	900	43,000	2.2	900
Sandy Flat	-	-	-	-	-	-	-	-	-
Stockpiles	-	-	-	27,000	1.9	500	27,000	1.9	500
Total Oxide	689,000	1.5	10,000	180,000	1.3	2,400	869,000	1.4	12,400

Transitional	Indicated			Inferred			Total		
	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)
Azurite	11,000	1.4	200	1,000	1.3	-	12,000	1.4	200
Redbank	31,000	2.4	800	14,000	1.8	200	45,000	2.2	1,000
Punchbowl	-	-	-	-	-	-	-	-	-
Roman Nose	-	-	-	-	-	-	-	-	-
Bluff	-	-	-	-	-	-	-	-	-
Prince	-	-	-	-	-	-	-	-	-
Sandy Flat	-	-	-	-	-	-	-	-	-
Stockpiles	-	-	-	13,000	2.3	300	13,000	2.3	300
Total Transition	42,000	2.4	1,000	28,000	1.8	500	70,000	2.1	1,500

Sulfide	Indicated			Inferred			Total		
	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)	tonnes	Cu%	Cu Metal (t)
Azurite	79,000	1.5	1,200	14,000	1.4	200	93,000	1.5	1,400
Redbank	64,000	2.2	1,400	112,000	1.1	1,200	176,000	1.5	2,600
Punchbowl	415,000	1.2	5,000	259,000	1.6	4,200	674,000	1.4	9,200
Roman Nose	-	-	-	1,241,000	1.4	17,500	1,241,000	1.4	17,500
Bluff	626,000	1.9	11,700	922,000	1.6	14,600	1,548,000	1.7	26,300
Prince	-	-	-	58,000	1.3	800	58,000	1.3	800
Sandy Flat	851,000	1.5	12,800	688,000	1.8	12,000	1,539,000	1.6	24,800
Stockpiles	-	-	-	-	-	-	-	-	-
Total Sulfide	2,035,000	1.57	32,100	3,294,000	1.53	50,500	5,329,000	1.55	82,600

Total Project	2,766,000	1.55	43,100	3,502,000	1.52	53,400	6,268,000	1.53	96,500
----------------------	------------------	-------------	---------------	------------------	-------------	---------------	------------------	-------------	---------------

Notes accompanying Mineral Resource Statement

1. Rounding may result in apparent summation differences between tonnes, grade and contained Cu metal content.
2. Rounding is to the nearest 1,000 tonnes, 0.1% Cu and 100 tonnes Cu metal. Significant figures do not imply an added level of precision.
3. Resources reported from 0.5% lower cut wireframes

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

Jensen (1941) reported two deposits of secondary copper minerals east of the Redbank deposits near the Northern Territory – Queensland Border. These deposits occur in contact between the Gold Creek Volcanics and the underlying Wollgorang Formation. The occurrence of copper minerals in lithologically favourable dolomite beds 80m vertically below the surface in the Redbank Project area may also be mineralised. However, this is yet to be tested by drilling outside drilling within the breccia pipes and immediate host rocks.

In 1959, Firman reported the discovery of 11 copper deposits. Of the 6 he inspected in 1957, 4 showed sufficient mineralisation to warrant further investigation.

By 1979, 20 years after Firman published his report, Janice Knutson reported the discovery of 50 mineralised breccia pipes.

All reports of mineralisation describe a fine grained trachyte as the most common host rock within the breccia pipes with all the trachytes having their feldspars partly kaolinized. Secondary copper is also reported as present in conglomerate, sandstone and greyswacke, however, individual beds are not traceable between the breccia pipe copper deposits.

As in much of the McArthur Basin, the sediment/volcanic succession of geological units dip shallowly at 5° - 20° to the NNW. Weak fractures striking NE and NW and are present in the old workings.

Some of these fractures are probably ill-defined faults as the same type as the fault in the Black Charlie workings (now simply known as Charlie) which strikes 40° and dips 40° SE.

Even though there is much more detail to the geology, the reason for the presence of copper in the breccia pipes is still unknown. The two favoured models are:

- (a) a stratabound magmatic copper mineralized system beneath the Redbank Project area which has been 'over-pressured', causing breccia pipes to ascend upward along paths of least resistance; and
- (b) an IOCG deposit at depth with breccia pipes as apophyses extending from the upper portion of a buried IOCG system.

In the last 40 years, a number of large mining companies have sought to test these deposit models either over the Redbank Project or in the vicinity by stream sediment and soil sampling, geological field mapping and interpretation of airborne magnetic surveys and early frequency domain AEM surveys ("DIGHEM"). These companies included, CRA (now Rio Tinto), MIM (now Glencore), BHP, Noranda (now Glencore) and Golden Plateau (Oxiana, now OZ Minerals).

None of these companies undertook drilling programs to test these ideas at depth because the datasets they reviewed did not reveal any large anomalous soil geochemistry or a broad large high amplitude conductor.

CRA was the most active and persistent explorer in the region and undertook extensive field mapping, however, with no indication of a very large geochemical or geophysical anomaly they withdrew from the area.

Given that the copper is predominantly hosted in trachytes which contain slightly less but similar silica content to rhyolites, there may be a temporal and spatial association between the copper mineralisation and the more fractionated volcanic rocks such as the Hobbelchain Rhyolite (see Figure 4).

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

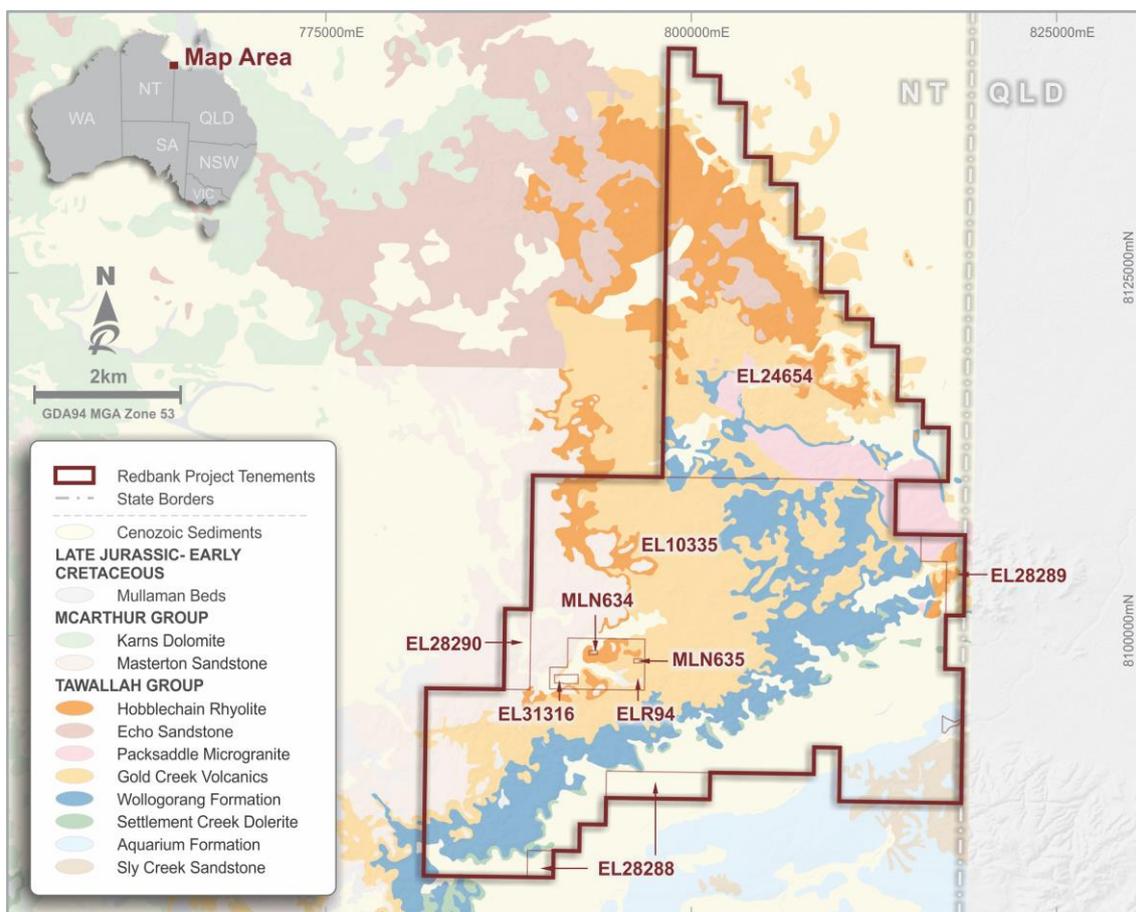


Figure 4. Redbank Project – geology from NT Government 1:250,000 scale mapping

Regional mapping at a scale of 1:250,000 was completed in 1982 and 1983 and reported in 1989 in the Calvert Hills 1:250,000 explanatory sheet notes.

Previous technical reports on Redbank identify pyrobitumen in the breccia matrix, however, there is little observation of large scale alteration other than tan-coloured trachyte. The breccia pipes comprise trachyte fragments/clasts often with a chalcopyrite 'flooded' matrix.

As highlighted above, the nearest equivalent rock to these trachyte clasts is the Hobblechain Rhyolite which outcrops to the NE of the Redbank (Sandy Flat) Mine (see Figure 4).

The Gold Creek Member into which these breccia pipes intrude is dated at ~1730Ma which is at least 90Ma older than the Barney Creek Formation ~1640Ma (HYC/McArthur River Deposit host).

There is no reported regional tuffaceous horizons around the Redbank Project area. These horizons are present either side of the Barney Creek Formation and show regional volcanism from a large fractionating magmatic system at depth.

In the last few years the price of cobalt has increased. The area around Redbank is well known for cobalt anomalism. In 2017, the Company assessed an area of some 50km² about 5km to the east of Redbank on EL10335, where anomalous cobalt values (>50ppm) are recorded in stream sediment samples (see figure 5). This area outside ELR94 but within EL10335 contains numerous copper showings and targets, most of which remain untested for copper.

In addition, in 2017, the Company reviewed the GC1 and GC2 prospects on the Copperado tenement, EL24654, where geologists had previously identified outcrop with pXRF values of 0.8% Cu and 2% Co at GC1 (refer RCP:ASX announcement 8 January 2008) and pXRF values of 29.7% Cu and 7.5% Co at GC2 (refer to ASX announcement released on 26 November 2009). ICP analyses from an orientation programme of six samples from GC2 returned maximum values of 4.1% and 1.9% Cu, with significant associated Co (0.2%). A clear copper, cobalt, light rare earth, arsenic, and base metal association was observed in the anomalous specimens (refer Table 2 below).

