

Redbank Copper Limited

ABN 66 059 326 519

FINANCIAL REPORT

**For the half year ended
31 December 2017**

Redbank Copper Limited
ABN 66 059 326 519

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Michael Fotios	Executive Chairman
Neil Porter	Non-executive Director
Craig Readhead	Non-executive Director

COMPANY SECRETARY

Shannon Coates

REGISTERED OFFICE

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AUDITORS

Stantons International Audit and Consulting Pty Ltd

SOLICITORS

Lavan Legal
Squire Patton Boggs
Cozens Johansen Lawyers

SECURITIES EXCHANGE LISTING

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

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Redbank Copper Limited during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

REDBANK COPPER LIMITED

DIRECTORS' REPORT

The Directors present their financial report of Redbank Copper Limited ("Redbank" or the "Company") and of the consolidated group, being the Company and its controlled entities for the half year ended 31 December 2017.

DIRECTORS

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

Michael Fotios (Executive Chairman)
Craig Readhead (Non-executive Director)
Neil Porter (Non-executive Director) - Appointed 22 January 2018
Damian Delaney (Non-executive Director) - Passed away 18 January 2018

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

REVIEW OF OPERATIONS AND ACTIVITIES

The net profit of the consolidated group for the half year ended 31 December 2017 was \$248,849 (31 December 2016: loss of \$253,670).

Redbank Copper Limited (ASX:RCP) holds over 1,050 km² of granted tenure within the South McArthur River Basin in the Northern Territory that is prospective for copper and other base metal mineralisation, including cobalt. The Redbank project currently contains an indicated and inferred resource of some 96,500 tonnes of copper, from an inventory of 6.2Mt of ore averaging 1.5% Cu (refer 2011 Annual Report released to ASX on 27 October 2011 and Prospectus released to ASX 13 February 2013).

