



22 March 2017

Red Rock Resources plc (“Red Rock” or the “Company”), the natural resource exploration and development company with production interests in oil in Louisiana, manganese in South Africa, and gold in South America, announces its unaudited half-yearly results for the six months ended 31 December 2016.

Chairman’s statement

We present the company’s interim report for the six months to 31st December 2016.

Three months ago in our Annual Report we spoke of the end of the downward cycle in the mineral sectors, and the beginning of a recovery that had been seen since the lows of January and February 2016. The cost reduction measures we were implementing, another theme of the Annual Report, and the continuation of the sector’s good performance into the end of the calendar year, have meant that the recovery began to feed through into our published results with these interim figures.

The published profit for the six month period was £147,662 compared with a loss of £22,025 for the six months to 31st December 2015. Of greater significance, the total comprehensive profit for the period rose to £7,114,520 against a loss of £109,477 in the comparable period of the previous year. This reflected principally a £6,927,699 partial reversal of prior year impairments in the value of our 1.2% holding in Jupiter Mines Ltd (“Jupiter”) which also impacted positively on shareholders’ total equity which rose to £16,026,755 from £8,627,235 at 30th June 2016.

The reduction in our cost base saw a 39.1% year-on-year reduction in administrative costs for the half year against the year-before period, after a 24.4% year-on-year reduction in the year to June 2016,

Better manganese prices allowed the Tshipi é Ntle mine in the Northern Cape province of South Africa to announce in November 2016 a planned distribution to its shareholders equivalent to over half their capital investment in developing the mine. The 49.9% joint venture shareholder, Jupiter, in turn made a distribution to its shareholders: our share of that, US\$655,784.80 (approximately £530,700), we received after the period-end in March 2017. A further distribution is expected this year. The distribution was carried out by means of an “equal access buyback” at US\$0.40 per share for 6% of the Jupiter shares held by each shareholder, and received 98.01% acceptance.

At the 40c price, the value of our holding would be US\$10.93m (or approximately £8.85m), and we would hope for (but might not achieve) an equal or higher price-equivalent in a liquidity event for the remainder of our holding, which is anticipated for later this year.

Jupiter has since appointed Bank of America Merrill Lynch to progress options for realising shareholder value in 2017: this may include a relisting, or a listing or sale of Tshipi é Ntle.

Given the disparity between our market capitalisation on the stock market and the value of this single high quality asset, and the strong possibility of a liquidity event, our nearest and safest way to preserve and increase shareholder value will be to keep costs low and avoid where possible new share issuance as we expect developments at Jupiter to cause before long a natural narrowing of the discount at which we trade. It might be hard for a new investment to offer a return superior to that obtainable from an existing investment.

Turning to our other projects, the new owner of our former gold mining interests in Colombia now has a C\$24m market value and has broadened its asset base. It announced in February 2017 that the second ball mill at the El Limón mine is now installed and operational, supplementing the first ball mill which gave us some problems and has given the new owner further ones, requiring more and lengthier refurbishment than expected. In our current financial year we have received three royalty payments amounting to US\$26,607.16 from El Limón, covering the period to end-December, and hope to get one more, at a considerably higher level, as well as a US\$50,000 interest payment, before our books close on 30th June 2017. After c1410 oz of gold production in calendar 2016, the operators forecast a level of production nearly ten times higher in 2017, with a 70%-plus further increase in 2018, so that we look to a substantial increase in our revenues from this source.

Our third revenue-producing asset, our 20% working interest in the LM20 and other oil and gas wells in the Shoats Creek field in Louisiana, has failed to produce the expected revenue stream to date as it has not been operated satisfactorily. This is a matter we shall now address, through a more vigorous and proactive approach. We see no reason why it should not perform better.

Apart from these three revenue and cash flow-producing interests, and some minor ones, the Company retains some exploration interests and assets in Kenya, Ivory Coast and elsewhere.

In Kenya, the company is pursuing an action for judicial review on behalf of itself and its local partner, and until that is resolved is restricted in its activities. This is a matter we shall give renewed attention. The Company is also seeking arbitration on its claim for conversion or early repayment of the US\$1m Promissory Note due in May 2018 that was issued to it at the time of the sale of the Colombian assets.

Red Rock expects to show continuing satisfactory results in the second half of its financial year and for the full year to 30th June 2017, and, provided that commodity prices remain reasonably stable, should see a pattern of strengthening revenues in the following year. There is also a strong possibility of one or more significant liquidity events over coming months. The Company therefore looks to the future with confidence.