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

Table 2: ICP Analysis of rock samples taken from GC2, selected elements

SAMPLE_ID	Cu %	Co %	Pb %	As %	Ce %	La %	Au ppm	U ppm
RRoc-12	0.33	0.04	0.10	0.02	0.01	0.01	0.003	<10
RRoc-13	1.89	0.22	0.37	0.26	0.15	0.09	0.009	10
RRoc-14	4.15	0.20	0.36	0.24	0.18	0.10	0.012	10
RRoc-15	0.18	0.02	0.02	0.01	0.02	0.01	0.001	<10
RRoc-16	0.15	0.01	0.02	0.01	0.01	0.01	0.001	<10
RRoc-17	0.54	0.08	0.25	0.02	0.03	0.02	0.001	<10
RRoc-18	0.19	0.01	0.02	0.07	0.01	0.01	0.001	<10

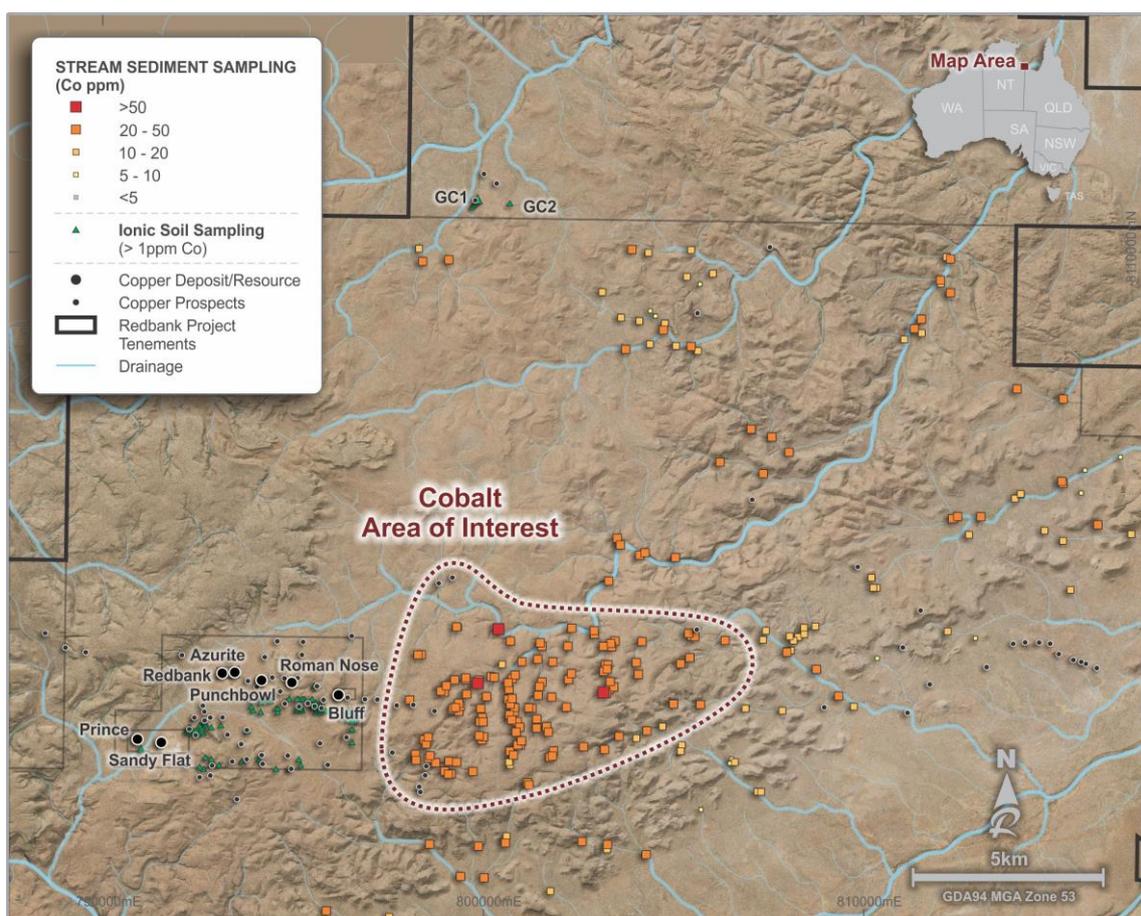


Figure 5. Redbank Project East: Regional Cobalt stream sediment values, highlighting area of interest

A single, shallow (60m) angled (-50°) RC hole (COP10R-01) was drilled at GC2 in late November 2010, principally to test for oxide mineralisation. Logging noted an oxide zone to around 20m down hole, with transitional to primary zones showing relatively intense carbonate alteration in a trachyte host, along with pyrite and arsenopyrite mineralisation. No economic concentrations of copper were noted from pXRF screening, and no samples were submitted for further analysis at the time. However, a review of recorded pXRF cobalt values from the drilling indicates anomalous cobalt values of around 20m @ 0.035% from surface.

A second hole (COP10R-02) was collared further east and drilled to only 6m before heavy rains curtailed activities and the site was closed. No further field work has been conducted in this area, and GC2 remains a significant, drill-ready target requiring further investigation. The Company believes from the very limited fieldwork conducted to date, additional Cu/Co bearing breccia pipes/structures will be found in the vicinity. Two bullseye EM targets approximately 1 km northeast of GC2 were noted from a relatively coarse airborne survey conducted in 1984, but there has been no follow up. The Company has planned to fly AEM over the GC2 area and these historical EM targets to identify possible signatures for further investigation, including drill testing.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)



Figure 6. Surface expression, GC2 prospect



Figure 7. Rock Specimen from GC2

Over the last few years, the Redbank Project has suffered from poor maintenance of the tenements. Statutory rents and technical reports have been submitted late and this has incurred late lodgement fees and numerous correspondence from the Northern Territory Department of Primary Industry and Resources regarding the ongoing status of exploration activity on the tenements. Importantly, legacy environmental issues relating to past mining activity prior to Redbank's involvement has been a significant impediment to any ongoing exploration activity. This has been resolved and the Northern Territory Government has taken legal responsibility for the management of the environmental issues with no remaining liability held by Redbank.

To be relieved of any environmental obligations at Redbank, the Company has relinquished a number of tenements including mining leases within the Redbank Project area and forfeited a portion of its environmental bond.

Redbank is committed to further evaluation of the copper potential within:

- (i) the numerous breccia pipes;
- (ii) at depth within McArthur Basin stratigraphy rocks; and
- (iii) over portions of the tenement area as yet unexplored.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

Geophysical surveys are a proven tool for identifying breccia pipes which exhibit lower density rocks than the surrounding host rocks and high electrical conductance due to the presence of pyrite and chalcopyrite. So, coincident gravity lows and AEM highs are good indicators of buried breccia pipes. In the short term, Redbank will undertake detailed ground geological mapping, using highly experienced field mapping geologists to map the tenement area in detail and cover as much ground as possible on quad-bikes. This is a cheap method of determining any surface expression to breccia pipes and any copper mineralisation, however, it is a poor way of finding buried deposits, here remote sensing using geophysics and low element detection soil sampling are good methods.

The Company's focus continues to be to define sufficient resources to warrant initiation of a feasibility study to investigate the scale and viability of future mining and processing operations. The Group has identified significant additional targets within the immediate Exploration Licence for Retention (ELR94) containing the copper resources, and the surrounding exploration lease (EL10335) also contains numerous identified copper targets for drilling.

Competent Person's Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Redbank is based on information reviewed by Mr Michael Hannington, who is a member of the Australian Institute of Geoscientists. Mr Hannington is the Executive Chairman to Redbank Copper Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hannington consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Redbank Mineral Resource is based on information originally compiled by Mr Phil Jankowski, who is a full time director of Baltica Consulting; and previously employed by SRK Consulting, and reviewed by Mr Hannington. This information was originally issued in the Company's ASX announcement "Redbank increases copper resource and grade", released to the ASX on 8 December 2009. 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. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements. The information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

References

Jensen (1940), Blanchard (1940), Benedict and King (1948) and Firman (1959) following his field trip to Redbank in 1957.

Blanchard, R. 1940. Report on Wollogorang-Redbank Copper District, Northern Territory. Australian Mining and Smelting Co. Ltd.

Jensen, H. I. 1940. The Redbank (or Wollogorang) Copper Field, Northern Territory. Aer.Surv.N.Aust.Rep.N.T., No.51.

Jensen, H. I. 1941. Report on portion of North-Western Queensland adjacent to the Northern Territory Border. Aer.Surv.N.Aust.Rep.Qld., No.47

Benedict, P. C. and King, H. F. 1948. The Wollogorang-Redbank Area. Zinc Corporation Limited.

Firman, J. B. 1959. The Copper Deposits of the Redbank Copper Field, Northern Territory. Department of National Development, Bureau of Mineral Resources Geology and Geophysics. Records 1959/48.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

Millers Creek Project

The Group holds 1,110km² of granted tenure within the Gawler Craton in South Australia (see Figure 8).

EL6247 known as Millers Creek was granted on 7 September 2018 and EL6321 known as Kingoonya was granted on 28 February 2019. These two tenements combined are known as the Millers Creek Project.



Figure 8. Millers Creek Project, South Australia: location map in relation to selected deposits

The addition of the Millers Creek Project in South Australia has been extensively covered in Redbank's Quarterly Reports (refer to ASX announcements dated 31 October 2018 - Activities Report for the Quarter Ended 30 September 2018, dated 31 January 2019 - Activities Report for the Quarter Ended 31 December 2018, dated 29 April 2019 - Activities Report for the Quarter Ended 31 March 2019 and announcement dated 31 July 2019 - Activities Report for the Quarter Ended 30 June 2019).

The majority of the project area was previously held by IMX Resources Limited (previously known as Goldstream Mining NL) and held as EL4866 (EL3387 & EL2708 before that) known as the Mt Paisley Project.

On 25 November 2014, IMX Resources Ltd announced the sale of its Mt Woods Project to Cu-River Mining Australia Pty Ltd. The Mt Paisley Project is separate to and lies southeast of the Mt Woods Project and consequently did not form part of the Mt Woods sale agreement. It appears that IMX Resources Ltd divested the Mt Paisley Project in FY14.

IMX Resources Limited subsequently split into two separate entities Graphex Mining Limited and Indiana Resources Limited.

