

# **Redbank Copper Limited**

ABN 66 059 326 519

## **FINANCIAL REPORT**

**For the half year ended  
31 December 2016**

**Redbank Copper Limited**  
ABN 66 059 326 519

**CORPORATE DIRECTORY**

**BOARD OF DIRECTORS**

Michael Fotios	Executive Chairman
Damian Delaney	Non-executive Director
Craig Readhead	Non-executive Director

**COMPANY SECRETARY**

Shannon Coates

**REGISTERED OFFICE**

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Balcatta WA 6021

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**SHARE REGISTRY**

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Level 2, 45 St George's Terrace  
Perth WA 6000

Telephone: (61 8) 9323 2000  
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Email: perth.services@computershare.com.au  
Website: www.computershare.com.au

**AUDITORS**

Stantons International

**SOLICITORS**

Squire Patton Boggs

**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 2016 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 entity, being the Company and its controlled entities for the half year ended 31 December 2016.

### 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)  
Damian Delaney (Non-executive Director)  
Craig Readhead (Non-executive Director)

All Directors held their position as a director throughout the entire half year and up to the date of this report.

### REVIEW OF OPERATIONS AND ACTIVITIES

The net loss of the consolidated entity for the half year ended 31 December 2016 was \$253,670 (31 December 2015: loss of \$3,396,190).

Planned drilling of 11 targets within the project area ELR94, which were considered to have a high likelihood of delivering drill intercepts of sulphide mineralisation from a central breccia core has been deferred (discussed in previous quarterly reports), as the Company awaits Redbank Mine Management Plan ("MMP") approval from the Department of Primary Industry & Resources – Mines Division ("DPIR") (previously NT Department of Mines and Energy), which has previously been submitted to the DPIR for 2016.

The regional area surrounding ELR94 primarily consists of the Wollogorang ("EL10335") and Copperado ("EL24654") tenements, which contain numerous copper showings and mapped breccia pipes, most of which remain undrilled. The Company considers coincident magnetic and gravity lows, combined with Time Domain Electromagnetic ("TEM") highs are indicators of breccia-style copper mineralisation.

Due to the wet season, namely the helicopter-supported Versatile Time Domain Electromagnetic ("VTEM") program, the proposed gravity programme for the surrounding EL10335, and the helicopter-supported geochemical survey for the Copperado area were all postponed. All programs are being re-scheduled for the coming field season.

During the half year, the Company engaged specialist contractors Aerometrex to fly around 1,000 km<sup>2</sup> of aerial photography and generated associated terrain capture; to assist with target generation and drill planning, in particular with assessment of certain topographical features known to be associated with breccia mineralisation.

The Company is undertaking a helicopter-supported VTEM survey on the known mineralisation within ELR94 at close spacing, using new technology just recently introduced to Australia; and extending this survey out to regional prospects within EL10335 and EL24654. The intention is to use positive EM responses to principally discriminate multiple targets from detailed aeromagnetics undertaken in 2012, as well as to test targets under unconformable cover.

A survey extension to the close-spaced gravity data set generated for ELR94, covering prospective areas in the surrounding EL10335 is planned for imminent commencement as available gravity crews demobilise out of Arnhemland in northern Australia.

An additional helicopter-supported geochemical survey is planned to fill in untested drainage basins within the regional area, mostly on the Copperado tenement (EL24654). Approximately 150 sample points are planned.

The Company received advice during the half year that EL10335 had been renewed for a period of two years.

During the half year, the Company continued planning for rehabilitation and monitoring of the surrounding mine site. Planning to decommission parts of the Redbank camp are underway.

The Company has submitted R&D Tax claims for the financial year ended 30 June 2014 for \$425,000. These funds are expected to be received in the next six months. In the interim, the Board continues to work on capital raising initiatives that will fund exploration and development on the Company's tenements.

## REDBANK COPPER LIMITED

### EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no matters or circumstances that have arisen since 31 December 2016 other than as disclosed in Note 5.

### 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 4 of this financial report.

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



Michael Fotios  
Executive Chairman  
Perth, Western Australia

16 March 2017

16 March 2017

Board of Directors  
Redbank Copper Limited  
24 Mumford Place  
BALCATTWA 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 2016, 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 2016