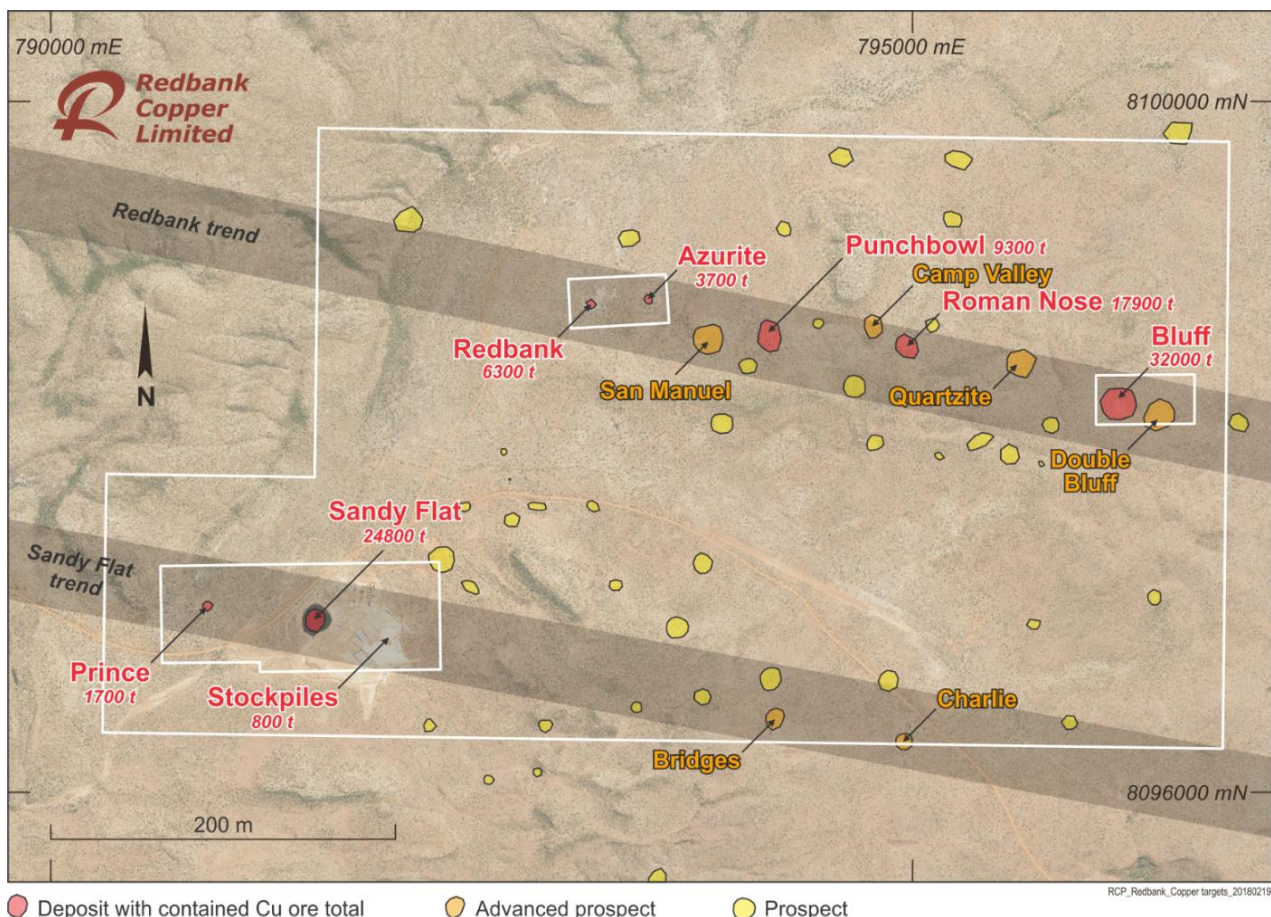


Figure 1: Current Copper Resource Inventory and Prospects, Redbank Project, Northern Territory

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% average) copper oxide ore from the mine was stockpiled and later treated via vat leaching. Smaller-scale mining also occurred at the Redbank, Azurite and Prince prospects between 1916 and 1960. Small-scale vat treatment of high grade (>5% copper) oxide stockpiles from the Sandy Flat mining occurred in the 2000's producing a 'cement' copper product containing 80-90% copper metal.

REDBANK COPPER LIMITED

For the upcoming 2018 field season, the Company is currently planning a comprehensive helicopter-supported Versatile Time Domain Electromagnetic (**VTEM**) programme on 80m line spacing across priority areas on the main ERL94, and surrounding regional tenements EL10335 and EL25654 (**Copperado**). A detailed ground gravity survey is also planned, to assist with the definition of multiple targets from aeromagnetic lows, certain topographic features and inverted gravity data. The Company considers coincident magnetic and gravity lows, combined with TEM highs are indicators of breccia-style copper and copper-cobalt mineralisation.

With interest in cobalt high as a result of surging prices the Company has recently completed a review of prospectivity within its tenements, including compiled geochemical databases and drilling records. The work highlights 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 (refer ASX announcement 28 February 2018). The priority area contains numerous copper showings and targets, most of which remain untested for copper, and in particular for associated cobalt, to the east of the known copper resources at Redbank.

In addition, the Company reviewed the GC1 and GC2 prospects on the Copperado tenement, EL25624, where geologists had previously identified outcrop with pXRF values of 0.8% Cu and 2% Co at GC1 (refer ASX announcement 8 January 2008) and pXRF values of 29.7% Cu and 7.5% Co at GC2 (refer ASX announcement 26 November 2009). A subsequent geochemical survey highlighted coincident Cu, Co, Ni, Pb, Zn, Ag, Au and U signatures at the prospect. ICP analyses from an orientation programme of six surface 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.

A single shallow (60m) drillhole completed in 2010 at GC2 noted no economic concentrations of copper 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. The Company's geologists believe the element association could be indicative of a larger zoned polymetallic system and warrants further investigation at depth. GC2 remains a significant, drill-ready target requiring further investigation, and a focus for field reconnaissance in 2018.

Corporate

The Board continues to work on capital raising initiatives that will fund exploration and development on the Group's tenements.

On 26 October 2017, the Company announced it had entered into an agreement with Michael Fotios (Chairman and substantial shareholder), whereby Mr Fotios and his associated entities agreed to provide funding of up to \$1,000,000 to the Company.

As approved by shareholders at the Company's Annual General Meeting on 30 November 2017, the Company undertook a share consolidation on a 20:1 basis. The consolidation was subsequently completed on 6 December 2017, and resulted in an updated capital structure of 116,871,891 shares on issue.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no matters or circumstances that have arisen since 31 December 2017 other than as disclosed in Note 8 to the financial statements.

COMPETENT PERSON STATEMENT

The information in this report relating to Exploration Results was compiled by Mr Craig Hall, who is an employee of the company and a member of the Australian Institute of Geoscientists ("AIG"). Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement.

The information in this report relating to the Mineral Resource was compiled by Mr Phil Jankowski, who is a full time employee of geological consultants Baltica Consulting and a member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Jankowski has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.

