

**Red Rock Resources Plc**  
Annual Report and Accounts 2023



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# Strategic Report

## Company Information

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### Directors

Andrew Bell	Executive Chairman and CEO
Scott Kaintz	Financial Director
Alex Borrelli	Independent Non-Executive Director
Sam Quinn	Non-Executive Director

### all of:

Red Rock Resources Plc  
71-91 Aldwych House  
London  
WC2B 4HN

Tel: 020 7747 9990

### Company Secretary

Stephen Ronaldson

### Company Number

05225394

### Website

[www.rrrplc.com](http://www.rrrplc.com)

### Registered Address

Salisbury House  
London Wall  
London  
EC2M 5PS

### Company's Solicitors

Druces LLP  
Salisbury House  
London Wall  
London  
EC2M 5PS

### Nominated Adviser

Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

### Broker

Clear Capital Corporate Broking  
12th Floor, Broadgate Tower  
Office 1213, 20 Primrose Street  
London, EC2A 2EW

### Auditors

PKF Littlejohn LLP  
Statutory Auditor  
15 Westferry Circus  
London  
E14 4HD

### Accountants

Silvertree Partners LLP  
3rd Floor, 14 Hanover Street  
London  
W1S 1YH

### Tax Advisers

Cameron & Associates Ltd  
35-37 Lowlands Road  
Harrow-on-the-Hill  
Middlesex  
HA1 3AW

### Registrars

Share Registrars Limited  
3 The Millennium Centre  
Crosby Way  
Farnham  
Surrey  
GU9 7XX

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

# Chairman's Statement

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## Dear Shareholders,

We present the Report and Accounts of Red Rock Resources Plc for the year ending 30th June 2023. This report also gives us an opportunity to present a broader review of progress up to the date of publication, and to give an assessment of the year ahead.

## Activity During the Year

We conducted two successful drill programmes on a number of our gold prospects during the course of the year. The first was at the old Berringa Mine in the Australian state of Victoria, which we acquired in the course of the year, and the second was at the recently acquired Bilbale license in Burkina Faso.

At Berringa, a six-hole diamond drill programme tested for down dip and along strike extensions of the known mineralisation. This was a well-designed programme, with all six holes encountering visible gold, and hole two intersecting a 5.2m interval with 2.38 g/t gold, including 0.2m at 34.76 g/t. Hole six encountered 3.5m at 5.43 g/t at 133m (including 0.7m at 23.9 g/t), 4.9m at 1.09 g/t at 140m, and 3.9m at 1.62 g/t at 153.6m (including 0.7m at 7.49 g/t), with the hole ending in mineralisation. The team's understanding of structure was confirmed, and we developed new sampling protocols appropriate for the type of mineralisation. We now understand that in this environment any result over 0.1 g/t shows we are in the mineralised area, and accordingly should be followed up.

At Bilbale, a seven-hole reverse circulation drill programme across two locations in this target-rich license achieved very promising results from the four holes at Djikologo with mineralisation also encountered in two of the three holes drilled at the Bilbale Artisanal Area. At Djikologo, the third drill hole encountered 20m at 3.19 g/t from 22m depth (including 3m at 8.17 g/t) as well as 8m at 2.28 g/t at 62m, and 2m at 1.25 g/t from 118m depth to end of hole. This was the first drill campaign carried out on this property and we now assess the requirement for further geochemistry and mapping prior to the next drill programme.

Aside from this and other exploration work, we obtained the grant of some of our remaining license applications in Victoria, Australia, as well as our first license in Ivory Coast, and we applied for a new large copper/base metal license in South Australia.

Environmental Impact Assessments were carried out on Lithium licenses in Zimbabwe, as part of the mining license process, and in Kenya as part of the license renewal process.

## DRC Arbitration

We looked forward, a year ago, to obtaining an arbitration award in the Democratic Republic of Congo, in respect of a 50.1% interest in a copper-cobalt project sold without our knowledge and consent. \$5m had been paid by the purported buyer, and for our share of this, plus costs and damages, we had sued our minority partner, and obtained a \$2.5m court judgment in our favour.

Another \$15m had not yet been paid by the purported buyer, and for our share of this we went to arbitration. We expect a favourable arbitration award, but have awaited the arbitration result for nearly 18 months, a period which has not been without incident.

This was much longer than expected, but justice is not always swift.

The assets were sold on to a final buyer by the purported buyer at the same time as it acquired them, and for amounts larger by an order of magnitude. We were thus deprived of a very great value that we believe should have been ours. We have been patient and methodical in pursuing the amounts already awarded, and if we have not sought publicity for our case, it was because in our judgment quiet persistence was the approach that would best serve the interest of shareholders at this stage.

It is right that at this point I pay tribute to our colleagues in the DRC: three men and one woman of great integrity who showed great loyalty to us, variously their partner or client, and steadiness under pressure. The Government has also showed at times a concern that investors' interests should not be overridden, and the Embassy has indicated its concern, met us, and kept a watching brief.

# Chairman's Statement

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continued

We continue to remain confident of an early favourable result. An earlier draft of this report was written on the assumption this had already happened, but with the Presidential Election now only days away, everything has been put on hold until after polling day on 20<sup>th</sup> December and after the preliminary results are announced most likely 31<sup>st</sup> December, and then final results are released, which we assume to be early January.

## Elephant Oil Listing

We also looked forward last year to the listing of Elephant Oil, in which we have a small but longstanding shareholding, on the NASDAQ market in the U.S. It has always been part of our strategy that we retain some of the listed shares we obtain in the process of divestment or sale of assets as a liquidity reserve. In general, the listed assets have been ones we know well and have been involved with for some time. We still expect Elephant Oil to be listed after updating its quarterly results with the SEC early in 2024 at a listing price of between US\$4.15 and US\$5.15 per share, indicating our holding of 397,874 shares may be valued at US\$1.85 million, although subject to a six-month hold period post IPO after which we would be in a position to realise all or part of this holding.

## Current and Future Developments

We have secured a lithium mining license and have a stockpile of material in Zimbabwe, and made our first exports during Q4 2023. Sales of initial exports will occur upon arrival in the destination port, and further announcements will be made as these occur. Additional license areas have also been granted. The lithium price has declined substantially in the last year and exports from Zimbabwe have become strictly controlled and difficult for most producers and this provides a good environment for us to tidy up some other licenses and conclude the grant or transfer processes in those cases and look at other ways to optimise our long-term position.

Until the rainy season ends in the Spring in Zimbabwe, our plan is to continue to export from stockpile and avoid extensive civil works in muddy and rainy conditions. We are currently funding our product pipeline from mine to bonded warehouse in the destination port. The working capital requirement of funding a 2-3 month pipeline before getting paid for product means that we are starting on a modest scale, with 200 tonnes of ore. Once we have established that the pipeline is working efficiently, and that customers trust our product, we shall aim to sell product before arrival at port and so shorten our payment cycle and reduce our working capital requirements.

Potentially significant volumes can be exported and sold by us, but by the second quarter we will have a better idea of how this business is likely to develop, with continuing developments in Government thinking likely to require a flexible and creative approach, but also possibly offering new opportunities for the nimble. After careful analysis, we will not be putting up a flotation plant at this time.

In Burkina Faso we are starting to map and sample key areas on a grid, and on a larger grid which will cover the whole license. We will later auger drill the alluvial/colluvial areas, at the same time as continuing hard rock exploration. We intend to start trial mining of gold soon, and then to accelerate work to get semi-mechanised alluvial mining permitted.

We, therefore, have a clear strategy for sales of lithium and gold from these two countries through 2024. In Kenya, any scaled up activity awaits gold license renewal, after which we are likely to seek partners to accelerate the project's development. A similar approach may be adopted for at least one of our gold licences in Ivory Coast.

Exploration at our 50.1% subsidiary, Red Rock Australasia Pty Ltd is focussed on getting to the Indicated Resource stage at Berringa, after which we can be on a 12-18 month environmental and licensing pathway to mining. Now that we have opened an old adit at Berringa, and taken samples which will go off for testing, we will investigate the safety of accessing level 2 of the old mine via the adit. A positive answer would probably result in an Indicated Resource being obtainable at very low cost; otherwise some drilling from surface will be required. Ajax, our other key project/old mine, is now permitted but a decision on drill plans will be made later in the year, depending on availability of internal or external finance and other priorities.

In Australia as in Africa, our focus is now on the fastest pathway to positive cash flow for each project. With a gold Indicated Resource in Australia we could process a mining application and an environmental study in parallel, with a plan to process material through a nearby facility eliminating much of the construction phase.

We continue to expect an early and positive resolution in the DRC, where our arbitration claim is for \$7.5m, and we have a court judgment against our former partner for \$2.5m. The former of these we could expect to be paid soon after award. If Elephant Oil can achieve a Q1 listing, this could progressively release funds to us over the course of the year although we expect the bulk of the holding to be subject to a six month hold period after listing.

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We expect on renewal of Kenya licenses to be able to negotiate agreements for joint venture, farm in, sale or development as seems most appropriate for each exploration area. The aim will be to bring forward as far as possible the date on which we obtain value, first, for our receivables, and second, put ourselves in a position to gain from future production, whether by royalty or by shareholding.

The Company's policy is to retain royalties on all assets passing through its hands. Royalties are held on iron ore in Australia, gold in Colombia, multiple gold and metal licences in Australia, lithium licences in Zimbabwe, gold licences in Kenya, and gold licences in Burkina Faso and Ivory Coast.

During 2024, we expect a resumption of royalty payments from the Colombia gold royalty, as Soma Gold, the operator of our historic El Limon plant and mine, has completed the upgrade of the plant to 275 tons per day, and is projecting production through this facility of 8,000 oz of gold over the course of the year.

## Financial Results

The nature of Red Rock's business currently, as a company not generating revenue from operations, means that profit and loss is a metric of less utility than in many other businesses. Pre-tax loss for the year ended 30 June 2023 was £2,953m (2022: loss of £2,800m). This increased loss reflected impairment charges at our smaller exploration assets in the DRC as well as higher finance costs and insurance and administrative expenses over the course of the year. An amount of £1.1m is included in debtors in respect of amounts recoverable from our DRC arbitration being a reclassification of amounts previously capitalised in respect of expenditure on the VUP joint venture project.

## Conclusion

We expect to generate cash from sales of assets and from court and arbitration awards over the next few months.

However, we are now in a position to start selling product, initially from Zimbabwe lithium, and a key task is to ensure that this item increases during the current year of account to the point where our sales and profits expectations provide tangible support for our value.

If proceeds are not received from the DRC arbitration early in the New Year then the Company will implement some combination of cost reduction, joint venture or farm ins, asset disposals, and financing, in order to focus on those activities that can lead to early cash flow.



**Andrew Bell**  
**Chairman and CEO**  
**18 December 2023**

# Strategic Review

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## Overview of the Business

The Company is listed on London's AIM market (AIM:RRR) and manages a diverse portfolio of producing and exploration stage natural resources assets located around the world.

## Business Strategy

The Company's strategy involves seeking out, assessing and investing in natural resource projects, where it can actively add value through exploration, technical development and corporate transactions.

## Principal Risks and Risk Management

Exploration and development is an inherently high-risk business, and outlined here are some of the primary risks identified:

### **Exploration Risk**

The Group's business is mineral exploration and evaluation, which are speculative activities. There is no certainty that Red Rock will proceed to the development of any of its projects or otherwise realise their full value. The Group aims to mitigate this risk, when evaluating new business opportunities by targeting areas of potential, where there is at least some historical drilling or geological data available, and where leading exploration consultants believe there is strong evidence of world class mineral deposits.

### **Resource Risk**

All mineral projects have risk associated with defined grade and continuity. Mineral reserves and resources are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions, which include geological projection and commodity price assumptions. This may include variations in the style of mineralisation encountered as well as the failure to achieve economic deposits.

### **Environmental Risk**

Exploration of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Any disturbance to the environment during exploration, on any of the licence areas, will be rehabilitated in accordance with the prevailing local regulations.