The Mt Paisley Project area was 'unpegged' when Redbank applied for the two exploration licences.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

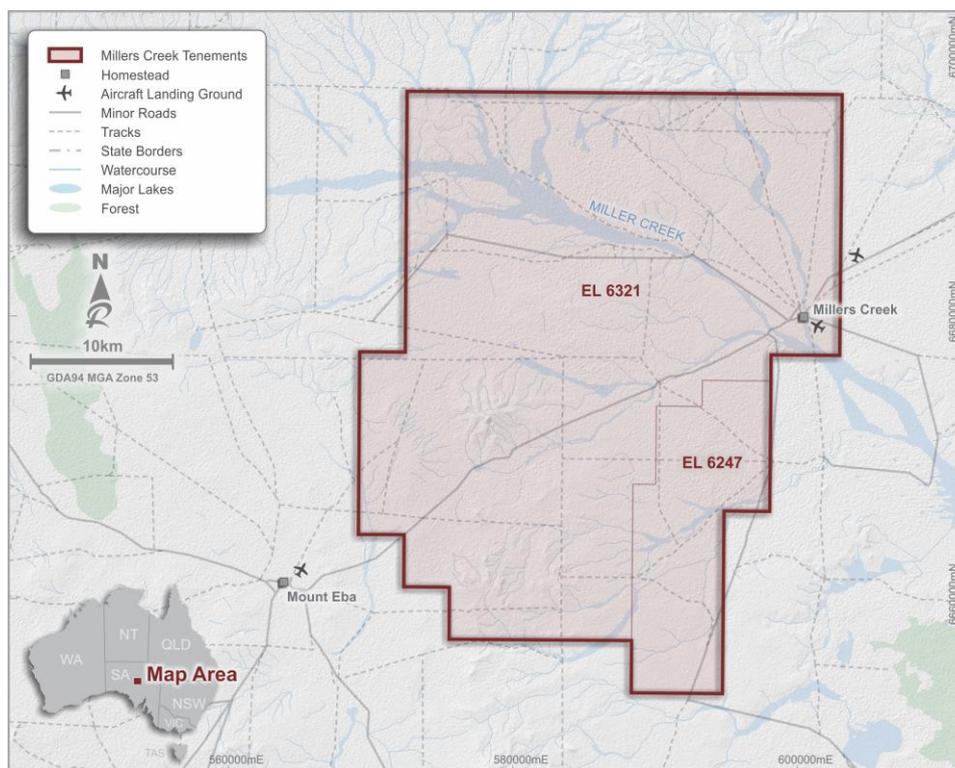


Figure 9. Millers Creek Project tenure as at June 2019

Some initial review work has been undertaken since the tenements were granted reviewing previous gravity surveys and drilling over the project area. Most of this review has looked for gravity highs based on a re-treatment of the gravity data by applying a 1500m depth slice to the data. This reprocessed gravity with resultant gravity images has been unable to be verified by the Directors appointed on 2 August 2019 and it is unclear what the 1500m depth slice means. Also, previous drilling has been sampled to enable assaying for copper.

Gravity highs are a method of targeting IOCG mineralisation by detecting the increased density of iron within the broadly vertical cylindrical geometry of the IOCG system compared with less dense low-iron host rocks. There needs to be enough of a density contrast between the rocks forming the IOCG and the host rocks (see Figure 10).

REDBANK COPPER LIMITED

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

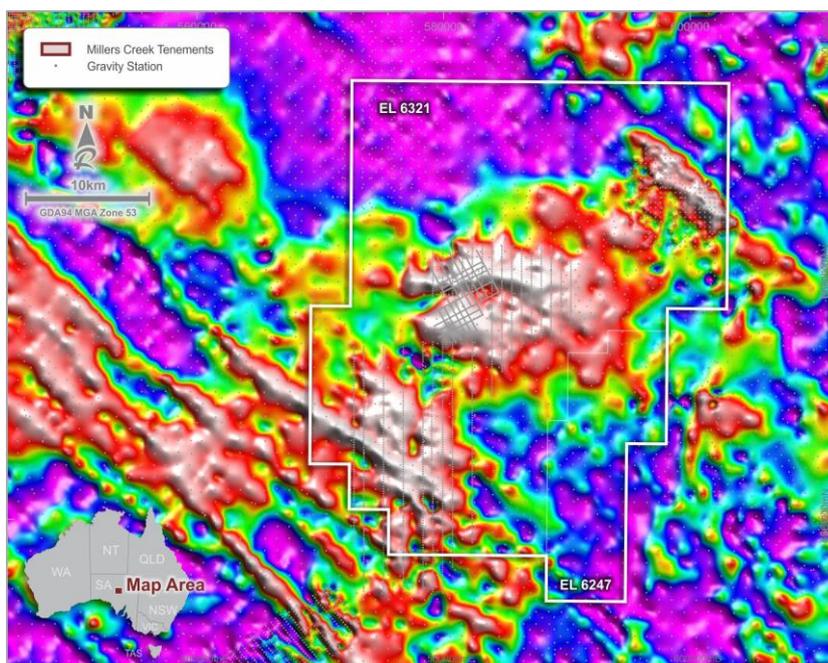


Figure 10. Millers Creek Project gravity data (red high, purple low)

Redbank will undertake a new evaluation of the potential of the Millers Creek Project area to host IOCG mineralisation based on the observations of previously discovered IOCGs in the Gawler Craton.

Gawler Craton IOCG systems are mineralogically zoned. From top to bottom they are zoned from hematite with barite/anhydrite to chalcocite (Cu_2S) to bornite (Cu_5FeS_4) to chalcopyrite (CuFeS_2) to pyrite (FeS_2).

The oxides are zoned from top to bottom from hematite (Fe_2O_3) to magnetite (Fe_3O_4).

The phyllosilicates are zoned from sericite to chlorite. The deposits have very large haloes of intense calcic (Ca) and sodic (Na) depletion. Sericite forms close to mineralisation, but the broad Ca and Na depletion haloes are associated with extensive formation of potassium feldspar (KAlSi_3O_8). The broad potassium feldspar footprint is usually associated with magnesium-chlorites replacing primary biotite. IOCG deposits are anomalous in a very large range of pathfinder elements that extend well beyond economic Cu-Au mineralisation. Tungsten (W) and molybdenum (Mo) are the most pervasive of the pathfinder elements. Less significant, but often important high up in an IOCG system are bismuth (Bi), tellurium (Te), arsenic (As) and antimony (Sb). These last 4 elements become more elevated in lower temperature higher level systems.

Copper grades are obviously highest in bornite-bearing (Cu_5FeS_4) mineralisation. The bornite typically occurs with hematite and sericite. Chalcopyrite-bearing mineralisation typically has lower average grades and will extend into deeper, hotter chlorite-magnetite zones. Where thick cover sequences are present, the level of preservation of the IOCGs at the unconformity is a critical factor.

If the bornite zone has been removed, the grades are likely to be sub-economic.

Redbank will re-review previous drilling at the Millers Creek Project to determine whether the holes show zones of strong Na and Ca depletion combined with elevated Cu and U, sericite and +/- potassium feldspar with hematite rather than magnetite and anomalous Bi, Te, As and Sb in addition to anomalous W and Mo.

LIKELY DEVELOPMENTS

In the opinion of the Directors, there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the Group and the expected results of those operations in subsequent years.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect to its mining and mineral exploration activities. These obligations are regulated under relevant government authorities within Australia. The Group is a party to exploration and mine development licences. Generally, these licences specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the Company by any government agency during the financial year ended 30 June 2019.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there were no significant changes in the Group's state of affairs.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 2 August 2019, pursuant to a section 249D notice received by the Company, Mr Alan Still, Ms Carol New and Mr Craig Hall were terminated as Non-executive Directors of the Company. On the same date, Mr Daryl Henthorn and Mr Keith Middleton were appointed as Non-executive Directors and Mr Michael Hannington was appointed as Executive Chairman of the Company.

Post year end, the new Board of Directors have reduced the liabilities by \$398,762 through negotiation or settlement.

On 12 September 2019, the Company announced it had secured \$300,000 in interim funding through converting loans. The loans accrue interest at 10% per annum and have the option to convert into shares, subject to all necessary approvals, at a conversion rate of \$0.013.

Other than the above, there are no significant events which have occurred subsequent to the end of the year other than have been disclosed in the financial report.

Signed in accordance with a resolution of the Directors



Michael Hannington
Executive Chairman
Perth, Western Australia
27 September 2019

27 September 2019

The Directors
Level 1, 1A Agnew Way
SUBIACO WA 6008

Dear Sirs

RE: REDBANK COPPER LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Redbank Copper Limited.

As Audit Director for the audit of the financial statements of Redbank Copper Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

REDBANK COPPER LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 June 2019

	NOTE	CONSOLIDATED	
		2019	2018
		\$	\$
Result from continuing operations			
Interest income	3	1	39,462
Other income	3	-	552,982
Employee and directors - remuneration expenses	16	(70,250)	(108,000)
Corporate and administrative expenses		(205,894)	(253,061)
Finance costs	4	(55,377)	(38,762)
Care and maintenance		(20,213)	1,080
Exploration and evaluation expenditure expensed	9	(408,462)	(181,268)
Reduction in environmental provision	12	-	105,000
		<hr/>	<hr/>
(Loss)/profit before income tax		(760,195)	117,433
Income tax (benefit)/expense	5	-	-
		<hr/>	<hr/>
NET (LOSS)/ PROFIT FOR THE YEAR		(760,195)	117,433
Other comprehensive (loss)/ income for the year			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		(760,195)	117,433
(Loss)/ Income attributable to members of Redbank Copper Limited			
Owners of the Company		(760,195)	117,433
Non-controlling interests		-	-
		<hr/>	<hr/>
		(760,195)	117,433
Total comprehensive (loss)/ income attributable to:			
Owners of the Company		(760,195)	117,433
Non-controlling interests		-	-
		<hr/>	<hr/>
		(760,195)	117,433
(Loss)/ earnings per share			
Basic and diluted (loss)/earnings per share (cents per share)	20	(0.65)	0.10

The above statement should be read in conjunction with the accompanying notes.

REDBANK COPPER LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 June 2019

	NOTE	CONSOLIDATED	
		2019	2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	24(a)	3,289	50,375
Trade and other receivables	6	17,275	20,014
		20,564	70,389
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Trade and other receivables	7	23,225	23,225
		23,225	23,225
TOTAL NON-CURRENT ASSETS			
		43,789	93,614
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables	10	1,733,661	1,243,901
Loans and borrowings	11	777,158	556,548
		2,510,819	1,800,449
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	12	23,750	23,750
		23,750	23,750
TOTAL NON-CURRENT LIABILITIES			
		2,534,569	1,824,199
TOTAL LIABILITIES			
		(2,490,780)	(1,730,585)
NET LIABILITIES			
EQUITY			
Issued capital	13	99,004,337	99,004,337
Accumulated losses		(103,223,545)	(102,463,350)
Reserves	14	1,728,428	1,728,428
		(2,490,780)	(1,730,585)
TOTAL EQUITY/(DEFICIENCY)			

The above statement should be read in conjunction with the accompanying notes.