REDBANK COPPER LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included on page 5 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



Michael Fotios
Executive Chairman
Perth, Western Australia

16 March 2018

16 March 2018

Board of Directors
Redbank Copper Limited
24 Mumford Place
BALCATTA WA 6021

Dear Directors

RE: REDBANK COPPER LIMITED

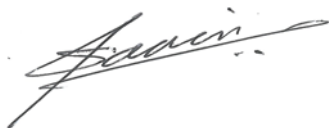
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Redbank Copper Limited.

As the Audit Director for the review of the financial statements of Redbank Copper Limited for the half-year ended 31 December 2017, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Samir Tirodkar
Director

REDBANK COPPER LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the half year ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Continuing operations			
Interest received		32,882	2,583
R&D offset received	3	552,983	-
Finance costs		(3,576)	(6,428)
Employee and directors – remuneration expenses		(54,000)	(54,000)
Depreciation and amortisation		-	(7,644)
Corporate and administrative expenses		(134,565)	(133,890)
Redbank Copper NT care and maintenance		(4,168)	(9,693)
Exploration and evaluation expenditure		(140,707)	(211,300)
Provision for impairment of exploration and evaluation		-	(162,150)
Reduction of environmental provision		-	328,852
Profit/(Loss) from continuing operations		<u>248,849</u>	<u>(253,670)</u>
Income tax expense		<u>-</u>	<u>-</u>
Profit/(Loss) for the period after income tax attributable to members of the parent company		<u>248,849</u>	<u>(253,670)</u>
Other comprehensive income for the period, net of income tax			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the period, net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period attributable to members of the parent company		<u>248,849</u>	<u>(253,670)</u>
Earnings per share			
Basic and diluted loss per share (cents per share)	7	0.21	(0.22)

The accompanying notes form part of these financial statements.

REDBANK COPPER LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	NOTE	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		65,110	2,916
Trade and other receivables		<u>395,333</u>	<u>261,461</u>
TOTAL CURRENT ASSETS		<u>460,443</u>	<u>264,377</u>
NON-CURRENT ASSETS			
Trade and other receivables		<u>25,225</u>	<u>130,225</u>
TOTAL NON-CURRENT ASSETS		<u>25,225</u>	<u>130,225</u>
TOTAL ASSETS		<u>485,668</u>	<u>394,602</u>
CURRENT LIABILITIES			
Trade and other payables	4	1,381,478	1,506,131
Loans and borrowings	5	572,609	605,739
Provisions		<u>105,000</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>2,059,087</u>	<u>2,111,870</u>
NON-CURRENT LIABILITIES			
Provisions		<u>25,750</u>	<u>130,750</u>
TOTAL NON-CURRENT LIABILITIES		<u>25,750</u>	<u>130,750</u>
TOTAL LIABILITIES		<u>2,084,837</u>	<u>2,242,620</u>
NET LIABILITIES		<u>(1,599,169)</u>	<u>(1,848,018)</u>
EQUITY			
Issued capital	6	99,004,337	99,004,337
Accumulated losses		(102,331,934)	(102,580,783)
Reserves		<u>1,728,428</u>	<u>1,728,428</u>
TOTAL DEFICIENCY		<u>(1,599,169)</u>	<u>(1,848,018)</u>

The accompanying notes form part of these financial statements.

REDBANK COPPER LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2017

	Issued capital \$	Reserves \$	Accumulated losses \$	Total Deficiency \$
At 1 July 2017	99,004,337	1,728,428	(102,580,783)	(1,848,018)
Profit for the period	-	-	248,849	248,849
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	-	-	248,849	248,849
At 31 December 2017	99,004,337	1,728,428	(102,331,934)	(1,599,169)

	Issued capital \$	Reserves \$	Accumulated losses \$	Total Deficiency \$
At 1 July 2016	99,004,337	1,728,428	(101,939,819)	(1,207,054)
Loss for the period	-	-	(253,670)	(253,670)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(253,670)	(253,670)
At 31 December 2016	99,004,337	1,728,428	(102,193,489)	(1,460,724)

The accompanying notes form part of these financial statements.

REDBANK COPPER LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities		
Payments to suppliers and employees	(36,947)	(210,681)
Payments for exploration and evaluation expensed	(2,810)	-
R&D offset received	552,983	-
Interest received	32,899	2,583
Interest paid	(27)	(6,428)
Net cash inflow/(outflow) from operating activities	<u>546,098</u>	<u>(214,526)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	-	-
Payments for purchase of plant and equipment	-	-
Net cash (outflow)/inflow from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Loans advanced from other entities	-	5,245
Repayment of loans from other entities	(483,904)	-
Net cash (outflow)/inflow from financing activities	<u>(483,904)</u>	<u>5,245</u>
Net increase/(decrease) in cash and cash equivalents	62,194	(209,281)
Cash and cash equivalents at the start of the half year	<u>2,916</u>	<u>211,399</u>
Cash and cash equivalents at the end of the half year	<u>65,110</u>	<u>2,118</u>

The accompanying notes form part of these financial statements.