### **Financing & Liquidity Risk**

The Group has from time to time a requirement to fund its activities through the capital markets. There is no certainty such funds will be available when needed. To date the Group has managed to raise the required funds, primarily through equity placements, despite difficult funding markets across the junior mining industry. The Company's cost of available capital may fluctuate significantly, and can include high interest rates and the requirement to offer new equity at a discount to current prices. The Company can be affected by international markets and risk appetite, and low projections of future world GDP growth may depress commodity prices and perceived future levels of demand. Supply and demand of individual commodities may also impact valuations of current and future resources and projects in the Group portfolio.

Corporate finance planning and analysis considers multiple avenues to acquire and deploy capital, including from internal sources of cash flow. Expansion of capital reserves and ongoing cost reduction efforts provide the Company with additional resilience during sector downturns.

The Directors have prepared cash flow forecasts for at least the next 12 months from the date of this report and are confident that the Company can raise additional funds through asset sales, debt funding or equity funding if required. Nevertheless, in the event that the Group is unable to secure further financial resources, it may have a detrimental impact on the Group's exploration activities and viability of its exploration licences and ability to monetise and realize value from them.

### **Political Risk**

All countries carry political risk that can lead to interruption of activities. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal frameworks, civil unrest and government expropriation of assets. The Company and its executives have a knowledge of, and history in, the countries in which it holds licenses and has appointed experienced local operators to assist the Company in its activities in order to help reduce possible political risks. The Company operates in some countries with a history of coups, such as Burkina Faso, or occasional civil strife, such as DRC and Côte d'Ivoire, or other forms of instability, such as Zimbabwe. The expertise of the Company in working in such environments cannot provide full protection, and events of *force majeure* may occur.

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### **Internal Controls & Risk Management**

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial controls.

### **Key Performance Indicators (KPIs)**

At this stage in the Company's development, the Directors regularly monitor key performance indicators, associated with liquidity, primary cash flows and bank balances, general administrative expenses as well as share price performance and appreciation.

### **Corporate Responsibility**

The Company takes its responsibilities as a corporate citizen seriously and has in place a Corporate Social Responsibility ("CSR") policy. The Board's primary goal is to create shareholder value but in a responsible way, which serves all stakeholders. The Company recognises that as a junior exploration and development business, the Company has a responsibility to local communities in which it works, ensuring that the projects it operates are associated with responsible behaviours. The Company's framework for CSR places emphasis on stakeholder engagement and information dissemination, ensuring that the local communities are aware of plans and activities being conducted. Where appropriate, the Company also undertakes sustainable development projects, including capacity building, scholarships and related ventures.

### **Governance**

The Board considers sound governance as a critical component of the Company's success and the highest priority. The Company has an effective and engaged Board, with a strong non-executive presence drawn from diverse backgrounds and with well-functioning governance committees. Through the Company's compensation policies and variable components of employee remuneration, the Remuneration Committee of the Board seeks to ensure that the Company's values are reinforced in employee behaviour and that effective risk management is promoted.

### **Analysis by Gender**

<b>Category</b>	<b>Male</b>	<b>Female</b>
Directors	4	0
Other Employees	1	1

### **Employees and Their Development**

The Company is dependent upon the qualities and skills of its employees and their commitment plays a major role in the Company's business success. Employees' performance is aligned to the Company's goals through an annual performance review process and via incentive programmes. The Company provides employees with information about its activities through regular briefings and other media. The Company operates a Share Option Scheme, operated at the discretion of the Remuneration Committee and an employee Share Incentive Plan operated by the Share Incentive Plan Trustees.

### **Diversity and Inclusion**

The Company does not discriminate on the grounds of age, gender, nationality, ethnic or racial origin, non-job-related-disability, sexual orientation or marital status. The Company gives due consideration to all applications and provides training and the opportunity for career development wherever possible. The Board does not support discrimination of any form, positive or negative, and all appointments are based solely on merit.

### **Health and Safety**

The Company includes Health and Safety ("H&S") procedures and frameworks in all of its planning and field activities, with emphasis on top-down as well as bottom-up ownership and responsibility, quality training of all personnel and risk assessments that go beyond regulatory compliance. Comprehensive Risk Assessments of Health and Safety Systems have been developed to identify existing risks, to implement relevant mitigation measures and to identify potential risks before they may be directly applicable to our operations. Red Rock's H&S strategy includes project and location specific training as well as H&S inductions, Emergency Response Plans and field team reporting procedures.

# Strategic Review

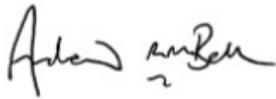
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## Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

Signed by order of the Board.

A handwritten signature in black ink, appearing to read 'Andrew Bell', with a small mark below the 'l'.

**Andrew Bell**  
**Chairman and CEO**  
**18 December 2023**

# Governance

## Board of Directors

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The Board of Directors makes decisions on shareholders' behalf. Red Rock has one Executive Chairman, one Financial Director and two Non-Executive Directors.

### **Andrew Bell, MA, LLB**

#### ***Chairman and CEO***

Andrew Bell began his career as a natural resources analyst at the leading Merchant Bank Morgan Grenfell & Co. in the 1970s. His business experience encompasses periods in fund management and advisory work at leading financial institutions, international corporate finance work and private equity. Andrew Bell is also a former director of various listed resource sector companies: Chairman and Director of Power Metal Resources Plc (AIM), Non-Executive Director of Jupiter Mines Ltd (ASX), Chairman of Star Striker Ltd (now Intiger Group Ltd) (ASX) and Non-Executive Chairman of Greatland Gold Plc (AIM). Andrew Bell has considerable sector experience and his skills also include financial, business and legal analysis as well as experience in public markets. Andrew Bell is a French speaker.

### **Scott Kaintz, BS, MBA**

#### ***Financial Director***

Scott Kaintz has over 10 years of experience managing and operating natural resource development companies. He has a degree in Russian Language and Russian Area Studies from Georgetown University and MBA degrees from London Business School and Columbia Business School. He started his career as a US Air Force Officer and analyst working across Europe, the Middle East and Central Asia. Scott has held operational and managerial roles in the defense industry and worked in corporate finance and investment funds in London, focusing primarily on capital raising efforts and debt and equity investments in small-cap companies. He joined Red Rock Resources Plc in 2011, and he is also a Director of Curzon Energy Plc.

### **Alexander Borrelli, FCA**

#### ***Independent Non-Executive Director***

Alex Borrelli initially studied medicine and then qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He then worked in corporate finance at Guinness Mahon, Samuel Montagu and as a corporate finance and main board director at Charterhouse. His subsequent investment banking business included nine years as a Head of Corporate Finance and AIM Nomad qualified executive at a specialist investment bank. He has acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers and acquisitions for private and quoted companies. For the last 15 years, he has been acting as chairman and director of various listed companies, including AIM-listed Greatland Gold Plc, Xpediator Plc, Tiger Royalties and Investments Plc and most recently Bradda Head Lithium Limited.

### **Sam Quinn, LLB, BA**

#### ***Non-Executive Director***

Sam Quinn has a Bachelor of Laws and Bachelor of Arts degrees and is a qualified lawyer in Western Australia and in England & Wales. He has served as Legal Counsel for and as part of the executive management team of several listed and non-listed gold, silver, copper, iron-ore and diamond exploration and development companies with operations in various jurisdictions. Mr Quinn is an Executive Director of Tectonic Gold Plc, listed on Aquis, and is a Non-Executive Director of Blencowe Resources Plc, listed on the LSE. Sam Quinn has strong legal expertise as well as significant experience in public markets, the resources sector and in corporate finance. Sam Quinn is the former legal counsel to the Dragon Group, a mining finance boutique and a partner of Corporate Service Providers Silvertree Partners.

## **Responsibilities of the Board**

- Focus on governance over management;
- Formulate, review and approve the Company's strategy;
- Oversee financial activities and operational performance; and
- Approval of annual budget and periodic fiscal reviews.

## **Focus Areas for 2023-24**

- First lithium revenues received from Zimbabwe – increased production over the course of the year;
- License renewal as well as continued exploration and development of Kenyan gold assets;
- Possibility of IPO or transaction involving the New Ballarat Gold Corporation Plc joint venture;
- Further development of the Company's Côte d'Ivoire and Burkina Faso assets;
- Settlement of the Company's claims in the DRC; and
- Bolstering Company's financial resources and balance sheet.

# Red Rock Resources Plc - Company Number: 05225394

## Directors' Report

for the year ended 30 June 2023

The Directors present their annual report on the affairs of the Group and Parent Company, together with the Group Financial Statements for the year ended 30 June 2023.

### Results and Dividends

The Group's results are set out in the Consolidated Income Statement on page 26. The audited Financial Statements for the year ended 30 June 2023 are set out on pages 25 to 71.

The Group made a post-tax loss of £2.8 million (2022: loss of £2.8 million).

The Directors do not recommend the payment of a dividend (2022: nil).

### Business Review and Future Developments

The business review and future developments are dealt with in the Chairman's Statement and in the Strategic Review on pages 3 to 8.

### Fundraising and Share Capital

During the year, the Company raised £1.418m in new equity (2022: nil); further details are given in note 19.

### Directors

The Directors who served at any time during the period and to date are as follows:

Andrew R M Bell  
Scott Kaintz  
Sam Quinn  
Alex Borrelli

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2023 were as follows:

	Ordinary shares			As percentage of issued share capital	Options	Warrants
	Direct	Beneficial	Total			
Andrew R M Bell	34,316,883	22,031,503	56,348,386	2.27%	13,880,000	-
Alexander Borrelli	-	5,364,429	5,364,429	0.22%	0	-
Scott Kaintz	3,072,093	22,031,503	25,103,596	1.01%	6,840,000	-
Sam Quinn	2,656,766	20,026,225	22,682,991	0.91%	0	-

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2022 were as follows:

	Ordinary shares			As percentage of issued share capital	Options	Warrants
	Direct	Beneficial	Total			
Andrew R M Bell	34,316,883	17,514,132	51,831,015	4.13%	23,000,000	-
Alexander Borrelli	-	847,058	847,058	0.07%	0	-
Scott Kaintz	3,072,093	17,514,132	20,586,225	1.64%	15,500,000	-
Sam Quinn	2,656,766	15,529,425	18,186,191	1.45%	3,000,000	-

### Events After the Reporting Period

The events after the reporting period are set out in note 26 to the Financial Statements.

## Substantial Shareholdings

On 30 June 2023 and 1 December 2023, the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	30 June 2023		1 December 2023	
	Ordinary shares of £0.0001 each	Percentage of issued share capital	Ordinary shares of £0.0001 each	Percentage of issued share capital
HSBC Global Custody Nominee (UK) Limited – Designation 941346	285,042,115	11.49%	324,809,518	12.64%
Interactive Investor Services Nominees Limited – Designation SMKTISAS	253,985,754	10.24%	288,977,394	11.24%
Interactive Investor Services Nominees Limited – Designation SMKTNOMS	182,837,522	7.37%	205,875,334	8.01%
JIM Nominees Limited – Designation JARVIS	138,622,565	5.59%	98,723,547	3.84%
Hargreaves Lansdown (Nominees) Limited – Designation VRA	136,111,634	5.49%	128,456,327	5.00%
Hargreaves Lansdown (Nominees) Limited – Designation 15942	127,997,897	5.16%	120,563,623	4.69%
Vidacos Nominees Limited – Designation IGUKCLT	118,072,604	4.76%	76,901,053	2.99%
Barclays Direct Investing Nominees Limited – CLIENT1	107,749,580	4.34%	82,559,803	3.21%
Nortrust Nominees Limited – Designation GSYA	104,000,000	4.19%	147,000,000	5.72%
HSDL Nominees Limited	90,566,187	3.65%	45,833,660	1.78%
Red Rock Resources Plc	80,895,807	3.26%	80,895,807	3.15%
US Bank National Association	76,500,000	3.08%	0	0.00%
Interactive Investor Services Nominees Limited – Designation TDWHSIPP	69,068,700	2.78%	106,870,203	4.16%
Hargreaves Lansdown (Nominees) Limited – Designation HLNOM	63,579,570	2.56%	89,541,085	3.48%
<b>Total number of shares in issue</b>	<b>2,480,597,791</b>		<b>2,570,097,791</b>	

## Management Incentives

In the year to 30 June 2023, the Company has granted nil options over its Ordinary shares (2022: Nil). As at 30 June 2023, 21,000,000 options were outstanding (2022: 50,000,000).