REDBANK COPPER LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June 2019**

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total Equity/ (Deficiency) \$
At 1 July 2017	99,004,337	1,728,428	(102,580,783)	(1,848,018)
Loss for the year	-	-	117,433	117,433
Total comprehensive income for the year	-	-	117,433	117,433
Equity Transactions:				
Issue of share capital	-	-	-	-
Share issue expenses	-	-	-	-
At 30 June 2018	99,004,337	1,728,428	(102,463,350)	(1,730,585)
Loss for the year	-	-	(760,195)	(760,195)
Total comprehensive loss for the year	-	-	(760,195)	(760,195)
Equity Transactions:				
Issue of share capital	-	-	-	-
Share issue expenses	-	-	-	-
At 30 June 2019	99,004,337	1,728,428	(103,223,545)	(2,490,780)

The above statement should be read in conjunction with the accompanying notes.

REDBANK COPPER LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 June 2019

	NOTE	CONSOLIDATED	
		2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(217,184)	(462,887)
Interest paid		-	-
Research and development rebate received		-	552,983
		<hr/>	<hr/>
Net cash (outflow)/ inflow from operating activities	24(b)	(217,183)	129,575
Cash flows from investing activities			
Payments for exploration and evaluation		-	-
		<hr/>	<hr/>
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Repayment of borrowings		-	(412,104)
Proceeds from borrowings		170,097	329,988
		<hr/>	<hr/>
Net cash inflow/ (outflow) from financing activities		170,097	(82,116)
Net (decrease)/ increase in cash and cash equivalents		(47,086)	47,459
Cash at the beginning of the financial year		50,375	2,916
		<hr/>	<hr/>
Cash at the end of the financial year	24(a)	3,289	50,375

The above statement should be read in conjunction with the accompanying notes.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Redbank Copper Limited and its subsidiary for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 27 September 2019.

Redbank Copper Limited (the "Company") is a company limited by shares whose shares are publicly traded on the Australian Securities Exchange. The Company is incorporated and domiciled in Australia. The comparative period is the period from 1 July 2017 to 30 June 2018.

The nature of the operations and principal activities of the Group are disclosed in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report complies with the Corporations Act (2001) and Australian Accounting Standards and Interpretations, 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").

Basis of preparation

The financial report has been prepared on an accruals basis and on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The financial report is presented in Australian dollars unless otherwise noted.

The accounting policies adopted in the preparation of the financial report are consistent with those of the Group's previous annual financial report ending 30 June 2018 except for the impact of the Standards and Interpretations described below. These policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current reporting period.

Application of new and revised accounting standards

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods).

Standards and Interpretations applicable to 30 June 2019

In the year ended 30 June 2019, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

Changes in accounting policy

A number of new or amended standards became applicable for the current reporting period for which the Group has adopted:

- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 9 *Financial Instruments*

The new accounting policies are disclosed below. There is no impact on the Group for the year ended 30 June 2019.

AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 15 replaces AASB 118 *Revenue* and was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The Group had considered AASB 15 and determined there is no impact to the financial statements on adoption of AASB 15 as the Group did not generate any sales revenue for the 2019 financial year or comparative period.

AASB 9 Financial Instruments (AASB 9)

AASB 9 replaces the AASB 139 *Financial Instruments*. AASB 9 was adopted by the Group on 1 July 2018 and the recognition and measurement principles of AASB 9 covers the classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 did not give rise to any material transitional adjustments.

Standards and Interpretations in issue not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 16 *Leases* (AASB 16) (applicable to the Group on 1 July 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

The main changes introduced by AASB 16 are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciating the right-to-use assets in line with AASB 116 *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

The Directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures. The Group maintains an office rental lease that will result in a Right of Use Asset.

- *Other standards not yet applicable*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The ability of the Group and Company to continue their mineral project evaluation activities, and hence the continued adoption of the going concern assumption, is dependent on the Group raising additional funding as and when required. The Group is also working towards capital raising initiatives and the Directors are confident that it will receive sufficient additional funding from major shareholders or other parties.

The Group has incurred a net loss after tax for the year ended 30 June 2019 of \$760,195 (2018: profit of \$117,433) and had net cash outflows from operating and investing activities of \$217,184 (2018: inflow \$129,575). As at 30 June 2019, the Group had a working capital deficit of \$2,490,255 (2018 deficit \$1,730,060) and cash and cash equivalents of \$3,289 (2018: \$50,375).

During the year to 30 June 2019 and the period to the date of this report, the Directors have taken steps to ensure the Company and Group continue as going concerns. These steps include:

- On 12 September 2019, the Company announced it had secured \$300,000 in interim funding through converting loans. The loans accrue interest at 10% per annum and have the option to convert into shares, subject to all necessary approvals, at a conversion rate of \$0.013; and
- Holding ongoing discussions with various parties in regards to the recapitalisation of the Company.

The Directors, having compared the Group's cash position to committed expenditures in respect of the above matters and are of the opinion that the use of the going concern basis for accounting is appropriate in the circumstances.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Redbank Copper Limited ("Redbank" or "the Company") and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 18.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets.

Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies management has made the following significant accounting judgements and estimates in the preparation of these financial statements.

Exploration and evaluation

Exploration and evaluation expenditure is carried forward in accordance with policy 2(d) on the basis that exploration and evaluation activities have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing. In the event that significant operations cease and/or economically recoverable resources are not assessed as being present, this expenditure will be expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by valuation using a binomial method.

Income tax expense

The income tax expense has been estimated and calculated based on management's best knowledge of Australian Income Tax legislation. There may be differences with the treatment of individual jurisdiction provisions but these are not expected to have any material impact on the amounts as reported.

Impairment of receivable

The Group assesses the amount of expected recovery based upon its best estimate.

Impairment of property, plant and equipment

The Group assesses the expected recovery of the carrying value based upon the condition and status of the property, plant and equipment.

Impairment of rehabilitation provision

Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provided at each reporting date.

(c) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 - 60 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 2(w).

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Exploration expenditure for each area of interest is expensed as incurred, except that it may be carried forward provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration activities in the area of interest have not, at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration expenditure which no longer satisfies the above policy is written off. In addition, an impairment allowance is raised against any exploration expenditure where the directors are of the opinion that the carried forward net cost may not be recoverable under the above policy. The increase in the impairment allowance is charged against the income statement for the year.

When an area of interest is abandoned, any expenditure carried forward in respect of that area of interest is written off in the year in which the decision to abandon is made.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest are current. Amortisation is not charged on areas under development, pending commencement of production.

(e) Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and long service leave and any other benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liabilities, are used.

(f) Share based payment transactions

The Group may provide benefits to employees (including directors) in the form of share-based payments transactions, whereby employees render services in exchange for shares or rights over shares ("share based payments" or "equity settled transactions"). There is currently an Employee Share Option Plan in place which will provide these benefits to employees.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date they are granted. The value is determined using a Black Scholes model. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Redbank ("market conditions").

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Consolidated Statement of Profit or Loss and Other Comprehensive Income charge or credit for the period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification as measured at the date of modification.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Share based payment transactions (continued)

Where an equity-settled award is cancelled (other than cancellation when a vesting condition is not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of any outstanding options is reflected as additional share dilution in the computation of loss per share (see Note 20).

(g) Revenue recognition

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted AASB 15 effective from 1 July 2018 using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. Adoption of AASB 15 does not have any impact on the revenue in prior year as the Company did not have revenues from contracts with customers.

(h) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment loss. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Depreciation is provided on a straight line basis on all plant and equipment. Major depreciation periods are:

Plant and equipment	2-5 years
Motor vehicles	3-5 years

Disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year the asset is derecognised.

(i) Impairment of non-financial assets

At each reporting date, the entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). The estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit.

(j) Taxation

(i) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(ii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(m) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise of cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash includes cash on hand and in banks, as defined above (and money market investments readily convertible to cash on hand), net of outstanding bank overdrafts.

(n) Contributed equity

Issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised, net of tax, directly in equity as a reduction of the share proceeds received.

(o) Mine development costs

Mine development expenditure represents the costs incurred in preparing the mine for recommissioning and production, and also includes other directly attributable costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised over the production term. The development costs are written off if the mine property is abandoned. Development costs incurred to maintain production are expensed as incurred against the related production.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Inventories

Stores and spares, consumables, copper product on hand and in circuit

Stores and spares, copper product on hand and in circuit are stated at the lower of cost and net realisable value. Cost comprises, direct materials, direct labour and a proportion of indirect overhead expenditure allocated on the basis of relevant operating capacity. Costs are assigned to individual items of inventory on basis of weighed average cost. Costs of inventory are determined after deducting applicable rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and to make the sale.

(q) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in short-term and long-term payables.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

(s) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly and unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability being the market with the greatest volume and level of activity for the asset or liability, or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period, being the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques:

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Fair value of assets and liabilities continued

Valuation techniques continued:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy:

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- *Level 1*
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- *Level 2*
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy, being transfers into and out of each level of the fair value hierarchy, on the date the event or change in circumstances occurred.

(t) **Borrowing costs**

Borrowing costs incurred in relation to the provision of finance facilities are expensed in the period in which they were incurred, except when the borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of the asset.

(u) **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(v) **Provision for rehabilitation**

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provided at each reporting date.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Financial Instruments

Investments and other financial assets

Initial recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions to the instrument, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted). Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63. Other receivables are recognised at amortised cost, less any provision for impairment.

Classification and subsequent measurement

Trade and other receivables are subsequently measured at amortised cost. Trade receivables are generally due for settlement within 30 days.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial asset

A financial asset is subsequently measured at amortised cost if it meets the following conditions: the financial asset is managed solely to collect contractual cash flows; and the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial assets:

- the right to receive cash flows from the asset has expired or been transferred;
- all risks and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Borrowings and other financial liabilities

Initial recognition and measurement

Borrowings and other financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. Borrowings and other financial liabilities are initially measured at fair value net of transaction costs. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

Borrowings and other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial liability; that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition. A financial liability cannot be reclassified.