	Note	31 December 2016 \$	31 December 2015 \$
<b>Continuing operations</b>			
Interest received		2,583	3,187
Other income		-	-
Finance costs		(6,428)	(9,306)
Employee and directors – remuneration expenses		(54,000)	(54,000)
Depreciation and amortisation		(7,644)	(12,362)
Corporate and administrative expenses		(119,168)	(163,084)
Redbank Copper NT care and maintenance		(168,390)	(214,740)
Provision for impairment of exploration and evaluation		(229,475)	(2,945,885)
Reduction of environmental provision		328,852	-
Loss from continuing operations		(253,670)	(3,396,190)
Income tax expense		-	-
<b>Loss for the period after income tax attributable to members of the parent company</b>		<b>(253,670)</b>	<b>(3,396,190)</b>
<b>Other comprehensive income for the period, net of income tax</b>			
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		-	-
<b>Other comprehensive income for the period, net of income tax</b>		-	-
<b>Total comprehensive loss for the period attributable to members of the parent company</b>		<b>(253,670)</b>	<b>(3,396,190)</b>
Basic and diluted loss per share (cents per share)		(0.01)	(0.15)

The accompanying notes form part of these financial statements.

**REDBANK COPPER LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2016

	NOTE	31 December 2016 \$	30 June 2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,118	211,399
Trade and other receivables		238,162	331,493
<b>TOTAL CURRENT ASSETS</b>		<b>240,280</b>	<b>542,892</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		130,225	130,225
Plant and equipment		36,141	43,783
<b>TOTAL NON-CURRENT ASSETS</b>		<b>166,366</b>	<b>174,008</b>
<b>TOTAL ASSETS</b>		<b>406,646</b>	<b>716,900</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	3	1,226,625	810,852
Loans and borrowings		509,995	504,750
Provisions		-	300,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,736,620</b>	<b>1,615,602</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		130,750	308,352
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>130,750</b>	<b>308,352</b>
<b>TOTAL LIABILITIES</b>		<b>1,867,370</b>	<b>1,923,954</b>
<b>NET LIABILITIES</b>		<b>(1,460,724)</b>	<b>(1,207,054)</b>
<b>EQUITY</b>			
Issued capital	4	99,004,337	99,004,337
Accumulated losses		(102,193,489)	(101,939,819)
Reserves		1,728,428	1,728,428
<b>TOTAL DEFICIENCY</b>		<b>(1,460,724)</b>	<b>(1,207,054)</b>

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 2016

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total Deficiency \$</b>
<b>At 1 July 2016</b>	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)
<b>At 31 December 2016</b>	<u>99,004,337</u>	<u>1,728,428</u>	<u>(102,193,489)</u>	<u>(1,460,724)</u>

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total Deficiency \$</b>
<b>At 1 July 2015</b>	99,004,337	1,728,428	(98,286,045)	2,446,720
Loss for the period	-	-	(3,396,190)	(3,396,190)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(3,396,190)	(3,396,190)
<b>At 31 December 2015</b>	<u>99,004,337</u>	<u>1,728,428</u>	<u>(101,682,235)</u>	<u>(949,470)</u>

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 2016

	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(210,681)	(137,302)
Interest received	2,583	2,370
Interest paid	<u>(6,428)</u>	<u>(9,306)</u>
<b>Net cash (outflow) from operating activities</b>	<u>(214,526)</u>	<u>(144,238)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	-	(12,914)
Payments for purchase of plant and equipment	<u>-</u>	<u>(1,633)</u>
<b>Net cash (outflow)/inflow from investing activities</b>	<u>-</u>	<u>(14,547)</u>
<b>Cash flows from financing activities</b>		
Loans from other entities	<u>5,245</u>	<u>21,500</u>
<b>Net cash inflow from financing activities</b>	<u>5,245</u>	<u>21,500</u>
<b>Net (decrease) in cash and cash equivalents</b>	(209,281)	(137,285)
<b>Cash and cash equivalents at the start of the half year</b>	<u>211,399</u>	<u>137,729</u>
<b>Cash and cash equivalents at the end of the half year</b>	<u><u>2,118</u></u>	<u><u>444</u></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 2016

### 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 2016 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 2016, together with any public announcements made during the half year ended 31 December 2016.

#### (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 2016 annual financial report for the financial year ended 30 June 2016. 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 2016. 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 2016, 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 2016. 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.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

# REDBANK COPPER LIMITED

## CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### 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 loss of \$253,670 (31 December 2015: \$3,396,190) and a net cash outflow from operating activities of \$214,526 in the period ended 31 December 2016 (31 December 2015: \$144,238). Notwithstanding the loss incurred and operating cash outflow during the period, 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.

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' have taken steps including evaluation of the Sandy Flats Project which is likely to result in saleable product generating cash inflows for the Company and taking advantage of the Research and Development ("R&D") Tax incentive benefits the Group is eligible to receive. As previously reported the Company has submitted R&D Tax claims for the financial year ended 30 June 2014 for \$425,000. These funds are expected to be received in the next six months.