In January 2012, the Company implemented a tax efficient Share Incentive Plan, a government approved scheme, the terms of which provide for an equal reward to every employee, including Directors, who had served for three months or more at the time of issue. The terms of the plan provide for:

- Each employee to be given the right to subscribe any amount up to £150 per month with Trustees, who invest the monies in the Company's shares ("Partnership Shares");
- The Company to match the employee's investment by contributing an amount equal to double the employee's investment ("Matching Shares");
- The Company to award free shares to a maximum of £3,600 per employee per annum ("Free Shares"); and
- All shares awarded under the Plan are held by the Share Incentive Plan Trustees and such shares cannot be released to participants until five years after the date of award, except in specific circumstances.

The subscriptions remain free of taxation and national insurance if held for five years.

In January 2016, the Directors approved an EMI (enterprise management incentive) Scheme, and all options granted by the Company in the year to 30 June 2023 to Directors and full-time employees have been granted under the EMI Scheme.

Further details on share options and the Share Incentive Plan are set out in note 21 to the Financial Statements.

## Directors' Remuneration Report

The remuneration of the Executive Director, paid during the year, was fixed on the recommendation of the Remuneration Committee. The remuneration of the Non-Executive Directors, paid during the year, was fixed on the recommendation of the Executive Directors. This has been achieved, acknowledging the need to maximise the effectiveness of the Company's limited resources during the year.

# Red Rock Resources Plc - Company Number: 05225394

## Directors' Report

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for the year ended 30 June 2023, continued

When conducting annual reviews of Executive and Non-Executive remuneration, the Company's strategy of natural resource development and investment, as well as KPIs such as Company liquidity and share price performance and overall project development are taken into consideration and directly affect ongoing remuneration levels. The Remuneration Committee may set annual targets based on these KPIs to provide additional and more specific goals by which to assess annual Executive performance.

A fee was paid to each Director for the year ended 30 June 2023. In addition, certain fees and expenses were paid to businesses with which the Directors are associated as set out in note 9 to the Financial Statements.

Each Director is entitled to participate in the Share Incentive Plan.

The Company also has a Group Personal Pension Scheme for all eligible employees, including the Directors. The Scheme is an insured, defined contribution arrangement with all members entitled to an employer pension contribution equivalent to 8% of basic salary, subject to the individual making contribution to the Scheme (subject to statutory and regulatory conditions). The Scheme is available on a salary sacrifice basis, with 100% of the employer's national insurance saving passed on to the member by way of an enhanced employer contribution to the Scheme of an equivalent amount.

### Corporate Governance Statement

A corporate governance statement follows on pages 15 to 18.

### Control Procedures

The Board has approved financial budgets and cash forecasts. In addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

### Environmental Responsibility

The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company policy is what it has always been, which is to follow the best international practice in mitigating and minimising impacts through exploration and mining activities. The Company ensures that it and its subsidiaries comply with the local regulatory requirements and industry standards for environmental and social risk management. The Company aims to go beyond standard practice in giving particular emphasis to early, regular, and consistent engagement through designated staff with local communities.

### CO2 Emissions

Given the early developmental stage of the projects in the Group portfolio, the Board does not consider it a practical possibility to reliably assess the carbon emissions of the Group's operations and so has not included disclosure of emissions estimates in this annual report. The Board will continue to assess the possibility of measuring these levels as the Company's continues to grow and develop. Notwithstanding the above, the Board is confident that the Group's operations have consumed less than 40,000 kwh of energy in the year.

### Employment Policies

The Group is committed to promoting policies, which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success of the business. Employees, and those who seek to work within the Group, are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

### Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides training and support to employees and sets demanding standards for workplace safety.

### Suppliers, Customers and Regulatory Authorities

The Board acknowledges that a strong business relationship with suppliers and customers is a vital part of the growth. Whilst day to day business operations are delegated to the executive management, the Board sets directions with regard to new business ventures. The Board upholds ethical behaviour across all sectors of the business and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company. We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that, where possible, their wishes are duly considered.

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## Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remains a going concern. At 30 June 2023, the Group had cash and cash equivalents of £0.155 million and £2.418 million of borrowings and, as at 13 December 2023, the cash balance was c£11,000. The Directors anticipate having to raise additional funding over the course of the current financial year.

Having considered the prepared cashflow forecasts and the Group budgets, which includes the possibility of Directors reducing or foregoing their salaries if required, the progress in activities post year-end, including the anticipated asset sales of £1.5 million over the course of the year and estimated settlement of DRC litigation of up to £6.77 million (gross and before deductions and expenses and subject to repatriation to the UK), the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these Financial Statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements. However, as the amounts and timings of these sources of funding are currently uncertain, a material uncertainty exists which may result in the need to raise additional equity or debt funding based on conditions in existence at the appropriate time. In particular, if proceeds are not received from the DRC arbitration early in the New Year then, then in the absence of adequate assets sales, another fundraising would likely be required.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities, which might arise, and to classify non-current assets as current. The Financial Statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern.

## Provision of Information to Auditor

The Directors confirm that:

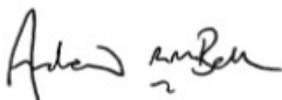
- So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Auditor

A resolution, proposing the re-appointment of PKF Littlejohn LLP as auditor, is contained in the Notice of Annual General Meeting and will be put to shareholders at the Annual General Meeting.

By order of the Board.

Signed by:



**Andrew Bell**  
**Chairman and CEO**  
**18 December 2023**

# Statement of Directors' Responsibilities

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The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group Financial Statements in accordance with UK adopted International Accounting Standards ("UK IAS") and have elected under company law to prepare the Company Financial Statements in accordance with IAS.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period.

In preparing the Group and Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IAS have been followed, subject to any material departures, disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information, included on the Red Rock Resources Plc website.

Legislation in the United Kingdom, governing the preparation and dissemination of Financial Statements, may differ from legislation in other jurisdictions.

# Corporate Governance Statement

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Good corporate governance provides a sound framework through which we can successfully deliver our strategy and return value to our stakeholders.”

## Dear Shareholders

The Board is committed to maintaining high standards of corporate governance and in this it is guided by the Quoted Companies Alliance’s Corporate Governance Code (the “QCA Code”). The QCA Code sets out 10 principles that define Red Rock’s own governance policies, several of which, are expanded on below.

## Strategy and Risks

### Business Model and Strategy for Promotion of Long-Term Value

The Board considers that the highest medium and long-term value can be delivered to its shareholders by creating a diverse portfolio of holdings with exposure to commodities across multiple stages of the natural resource cycle, from exploration to production, and with a degree of geographical and commodity diversity. The Company’s objective focusses on opportunities to add and realise value in reasonably short timeframes, and considers the generation of multiple sustainable income streams to be its prime task as this can underpin value and underwrite the higher risk parts of its project pipeline such as mineral exploration. Cash flows from dividends and buy-backs, royalties and operations are supplemented by the conversion of its unlisted asset interests, once they have reached a stage of maturity, to more liquid and more fungible forms.

### Role of the Board

The Board has a responsibility to govern the Company rather than to manage it and in doing so act in the best interests of the Company as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director. Non-Executive Directors receive formal letters of appointment, setting out the key terms, conditions and expectations of their appointment.

### Responsibilities of the Board

The Board is responsible for formulating, reviewing and approving the Company’s strategy, financial activities and operating performance. Day-to-day management is devolved to the Executive Director, who is charged with consulting the Board on all significant financial and operational matters. The Board approves the annual budget and amendments to it, issues of shares or other securities and all significant acquisitions and disposals.

### Board of Directors

The Board of Directors comprises four Directors, one of whom is Chairman and CEO as of the year end. In addition, there is Scott Kaintz, who also serves as Financial Director, an Independent Non-Executive Director, Alexander Borrelli and a Non-Executive Director, Sam Quinn.

The Directors are of the opinion that the Board comprises a suitable balance of resource sector, technical, financial, accounting, legal and public markets skills as well as experience of the Board as a whole and that the recommendations of the QCA Corporate Governance Code have been implemented to an appropriate level. The Board shall review annually and when required the appropriateness of its mix of skills and experience, to ensure that it meets the changing business needs.

The Board recognises that it has limited ethnic diversity and will give this factor due consideration if the Board concludes that replacement or additional directors are required. It notes that the Group level reflects a wide and diverse mix of nationalities and ethnicities and that local boards and operations are representative of their communities.

The Board, through the Chairman and Non-Executive Directors, maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

All Directors have access to the advice of the Company’s solicitors and the Company Secretary, necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company’s expense, as and when required.

# Corporate Governance Statement

continued

## Executive Chairman

The Board acknowledges that, in having a Chairman, who is also the Chief Executive Officer, best practice is not being followed. However, it is the opinion of the Board as a whole that the current arrangements are appropriate to the Company and Group in its present form and at the current stage of development.

## Board Meetings

The Board meets regularly throughout the year. During the year ended 30 June 2023, the Board had 3 scheduled meetings together with additional 20 ad hoc meetings as and when the business required.

## Board Meeting Attendance

The Director's attendance at scheduled and ad hoc Board meetings and Board Committees during the year ended 30 June 2023 is detailed in the table below:

Director	Board Scheduled Meetings (3)	Board Ad Hoc Meetings (20)*	Audit Committee (1)	Remuneration Committee (1)
Andrew Bell, Chairman and CEO	3	20	-	-
Scott Kaintz, Director and CFO	3	20	1	1
Alexander Borrelli, Non-Executive Director	3	20	1	1
Sam Quinn, Non-Executive Director	3	20	1	1
<b>Total Meetings</b>	<b>3</b>	<b>20</b>	<b>1</b>	<b>1</b>

\* Ad hoc meetings: Meetings called for a specific matter generally of a more administrative or transactional nature often not requiring full Board attendance.

## Board Committees

The Board has established the following committees, each of which has its own terms of reference:

### Audit Committee

The Audit Committee considers the Group's financial reporting, including accounting policies, and internal financial controls. It is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee meets as required, at least once with the auditor, and is comprised of Alexander Borrelli, Independent Non-Executive Director, as Chairman and Sam Quinn, Non-Executive Director. The Chairman and senior personnel attend the Committee as requested by the Committee.

It is the responsibility of the Committee to review the annual and half-yearly Financial Statements, to ensure that they adequately comply with appropriate accounting policies, practices and legal requirements, to recommend to the Board their adoption, and to consider the independence of and to oversee the management's appointment of the external auditor.

### Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Executive Directors' remuneration. It comprises two suitably qualified Non-executive Directors: Sam Quinn as Chairman and Alexander Borrelli. The Chairman and other senior personnel attend meetings as requested by the Committee, which meets as required during the year.

### Nominations Committee

The Board has not established a Nominations Committee. The Board considers that a separately established committee is not warranted at this stage of the Group's development and that the functions of such a committee are being adequately discharged by the Board as a whole.

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## Board Evaluation

The internal evaluation of the Board, the Committees and individual Directors, including any succession planning, is undertaken on an annual basis to determine the effectiveness of their performance and suitability to the changing business requirements. The assessment criteria are based on the need to promote the Company's Business Model, industry practices and the need for balance, the Company's immediate aspirations as well as the specific skills, knowledge and capabilities that are required to perform certain roles. The results and recommendations that come out of the appraisals of the Directors and members of the Committees, identify the required changes and actions for the Board and the Committees as units as well as individually for the Directors and members of the Committees.