Derecognition

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Financial Instruments continued

Impairment:

Financial Assets

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost; and
- loan commitments that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the general approach to impairment. Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Non-Financial Assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets, other than deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating-unit.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

	CONSOLIDATED	
	2019	2018
	\$	\$
3. OTHER INCOME		
a). Interest received	1	39,462
b). Other income		
Research & Development (R&D) Tax Incentive	-	552,982
4. FINANCE COSTS		
Bank charges	4,864	5,425
Interest expense	50,513	33,337
	<u>55,377</u>	<u>38,762</u>

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	CONSOLIDATED	
	2019	2018
	\$	\$
5. INCOME TAX EXPENSE		
<u>a). The components of tax expense comprise:</u>		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
<u>b). The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:</u>		
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2018: 27.5%)	(209,054)	32,294
Add tax effect of:		
- Other temporary differences	(24,956)	-
- Revenue losses and other deferred tax balances not recognised	234,010	(32,294)
Income tax	<hr/>	<hr/>
	-	-
<u>c). Deferred tax not recognised:</u>		
Deferred tax assets:		
- Provisions and accruals	5,981	30,938
- Carry forward revenue losses	16,515,804	16,281,794
- Net deferred tax	<hr/>	<hr/>
	16,521,785	16,312,732
<u>d). Carried forward revenue losses:</u>	<hr/>	<hr/>
	60,057,469	59,206,524

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising the benefits.

e). Tax Consolidation

Redbank Copper Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2003. Redbank Copper Limited is the head entity of the tax consolidated group.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	CONSOLIDATED	
	2019	2018
	\$	\$
6. TRADE AND OTHER RECEIVABLES		
<u>Current</u>		
Other receivables	390	9,264
Other receivables due but not impaired	8,494	-
Net goods and services tax (GST) recoverable	8,391	10,750
	<hr/>	<hr/>
Total trade and other receivables (current)	17,275	20,014
	<hr/>	<hr/>
7. OTHER NON-CURRENT ASSETS		
<u>Non-current</u>		
Tenement deposits	23,225	23,225
	<hr/>	<hr/>
Represents restricted funds on deposit acting as security for letters of environmental guarantee provided by the Company's bankers to the Northern Territory Government Department of Primary Industry and Resources. The deposits are not expected to be recouped within the coming 12 months.		
<u>Reconciliation of tenement deposits (non-current)</u>		
Opening	23,225	130,225
Reclassification from non-current to current asset	-	(107,000)
	<hr/>	<hr/>
	23,225	23,225
	<hr/>	<hr/>
8. PLANT AND EQUIPMENT		
<u>Plant and Equipment – Head office</u>		
Cost	628,764	628,764
Accumulated depreciation	(628,764)	(628,764)
Written down value	<hr/>	<hr/>
	-	-
<u>Plant and Equipment – Mine site</u>		
Cost	1,691,307	1,691,307
Accumulated depreciation	(1,655,166)	(1,655,166)
Written down value	36,141	36,141
Accumulated impairment	(36,141)	(36,141)
	<hr/>	<hr/>
Total Plant and Equipment	-	-
	<hr/>	<hr/>

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	CONSOLIDATED	
	2019	2018
	\$	\$
Exploration and evaluation costs	-	-
<i>Reconciliation of carrying amounts:</i>		
Opening	-	-
Expenditure incurred	408,462	181,268
Expenditure expensed	(408,462)	(181,268)
Provision for impairment	-	-
Written down value	-	-

Recoverability

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively sale of the respective areas of interest. As significant operations have ceased and/or economically recoverable resources are not assessed as being present at this stage, exploration expenditure of \$408,462 during the current year was expensed.

10. TRADE AND OTHER PAYABLES

Current

Trade creditors	1,581,908	1,131,286
Accruals	151,735	112,500
Others	18	115
	1,733,661	1,243,901

Terms

Trade creditors and accruals are non-interest bearing and normally settled on 30 day terms. At the reporting date, certain trade and other payables are past due. The ageing of trade and other payables at 30 June 2019 is shown below.

Current	30-60 Days	60-90 Days	>90 Days	Total
\$121,677	\$19,871	\$36,795	\$1,403,565	\$1,581,908

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. LOANS AND BORROWINGS

	CONSOLIDATED	
	2019	2018
	\$	\$
<u>Current</u>		
Other loan – non interesting bearing	-	(95)
Other loans – interest bearing	777,158	556,643
	<u>777,158</u>	<u>556,548</u>
 <u>Reconciliation of carrying amount:</u>		
Opening amount	556,548	605,739
Loans from related parties ¹	170,097	329,989
Interest on loans from related parties	50,513	32,924
Repayment of loans from related parties	-	(412,104)
Closing amount	<u>777,158</u>	<u>556,548</u>

¹ Further information relating to loans from related parties is set out in Note 17.

12. PROVISIONS

<u>Non-current</u>		
Environmental rehabilitation	<u>23,750</u>	<u>23,750</u>
 Reconciliation of carrying amount:		
Opening	23,750	130,750
Provision reversed during the year*	-	(107,000)
Closing	<u>23,750</u>	<u>23,750</u>
 * Total provisions reversed during the year.	 <u>-</u>	 <u>107,000</u>

13. ISSUED CAPITAL

Ordinary shares	<u>99,004,337</u>	<u>99,004,337</u>
-----------------	-------------------	-------------------

Ordinary shares entitle the holder to participate in dividends in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting of shareholders either in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. ISSUED CAPITAL (continued)

In December 2017, the Company undertook a 20:1 share consolidation. The number of shares on issue has been adjusted accordingly.

	CONSOLIDATED	
	Shares	\$
<u>Movement in ordinary shares</u>		
Balance at 30 June 2017	116,971,891	99,004,337
No movement during the year	-	-
Balance at 30 June 2018	116,971,891	99,004,337
No movement during the year	-	-
Balance at 30 June 2019	<u>116,971,891</u>	<u>99,004,337</u>

Capital Risk Management

When managing capital, management's objective is to safeguard the entity's ability to continue as a going concern as well as to maintain optimum returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management has no current plans to reduce the capital structure through a share buy-back. The Group is not subject to any externally imposed capital restrictions.

	CONSOLIDATED	
	2019	2018
	\$	\$
14. RESERVES		
Share option reserve	<u>1,650,547</u>	<u>1,650,547</u>

There have been no movements in the share option reserve during the last three financial years. There are no options on issue as at 30 June 2019 (30 June 2018: nil).

Nature and Purpose

The share option reserve represents the value of equity benefits provided to directors and employees as part of their remuneration and the value of services provided to the Group paid for by the issue of equity.

Compound financial instrument reserve	<u>77,881</u>	<u>77,881</u>
---------------------------------------	---------------	---------------

There have been no movements in the compound financial instrument reserve during the last three financial years.

Nature and Purpose

The compound financial instrument reserve arose on the grant of options to Macquarie Bank Limited ("MBL") as approved by shareholders at the General Meeting held on 8 April 2005 being issued as a compound of the convertible re-financing facility provided by the bank. These options lapsed unexercised on 28 February 2008.

Total Reserves	<u>1,728,428</u>	<u>1,728,428</u>
----------------	------------------	------------------

15. REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2019	2018
	\$	\$
Amounts paid or due and payable to the auditors for auditing and review of the financial reports	<u>32,377</u>	<u>39,013</u>

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16. DIRECTOR AND EXECUTIVE DISCLOSURES	CONSOLIDATED	
	2019	2018
	\$	\$
<u>Compensation of Key Management Personnel</u>		
Short-term employee benefits ¹	70,250	108,000
	<u>70,250</u>	<u>108,000</u>

¹ Short-term employee benefits include wages, salaries, fees, cash bonus, non- monetary benefits and annual leave entitlements.

17. RELATED PARTY DISCLOSURES

(a) Types of Related Parties

A person or a close member of that person's family is related to Redbank if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to Redbank if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Subsidiaries of the Company can be found in Note 18. Directors and Key Management Personnel who held office for any time during the year are disclosed in the Directors' report.

(b) Terms and conditions of transactions with related parties:

Transactions (excluding loans) with related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Apart from loans to subsidiaries, the Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 30 June 2019. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17. RELATED PARTY DISCLOSURES (continued)

(c) Loans to key management personnel

There were no loans to key management personnel during the financial year (2018: nil).

(d) Transactions with related parties in the wholly owned group

During the financial year, unsecured loan advances were made between the parent entity and its controlled entities. All such loans were interest free. Intra-entity loan balances have been eliminated in the financial report of the Group. During the period, entities associated with the former Chairman, Mr Michael Fotios, made payments on behalf of the Group. These amounts have been recorded as liabilities within the financial statements.

(e) **2019**

Transactions with related entities

	<i>Accounting</i>	<i>Care & Maintenance</i>	<i>Directors Fees / Consulting</i>	<i>Office Rental/Other</i>	<i>Total</i>
Delta Resource Management ¹	32,727	185,049	37,500	43,515	298,791
National Supply Partners ¹	-	-	17,500	-	17,500
Total	32,727	185,049	55,000	43,515	316,291

¹Amounts were accrued and remain outstanding at the end of the year.

2018

Transactions with related entities

	<i>Accounting</i>	<i>Care & Maintenance</i>	<i>Directors Fees / Consulting</i>	<i>Office Rental</i>	<i>Total</i>
Delta Resource Management ¹	23,259	1,766	48,000	28,000	101,025
DSBC Consulting ¹	-	-	15,000	-	15,000
National Supply Partners ¹	-	-	15,000	-	15,000
Readhead Legal Pty Ltd ¹	-	-	30,000	-	30,000
Whitestone Mining Services Pty Ltd ¹	2,730	63,219	-	-	65,949
Total	25,989	64,985	108,000	28,000	226,974

¹Amounts were accrued and remain outstanding at the end of the year.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17. RELATED PARTY DISCLOSURES (continued)

	2019	2018
	\$	\$
Trade and other payables balances owing to related entities at year end		
Delta Resource Management Pty Ltd	567,170	240,427
Eastern Goldfields Limited	34,962	35,474
Michael Fotios Family Trust	26,400	26,400
Michael Fotios	3,355	1,659
National Supply Partners	50,841	28,719
Readhead Legal Pty Ltd	-	87,500
Whitestone Mining Services Pty Ltd	380,833	380,833
Total trade and other payable balances	1,063,561	801,012

(f) Loans to/from related entities

The purpose of the loans with related entities is to provide working capital to the Group to fund its immediate operational requirements. The proceeds from the loans have been used to meet short-term expenditure needs.