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 2016

#### 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.

Segments	Care and Maintenance	Exploration and Development	Corporate	Consolidated
Half year ended 31 December 2016	\$	\$	\$	\$
<b>Segment revenue</b>			2,583	2,583
<b>Segment (loss)/profit</b>	(168,390)	99,377	(184,657)	(253,670)
<b><u>Included within segment loss:</u></b>				
Depreciation and amortisation	(7,644)	-	-	(7,644)
Finance cost	-	-	(6,428)	(6,428)
Interest revenue	-	-	2,583	2,583
<b>Segment Assets</b>	189,425	-	217,221	406,646
<b>Segment Liabilities</b>	(506,291)	(130,750)	(1,230,330)	(1,867,370)

Segments	Care and Maintenance	Exploration and Development	Corporate	Consolidated
Half year ended 31 December 2015	\$	\$	\$	\$
<b>Segment revenue</b>	-	-	3,187	3,187
<b>Segment (loss)/profit</b>	(227,102)	(2,945,885)	(223,203)	(3,396,190)
<b><u>Included within segment loss:</u></b>				
Depreciation and amortisation	(12,362)	-	-	(12,362)
Finance cost	-	-	(9,306)	(9,306)
Interest revenue	-	-	3,187	3,187
<b>31 December 2015</b>				
<b>Segment Assets</b>	60,279	278,975	138,311	477,565
<b>Segment Liabilities</b>	(454,700)	(608,352)	(363,983)	(1,427,035)

## REDBANK COPPER LIMITED

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

#### 3. TRADE AND OTHER PAYABLES

	31 December 2016	30 June 2016
	\$	\$
Trade creditors	1,053,276	623,098
Accruals	142,503	178,000
Other payables	30,846	9,754
	1,226,625	810,852

#### 4. ISSUED CAPITAL

	31 December 2016	30 June 2016
	\$	\$
Ordinary shares 2,339,430,263 (30 June 2016: 2,339,430,263) ordinary fully paid shares	99,004,337	99,004,337
	99,004,337	99,004,337

#### CONSOLIDATED

##### *Movements in ordinary share capital*

	Shares	\$
<b>Balance 1 July 2016</b>	2,339,430,263	99,004,337
No ordinary shares were issued during the period	-	-
<b>Balance 31 December 2016</b>	<b>2,339,430,263</b>	<b>99,004,337</b>

#### 5. SUBSEQUENT EVENTS

There are no significant events which have occurred subsequent to the end of the half year other than have been disclosed in this financial report.

## REDBANK COPPER LIMITED

### CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

#### 6. COMMITMENTS

##### *Tenement expenditure proposed*

All of the Groups tenements are held in the Northern Territory. To maintain the mining and exploration tenements current right of tenure, the minimum expenditure requirements as stipulated by the Northern Territory Department of Mines is represented by lease rentals. The Department provides guidance on actual minimum exploration expenditure however this is discretionary spend and is not a requirement in order to maintain right of tenure.

	<b>CONSOLIDATED</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2016</b>	<b>2016</b>
	\$	\$
Minimum lease payments:		
- not later than one year	424,300	91,611
- later than one year but not later than five years	447,200	454,599
- greater than five years	46,200	-
	<b>917,700</b>	<b>546,210</b>

#### 7. 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>	
			<b>31 December</b>	<b>30 June</b>
			<b>2016</b>	<b>2016</b>
			%	%
Redbank Operations Pty Ltd	Australia <sup>1</sup>	Ordinary	100%	100%
Volley Oil Pty Ltd	Australia <sup>1,2</sup>	Ordinary	100%	100%
Audesso Mining (Fiji) Ltd	Fiji <sup>3</sup>	Ordinary	100%	100%

<sup>1</sup> These entities are members of the tax consolidated group of which Redbank is the head entity

<sup>2</sup> Dormant

<sup>3</sup> In liquidation

## 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 2016 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, 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 2017

**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 2016, 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 2016 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 2017.

*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 2016 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*.

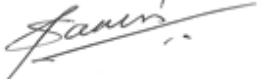
*Material Uncertainty Regarding Going Concern*

Without qualification to the Conclusion expressed above, attention is drawn to the following matter:

As referred to in note 1 to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2016, the entity had \$2,118 cash and cash equivalents and negative net working capital of \$1,496,340. The entity had incurred an operating loss for the six months ended 31 December 2016 of \$253,670.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or successfully exploiting its mineral assets. In the event that the consolidated entity is unable to raise additional funding as described in note 1 to the financial report, and based on the current commitments and planned expenditure, there is a material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts, or to the amounts and classification of liabilities, that might be necessary should the consolidated entity not continue as a going concern.

**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 2017