## Ethical Decision Making

### Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and all staff have agreed to maintain confidentiality of non-public information, except where disclosure is authorised or legally mandated.

### Bribery

In accordance with the provisions of the Bribery Act, all Directors and staff have been informed and have acknowledged that it is an offence under the act to engage in any form of bribery. The Company has an Anti-Bribery and Whistleblowing Policy in force. The strong law-based culture of the Company is reflected in a willingness occasionally to litigate to protect its interests rather than to negotiate.

### Internal Controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in the light of increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

### Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

### Treasury Policy

The Group finances its operations through equity, loans and sales of investments. The Group holds its cash as a liquid resource to fund the obligations of the Group. Decisions, regarding the management of these assets, are approved by the Board.

### Securities Trading and Share Dealing

In accordance with the AIM Rules and MAR, the Board has adopted the Share Dealing Code that applies to Directors, senior management and any employee, who is in possession of "inside information". All such persons are prohibited from trading in the Company's securities if they are in possession of "inside information". Subject to this condition and trading prohibitions applying to "close periods" (30 days prior to the publication of the interim and final audited accounts), trading can occur provided the relevant individual has received the appropriate prescribed clearance. All Directors and staff are required to advise the Executive Chairman, or other designated person, of their intention to undertake a transaction in the Company's shares. Such a transaction will be prohibited if the Director or employee is considered to be in possession of non-public material information.

### Culture

The Company aims to deliver long-term value to its shareholders through a diverse portfolio of revenue generating mineral exploration projects and investments, corporate transactions, Joint ventures and partnerships. Therefore, the Company aims to ensure an open and respectful dialogue with shareholders and other interested parties for them to have the opportunity to express their views and expectations for the Company. In this dialogue, the importance of sound ethical values and behaviour is emphasised, both because it is important if the Company is to successfully achieve its corporate objectives that this culture is transmitted through the whole organization, and also to set a benchmark and send a signal of what it will and will not do in some of the jurisdictions in which the Company operates.

# Corporate Governance Statement

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continued

## Relations with Shareholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and Group and to this end is committed to providing effective communication with the shareholders of the Company.

Significant developments are disseminated through stock exchange announcements and regular updates of the Company website where descriptions of the Group projects are available and updated regularly. In addition, copies of press comments, broker notes, video updates and presentations are available. On the website, shareholders may sign up to receive news releases directly by e-mail. The Board views the Annual General Meeting as an important forum for communication between the Company and its shareholders and encourages shareholders to express their views on the Group's business activities and performance.

# Financial Statements

## Independent Auditor's Report

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to the Members of Red Rock Resources Plc

### Opinion

We have audited the financial statements of Red Rock Resources Plc (the 'company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Financial Position, the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to note 1.2 in the Financial Statements, which indicates that the Directors anticipate having to raise funds within the going concern period, being 12 months from the date of approval of these financial statements, in order to meet its liabilities as they fall due, including repayment of loans due within 12 months from the year end. As stated in note 1.2, these events or conditions, along with the other matters as set forth in that note, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the Financial Statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- reviewing the cash flow forecasts for the ensuing twelve months from the date of approval of these financial statements and critically challenging the key inputs and assumptions used. The forecasts demonstrated that, after the removal of expected cash inflows (including asset sales, estimated settlement amounts in respect of DRC litigation, and anticipated placings), the timing and amounts of which are uncertain, the Group and Company will require additional funding in order to meet their liabilities as and when they fall due, and to fund planned exploration activities;
- reviewing management's going concern memorandum and holding discussions with management regarding future plans and availability of funding;
- reviewing the adequacy and completeness of disclosures in the group financial statements; and
- reviewing post balance sheet events as they relate to the group's ability to raise funds and restructure debt.

Our responsibilities and the responsibilities of the Directors, with respect to going concern, are described in the relevant sections of this report.

# Independent Auditor's Report

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to the Members of Red Rock Resources Plc, continued

## Our Application of Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we consider gross assets to be most significant determinant of the Group's financial performance and most relevant to investors and shareholders for an exploration Group with a number of investments and early-stage projects. We have therefore set Group materiality at 1.5% of gross assets (2022: 1% of gross assets). Materiality of the Company was based upon 3% of net assets, capped below group materiality (2022: 1% of gross assets). We considered this an appropriate benchmark as the Company has significant assets and liabilities on its statement of financial position.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining our overall audit strategy, we assessed the level of uncorrected misstatements that would be material for the financial statements as a whole.

We determined the Group and Company materiality for the financial statements as a whole to be £287,000 and £285,000 (2022: £187,000 and £168,300), respectively. Performance materiality was set at 60% of overall materiality for the Group and Company at £172,200 and £171,000 (2021: £112,200 and £100,980), respectively, whilst the threshold for reporting unadjusted differences to those charged with governance was set at £14,350 for the Group and £14,250 (2021: £9,350 and £8,415) for the Company. We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Materiality for other significant components of the group ranged from £8,100 to £8,700 calculated as a percentage of gross assets.

## Our Approach to the Audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas involving significant accounting estimates and judgement, including the recoverability of exploration assets and non-current receivables, by the Directors, and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The accounting records of the Company and all subsidiary undertakings are centrally located and audited by us based upon materiality or risk. The key audit matters, and how these were addressed, are outlined below.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How Our Scope Addressed This Matter
<p data-bbox="165 383 785 439"><b>Recoverability of exploration assets (see notes 1.5 and 13)</b></p> <p data-bbox="165 450 785 533"><b>Exploration assets have a carrying value in the Financial Statements of £13,611,000 at 30 June 2023 (2022: £13,265,000).</b></p> <p data-bbox="165 573 785 678"><b>There is a risk that this amount is impaired and that the capitalised amounts do not meet the recognition criteria as adopted by the Group, or as specified within IFRS 6.</b></p> <p data-bbox="165 719 785 857"><b>The capitalisation of the costs and determination of the recoverability of these assets are subject to a high degree of management estimation and judgement and therefore there is a risk this balance is materially misstated.</b></p> <p data-bbox="165 898 785 981"><b>Due to the level of judgement required to be exercised by management, and the magnitude of the balance, we have considered this matter to be a key audit matter.</b></p>	<p data-bbox="810 450 1278 479">Our work in this area included the following:</p> <ul data-bbox="810 517 1433 1133" style="list-style-type: none"> <li data-bbox="810 517 1433 656">• Obtaining and challenging management’s impairment review, together with evaluating announcements and progress on the license areas during the year and post-year end, including exploration results and mineral resource estimates;</li> <li data-bbox="810 663 1433 745">• Holding discussions with management surrounding progress at the various projects and future plans, including rationale for any impairments recorded;</li> <li data-bbox="810 752 1433 857">• Obtaining copies of the exploration licenses to ensure good title and ensure, where applicable, that any specific terms or conditions therein have been adequately met;</li> <li data-bbox="810 864 1433 947">• Performing an independent assessment for indicators of impairment in accordance with the requirements of IFRS 6;</li> <li data-bbox="810 954 1433 1059">• Substantive testing of a sample of additions in the period to ensure they meet the eligibility criteria under IFRS 6 and are capitalised in accordance with the Group’s accounting policy; and</li> <li data-bbox="810 1066 1433 1133">• Assessing the appropriateness of the disclosures made in respect of intangible assets, including any judgements and sources of estimation.</li> </ul> <p data-bbox="810 1173 1433 1279">On the basis of work performed, we are satisfied that, following the impairments recorded by management as at 30 June 2023, exploration assets are not materially misstated.</p> <p data-bbox="810 1319 1433 1570">We note that the licenses PL 2018-0202 and PL 2018-0203 held by Mid Migori Mining Company Ltd in respect of the Migori gold project, with capitalised exploration assets of £12.9m as at 30 June 2023, expired post-year end in August 2023. Relevant renewals have been submitted and this process remains ongoing. The Directors have confirmed they do not have any reason to believe the renewals will not be forthcoming. If the licenses are not renewed, this may result in an impairment to these assets.</p>

# Independent Auditor's Report

to the Members of Red Rock Resources Plc, continued

<p><b>Recoverability of non-current receivables for MFP sales proceeds (see notes 1.5 and 16)</b></p>	
<p><b>Non-current receivables for MFP sales proceeds have a carrying value in the Financial Statements of £1,410,000 as at 30 June 2023 (2022: £1,224,000).</b></p> <p><b>Non-current assets represent amounts expected to be receivable through a net smelter royalty, following the sale of MFP in a previous accounting period. The asset is measured at fair value based on the net present value of future cash flows expected to be received in respect of the royalty proceeds.</b></p> <p><b>We identified an audit risk that these assets are not recoverable and, therefore, are incorrectly valued in the Financial Statements.</b></p> <p><b>This was assessed to be a key audit matter because non-current assets are financially significant and management are required to use their judgement and estimation in preparing the net present value of future cash flows from the royalty stream.</b></p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining management's workings supporting the valuation of the MFP sales proceeds and ensuring arithmetical accuracy of the workings;</li> <li>• Evaluating publicly available information on production activities at the mine;</li> <li>• Reviewing all key inputs and assumptions used within the net present value model and ensuring they are reasonable and appropriate;</li> <li>• Considering whether management have included all possible factors which could impact the valuation; and</li> <li>• Considering whether there are indications of impairment in the valuation to suggest the balance is not recoverable.</li> </ul>
<p><b>Key Observations</b></p> <p>In reviewing the calculations prepared by management, we noted the following assumptions as key:</p> <ul style="list-style-type: none"> <li>• Estimated production rate;</li> <li>• Discount rate; and</li> <li>• Gold price.</li> </ul> <p>Commissioning and initial production at the mine commenced during 2021 with production expected to ramp up to commercial levels during the forthcoming year. We note that there have been delays to the previously anticipated production schedule due to priority being given to the expansion of production and resource at another site. Management anticipate significant growth rates in production from Q1 2024 onwards.</p> <p>We draw to the users attention the disclosure in note 1.5, which lists the key assumptions in the calculation of fair value of non-current assets. The recoverability of the balance is dependent on the ability of MFP to fully realise the potential of the site through achieving a minimum level of production which in turn will enable a potential return through the net smelter royalty agreement.</p>	

## Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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## Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the Group and Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Company and the sector, in which they operate, to identify laws and regulations that could reasonably be expected to have a direct effect on the Financial Statements. We obtained our understanding in this regard through discussions with management and our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those arising from UK-adopted international accounting standards, the Companies Act 2006 and the local laws and regulations in the jurisdictions in which the Group operates.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Company with those laws and regulations. These procedures included, but were not limited to, enquiries of management, review of Board minutes and a review of legal or regulatory correspondence.

# Independent Auditor's Report

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to the Members of Red Rock Resources Plc, continued

- We also identified the risks of material misstatement of the Financial Statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the risk of fraud related to the estimates, judgements and assumptions applied by management in their assessment of impairment of intangible assets and the recoverability of non-current receivables. Refer to the Key Audit Matters section above on how our audit scope addressed these matters.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals, reviewing accounting estimates for evidence of bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Imogen Massey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
**18 December 2023**

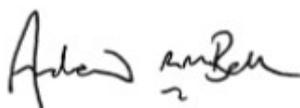
15 Westferry Circus  
Canary Wharf  
London E14 4HD

# Consolidated Statement of Financial Position

as at 30 June 2023

	Notes	30 June 2023 £'000	30 June 2022 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in associates and joint ventures	12	1,030	1,030
Exploration assets	13	13,358	13,265
Mineral tenements	13	698	511
Financial instruments - fair value through other comprehensive income (FVTOCI)	14	736	736
PPE		18	-
Non-current receivables	16	2,506	2,320
<b>Total non-current assets</b>		<b>18,346</b>	<b>17,862</b>
<b>Current assets</b>			
Cash and cash equivalents	15	155	66
Other receivables	17	670	824
<b>Total current assets</b>		<b>825</b>	<b>890</b>
<b>TOTAL ASSETS</b>		<b>19,171</b>	<b>18,752</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Parent			
Called up share capital	19	2,960	2,839
Share premium account		32,785	31,077
Other reserves	20	1,751	1,434
Retained earnings		(22,477)	(19,812)
<b>Total equity attributable to owners of the Parent</b>		<b>15,019</b>	<b>15,538</b>
Non-controlling interest		(687)	(420)
<b>Total equity</b>		<b>14,332</b>	<b>15,118</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	18	684	415
Borrowings	18	756	822
<b>Total non-current liabilities</b>		<b>1,440</b>	<b>1,237</b>
<b>Current liabilities</b>			
Trade and other payables	18	1,737	1,355
Short-term borrowings	18	1,662	1,042
<b>Total current liabilities</b>		<b>3,399</b>	<b>2,397</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,171</b>	<b>18,752</b>

These Financial Statements on pages 25 to 71 were approved by the Board of Directors and authorised for issue on 18 December 2023 and are signed on its behalf by:



**Andrew Bell**  
Chairman and CEO

The accompanying notes form an integral part of these Financial Statements.