REDBANK COPPER LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These general purpose interim financial statements for the half year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Redbank Copper Limited (the "Company") and its controlled entities (referred to as the "consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the half year ended 31 December 2017.

(b) Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except, where applicable, for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Group's 2017 annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In the process of applying the Group's accounting policies, management has made the following significant accounting judgements and estimates in relation to exploration and evaluation:

Exploration and evaluation

Exploration and evaluation expenditure is carried forward 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 to the income statement.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2017. The board recommended a write off of all exploration and evaluation costs.

Changes in accounting policy

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

Adoption of new and revised accounting standards

In the half year ended 31 December 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017. It has been determined by the Group that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to the Group's accounting policies.

REDBANK COPPER LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Preparation (continued)

Going Concern

The financial report has been prepared on a 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 Group incurred a net profit of \$248,849 (31 December 2016: net loss of \$253,670) and a net cash inflow from operating activities of \$546,098 in the period ended 31 December 2017 (31 December 2016: \$214,526 outflow). The Directors are of the opinion that there are reasonable grounds to believe that the Company will be able to continue as a going concern.

On 26 October 2017, the Company announced it had entered into an agreement with Mr Michael Fotios (Chairman and substantial shareholder), whereby Mr Fotios and his associated entities agreed to provide funding of up to \$1,000,000 to the Company.

The Company has received a letter of support from M Fotios and associated entities date 8 March 2018, confirming continued support and that loans will not be recalled within 12 months of the date of the letter.

The Group is also working towards capital raising initiatives and the Directors are confident that it will receive sufficient additional funding from shareholders or other parties.

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. In the event that the Company does not obtain additional funding and/or reduce expenditure in line with available funding, it may not be able to continue its operations as a going concern.

REDBANK COPPER LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

2. SEGMENT INFORMATION

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 have been identified for those specifically allocated to the ongoing care and maintenance, exploration activities and the remainder allocated to corporate. The Group operates in one geographical segment – Australia.

Segment information	Care and Maintenance	Exploration	Corporate	Consolidated
Half year ended 31 December 2017	\$	\$	\$	\$
Segment revenue	-	-	585,865	585,865
Segment (loss)/profit	(4,168)	(140,707)	393,724	248,849
<u>Included within segment loss:</u>				
Depreciation and amortisation	-	-	-	-
Finance cost	-	-	(3,576)	(3,576)
Interest revenue	-	-	32,882	32,882
Segment information	Care and Maintenance	Exploration	Corporate	Consolidated
Half year ended 31 December 2016	\$	\$	\$	\$
Segment revenue	-	-	2,583	2,583
Segment (loss)/profit	(168,390)	99,377	(184,657)	(253,670)
<u>Included within segment loss:</u>				
Depreciation and amortisation	(7,644)	-	-	(7,644)
Finance cost	-	-	(6,428)	(6,428)
Interest revenue	-	-	2,583	2,583
Segment Assets				
At 31 December 2017	-	25,225	460,443	485,668
At 30 June 2017	8,494	130,225	255,883	394,602
Segment Liabilities				
At 31 December 2017	(11,505)	(642,866)	(1,430,466)	(2,084,837)
At 30 June 2017	(11,505)	(693,185)	(1,537,930)	(2,242,620)

REDBANK COPPER LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

3. OTHER INCOME

	31 December 2017	31 December 2016
	\$	\$
R&D offset received ⁽¹⁾	552,983	-
	<u>552,983</u>	<u>-</u>

⁽¹⁾The R&D offset received relates to research and development rebates associated with the 30 June 2014 and 30 June 2015 tax returns.

4. TRADE AND OTHER PAYABLES

	31 December 2017	30 June 2017
	\$	\$
Trade creditors	1,170,569	1,300,369
Accruals	180,004	175,504
Other payables	30,905	30,258
	<u>1,381,478</u>	<u>1,506,131</u>

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 31 December 2017 is shown below.