The following balances are outstanding at the end of the reporting period:

	2019	2018
	\$	\$
Loans to other related entities (non-interest bearing)		
<i>Beginning of the year</i>	(95)	(1,912)
Loans repaid	95	1,817
End of year	-	(95)
Loans from other related entities (interest bearing)		
<i>Beginning of the year</i>	556,643	592,65
Loans advanced	170,002	343,17
Interest on related party loans	50,513	32,92
Loans repaid	-	(412,104)
End of year	777,158	556,64
Net loans payable (see note 11)	777,158	556,54
Loan balances at year end		
Delta Resource Management Pty Ltd	63,727	55,60
Michael Fotios	151	
Michael Fotios Family Trust	243,324	124,08
Whitestone Mining Services Pty Ltd	379	37
Murchison Metals Ltd	-	(95
Azurite Corporation	37,354	
Investmet Pty Ltd	432,223	376,56
Total net loans (see note 11)	777,158	556,54

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18. INVESTMENTS IN CONTROLLED ENTITIES

<u>Name of entity</u>	Country of Incorporation	Class	2019	2018
Redbank Operations Pty Ltd	Australia ¹	Ordinary	100%	100%
Volley Oil Pty Ltd	Australia ^{1,2}	Ordinary	100%	100%

¹ These entities are members of the tax consolidated group of which Redbank is the head entity

² Dormant

19. SEGMENT INFORMATION

The Group has adopted AASB 8 Operating Segments. AASB 8 requires a “management approach” under which operating segment information is presented on the basis as that used for internal reporting purposes and are reviewed by the Board (chief operating decision maker) in order to allocate resources to the segment and to assess its performance.

SEGMENTS	Care and Maintenance	Exploration	Corporate	Consolidated
Year ended 30 June 2019	\$	\$	\$	\$
Segment revenues	-	-	1	1
Segment expenses	(20,213)	(408,462)	(331,521)	(760,196)
Segment loss	(20,213)	(408,462)	(331,520)	(760,195)
<u>Included within segment loss:</u>				
Finance cost	-	-	(55,377)	(55,377)
Interest revenue	-	-	1	1
Segment Assets	8,494	23,225	12,070	43,789
Segment Liabilities	-	(542,691)	(1,991,878)	(2,534,569)
Year ended 30 June 2018	\$	\$	\$	\$
Segment revenues	-	552,982	39,462	592,444
Segment expenses	1,080	(76,268)	(399,823)	(475,011)
Segment profit	1,080	476,714	(360,361)	117,433
<u>Included within segment profit:</u>				
Finance cost	-	-	(38,762)	(38,762)
Interest revenue	-	-	39,462	39,462
Segment Assets	8,494	23,225	61,895	93,614
Segment Liabilities	-	(439,476)	(1,384,723)	(1,824,199)

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

20. (LOSS)/ EARNINGS PER SHARE

	CONSOLIDATED	
	2019	2018
	\$	\$
Basic (loss)/ earnings per share (cents per share)	(0.65)	0.10
Dilutive (loss)/ earnings per share (cents per share)	(0.65)	0.10

The following reflects the earnings and average number of ordinary shares and potential ordinary shares used in the calculation of basic and diluted earnings per share:

(Loss)/ earnings used in calculating basic and diluted loss/earnings per share	(760,195)	117,433
Weighted average number of ordinary shares used in the calculation of basic (loss)/ earnings per share – post consolidation	116,971,891	116,971,891

Effect of dilutive securities:

There is no impact of dilutive shares as the Group made a loss for the year and there are no options on issue at 30 June 2019 (2018: nil). The diluted earnings per share is therefore the same as basic loss per share.

21. CONTINGENT LIABILITIES

There are no material contingent liabilities of the Group at the reporting date.

22. SUBSEQUENT EVENTS

On the 2 August 2019, pursuant to a section 249D notice received by the Company, Mr Alan Still, Ms Carol New and Mr Craig Hall were terminated as Non-executive Directors of the Company. On the same date, Mr Daryl Henthorn and Mr Keith Middleton were appointed as Non-executive Directors and Mr Michael Hannington was appointed as Executive Chairman of the Company.

Post year end, the new Board of Directors have reduced the liabilities by \$398,762 through negotiation or settlement.

On 12 September 2019, the Company announced it had secured \$300,000 in interim funding through converting loans. The loans accrue interest at 10% per annum and have the option to convert into shares, subject to all necessary approvals, at a conversion rate of \$0.013.

Other than the above, there are no significant events which have occurred subsequent to the end of the year other than have been disclosed in the financial report.

23. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash, receivables, payables and loans.

The Group manages its exposure to key financial risks in accordance with the group's financial management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Primary responsibility for identification and control of financial risks is borne between the board members and executive management.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL INSTRUMENTS (continued)

Risk exposures and responses

Interest rate risk

At the reporting date, the Group has interest bearing liabilities in relation to related party loans (refer to note 17) at an interest rate of 8% per annum.

The Group continually monitors interest rate exposure and should interest rates rise significantly, given the cash reserves and future cash flows of the Group, it has an ability to repay the interest bearing facilities.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date.

At 30 June 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax (loss)/profit and equity would have been affected as follows:

<i>Interest rate risk</i>	Post tax profit - higher / (lower)	
	2019	2018
	\$	\$
Judgements of reasonably possible movements - Consolidated:		
+ 1% (100 basis points)	(7,772)	(5,237)
- 1% (100 basis points)	7,772	5,237

The movements in profit are due to movements in variable interest rates which the Group's financial assets and liabilities are exposed to during the year.

	CONSOLIDATED	
	2019	2018
	\$	\$
At balance date the Group's exposure to variable interest rate risks on financial assets are as follows:		
<i>Financial assets</i>		
Cash and cash equivalents – interest bearing	-	-
Trade and other receivables – interest bearing	-	-
	<hr/>	<hr/>
	-	-
<i>Financial liabilities</i>		
Related party loans – interest bearing	777,158	556,548
	<hr/>	<hr/>
	777,158	556,548

Credit risk

Credit risk arises from the financial assets of the Group, which comprises cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the instruments. Exposure at balance date is addressed in each applicable note.

The Group aims to maximise concentration of credit risk in relation to trade receivables by undertaking transactions with credit worthy parties and in relation to loans to other parties by regular weekly monitoring of accounts by the Chief Financial Office and Managing Director.

Credit risk in trade receivables is managed in the following ways:

- Payment terms are 30 days for receivables other than loans
- A regular risk review takes place on all receivables and loan balances
- A thorough continuing assessment process with all loan receivables.

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Group manages liquidity risk by monitoring forecast cash flows.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as of 30 June 2019. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2019.

Maturity analysis of financial assets and liabilities based on management's expectations

Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Group has established comprehensive risk reporting covering its business that reflects expectations of management of expected settlement of financial assets and liabilities.

30 June 2019

Consolidated	Weighted average effective interest rate %	< 6 months \$	6 - 12 months \$	1 - 5 years \$	>5 years \$	Total \$
Financial assets						
Cash and cash equivalents	-	3,289	-	-	-	3,289
Trade and other receivables	-	17,275	-	-	23,225	40,500
		20,564	-	-	23,225	43,789
Financial liabilities						
Trade and other payables	-	(1,733,661)	-	-	-	(1,733,661)
Loans and borrowings	8%	-	(777,158)	-	-	(777,158)
		(1,733,661)	(777,158)	-	-	(2,510,819)
Net Maturity		(1,713,097)	(777,158)	-	23,225	(2,467,030)

30 June 2018

Consolidated	Weighted average effective interest rate %	< 6 months \$	6 - 12 months \$	1 - 5 years \$	>5 years \$	Total \$
Financial assets						
Cash and cash equivalents	-	50,375	-	-	-	50,375
Trade and other receivables	-	-	20,014	-	23,225	43,239
		50,375	20,014	-	23,225	93,614
Financial liabilities						
Trade and other payables	-	(1,243,901)	-	-	-	(1,243,901)
Loans and borrowings	8%	-	(556,548)	-	-	(556,548)
		(1,243,901)	(556,548)	-	-	(1,800,449)
Net Maturity		(1,193,526)	(536,534)	-	23,225	(1,706,835)

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL INSTRUMENTS (continued)

As at 30 June 2019, the Company was financed by loan facilities from related parties, refer to notes 11 and 17 for further detail. As at the date of this report, the availability of further drawdowns from the facilities is uncertain given the parties previously providing funding are associated with the former Chairman.

Price risk

The Group's exposure to commodity risk is minimal, however commodity risk will be a factor when copper mining operations recommence.

Equity securities price risk arises from investments in equity securities. The Group has no exposure to equity securities.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

CONSOLIDATED

2019	2018
\$	\$

24. CASH FLOW STATEMENT

(a) Reconciliation of cash:

Cash at bank and on hand	3,289	50,375
--------------------------	-------	--------

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, as defined above (and money market investments readily convertible to cash on hand), net of outstanding bank overdrafts. Refer to Note to 2 (m).

(b) Reconciliation of net cash outflow from operating activities to loss after income tax:

(Loss) / profit after income tax	(760,195)	117,433
Depreciation and amortisation	-	-
Exploration and evaluation expenditure	-	-
Impairment of property, plant and equipment	-	-
Interest on related party loans	50,513	32,924
Reduction in environmental provision	-	(105,000)
Changes in operating assets and liabilities:		
Decrease/(increase) in operating trade and other receivables	2,739	241,447
Decrease in other current assets	-	105,000
Increase/(decrease) in operating trade and other payables	489,760	(262,229)
Net cash (outflow)/inflow from operating activities	(217,183)	129,575

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

24. CASH FLOW STATEMENT (continued)

	CONSOLIDATED	
	2019	2018
	\$	\$
<u>Financing facilities available</u>		
At reporting date, the following financing facilities were available:		
<i>Bank overdraft facility (unsecured)</i>		
Total facility	30,000	30,000
Used at reporting date	-	-
Facility unused at reporting date	30,000	30,000

25. EXPENDITURE COMMITMENTS

Non-discretionary tenement expenditure

All of the Group's beneficially held tenements are located in the Northern Territory. To maintain the tenements current right of tenure, the minimum expenditure requirements and annual rental obligations, as stipulated by the Northern Territory Department of Primary Industry and Resources ("Department") must be met, and paid during each tenement anniversary year. The Department provides benchmark guidelines on actual minimum exploration expenditure on exploration licences, and where expenditure commitments has not been met for 2 consecutive years (and for each consecutive subsequent year/s), the Department will impose a penalty by way of partial relinquishment of tenure based on the shortfall in commitment. Where a tenement has not met its expenditure obligations, it must also submit a Variation of Covenant application – this does not affect block loss penalties being imposed by the Department, but the holder may request to be waived of such block loss penalty. The Group has an annual exploration expenditure commitment of \$814,407 (2018: \$618,000).