# Consolidated Income Statement

for the year ended 30 June 2023

	Notes	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
<b>Continuing operations</b>			
Administrative expenses	4	(1,380)	(1,225)
Exploration expenses		(318)	(256)
Project development	6	(250)	(676)
Other project costs	6	(159)	(211)
Impairment of E&E assets	13	(259)	-
Share based payments		(213)	(16)
Currency gains		11	(183)
Other gains	5	228	52
Dividend income	5	-	-
Finance costs	5	(613)	(285)
Profit/(loss) for the year before taxation		(2,953)	(2,800)
Tax	7	-	-
<b>Profit/(loss) for the year</b>		<b>(2,953)</b>	<b>(2,800)</b>
<b>Profit/(loss) for the year attributable to:</b>			
Equity holders of the Parent		(2,665)	(2,615)
Non-controlling interest		(288)	(185)
		<b>(2,953)</b>	<b>(2,800)</b>
<b>Earnings per share attributable to owners of the Parent:</b>			
Basic loss per share, pence	10	(0.19)	(0.23)
Diluted loss per share, pence	10	(0.19)	(0.23)

# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	30 June 2023 £'000	30 June 2022 £'000
<b>Profit/(loss) for the year</b>	<b>(2,953)</b>	<b>(2,800)</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
(Deficit) / surplus on revaluation of FVTOCI financial assets	-	418
Losses and transfer of FVTOCI financial assets on disposal	-	(442)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	165	(177)
<b>Total other comprehensive income net of tax for the year</b>	<b>165</b>	<b>(201)</b>
<b>Total comprehensive income, net of tax for the year</b>	<b>(2,788)</b>	<b>(3,001)</b>
<b>Total comprehensive income net of tax attributable to:</b>		
Owners of the Parent	(2,521)	(2,816)
Non-controlling interest	(267)	(185)
	<b>(2,788)</b>	<b>(3,001)</b>

The accompanying notes form an integral part of these Financial Statements.

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

The movements in equity during the period were as follows:

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves £'000	Total attributable to owners of the Parent £'000	Non-controlling interest £'000	Total equity £'000
<b>As at 1 July 2021</b>	<b>2,835</b>	<b>30,924</b>	<b>(18,741)</b>	<b>1,627</b>	<b>16,645</b>	<b>(199)</b>	<b>16,446</b>
<b>Changes in equity for 2021</b>							
Loss for the year	-	-	(2,615)	-	(2,615)	(185)	(2,800)
<b>Other comprehensive income for the year</b>							
Transfer of FVTOCI reserve relating to disposals	-	-	-	(442)	(442)	-	(442)
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	-	-	-	418	418	-	418
Losses on sale of FVTOCI taken directly to reserves	-	-	1,544	-	1,544	-	1,544
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	-	-	-	(177)	(177)	(36)	(213)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,071)</b>	<b>(201)</b>	<b>(1,272)</b>	<b>(221)</b>	<b>(1,493)</b>
<b>Transactions with owners</b>							
Issue of shares	4	153	-	-	157	-	157
Issue of warrants	-	-	-	8	8	-	8
<b>Total transactions with owners</b>	<b>4</b>	<b>153</b>	<b>-</b>	<b>8</b>	<b>165</b>	<b>-</b>	<b>165</b>
<b>As at 30 June 2022</b>	<b>2,839</b>	<b>31,077</b>	<b>(19,812)</b>	<b>1,434</b>	<b>15,538</b>	<b>(420)</b>	<b>15,118</b>
<b>Changes in equity for 2023</b>							
Loss for the year	-	-	(2,665)	-	(2,665)	(288)	(2,953)
<b>Other comprehensive income for the year</b>							
Transfer of FVTOCI reserve relating to disposals	-	-	-	-	-	-	-
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	-	-	-	-	-	-	-
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	-	-	-	144	144	21	165
Losses on sale of FVTOCI taken directly to reserves	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(2,665)</b>	<b>144</b>	<b>(2,521)</b>	<b>(267)</b>	<b>(2,788)</b>
<b>Transactions with owners</b>							
Issue of shares	121	1,708	-	-	1,829	-	1,829
Issue of warrants	-	-	-	173	173	-	173
<b>Total transactions with owners</b>	<b>121</b>	<b>1,708</b>	<b>-</b>	<b>173</b>	<b>2,002</b>	<b>-</b>	<b>2,002</b>
<b>As at 30 June 2023</b>	<b>2,960</b>	<b>32,785</b>	<b>(22,477)</b>	<b>1,751</b>	<b>15,019</b>	<b>(687)</b>	<b>14,332</b>

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2023, continued

	FVTOCI financial instruments revaluation reserve £'000	Foreign currency translation reserve £'000	Share-based payment reserve £'000	Warrant reserve £'000	Total other reserves £'000
<b>As at 1 July 2021</b>	<b>426</b>	<b>158</b>	<b>230</b>	<b>813</b>	<b>1,627</b>
<b>Changes in equity for 2021</b>					
<b>Other comprehensive income for the year</b>					
Transfer of FVTOCI reserve relating to disposals	(442)	-	-	-	(442)
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	418	-	-	-	418
Unrealised foreign currency gains on translation of foreign operations	-	(177)	-	-	(177)
Warrants issued in the year	-	-	-	8	8
<b>Total comprehensive expense for the year</b>	<b>(24)</b>	<b>(177)</b>	<b>-</b>	<b>8</b>	<b>(193)</b>
<b>As at 30 June 2022</b>	<b>402</b>	<b>(19)</b>	<b>230</b>	<b>821</b>	<b>1,434</b>
<b>Changes in equity for 2023</b>					
<b>Other comprehensive income for the year</b>					
Transfer of FVTOCI reserve relating to disposals	-	-	-	-	-
Transfer of FVTOCI reserve relating to revalued FVTOCI financial assets	-	-	-	-	-
Unrealised foreign currency gains on translation of foreign operations	-	144	-	-	144
Warrants issued in the year	-	-	-	173	173
<b>Total comprehensive income or the year</b>	<b>-</b>	<b>144</b>	<b>-</b>	<b>173</b>	<b>317</b>
<b>As at 30 June 2023</b>	<b>402</b>	<b>125</b>	<b>230</b>	<b>994</b>	<b>1,751</b>

See note 20 for a description of each reserve included above.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Notes	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) before tax</b>		<b>(2,953)</b>	<b>(2,800)</b>
Increase in receivables		<b>(239)</b>	<b>(140)</b>
Increase in payables		<b>612</b>	<b>432</b>
Finance costs	5	<b>613</b>	<b>285</b>
Share-based payments	21	<b>213</b>	<b>8</b>
Foreign exchange gain/loss		<b>(10)</b>	<b>179</b>
Equity settled transactions		<b>-</b>	<b>90</b>
Impairment of E&E assets	13	<b>253</b>	<b>-</b>
<b>Net cash outflow from operations</b>		<b>(1,511)</b>	<b>(1,946)</b>
Corporation tax reclaimed/(paid)		<b>-</b>	<b>-</b>
<b>Net cash used in operations</b>		<b>(1,511)</b>	<b>(1,946)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of FVTOCI financial assets	14	<b>-</b>	<b>2,539</b>
Purchase of PPE		<b>(18)</b>	<b>-</b>
Payments to acquire exploration asset		<b>(139)</b>	<b>(150)</b>
Payments to increase interest in associate		<b>-</b>	<b>(141)</b>
Payments for tenements		<b>(187)</b>	<b>(387)</b>
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(344)</b>	<b>1,861</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	19	<b>1,112</b>	<b>68</b>
Interest paid	23	<b>-</b>	<b>(250)</b>
Proceeds from new borrowings	23	<b>1,237</b>	<b>940</b>
Repayment of borrowings – Non current	23	<b>(38)</b>	<b>-</b>
Repayments of borrowings	23	<b>(494)</b>	<b>(1,035)</b>
<b>Net cash inflow / (outflow) from financing activities</b>		<b>1,817</b>	<b>(277)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(38)</b>	<b>(362)</b>
Cash and cash equivalents at the beginning of period		<b>66</b>	<b>457</b>
Exchange (losses)/gains on cash and cash equivalents		<b>127</b>	<b>(29)</b>
<b>Cash and cash equivalents at end of period</b>	15	<b>155</b>	<b>66</b>

Major non-cash transactions are disclosed in note 23.

The accompanying notes and accounting policies form an integral part of these Financial Statements.

# Company Statement of Financial Position

Red Rock Resources Plc (Registration Number: 05225394) as at 30 June 2023

	Notes	30 June 2023 £'000	30 June 2022 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	76	76
Investments in associates and joint ventures	12	1,111	1,111
Financial instruments - fair value through other comprehensive income (FVTOCI)	14	736	736
Exploration property	13	12,948	12,948
Exploration assets	13	-	258
PPE		1	
Non-current receivables	16	4,978	3,945
<b>Total non-current assets</b>		<b>19,850</b>	<b>19,074</b>
<b>Current assets</b>			
Cash and cash equivalents	15	149	31
Loans and other receivables	17	601	456
<b>Total current assets</b>		<b>750</b>	<b>487</b>
<b>TOTAL ASSETS</b>		<b>20,600</b>	<b>19,561</b>
<b>EQUITY AND LIABILITIES</b>			
Called up share capital	19	2,961	2,839
Share premium account		32,785	31,078
Other reserves		1,676	1,502
Retained earnings		(22,798)	(20,827)
<b>Total equity</b>		<b>14,624</b>	<b>14,592</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	18	756	822
<b>Total non-current liabilities</b>		<b>756</b>	<b>822</b>
<b>Current liabilities</b>			
Trade and other payables	18	1,602	1,235
Intra-group borrowings	18	2,115	1,890
Short-term external borrowings	18	1,503	1,022
<b>Total current liabilities</b>		<b>5,220</b>	<b>4,147</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,600</b>	<b>19,561</b>

## Company Statement of Comprehensive Income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own Income Statement or Statement of Comprehensive Income. The Company's loss for the financial year was £1.971 million (2022: loss of £1.907 million). The Company's total comprehensive loss for the financial year was £1.971 million (2022: loss of £1.455 million).

These Financial Statements on pages 25 to 71 were approved by the Board of Directors and authorised for issue on 18 December 2023 and are signed on its behalf by:



**Andrew Bell**  
Chairman and CEO

The accompanying notes and accounting policies form an integral part of these Financial Statements.