Current	30-60 Days	60-90 Days	>90 Days	Total
\$79,409	\$35,056	\$53,525	\$1,213,488	\$1,381,478

5. LOANS AND BORROWINGS

	31 December 2017	30 June 2017
	\$	\$
<u>Current</u>		
Other loan – non interesting bearing	572,609	605,739
<u>Reconciliation of carrying amount:</u>		
Opening amount	605,739	504,750
Loans from related parties ¹	450,774	102,901
Loans repaid to related parties	(483,904)	-
Loans receivable reclassified from trade and other receivables	-	(1,912)
Closing amount	<u>572,609</u>	<u>605,739</u>

⁽¹⁾On 26 October 2017, the Company announced it had entered into an agreement with Michael Fotios (Chairman and substantial shareholder), whereby Mr Fotios and his associated entities agreed to provide funding of up to \$1,000,000 to the Company. The loan facility with M Fotios and associated entities is to be repaid in cash within 7 days of the successful completion of a capital raising. Prior to a capital raising, any lender may convert all or some of the outstanding balance of the loan in ordinary shares at the price at which the capital raising is to be completed. Conversion of the loan to ordinary shares is subject to compliance with the applicable laws and regulations including the requirement to seek shareholder approval for a related party transaction.

REDBANK COPPER LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

6. ISSUED CAPITAL

	31 December 2017 \$	30 June 2017 \$
Ordinary shares 116,971,891 (30 June 2017: 116,971,891*) ordinary fully paid shares	99,004,337	99,004,337

**post-consolidation equivalent*

CONSOLIDATED

<i>Movements in ordinary share capital</i>	Shares	\$
Balance 1 July 2017	116,971,891*	99,004,337
No. ordinary shares were issued during the period	-	-
Balance 31 December 2017	116,971,891	99,004,337

**post-consolidation equivalent*

The Company's securities were consolidated on a 20:1 basis with effect from 6 December 2017 (see note 7).

7. EARNINGS PER SHARE

On 30 November 2017 at the Company's Annual General Meeting shareholders approved a share consolidation on a 20:1 basis. The consolidation was subsequently completed on 6 December 2017, and resulted in an updated capital structure of 116,871,891 shares on issue.

The earnings per share is calculated/restated using the post consolidation shares on issue of 116,871,891.

8. SUBSEQUENT EVENTS

On 18 January 2018, the Company announced the passing of Non-executive Director Damien Delaney.

On 22 January 2018, the Company announced the appointment of Neil Porter as a Non-executive Director.

On 28 February 2018, the Company announced that a regional review of tenure for cobalt prospectivity has been completed. The review has highlighted an area of some 50km² about 5km to the east of Redbank on EL10335, where anomalous cobalt values are recorded in stream sediment samples. The Company is currently planning a comprehensive helicopter-supported VTEM programme and gravity survey.

9. EXPENDITURE COMMITMENTS

Non-discretionary tenement expenditures

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 for 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 must request to be waived of such block loss penalty. The Group has an annual exploration expenditure commitment of \$573,900.

Operating leases

Rental of premises – 3 months' notice	9,000	9,000
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REDBANK COPPER LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

10. INVESTMENTS IN CONTROLLED ENTITIES

During and at the end of the interim period, the Company had the following subsidiaries

<i>Name</i>	<i>Country of incorporation</i>	<i>Class</i>	<i>Holding percentage</i>	
			31 December 2017	30 June 2017
			%	%
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

11. CONTINGENCIES

The Directors are of the opinion that there are no material contingent liabilities or contingent assets of the Group at reporting date.

REDBANK COPPER LIMITED

DECLARATION BY DIRECTORS

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 Standard AASB134 Interim Financial Reporting; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
2. at the date of this declaration and as set out in Note 1(b), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael Fotios
Executive Chairman
Perth, Western Australia

16 March 2018

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Redbank Copper Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Redbank Copper Limited ("the consolidated entity"). The consolidated entity comprises both Redbank Copper Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Redbank Copper Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Redbank Copper Limited on 16 March 2018.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(b) of the financial report which states that the financial report has been prepared on a going concern basis. At 31 December 2017, the Group had net liabilities of \$1,599,169, cash and cash equivalents of \$65,110 and a net working capital deficit of \$1,598,644. The Group had generated a profit for the period ended 31 December 2017 of \$248,849.

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 working capital and/or successfully exploiting its mineral assets and/or the continued support of related party entities. In the event the Group is unable to raise further working capital and/or commence profitable operations and/or continue to rely on the support of related party entities, the Group may not be able to meet its liabilities as they fall due, or to realise its assets at their stated values.

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
16 March 2018