Andrew Bell
Chairman
22 March 2017

Consolidated statement of financial position
as at 31 December 2016

	Notes	31 December 2016 Unaudited £	31 December 2015 Unaudited £	30 June 2016 Audited £	30 June 2015 Audited £
ASSETS					
Non-current assets					
Property plant and equipment	5	15,600	—	17,400	266
Investments in associates and joint ventures		2,458,409	3,924,891	2,459,638	3,968,878
Available for sale financial assets	6	8,868,758	1,606,766	1,976,552	1,331,766
Exploration assets		280,460	—	280,460	—
Non-current receivables		5,205,816	3,692,538	4,838,559	3,634,270
Total non-current assets		<u>16,829,043</u>	<u>9,224,195</u>	<u>9,572,609</u>	<u>8,935,180</u>
Current assets					
Cash and cash equivalents		32,585	132,760	26,564	29,426
Trade and other receivables		996,151	765,863	939,554	661,152
Total current assets		<u>1,028,736</u>	<u>898,623</u>	<u>966,118</u>	<u>690,578</u>
TOTAL ASSETS		<u>17,857,779</u>	<u>10,122,818</u>	<u>10,538,727</u>	<u>9,625,758</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Called up share capital	7	2,759,988	2,737,390	2,752,487	2,600,207
Share premium account		25,553,288	24,678,302	25,275,788	24,285,503
Other reserves		7,490,289	307,448	523,431	394,899
Retained earnings		(19,751,847)	(19,769,046)	(19,910,736)	(19,747,630)
		<u>16,051,718</u>	<u>7,954,094</u>	<u>8,640,971</u>	<u>7,532,979</u>
Non-controlling interest		(24,963)	(6,100)	(13,736)	(5,491)
Total equity		<u>16,026,755</u>	<u>7,947,994</u>	<u>8,627,235</u>	<u>7,527,488</u>
LIABILITIES					
Current liabilities					
Trade and other payables		1,831,024	2,094,202	1,854,002	2,098,270
Short term borrowings		—	80,622	57,490	—
Total current liabilities		<u>1,831,024</u>	<u>2,174,824</u>	<u>1,911,492</u>	<u>2,098,270</u>
TOTAL EQUITY AND LIABILITIES		<u>17,857,779</u>	<u>10,122,818</u>	<u>10,538,727</u>	<u>9,625,758</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of income
for the period ended 31 December 2016

	Notes	6 months to 31 December 2016 Unaudited £	6 months to 31 December 2015 Unaudited £
Loss on sale of investments		(39,861)	—
Administrative expenses		(293,861)	(482,520)
Depreciation		(1,800)	(267)
Exploration expenses		(106,975)	(26,591)
Share of losses of associates and joint ventures		(1,229)	—
Other income		210,784	420,587
Foreign exchange gain		235,900	72,214
Finance income/(costs), net		144,704	(5,448)
Profit/(loss) for the period before taxation from continuing operations		<u>147,662</u>	<u>(22,025)</u>
Tax credit		—	—
Profit/(loss) for the period from continuing operations		<u>147,662</u>	<u>(22,025)</u>
Profit/(loss) for the period attributable to:			
Equity holders of the parent		158,889	(21,417)
Non-controlling interest		(11,227)	(608)
		<u>147,662</u>	<u>(22,025)</u>
Profit/(loss) per share			
Profit/(loss) per share – basic	3	<u>0.04 pence</u>	<u>(0.00) pence</u>
Profit/(loss) per share – diluted	3	<u>0.04 pence</u>	<u>(0.00) pence</u>

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of comprehensive income
for the period ended 31 December 2016**

	6 months to 31 December 2016	6 months to 31 December 2015
	Unaudited £	Unaudited £
Profit/(loss) for the period	147,662	(22,025)
Revaluation of available for sale investments	6,927,699	—
Unrealised foreign currency gain /(loss) arising upon retranslation of foreign operations	39,159	(87,452)
Total comprehensive profit/(loss) for the period	7,114,520	(109,477)
Total comprehensive income/(loss) for the period attributable to:		
Equity holders of the parent	7,125,747	(108,869)
Non-controlling interest	(11,227)	(608)
	7,114,520	(109,477)

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity
for the period ended 31 December 2016**

The movements in equity during the period were as follows:

	Share capital	Share premium account	Retained earnings	Non- controlling interest	Other reserves	Total equity
Unaudited	£	£	£	£	£	£
As at 30 June 2015	2,600,207	24,385,501	(19,747,629)	(5,491)	394,900	7,627,488
Changes in equity for 2015						
Total comprehensive (loss)/income for the period	—	—	(21,417)	(608)	(87,452)	(109,477)
Transactions with owners						
Issue of shares	137,184	392,799	—	—	—	529,983
Share issue and fundraising costs	—	—	—	—	—	—
Share-based payment transfer	—	—	—	—	—	—
Total Transactions with owners	137,184	392,799	(21,417)	—	—	508,566
As at 31 December 2015	2,737,390	24,778,301	(19,769,046)	(6,100)	307,448	7,100,975
As at 30 June 2016	2,752,488	25,275,788	(19,910,736)	(13,736)	523,431	8,627,235
Changes in equity for 2016						
Total comprehensive income/(loss) for the period	—	—	158,889	(11,227)	6,966,858	7,114,520
Transactions with owners						
Issue of shares	7,500	292,500	—	—	—	300,000
Share issue and fundraising costs	—	(15,000)	—	—	—	(15,000)
Share-based payment transfer	—	—	—	—	—	—
Total Transactions with owners	7,500	277,500	—	—	—	285,000
As at 31 December 2016	2,759,988	25,553,288	(19,751,847)	(24,963)	7,490,289	16,026,755