# Company Statement of Changes in Equity

for the year ended 30 June 2023

The movements in equity during the period were as follows:

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
<b>As at 1 July 2021</b>	<b>2,835</b>	<b>30,924</b>	<b>(19,003)</b>	<b>1,043</b>	<b>15,799</b>
<b>Changes in equity for 2022</b>					
<b>Loss for the year</b>	-	-	(1,907)	-	(1,907)
<b>Other comprehensive income for the year</b>					
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	-	-	-	518	518
Transfer of FVTOCI reserve relating to disposals	-	-	-	(66)	(66)
Losses on sale of FVTOCI taken directly to reserves	-	-	83	-	83
<b>Total comprehensive income for the year</b>	-	-	<b>(1,824)</b>	<b>452</b>	<b>(1,372)</b>
<b>Transactions with owners</b>					
Issue of shares	4	154	-	-	158
Issue of warrants	-	-	-	7	7
<b>Total transactions with owners</b>	<b>4</b>	<b>154</b>	<b>-</b>	<b>7</b>	<b>165</b>
<b>As at 30 June 2022</b>	<b>2,839</b>	<b>31,078</b>	<b>(20,827)</b>	<b>1,502</b>	<b>14,592</b>
<b>Changes in equity for 2023</b>					
<b>Loss for the year</b>	-	-	(1,971)	-	(1,971)
<b>Other comprehensive income for the year</b>					
<b>Total comprehensive income for the year</b>	-	-	<b>(1,971)</b>	-	<b>(1,971)</b>
<b>Transactions with owners</b>					
Issue of shares	122	1,707	-	-	1,829
Issue of warrants	-	-	-	174	174
<b>Total transactions with owners</b>	<b>122</b>	<b>1,707</b>	<b>-</b>	<b>174</b>	<b>2,003</b>
<b>As at 30 June 2023</b>	<b>2,961</b>	<b>32,785</b>	<b>(22,798)</b>	<b>1,676</b>	<b>14,624</b>

# Company Statement of Changes in Equity

for the year ended 30 June 2023, continued

	FVTOCI financial assets revaluation reserve £'000	Share-based payment reserve £'000	Warrant reserve £'000	Total other reserves £'000
<b>As at 1 July 2021</b>	—	230	813	1,043
<b>Changes in equity for 2021</b>				
<b>Other comprehensive income for the year</b>				
Transfer of FVTOCI reserve relating to disposals	518	-	-	518
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	(66)	-	-	(66)
Issue of warrants	-	-	7	7
<b>Total Other comprehensive income</b>	<b>452</b>	<b>-</b>	<b>7</b>	<b>459</b>
<b>As at 30 June 2022</b>	<b>452</b>	<b>230</b>	<b>820</b>	<b>1,502</b>
<b>Changes in equity for 2023</b>				
<b>Other comprehensive income for the year</b>				
Issue of warrants	-	-	174	174
<b>Total Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>174</b>
<b>As at 30 June 2023</b>	<b>452</b>	<b>230</b>	<b>994</b>	<b>1,676</b>

See note 20 for a description of each reserve included above.

# Company Statement of Cash Flows

for the year ended 30 June 2023

	30 June 2023 £'000	30 June 2022 £'000
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before taxation</b>	<b>(1,971)</b>	<b>(1,907)</b>
Increase in receivables	<b>(1,178)</b>	(990)
Increase in payables	<b>644</b>	859
Finance costs (Note 5)	<b>613</b>	90
Share-based payments (Note 21)	<b>214</b>	7
Equity settled transactions	-	90
Change in value in FVTPL financial assets	-	-
Foreign exchange loss / (gain)	<b>(83)</b>	235
Impairment of E&E assets (Note 13)	<b>259</b>	-
<b>Net cash outflow from operations</b>	<b>(1,503)</b>	<b>(1,616)</b>
Corporation tax	-	-
<b>Net cash used in operations</b>	<b>(1,503)</b>	<b>(1,616)</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE	<b>(1)</b>	-
Proceeds from sale of FVTOCI financial assets	-	577
Investment in Joint venture projects	-	(141)
Investment in subsidiaries	-	(37)
Payments to acquire exploration asset	-	(91)
<b>Net cash outflow from investing activities</b>	<b>(1)</b>	<b>308</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	<b>1,112</b>	68
Proceeds from new borrowings (Note 23)	<b>1,078</b>	940
Repayment of borrowings – Non current (Note 23)	<b>(38)</b>	-
Repayment of borrowings (Note 23)	<b>(494)</b>	(35)
<b>Net cash inflow from financing activities</b>	<b>1,659</b>	<b>973</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>155</b>	<b>(335)</b>
Cash and cash equivalents at the beginning of period	<b>31</b>	366
Exchange (losses)/gains on cash and cash equivalents	<b>(37)</b>	-
<b>Cash and cash equivalents at end of period (Note 15)</b>	<b>149</b>	<b>31</b>

The accompanying notes and accounting policies form an integral part of these Financial Statements.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies

### 1.1 Corporate Information

Red Rock Resources Plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM. The principal activities of the Group are the exploration for and development of mineral resources in multiple locations globally, principally in Africa and Australia.

### 1.2 Basis of Preparation

The Financial Statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments, which are carried as described in the respective sections in the policies below. The principal accounting policies adopted are set out below.

### Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remains a going concern. At 30 June 2023, the Group had cash and cash equivalents of £0.155 million and £2.418 million of borrowings and, as at 13 December 2023, the cash balance was c£11,000. The Directors anticipate having to raise additional funding over the course of the current financial year.

Having considered the prepared cashflow forecasts and the Group budgets, which includes the possibility of Directors reducing or foregoing their salaries if required, the progress in activities post year-end, including the anticipated asset sales of £1.5 million over the course of the year and estimated settlement of DRC litigation of up to £6.77 million (gross and before deductions and expenses and subject to repatriation to the UK), the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these Financial Statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements. However, as the amounts and timings of these sources of funding are currently uncertain, a material uncertainty exists which may result in the need to raise additional equity or debt funding based on conditions in existence at the appropriate time. In particular, if proceeds are not received from the DRC arbitration early in the New Year then, then in the absence of adequate assets sales, another fundraising would likely be required.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities, which might arise, and to classify non-current assets as current. The Financial Statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern.

### New Standards, Amendments and Interpretations Not Yet Adopted

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements were in issue but not yet effective:

- Amendments to IAS 1: Classifications of current or non-current liabilities (effective 1 January 2024);
- Amendments to IAS 8: Accounting Policies, Changes to Accounting Estimates and Errors (effective 1 January 2023);
- Amendments to IAS 12: Income Taxes – Deferred Tax arising from a Single Transaction (effective 1 January 2023).
- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023).

The effect of these new and amended standards and interpretations, which are in issue but not yet mandatorily effective, is not expected to be material.

### Standards Adopted Early by the Group

The Group has not adopted any standards or interpretations early in either the current or the preceding financial year.

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### 1.3 Basis of Consolidation

The Consolidated Financial Statements of the Group incorporate the Financial Statements of the Company and subsidiaries controlled by the Company made up to 30 June each year.

#### Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are consolidated from the date on which control is obtained, the acquisition date, up until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs, directly attributable to the acquisition, are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date, about facts or circumstances, existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

Non-controlling interests in subsidiaries are measured at the proportionate share of the fair value of their identifiable net assets.

Intra-group transactions, balances and unrealised gains and losses on transactions between the Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

At 30 June 2023, the Consolidated Financial Statements combine those of the Company with those of its subsidiaries, Red Rock Australasia Pty Ltd, New Ballarat Gold Corporation Plc, RRR Coal Ltd, African Lithium Resources Limited, Lac Minerals Ltd, Lacgold Resources SARLU, Faso Minerals Ltd, Faso Greenstone Resources SARLU, Jimano Ltd, Red Rock Resources Congo S.A.U., Red Rock Galaxy SA, RedRock Kenya Ltd, RRR Kenya Ltd and Red Rock Resources (HK) Ltd.

The Group's dormant subsidiaries Intrepid Resources Ltd, Red Rock Resources Inc., Red Rock Cote D'Ivoire SARL and Basse Terre SARL, have been excluded from consolidation on the basis of the exemption provided by Section 405(2) of the Companies Act 2006 that their inclusion is not material for the purpose of giving a true and fair view.

#### Non-Controlling Interests

Profit or loss and each component of other comprehensive income are allocated between the Parent and non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Transactions with non-controlling interests, that do not result in loss of control, are accounted for as equity transactions. Any differences between the adjustment for the non-controlling interest and the fair value of consideration paid or received are recognised in equity.

### 1.4 Summary of Significant Accounting Policies

#### 1.4.1 Mineral Tenements and Exploration Property

Exploration licence and property acquisition costs are capitalised in intangible assets. Licence costs, paid in connection with a right to explore in an existing exploration area, are also capitalised. Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through the statement of profit or loss and other comprehensive income. For assets that move into production any intangible E&E assets values are amortised on a unit production basis over the period of production.

#### 1.4.2 Investment in Associates

An associate is an entity over which the Group has the power to exercise significant influence, but not controlled or jointly controlled by the Group, through participation in the financial and operating policy decisions of the investee.

Investments in associates are recognised in the Consolidated Financial Statements, using the equity method of accounting. The Group's share of post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised directly in other comprehensive income.

The carrying value of the investment, including goodwill, is tested for impairment, when there is objective evidence of impairment. Losses in excess of the Group's interest in those associates are not recognised, unless the Group has incurred obligations or made payments on behalf of the associate.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies, *continued*

### 1.4 Summary of Significant Accounting Policies, *continued*

Where the Group transacts with an associate of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant associate. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred, in which case appropriate provision is made for impairment.

In the Company Financial Statements, investments in associates are recognised and held at cost. The carrying value of the investment is tested for impairment, when there is objective evidence of impairment.

#### 1.4.3 Interests in Joint Ventures

The Group recognises its interest in the jointly controlled entity's assets and liabilities, using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of its net assets, less distributions received and less any impairment in value of individual investments. The Group Income Statement reflects the share of the jointly controlled entity's results after tax.

Any goodwill, arising on the acquisition of a jointly controlled entity, is included in the carrying amount of the jointly controlled entity and is not amortised. To the extent that the net fair value of the entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the entity's profit or loss in the period in which the investment is acquired.

Where necessary, adjustments are made to bring the accounting policies in line with those of the Group's and to reflect impairment losses where appropriate. Adjustments are also made in the Group's Financial Statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

#### 1.4.4 Taxation

Corporation tax is provided on taxable profits or losses at the current rate. The tax expense/credit represents the sum of the current tax expense/credit and deferred tax.

The tax currently payable/receivable is based on taxable profit or loss for the year. Taxable profit or loss differs from accounting profit or loss as reported in the Statement of Comprehensive Income, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit or loss and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against, which deductible, temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the taxable profit or loss nor the accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences, arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period, when the asset is realised or the liability is settled, based upon tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity, or items charged or credited directly to other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

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Deferred tax assets and liabilities are offset, where there is a legally enforceable right to offset current tax assets and liabilities, and the deferred tax relates to income tax levied by the same tax authorities on either:

- The same taxable entity; or
- Different taxable entities, which intend to settle current tax assets and liabilities on a net basis or to realise and settle them simultaneously in each future period, when the significant deferred tax assets and liabilities are expected to be realised or settled.

#### **1.4.5 Foreign Currencies**

Both the functional and presentational currency of Red Rock Resources Plc is Pounds Sterling (“£”). Each Group entity determines its own functional currency, and items included in the Financial Statements of each entity are measured using that functional currency.

The functional currencies of the major foreign subsidiaries are Australian Dollars (“AUD”), the Congolese Franc (“CFD”), and Kenyan Shillings (“KES”).

Transactions in currencies other than the functional currency of the relevant entity are initially recorded at the exchange rate, prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities, that are denominated in foreign currencies, are translated at the exchange rate, prevailing at the reporting date. Non-monetary assets and liabilities, carried at fair value that are denominated in foreign currencies, are translated at the rates, prevailing at the date when the fair value was determined. Gains and losses, arising on translation, are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income, when the changes in fair value are recognised directly in other comprehensive income.

On consolidation, the assets and liabilities of the Group’s overseas operations are translated into the Group’s presentational currency at exchange rates, prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates have fluctuated significantly during the year, in which case the exchange rate at the date of the transaction is used. All exchange differences arising, if any, are recognised as other comprehensive income and are transferred to the Group’s foreign currency translation reserve.