Operating leases

Rental of premises – 3 months' notice	9,000	6,000
---------------------------------------	-------	-------

26. SHARE BASED PAYMENTS

There were no share based payments made during the year (2018: nil).

Employee Share Option Plan

The Redbank Employee Incentive Option Plan ("EIOP") has been adopted by the Board and was approved by shareholders in general meeting on 30 November 2017.

Any options granted are made in accordance with thresholds stipulated in the EIOP. Options are granted under the plan for no consideration and carry no dividend or voting rights.

Fair value of share options granted in the year

There were no share options granted during the financial year (2018: nil).

Movement in share options during the year

There were no employee options granted, forfeited, exercised or expired during the financial year (2018: nil)

REDBANK COPPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

27. PARENT ENTITY INFORMATION

	2019 \$	2018 \$
<u>Statement of Financial Position</u>		
Assets		
Current assets	10,877	58,775
Non-current assets	-	-
Total assets	10,877	58,775
Liabilities		
Current liabilities	1,214,720	1,384,723
Non-current liabilities	777,158	-
Total liabilities	1,991,878	1,384,723
Net liabilities	(1,981,001)	(1,325,948)
Equity		
Issued capital	99,004,337	99,004,337
Accumulated losses	(102,713,766)	(102,058,713)
Share option reserve	1,728,428	1,728,428
Total equity/(deficiency)	(1,981,001)	(1,325,948)
<u>Statement of Financial Performance</u>		
Loss for the year	(655,053)	(306,063)
Other comprehensive income	-	-
Total loss for the year	(655,053)	(306,063)
<u>Guarantees entered into by the parent entity in relation to the debts of its subsidiaries</u>		
Redbank has provided, via its bankers, letters of guarantee to various Australian State Mines Departments totalling \$23,225 (2018: \$23,225) as security over tenements held within the group.		
<u>Contingent liabilities of the parent entity</u>		
None (2018: nil)		
<u>Commitments for the acquisition of property, plant and equipment by the parent entity</u>		
None (2018: nil)		
<u>Commitments for operating leases</u>		
Rental of premises – 3 months' notice	9,000	6,000

REDBANK COPPER LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards, 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 30 June 2019 and of its performance for the financial year ended on that date; and
2. at the date of this declaration and as set out in Note 2, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.



Michael Hannington
Executive Chairman

Perth, Western Australia
27 September 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
REDBANK COPPER LIMITED**

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Redbank Copper Limited, the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

Included in the Notes 11 and 17 are the loans and trade and other payables to the former Chairman of the Company and his associated entities amounting to \$1,840,719 (loans: \$777,158 and trade and other payables: \$1,063,561) as at 30 June 2019. At the date of this report we were informed by the directors of the company that certain of the amounts owed are in dispute. We have not been able to obtain satisfactory independent confirmation of the outstanding balances or the amounts in dispute. Accordingly, we were unable to satisfy ourselves on the completeness and accuracy of the balance outstanding as at 30 June 2019.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

Without modification to the audit opinion expressed above, attention is drawn to the following matter.

As referred to in note 2 to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2019, the Group had net liabilities of \$2,490,780, cash and cash equivalents of \$3,289 and a net working capital deficit of \$2,490,255. The Group had incurred a loss for the year ended 30 June 2019 of \$760,195.

The ability of the Group to continue as a going concern and meet its administration and other commitments is dependent upon the Group raising further capital to repay the existing loans and payables and provide new working capital and/or the Group successfully exploiting its mineral assets. In the event the Group is unable to raise further capital to repay the existing loans and payables and provide new working capital and/or the Group successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due, or realise its assets at their stated values.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Other than the matter described in the *Basis for Qualified Opinion* and the *Emphasis of Matter Related to Going Concern* sections, we have determined that there are no key audit matters.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 2 to 9 of the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act*

2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

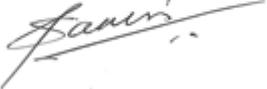
Basis for Qualified Opinion on the Remuneration Report

During the period January to April 2019, the Company appointed three new directors to replace Board members who resigned. The Board of the Company, appointed after 30 June 2019, contends that the service agreements of these three directors who were subsequently removed on 2 August 2019, were never executed and signed. For this reason no remuneration has been accrued and disclosed in the Remuneration Report for the financial year ended 30 June 2019 for these three directors. Accordingly, we were unable to satisfy ourselves on the completeness and accuracy of the Remuneration Report with respect to those three directors for the financial year ended 30 June 2019.

Qualified Opinion on the Remuneration Report

In our opinion, except for the possible effects on the Remuneration Report of the matter referred to in the preceding paragraph, the Remuneration Report of Redbank Copper Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director
West Perth, Western Australia
27 September 2019

REDBANK COPPER LIMITED
ACN 059 326 519
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as of 5 August 2019 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication “Corporate Governance Principles and Recommendations” 3rd edition (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan that provides the written terms of reference for the Company’s corporate governance duties that is available on the Company’s website at www.orminex.com.au.

Due to the current size and nature of the existing Board, the Board has not established individual Board committees. Under the Board’s Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p>Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p>	YES	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibility of the Board, requirements as to the Board’s composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors’ access to Company records and information, details of the Board’s relationship with management, details of the Board’s performance review and details of the Board’s disclosure policy.</p> <p>A copy of the Company’s Board Charter, which is part of the Company’s Corporate Governance Plan, is available on the Company’s website.</p>
<p>Recommendation 1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p>	YES	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company’s Nomination Committee Charter (in the Company’s Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person or putting forward to security holders a candidate for election, as a Director..</p>

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.		(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has written agreements with each of its Directors and senior executives.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	YES	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p style="padding-left: 20px;">(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p style="padding-left: 20px;">(ii) either:</p> <p style="padding-left: 40px;">(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p style="padding-left: 40px;">(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act 2012, the entity's most recent "Gender Equality Indicators" as defined in that Act.</p>	PARTIALLY	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives if considered appropriate and to assess annually both the objectives and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p style="padding-left: 20px;">(i) The Board does not presently intend to set measurable gender diversity objectives because, if it becomes necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit; and</p> <p style="padding-left: 20px;">(ii) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed on the Company's website</p>

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees, and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes.</p>
Principle 2: Structure the Board to add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent Directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p>	YES	<p>(a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence, and</p>

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <p>(i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and</p> <p>(ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	NO	<p>Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board current has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Company intends to develop a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy will be made available on the Company's website.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report and on its ASX website. The Board considers that two of the current Directors are independent.</p> <p>(b) There are two independent Directors who fall into this category. The Company will disclose in its Annual Report and ASX website any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent.</p> <p>(c) The Company's website will disclose the length of service of each Director, as at the end of each financial year.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	YES	<p>The Board Charter requires that, where practical, the majority of the Board must be independent.</p> <p>At this stage, two of its Directors are considered independent.</p>

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		<p>As such, independent Directors are currently an independent majority of the Board.</p> <p>The Board does currently consider an independent majority of the Board to be appropriate given:</p> <ul style="list-style-type: none"> (a) the nature of the Company's business, and its limited scale of activities, meaning the Company only needs, and can only commercially sustain, a small Board of three Directors: (b) the Company considers at least one (1) Director needs to be executive Directors for the Company to be effectively managed.
<p>Recommendation 2.5</p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	NO	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company is not an independent Director. The Company does not have a CEO.</p> <p>The Board does not have an independent Chair because, at this stage in the Company's development, Mr Henthorn is best placed to fulfil this role.</p> <p>The Board has taken the following steps to structure the Board to add value despite not having an independent Chairman:</p> <ul style="list-style-type: none"> (a) Board meetings are held with a flat structure allowing contribution from all Directors that allows for a diversity of views to be considered; (b) The Board may as necessary consider the appointment of an independent director who can fulfil the role whenever the Chair is conflicted.
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Chair is responsible for facilitating inductions and professional development.</p>
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of it. 	YES	<ul style="list-style-type: none"> (a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p style="margin-left: 20px;">(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent Director, who is not the chair of the Board,</p> <p>and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the relevant qualifications and experience of the members of the committee; and</p> <p style="margin-left: 20px;">(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>YES</p>	<p>(a) The Company currently does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.</p> <p>(b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p style="margin-left: 20px;">(i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</p> <p style="margin-left: 20px;">(ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>YES</p>	<p>These obligations of a Company's CFO or CEO (if any) are set out in the Company's Corporate Governance Plan.</p> <p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.</p>

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	YES	Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material in that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	The Shareholder Communication Strategy states that, securityholders can register with the Company to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent Directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent Director, and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p> <p style="margin-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	YES	<p>(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have an Audit and Risk Committee as the Board consider the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework:</p> <p style="margin-left: 20px;">(i) the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the company's risk management framework has taken place.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p>	YES	<p>(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(b) The Company does not have an internal audit function. The Company is committed to understanding and managing risk and to establishing an organisational culture that</p>

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size.
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental, and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental, and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent Directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p> <p style="margin-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>(a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company). with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p style="margin-left: 20px;">(i) the Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of</p>	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior Directors which is disclosed on the Company's website.

REDBANK COPPER LIMITED

CORPORATE GOVERNANCE STATEMENT

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.		
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	NA	The Company does not have an equity based incentive remuneration scheme.

REDBANK COPPER LIMITED

TENEMENT SCHEDULE

TENEMENT No.	LOCATION	INTEREST %	HOLDER
EL10335	NT	100	Redbank Operations Pty Ltd ^{1,2}
EL24654	NT	100	Redbank Operations Pty Ltd ¹
EL28288	NT	100	Redbank Operations Pty Ltd ¹
EL28289	NT	100	Redbank Operations Pty Ltd ¹
EL28290	NT	100	Redbank Operations Pty Ltd ¹
EL31316	NT	100	Redbank Operations Pty Ltd ¹
ELR94	NT	100	Redbank Operations Pty Ltd ¹
MLN634	NT	100	Redbank Operations Pty Ltd ¹
MLN635	NT	100	Redbank Operations Pty Ltd ¹
EL6247	SA	100	Redbank Copper Limited
EL6321	SA	100	Redbank Copper Limited

Note 1: Redbank Operations Pty Ltd is a wholly owned subsidiary of Redbank Copper Limited.

Note 2: Redbank Operations Pty Ltd acquired a 100% interest on 2 September 2019.

