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21 October 2020

Red Emperor Resources NL

Quarterly Activities and Cashflow Report For the Period ended 30 September 2020

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

Corporate

During the quarter, Red Emperor continued to evaluate potential deal opportunities in the global oil and gas market. While mainly focused on exploration projects, the Board have been very mindful of protecting the Company's balance sheet and by extension, shareholder value. A number of projects considered during the quarter continue to remain of interest and the Company anticipates being able to update the market and its shareholders further during the current quarter to 31 December 2020. Over the past 6 months, the oil price has somewhat stabilised after dipping sharply, particularly towards the end of April 2020, however global uncertainty due to COVID-19 continues to be the industry's biggest challenge.

AIM Rule 15 cash shell status

On 7 August 2020, the Company announced that, pursuant to the relinquishment of the Western Blocks on the North Slope, Alaska, as announced on 24 July 2020, the Company had become an AIM Rule 15 cash shell.

As an AIM Rule 15 cash shell, the Company is required to make an acquisition, or acquisitions, which constitute(s) a reverse takeover under AIM Rule 14, or alternatively seek re-admission to trading on AIM as an investing company pursuant to AIM Rule 8, within six months from 21 July 2020, failing which the Company's ordinary shares will be suspended from trading on AIM pursuant to AIM Rule 40 and cancelled from admission to trading on AIM if such a transaction has not been completed within a further six month period thereafter.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 September 2020 provides an overview of the Company's financial activities. The Company is in a strong financial position with A$4.4 million in cash at the end of the quarter. This will be sufficient to fund corporate costs well into 2021 and also facilitate the identification, evaluation and potential acquisition of new ventures and opportunities.

Payments for administration and corporate costs amounted to A$195k and related to costs incurred in respect of and associated with directors' fees, listing and compliance, insurance and legal and consulting fees. The aggregate amount of payments to related parties and their associates included in the quarter's cash flows from operating activities was approximately A$72.5k (please refer to Table 1).

Authorised for release by: Greg Bandy – Managing Director

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

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

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

Appendix 5B

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

Name of entity

RED EMPEROR RESOURCES NL

ABN	Quarter ended ("current quarter")
99 124 734 961	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(227)	(227)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	24	24
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(195)**	**(195)**

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

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

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

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,603	4,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(195)	(195)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,408**	**4,408**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,097	2,297
5.2	Call deposits	2,311	2,306
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,408**	**4,603**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

- Payment of Directors' Fees and Remuneration - $72k

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(195)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(195)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,408
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,408
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	23

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

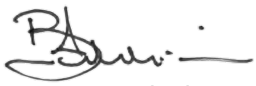
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 21 October 2020



Authorised by: Aaron Bertolatti – Company Secretary

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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