#### **1.4.6 Share-Based Payments**

##### *Share Options*

The Group operates an equity-settled share-based payment arrangement, whereby the fair value of services provided is determined indirectly by reference to the fair value of the instrument granted.

The fair value of options, granted to Directors and others in respect of services provided, is recognised as an expense in the Income Statement, with a corresponding increase in equity reserves – the share-based payment reserve, until the award has been settled and then make a transfer to share capital. On exercise or lapse of share options, the proportion of the share-based payment reserve, relevant to those options, is transferred to retained earnings. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date and charged over the vesting period, during which the option becomes unconditional.

The fair value of options is calculated using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The exercise price is fixed at the date of grant.

Non-market conditions are performance conditions that are not related to the market price of the entity’s equity instruments. They are not considered, when estimating the fair value of a share-based payment. Where the vesting period is linked to a non-market performance condition, the Group recognises the goods and services it has acquired during the vesting period, based on the best available estimate of the number of equity instruments expected to vest. The estimate is reconsidered at each reporting date, based on factors such as a shortened vesting period, and the cumulative expense is “trued up” for both the change in the number expected to vest and any change in the expected vesting period.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies, *continued*

### 1.4 Summary of Significant Accounting Policies, *continued*

Market conditions are performance conditions that relate to the market price of the entity's equity instruments. These conditions are included in the estimate of the fair value of a share-based payment. They are not taken into account for the purpose of estimating the number of equity instruments that will vest. Where the vesting period is linked to a market performance condition, the Group estimates the expected vesting period. If the actual vesting period is shorter than estimated, the charge is accelerated in the period that the entity delivers the cash or equity instruments to the counterparty. When the vesting period is longer, the expense is recognised over the originally estimated vesting period.

For other equity instruments, granted during the year (i.e. other than share options), fair value is measured on the basis of an observable market price.

Warrants or options, issued to parties other than employees, are valued based on the value of the service provided.

#### *Share Incentive Plan*

Where shares are granted to employees under the Share Incentive Plan, the fair value of services provided is determined indirectly by reference to the fair value of the free, partnership and matching shares, granted on the grant date. Fair value of shares is measured on the basis of an observable market price, i.e. share price as at grant date, and is recognised as an expense in the Income Statement on the date of the grant. For the partnership shares, the charge is calculated as the excess of the mid-market price on the date of grant over the employee's contribution.

#### **1.4.7 Pension**

The Group operates a defined contribution pension plan, which requires contributions to be made to a separately administered fund. Contributions to the defined contribution scheme are charged to profit or loss as they become payable.

#### **1.4.8 Exploration Assets**

Exploration assets comprise exploration and development costs incurred on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments.

Recoverability of exploration costs is dependent upon successful development and commercial exploitation of each area of interest and will not be amortised until the existence (or otherwise) of commercial reserves in the area of interest has been determined. The Group and the Company currently have no exploration assets, where production has commenced.

The Group adopts the "area of interest" method of accounting, whereby all exploration and development costs, relating to an area of interest, are capitalised and carried forward until abandoned. In the event that an area of interest is abandoned, or if the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial year in which the decision is made. All expenditure incurred prior to approval of an application is expensed with the exception of refundable rent, which is raised as a receivable.

Upon disposal, the difference between the fair value of consideration receivable for exploration assets and the relevant cost within non-current assets is recognised in the Income Statement.

#### **1.4.9 Impairment of Non-Financial Assets**

The carrying values of assets, other than those to which IAS 36 "Impairment of Assets" does not apply, are reviewed at the end of each reporting period for impairment, when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

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When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.4.10 Finance Income/Expense**

Finance income and expense is recognised as interest accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period, using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts or re-payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

#### **1.4.11 Financial Instruments**

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

##### *Fair Value through Profit or Loss (FVTPL)*

This category comprises in-the-money derivatives and out-of-the-money derivatives, where the time value offsets the negative intrinsic value. They are carried in the Statement of Financial Position at fair value, with changes in fair value recognised in the Consolidated Statement of Comprehensive Income in the finance income or expense line. Other than derivative financial instruments, which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

##### *Amortised Cost*

These assets comprise the types of financial assets, where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, using the effective interest rate method, less provision for impairment. Impairment provisions, for current and non-current trade receivables, are recognised, based on the simplified approach within IFRS 9, using a provision matrix in the determination of the lifetime expected credit losses.

During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss, arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account, with the loss being recognised in the Consolidated Statement of Comprehensive Income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions, for receivables from related parties and loans to related parties, are recognised, based on a forward-looking expected credit loss model. The methodology, used to determine the amount of the provision, is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, based on analysis of internal or external information. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses, along with the gross interest income, are recognised. For those that are determined to be credit impaired, lifetime expected credit losses, along with interest income on a net basis, are recognised.

The Group considers a financial asset in default, when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default, when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full, before taking into account any credit enhancements held by the Group. A financial asset is written off, when there is no reasonable expectation of recovering the contractual cash flows.

The Group's financial assets, measured at amortised cost, comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and, for the purpose of the Statement of Cash Flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Consolidated Statement of Financial Position.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies, *continued*

### 1.4 Summary of Significant Accounting Policies, *continued*

#### *Fair Value through Other Comprehensive Income (FVTOCI)*

The Group has strategic investments in listed and unlisted entities, which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value, with changes in fair value recognised in other comprehensive income, and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance, within fair value through other comprehensive income reserve, is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case, the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets, measured at fair value through other comprehensive income, are recognised on settlement date with any change in fair value between trade date and settlement date, being recognised in the fair value through other comprehensive income reserve.

#### *Fair Value Measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement, of a non-financial asset, takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the Financial Statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines, whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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### *Financial Liabilities*

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

#### *Fair Value through Profit or Loss (FVTPL)*

This category comprises out-of-the-money derivatives, where the time value does not offset the negative intrinsic value or any liabilities held for trading. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income. The Group did not hold any such liabilities at the date of IFRS 9 adoption or at the end of the reporting year.

#### *Other Financial Liabilities at Amortised Cost*

Other financial liabilities include:

- Borrowings, which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost, using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption as well as any interest or coupon payable while the liability is outstanding;
- Liability components of convertible loan notes are measured as described further below; and
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

#### **1.4.12 Investments**

Investments in subsidiaries are classified as non-current assets and included in the Statement of Financial Position of the Company at cost at the date of acquisition less any identified impairments.

For acquisitions of subsidiaries or associates achieved in stages, the Company re-measures its previously held equity interests in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss. Any gains or losses, previously recognised in other comprehensive income, are transferred to profit and loss.

Investments in associates and joint ventures are classified as non-current assets and included in the Statement of Financial Position of the Company at cost at the date of acquisition less any identified impairment.

#### **1.4.13 Dividend Income**

Dividends, received from strategic investments, are recognised, when they become legally receivable. In case of interim dividends, this is when declared. In case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

#### **1.4.14 Share Capital**

Financial instruments, issued by the Group, are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

#### **1.4.15 Convertible Debt**

The proceeds, received on issue of the Group's convertible debt, are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows, using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability, measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

#### **1.4.16 Warrants**

Derivative contracts, that only result in the delivery of a fixed amount of cash or other financial assets for a fixed number of an entity's own equity instruments, are classified as equity instruments. When warrants are issued, attached to specific loan notes, the Company estimates the fair value of the issued warrants, using the Black-Scholes pricing model, taking into account the terms and conditions upon which the warrants were issued, value of such warrants is deducted from the balance of loan notes, a directly attributable transaction cost. Warrants, relating to equity finance and issued together with ordinary shares placement, are valued by residual method and treated as directly attributable transaction costs and recorded as a reduction of share premium account based on the fair value of the warrants. Warrants, classified as equity instruments, are not subsequently re-measured.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies, *continued*

### 1.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's Consolidated Financial Statements, requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. However, uncertainty, about these assumptions and estimates, could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### Significant Judgements in Applying the Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts, recognised in the Consolidated Financial Statements:

#### Recognition of Holdings Less Than 20% as an Associate

The Company owns 15% of the issued share capital of Mid Migori Mining Company Ltd ("MMM"). Andrew Bell is a member of the board of MMM. In accordance with IAS 28, the Directors of the Company consider that, the agreements whereby the Company owns the beneficial interest in the Kenyan assets, and the input of resource by the Company in respect of drilling and analytical activities, to provide the Group with significant influence as defined by the standard. As such, MMM has been recognised as an associate for the years ended 30 June 2023, 30 June 2022, 30 June 2021, 30 June 2020 and 30 June 2019.

The effect of recognising MMM as an FVTOCI financial asset would be to increase the profit by £5 (2022: increase the profit by £29).

#### Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period, include the impairment determinations, the useful lives of property, plant and equipment, the bad debt provision and the fair values of our financial assets and liabilities.

#### Recoverability of VUP Litigation Related Receivable

The directors have reviewed progress as regards the outstanding litigation relating to the VUP project with a view to assessing the recoverability of the amounts held within the balance sheet totalling £1,096,256. The directors consider that the carrying value of this receivables at the current balance sheet date is more than justified given the potential quantum and likelihood of a favourable outcome. Whilst the directors believe that this balance will become realised in the near term, as there remains a level of uncertainty over the timing of such an event, the directors have determined it appropriate to carry this balance as non-current so as to present the liquidity position of the Group on the most prudent basis. See note 16 for details.

#### Recoverability of Capitalised Exploration and Evaluation Costs

##### Kenya

After the year end the Kenyan exploration licences came due for renewal, with a 50% relinquishment obligation. Applications for renewal have now been made and the directors do not anticipate any issues associated with processing of these renewal applications. The Directors believe that the Migori gold project remains amongst the highest quality of comparable Kenyan projects, with conservative estimations of 844,000 oz gold Resource (formerly calculated at 1.2m oz), further supported by the strength of the gold price in local currency. The Directors therefore believe that it is prudent to retain the current carrying value of the project in these financial statements.

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## **Australia**

The Company has assembled a portfolio of Australian properties comprising a broad range from exploration targets to near term appraisal (and hence resource potential targets), all of which remain largely undeveloped by modern standards of exploration. Two key former mines, Ajax and the recently acquired Berringa, have been the focus of recent exploration efforts, including a drilling campaign at Berringa. A high-grade target with a range reaching 1.2m oz and a most likely 500k oz plus has been identified by this work at Berringa. The Company believes both mining areas can be brought into production, with additional value catalysts being presented by proximity to third party processing plants, currently operating sub capacity. The JV Partners expect, subject to market conditions, to accelerate preparations for the listing of the JV company NBGC, including the intended completion of a Pre-IPO financing round for NBGC in 2024. The Company has therefore deemed the carrying value of these assets to remain recoverable, given high asset quality, low “pegging” costs and the proximity to underutilised infrastructure.

### **Fair value of Mineras Four Points Sales Proceeds Receivable**

In estimating the fair value of the Company’s future gold royalties from Colombia, the Directors have made assumptions about the future cash flows, which include the following key assumptions:

- Gold price (US\$/oz) – US\$1,957 (2022: US\$1,750);
- Discount rate – 10% (2022: 10%); and
- Annual production rate – 8,000oz (2022: 6,500oz)

The directors have reviewed the future gold model provided by MFP to consider the reasonableness of the assumptions, following this review the directors deem the assumptions appropriate.

The fair value is directly sensitive to any changes in the key assumptions. For the overall carrying value (current and non-current) to fall by a material amount, the above assumptions would have to change as follows:

- Gold price (US\$/oz) – US\$1,000;
- Discount rate – 17%; or
- Annual production rate – 6,000oz

### **Share-Based Payment Transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined using the Black-Scholes model. The model has its strengths and weaknesses and requires six inputs as a minimum: 1) the share price; 2) the exercise price; 3) the risk-free rate of return; 4) the expected dividends or dividend yield; 5) the life of the option; and 6) the volatility of the expected return. The first three inputs are normally, but not always, straightforward. The last three involve greater judgement and have the greatest impact on the fair value.