REDBANK COPPER LIMITED

ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

The Company has previously reported a total Mineral Resource of 6.27 million tonnes at a grade of 1.5% for 96,500 tonnes of contained copper metal for the Redbank Copper Project, pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition. The Mineral Resource comprises an Indicated Resource of 2.77 million tonnes at 1.6% copper for 43,100 tonnes of contained copper metal and an Inferred Resource of 3.50 million tonnes at 1.5% copper for 53,400 tonnes of contained copper metal.

The Mineral Resource was first reported in 2011 and subsequently in the Company's Prospectus dated 13 February 2013. There has been no change to the Resource Statement reported in the Company's Prospectus dated 13 February 2013 to the review date of 30 June 2019, or to the date of this Annual Report.

In completing the annual review for the year ended 30 June 2019, the historical resource factors were reviewed and found to be relevant and current. The Redbank Copper Project has not been converted to an active operation yet and hence no resource depletion has occurred for the review period.

THE MINERAL RESOURCE STATEMENT

The current Mineral Resource Statement for the Redbank Copper Project is shown in Table 1 below.

By Deposit

	Indicated			Inferred			Total		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	222,000	1.6	3,500	20,000	1.3	200	242,000	1.5	3,700
Redbank	196,000	2.2	4,300	185,000	1.1	2,000	381,000	1.7	6,300
Punchbowl	435,000	1.2	5,100	259,000	1.6	4,200	694,000	1.3	9,300
Roman Nose	-	-	-	1,287,000	1.4	17,900	1,287,000	1.4	17,900
Bluff	1,062,000	1.6	17,400	922,000	1.6	14,600	1,984,000	1.6	32,000
Prince	-	-	-	101,000	1.7	1,700	101,000	1.7	1,700
Sandy Flat	851,000	1.5	12,800	688,000	1.8	12,000	1,539,000	1.6	24,800
Stockpiles	-	-	-	40,000	2.0	800	40,000	2.0	800
Total Project	2,766,000	1.55	43,100	3,502,000	1.52	53,400	6,268,000	1.53	96,500

Table 2: Oxide, Transitional and Sulfide Resources

By Style

Oxide	Indicated			Inferred			Total		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	132,000	1.6	2,100	5,000	1.2	100	137,000	1.6	2,200
Redbank	101,000	2.1	2,100	59,000	1.1	600	160,000	1.7	2,700
Punchbowl	20,000	0.7	100	-	-	-	20,000	0.7	100
Roman Nose	-	-	-	46,000	0.7	300	46,000	0.7	300
Bluff	436,000	1.3	5,700	-	-	-	436,000	1.3	5,700
Prince	-	-	-	43,000	2.2	900	43,000	2.2	900
Sandy Flat	-	-	-	-	-	-	-	-	-
Stockpiles	-	-	-	27,000	1.9	500	27,000	1.9	500
Total Oxide	689,000	1.5	10,000	180,000	1.3	2,400	869,000	1.4	12,400

REDBANK COPPER LIMITED

Transitional	Indicated			Inferred			Total		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	11,000	1.4	200	1,000	1.3	-	12,000	1.4	200
Redbank	31,000	2.4	800	14,000	1.8	200	45,000	2.2	1,000
Punchbowl	-	-	-	-	-	-	-	-	-
Roman Nose	-	-	-	-	-	-	-	-	-
Bluff	-	-	-	-	-	-	-	-	-
Prince	-	-	-	-	-	-	-	-	-
Sandy Flat	-	-	-	-	-	-	-	-	-
Stockpiles	-	-	-	13,000	2.3	300	13,000	2.3	300
Total Transition	42,000	2.4	1,000	28,000	1.8	500	70,000	2.1	1,500

Sulfide	Indicated			Inferred			Total		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	79,000	1.5	1,200	14,000	1.4	200	93,000	1.5	1,400
Redbank	64,000	2.2	1,400	112,000	1.1	1,200	176,000	1.5	2,600
Punchbowl	415,000	1.2	5,000	259,000	1.6	4,200	674,000	1.4	9,200
Roman Nose	-	-	-	1,241,000	1.4	17,500	1,241,000	1.4	17,500
Bluff	626,000	1.9	11,700	922,000	1.6	14,600	1,548,000	1.7	26,300
Prince	-	-	-	58,000	1.3	800	58,000	1.3	800
Sandy Flat	851,000	1.5	12,800	688,000	1.8	12,000	1,539,000	1.6	24,800
Stockpiles	-	-	-	-	-	-	-	-	-
Total Sulfide	2,035,000	1.57	32,100	3,294,000	1.53	50,500	5,329,000	1.55	82,600

Total Project	2,766,000	1.55	43,100	3,502,000	1.52	53,400	6,268,000	1.53	96,500
----------------------	------------------	-------------	---------------	------------------	-------------	---------------	------------------	-------------	---------------

Of the Total Mineral Resource, approximately 50% is located within 100 m from surface. Over 85% of the contained copper is in the sulphide resources.

Notes accompanying Mineral Resource Statement

1. Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
2. Rounding is to the nearest 1,000 tonnes, 0.1% Cu and 100 tonnes Cu metal.
3. Significant figures do not imply an added level of precision.
4. The Roman Nose Resource is wholly classified as Inferred, as there is insufficient drill hole density data.

MATERIAL CHANGES AND RESOURCE STATEMENT COMPARISON

There have been no material changes to the Mineral Resource during the review period from 1 July 2018 to 30 June 2019, or to the date of this Annual Report.

The information in this Annual Report that relates to Mineral Resources was prepared and first disclosed under the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") 2004 Edition and has not been updated since to comply with the JORC Code 2012 Edition on the basis that the information has not materially changed since it was last reported. It was previously released to ASX on 13 February 2013 and was titled "Prospectus".

The Company is not aware of any new information or data that materially affects the information as previously released on 13 February 2013 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Redbank has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by an independent external consultant who is experienced in best practices in modelling and estimation methods. The consultant has also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate. In addition, Redbank management carry out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

REDBANK COPPER LIMITED

COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Exploration Results and Mineral Resources at the Redbank is based on information reviewed by Mr Michael Hannington, who is a member of the Australian Institute of Geoscientists. Mr Hannington is the Executive Chairman to Redbank Copper Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hannington consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Redbank Mineral Resource is based on information originally compiled by Mr Phil Jankowski, who is a full time director of Baltica Consulting; and previously employed by SRK Consulting, and reviewed by Mr Hannington. This information was originally issued in the Company's ASX announcement "Redbank increases copper resource and grade", released to the ASX on 8 December 2009. 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. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements. The information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

REDBANK COPPER LIMITED

ASX ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. This information is applicable as at 26 September 2019.

SHAREHOLDINGS

1. Distribution of ordinary shares

Holding Ranges	Holders	Total Units	% of Issued Capital
1-1000	1,110	295,883	0.25
1,001 – 5,0000	356	902,680	0.77
5,001 – 10,000	108	813,473	0.70
10,001 – 100,000	216	8,422,224	7.20
100,001 – 9,999,999,999	105	106,537,631	91.08
Total	1,895	116,971,891	100.00

The number of holders with an unmarkable holding is 1,677, holding a total of 3,854,226 shares amounting to 3.30% of Issued Capital.

2. Twenty largest shareholders

Position	Holder Name	Holding	% IC
1	WYLLIE GROUP PTY LTD	23,251,996	19.88
2	INVESTMET LTD	11,618,567	9.93
3	DELTA RESOURCES MANAGEMENT PTY LTD	10,000,000	8.55
4	MR DENIS PATRICK WADDELL + MRS FRANCINE LOUISE WADDELL <DP WADDELL S/F A/C>	4,062,606	3.47
5	MR DEAN ROBERT TAIT	3,000,000	2.56
6	GUNZ PTY LTD	2,717,284	2.32
7	MR MICHAEL GEORGE FOTIOS <MICHAEL FOTIOS FAMILY A/C>	2,590,000	2.21
8	MR GREGORY JOHN SHARPLESS + MRS JENNIFER LEE SHARPLESS <SHARPLESS INVESTMENT A/C>	2,521,714	2.16
9	INVESTMET LIMITED	2,498,550	2.14
10	MR ANDREW WILLIAM SPENCER <SPENCER SUPER FUND A/C>	2,121,188	1.81
11	MS BETTY JEANETTE MOORE + MR PHILIP COLIN HAMMOND <BJM SUPER A/C>	2,050,000	1.75
12	BOTSIS HOLDINGS PTY LTD	2,000,000	1.71
13	MR PHILIP COLIN HAMMOND + MRS BETTY JEANETTE MOORE <MGB SUPER A/C>	1,800,000	1.54
14	LANTECH DEVELOPMENTS PTY LTD <DAC FAMILY A/C>	1,658,089	1.42
15	MR WAYNE MCGRATH	1,417,371	1.21
16	SHARIC SUPERANNUATION PTY LTD <FARRIS SUPER FUND A/C>	1,085,799	0.93
17	115 DEGREES EAST PTY LTD <LUKE WYLLIE INVESTMENT A/C>	1,000,000	0.85
17	MR ANTHONY HAROLD FOTIOS <FOTIOS FAMILY A/C>	1,000,000	0.85
17	PERTH SELECT SEAFOODS PTY LTD	1,000,000	0.85
20	OAKMOUNT NOMINEES PTY LTD <NARROMINE SUPER FUND A/C>	939,085	0.80
	Total	78,332,249	66.97
	Total issued capital – selected security class(es)	116,971,891	100.00

3. Voting rights

Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each share held.

REDBANK COPPER LIMITED

4. Substantial shareholders

The names of shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* are:

Shareholder	Number of ordinary shares	% of issued capital
Wyllie Group Pty Ltd ¹	465,039,917	19.88%
Michael George Fotios ²	820,676,665	35.08%
Investmet Limited ³	568,876,665	24.32%

1. As provided to the Company on 2 July 2014, pre-consolidation of 20 to 1 completed in December 2017.
2. As provided to the Company on 4 June 2013, pre-consolidation of 20 to 1 completed in December 2017.
3. As provided to the Company on 4 June 2013, pre-consolidation of 20 to 1 completed in December 2017.

4. On-market Buy Back

There is no current on-market buy back.

5. Unquoted Equity Securities.

There are no unquoted equity securities on issue.

6. Securities Exchange

Redbank Copper Limited is listed on the Australian Securities Exchange (ASX code: RCP). The Company has used its cash and assets in a form readily convertible to cash that it had at the time of re-instatement to quotation in a way consistent with its business objectives.

Securities on issue

Category	Number
Ordinary Shares	116,971,891

7. Corporate Governance Statement

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles. For the 2019 financial year, the Company followed and reports against the 3rd Edition of the ASX Principles.

The Company's Corporate Governance Statement is available from the Company's website at:

www.redbankcopper.com.au.