Unaudited	Available for sale trade investments reserve	Foreign currency translation reserve	Share based payment reserve	Total other reserves
	£	£	£	£
As at 30 June 2015	141,810	141,161	111,929	394,900
Changes in equity for 2015				
Total comprehensive income for the period	—	(87,452)	—	(87,452)
Transactions with owners				
Share-based payment transfer	—	—	—	—
As at 31 December 2015	141,810	53,709	111,929	307,448
As at 30 June 2016	299,096	161,065	63,270	523,431
Changes in equity for 2016				
Total comprehensive income for the period	6,927,699	39,159	—	6,966,858
Transactions with owners				
Share-based payment transfer	—	—	—	—
As at 31 December 2016	7,226,795	200,224	63,270	7,490,289

Consolidated statement of cash flows

for the period ended 31 December 2016

	Notes	6 months to 31 December 2016 Unaudited £	6 months to 31 December 2015 Unaudited £
Cash flows from operating activities			
Profit/(loss) before tax from continuing operations		147,662	(22,025)
(Increase)/decrease in receivables		(114,609)	(302,760)
(Decrease)/increase in payables		(21,090)	4,070
Share of losses in associates and joint ventures		1,229	—
Interest receivable		(145,150)	(34)
Interest payable		445	5,481
Currency adjustments		(144,446)	96,354
Depreciation		1,800	231
Bad debt expense		19,508	—
Net cash outflow from operations		<u>(254,651)</u>	<u>(226,823)</u>
Cash flows from investing activities			
Interest received		—	34
Proceeds of sale of investments		132,778	—
Payments to acquire associate company and joint venture investments		—	(275,000)
Payments to acquire AFS investments		(97,284)	—
Net cash (outflow)/inflow from investing activities		<u>35,494</u>	<u>(274,967)</u>
Cash flows from financing activities			
Proceeds from issue of shares		300,000	529,983
Transaction costs of issue of shares		(15,000)	—
Interest paid		(445)	(5,481)
Proceeds of new borrowings		—	250,000
Repayments of borrowings		(59,377)	(169,378)
Net cash inflow from financing activities		<u>225,178</u>	<u>605,124</u>
Net (decrease)/increase in cash and cash equivalents		6,021	103,334
Cash and cash equivalents at the beginning of period		<u>26,564</u>	<u>29,426</u>
Cash and cash equivalents at end of period		<u>32,585</u>	<u>132,760</u>
Cash and cash equivalents		<u>32,585</u>	<u>132,760</u>
		<u>32,585</u>	<u>132,760</u>

Half-yearly report notes
for the period ended 31 December 2016

1 Company and group

As at 30 June 2016 and 31 December 2016 the Company had one or more operating subsidiaries and has therefore prepared full and interim consolidated financial statements respectively.

The Company will report again for the year ending 30 June 2017.

The financial information contained in this half yearly report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the year ended 30 June 2016 has been extracted from the statutory accounts for the Group for that year. Statutory accounts for the year ended 30 June 2016, upon which the auditors gave an unqualified audit report which did not contain a statement under Section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

2 Accounting Policies

Basis of preparation

The consolidated interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting.' The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2016, which have been prepared in accordance with IFRS.

3 Profit per share

The following reflects the profit/(loss) and share data used in the basic and diluted profit/(loss) per share computations:

	6 months to 31 December 2016 Unaudited £	6 months to 31 December 2015 Unaudited £
Profit/(loss) attributable to equity holders of the parent company	158,889	(21,417)
Weighted average number of Ordinary shares of £0.0001 in issue	394,440,494	5,756,628,685
Profit/(loss) per share – basic	<u>0.04 pence</u>	<u>(0.00) pence</u>
Weighted average number of Ordinary shares of £0.0001 in issue inclusive of outstanding dilutive options	394,440,494	5,756,628,685
Profit/(loss) per share – fully diluted	<u>0.04 pence</u>	<u>(0.00) pence</u>

The weighted average number of shares issued for the purposes of calculating diluted loss per share reconciles to the number used to calculate basic loss per share as follows:

	2016 Number	2015 Number
Profit/(loss) per share denominator	394,440,494	5,756,628,685
Weighted average number of exercisable share options	13,320,000	—
Diluted profit/(loss) per share denominator	<u>407,760,494</u>	<u>5,756,628,685</u>

In accordance with IAS 33, the diluted earnings per share denominator takes into account the difference between the average market price of ordinary shares in the year and the weighted average exercise price of the outstanding options. The Group has weighted average share options of 13,320,000 for the current period. These were not included in the calculation of diluted earnings per share because all the options are not likely to be exercised given that even the lowest exercise price is substantially higher than the market price and are therefore non-dilutive for the period presented.

Half-yearly report notes
for the period ended 31 December 2016, continued

4 Segmental analysis

	Jupiter Mines Limited	Other investments	Australian exploration	African exploration	Corporate and unallocated	Total
For the 6 month period to 31 December 2016	£	£	£	£	£	£
Revenue						
Total segment external revenue	—	—	—	—	—	—
Result						
Segment results	—	(105,464)	29,309	(86,114)	165,227	2,958
Profit from continuing operations before tax and finance costs						2,958
Interest receivable						144,955
Interest payable						(251)
Profit from continuing operations before tax						147,662
Tax						—
Profit from continuing operations for the period						147,662
For the 6 month period to 31 December 2015	£	£	£	£	£	£
Revenue						
Total segment external revenue	—	—	—	—	—	—
Result						
Segment results	—	(47,607)	(1,261)	(4,677)	36,968	(16,577)
Loss from continuing operations before tax and finance costs						(16,577)
Interest receivable						33
Interest payable						(5,481)
Loss from continuing operations before tax						(22,025)
Tax						—
Loss from continuing operations for the period						(22,025)

A measure of total assets and liabilities for each segment is not readily available and so this information has not been presented.

Half-yearly report notes
for the period ended 31 December 2016, continued

5 Property plant and equipment

	Field equipment and machinery £	Fixtures and fittings £	Assets under construction £	Total £
31 December 2015				
Cost				
At 1 July 2015	34,607	28,649	—	63,256
Additions	—	—	—	—
Disposals	—	—	—	—
Currency exchange	—	—	—	—
At 31 December 2015	34,607	28,649	—	63,256
Depreciation and impairment				
At 1 July 2015	(34,607)	(28,382)	—	(62,989)
Depreciation charge	—	(267)	—	(267)
Disposals	—	—	—	—
Currency exchange	—	—	—	—
At 31 December 2015	(34,607)	(28,649)	—	(63,256)
Net book value				
At 31 December 2015	—	—	—	—
31 December 2016				
Cost				
At 1 July 2016	34,607	45,807	—	80,414
Additions	—	—	—	—
Disposals	—	—	—	—
Currency exchange	—	—	—	—
At 31 December 2016	34,607	45,807	—	80,414
Depreciation and impairment				
At 1 July 2016	(34,607)	(28,407)	—	(63,014)
Depreciation charge	—	(1,800)	—	(1,800)
Disposals	—	—	—	—
Currency exchange	—	—	—	—
At 31 December 2016	(34,607)	(30,207)	—	(64,814)
Net book value				
At 31 December 2016	—	15,600	—	15,600

6 Available for sale financial assets

	31 December 2016 £	31 December 2015 £
At 1 July 2016	1,976,552	1,331,766
Additions	97,284	275,000
Disposals	(132,778)	—
Revaluation adjustment	6,927,699	—
Impairment	—	—
At 31 December 2016	8,868,758	1,606,766

Half-yearly report notes
for the period ended 31 December 2016, continued

7 Share Capital of the company

	Number	Nominal £
<i>Allotted and fully paid during the period</i>		
As at 30 June 2016	392,325,740	2,752,487
Issued 24 August 2016 at 0.40 pence per share	75,000,000	7,500
As at 31 December 2016	467,325,740	2,759,987

8 Capital Management

Management controls the capital of the Group in order to control risks, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior period.

9 Subsequent events

- On 16 January 2017, the company granted 35,000,000 employee options exercisable at 0.80p per share for a period of six years, and vesting in four equal tranches, two immediately, and the other two after 6 months and subject to performance conditions. The grants other than those to non-executive directors were made under the company's Enterprise management Incentive scheme.
- On 14 March 2017, the company announced that Jupiter Mines Ltd had completed the equal access share buy-back which commenced on 30 January 2017. Red Rock held 27,324,374 shares in Jupiter, equivalent to approximately 1.2% of the issued share capital prior to the share buyback. The carrying cost of this investment in the books of Red Rock at the date of the last audited accounts, 30 June 2016, was £1,483,119. Following the equal access buyback, in which Red Rock tendered 6% of the Jupiter stock it held, Red Rock has received USD 655,784.80 (approximately £537,131) and holds 25,684,913 shares in Jupiter, equivalent to approximately 1.2% of the issued share capital.