### **Fair Value of Financial Assets**

A financial asset, or a group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which fair value of an investment is less than its cost.

In the case of equity investments, classified as financial instruments with fair value movements through other comprehensive income (FVTOCI), objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. With respect to Elephant Oil the fair value is based on expected listing in Q1 2024, should this not happen then the value of the asset may need to be written down. The directors current expect the listing to go ahead. Mining share prices typically have more volatility than most other shares and this is taken into account by management, when considering if a significant decline in the fair value of its mining investments has occurred. Management would consider that there is a prolonged decline in the fair value of an equity investment, when the period of decline in fair value has extended to beyond the expectation management have for the equity investment. This expectation will be influenced particularly by the Company development cycle of the investment.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies, *continued*

### 1.5 Significant Accounting Judgements, Estimates and Assumptions, *continued*

#### Impairment of Non-financial Assets

The Group follows the guidance of IAS 36 to determine, when a non-financial asset is impaired. The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The group has the following Non-Financial Assets; Investments in associates, investments in subsidiaries and loans extended to subsidiaries (Company only).

In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed projections, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These projections generally cover a period of five years with a terminal value or salvage value applied.

Impairment losses of continuing operations are recognised in the Income Statement in expense categories, consistent with the function of the impaired asset.

For investments in associates and joint ventures, the Group assesses impairment after the application of the equity method.

## 2. Segmental Analysis

The Group consider its mining and exploration activities as separate segments. These are in addition to the investment activities, which continue to form a significant segment of the business.

The Group has made a strategic decision to concentrate on several commodities, ranging from gold to manganese and copper/cobalt, and as such further segmental analysis by commodity has not been considered useful or been presented. Transfer prices, between operating segments, are on an arm's length basis in a manner similar to transactions with third parties.

	Gold Exploration Australia £'000	Gold Exploration Kenya £'000	Copper Exploration DRC £'000	Investments £'000	Corporate and unallocated £'000	Total £'000
<b>Year to 30 June 2022</b>						
Exploration expenses	-	(98)	-	-	(7)	(105)
Administration expenses	-	(5)	(4)	-	(690)	(699)
Project development	-	-	(559)	-	-	(559)
Other project costs	(138)	(40)	-	-	(127)	(305)
Share based payments	-	-	-	-	(350)	(350)
Currency gain	(9)	-	-	-	43	34
Other income	-	-	-	-	290	290
Dividend income	-	-	-	126	-	126
Finance income, net	-	-	-	(2)	(129)	(131)
<b>Net profit/(loss) before tax from continuing operations</b>	<b>(147)</b>	<b>(143)</b>	<b>(563)</b>	<b>124</b>	<b>(970)</b>	<b>(1,699)</b>

<b>Year to 30 June 2023</b>	<b>Gold Exploration Australia £'000</b>	<b>Gold Exploration Kenya £'000</b>	<b>Copper Exploration DRC £'000</b>	<b>Other Projects £'000</b>	<b>Investments £'000</b>	<b>Corporate and unallocated £'000</b>	<b>Total £'000</b>
Exploration expenses	-	(252)	-	(66)	-	-	(318)
Administration expenses	(383)	(3)	(13)	(5)	(1)	(975)	(1,380)
Project development	(14)	-	(234)	(8)	-	(0)	(256)
Other project costs	-	-	-	-	-	(159)	(159)
Impairment of E&E assets	-	(253)	-	-	-	-	(253)
Share based payments	-	-	-	-	-	(39)	(39)
Currency gain	(73)	-	-	-	-	84	11
Other income	-	-	-	-	228	-	228
Dividend income	-	-	-	-	-	-	-
Finance costs, net	-	-	-	-	-	(787)	(787)
<b>Net profit/(loss) before tax from continuing operations</b>	<b>(470)</b>	<b>(508)</b>	<b>(247)</b>	<b>(79)</b>	<b>227</b>	<b>(1,876)</b>	<b>(2,953)</b>

#### **Information by Geographical Area**

Presented below is certain information by the geographical area of the Group's activities. Revenue, from investment sales and the sale of exploration assets, is allocated to the location of the asset sold.

<b>Year ended 30 June 2023</b>	<b>UK £'000</b>	<b>Africa £'000</b>	<b>Australia £'000</b>	<b>Total £'000</b>
<b>Non-current assets</b>				
Investments in associates and joint ventures	-	1,030	-	1,030
Mineral tenements	-	165	533	698
Exploration properties	-	12,949	-	12,949
Exploration assets	-	410	-	410
FVTOCI financial assets	736	-	-	736
PPE	1	17	-	18
Non-current receivables	1,410	1,096	-	2,506
<b>Total segment non-current assets</b>	<b>2,147</b>	<b>15,667</b>	<b>533</b>	<b>18,346</b>

<b>Year ended 30 June 2022</b>	<b>UK £'000</b>	<b>Africa £'000</b>	<b>Australia £'000</b>	<b>Total £'000</b>
<b>Non-current assets</b>				
Investments in associates and joint ventures	-	1,030	-	1,030
Mineral tenements	-	165	346	511
Exploration properties	-	12,949	-	12,949
Exploration assets	-	316	-	316
FVTOCI financial assets	736	-	-	736
Non-current receivables	1,224	1,096	-	2,320
<b>Total segment non-current assets</b>	<b>1,960</b>	<b>15,556</b>	<b>346</b>	<b>17,862</b>

# Notes to the Financial Statements

for the year ended 30 June 2023

## 3. (Loss)/Profit for the Year Before Taxation

(Loss)/profit for the year before taxation is stated after charging:

	2023 £'000	2022 £'000
Auditor's remuneration:		
- fees payable to the Company's auditor for the audit of consolidated and Company Financial Statements	39	28
Directors' emoluments (note 9)	319	310
- Share Incentive plan – Directors	6	12
- Share Incentive plan – staff	2	4

## 4. Administrative Expenses

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Staff costs</b>				
Payroll	655	562	377	356
Pension	56	47	27	27
Consultants	15	15	15	15
HMRC / PAYE	42	39	42	39
<b>Professional services</b>				
Accounting and Audit	112	115	90	98
Legal	22	36	13	23
Marketing	78	45	78	33
Other	12	13	-	5
<b>Regulatory compliance</b>	109	96	106	96
<b>Travel</b>	66	77	66	75
<b>Office and Admin</b>				
General	38	37	30	29
IT and Software Costs	45	10	14	10
Rent	86	92	67	72
Insurance	43	41	40	39
<b>Total administrative expenses</b>	<b>1,380</b>	<b>1,225</b>	<b>965</b>	<b>917</b>

## 5. Finance Income/(Costs), Net

	2023 £'000	2022 £'000
<b>Group</b>		
Interest income (other than MFP finance income)	-	-
Dividend income	-	-
Interest expense & other finance costs	(613)	(209)
Total finance (costs) / income (other than MFP finance income)	(613)	(209)
MFP finance (expense) / income – note 16	228	(76)
<b>Total finance (costs) / income</b>	<b>(385)</b>	<b>(285)</b>
<b>Other gains</b>	<b>-</b>	<b>52</b>

MFP finance income is reflected within other gains on the consolidated profit and loss. Please refer to note 16 and note 17 for more details.

## 6. Project Development and Other Project Expenses

Project development expenses include costs, incurred during the assessment and due diligence phases of a project, when material uncertainties exist regarding whether the project meets the Company's investment and development criteria and whether, as a result, the project will be advanced further. Other Project Expenses include costs associated with current and previous projects and include remediation and administration expenses.

	Group and Company	
	2023 £'000	2022 £'000
<b>Project development expenses</b>		
VUP (Congo)	(161)	(328)
Galaxy (Congo)	-	(47)
Other (Congo)	(62)	(79)
Luanshimba (Congo)	(12)	(166)
Kinsevere	-	(2)
Zimbabwe Lithium	(64)	-
Other	49	(54)
<b>Total project development expenses</b>	<b>(250)</b>	<b>(676)</b>
<b>Other project costs</b>		
Mid Migori Mines (Kenya)	-	(10)
Greenland	(159)	(68)
Other	-	(133)
<b>Total other project expenses</b>	<b>(159)</b>	<b>(211)</b>

## 7. Taxation

	2023 £'000	2022 £'000
Current period taxation on the Group		
UK corporation tax at 19.00% (2022: 19.00%) on profit/(loss) for the period	-	-
	-	-
<b>Deferred tax</b>	-	-
Origination and reversal of temporary differences	-	-
Deferred tax assets not recognised	-	-
<b>Tax credit</b>	-	-
<b>Factors affecting the tax charge/(credit) for the year</b>		
Profit/(loss) on ordinary activities before taxation	(2,700)	(2,800)
Profit/(loss) on ordinary activities at the average UK standard rate of 19.00% (2020: 19.00%)	(519)	(532)
Income not taxable	-	-
Effect of expenditure not deductible	42	20
Losses brought forward utilised in the current period	-	-
Tax losses carried forward	471	512
<b>Tax charge</b>	<b>-</b>	<b>-</b>

No deferred tax charge has been made due to the availability of trading losses due to uncertainty surrounding future profitability. Unutilised tax losses, arising in the UK, amount to £4.7 million (2022: £4.4 million).

On 3 March 2021, the UK government announced that it intended to increase the main rate of corporation tax to 25% for the financial years beginning 1 April 2023. This new rate was substantively enacted by Finance Act 2021 on 10 June 2021.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 8. Staff Costs

The aggregate employment costs of staff (including Directors) for the year in respect of the Group was:

	2023 £'000	2022 £'000
Wages and salaries	648	562
Pension	55	47
Social security costs	42	39
Employee share-based payment charge	40	9
<b>Total staff costs</b>	<b>785</b>	<b>657</b>

The average number of Group employees (including Directors) during the year was:

	2023 Number	2022 Number
Executives	4	4
Administration	1	1
Exploration	9	9
	<b>14</b>	<b>14</b>

The key management personnel are the Directors and their remuneration is disclosed within note 9.

11,675,670 free shares were issued to five employees (2022: 1,236,656), including Directors. 4,278,853 partnership and 8,557,706 matching shares, making the total of 24,512,229, were issued in the year ended 30 June 2023 (2022: 1,267,199 partnership, 2,534,398 matching, 3,801,597 total).

## 9. Directors' Emoluments

2023	Directors' fees £'000	Directors' fees - discretionary bonus £'000	Consultancy fees £'000	Share Incentive Plan £'000	Pension contributions £'000	Social security costs £'000	Total £'000
<b>Executive Directors</b>							
A R M Bell	120	10	15	2	10	17	174
<b>Other Directors</b>							
S Kaintz	65	5	-	2	6	9	87
S Quinn	24	2	-	2	2	2	32
A Borrelli	22	-	-	2	-	2	26
	<b>231</b>	<b>17</b>	<b>15</b>	<b>8</b>	<b>18</b>	<b>30</b>	<b>319</b>

2022	Directors' fees £'000	Directors' fees - discretionary bonus, £'000	Consultancy fees £'000	Share Incentive Plan £'000	Pension contributions £'000	Social security costs £'000	Total £'000
<b>Executive Directors</b>							
A R M Bell	120	-	15	4	10	15	164
<b>Other Directors</b>							
S Kaintz	65	-	-	3	6	7	81
S Quinn	24	-	-	3	2	2	31
A Borrelli	22	-	-	2	-	2	26
	<b>231</b>	<b>-</b>	<b>15</b>	<b>12</b>	<b>18</b>	<b>26</b>	<b>302</b>

The highest paid director in the current year was Mr A Bell who was paid total remuneration of £174,000 (2022: £164,000).

Social security costs have been included in the above figures for completeness however does not typically form a component of director's remuneration.

No Directors exercised share options in the year, (2022: 5,670,000). During the year, the Company contributed to a Share Incentive Plan more fully described in the Directors' Report on pages 10-13.

## 10. Earnings Per Share

The basic earnings/(loss) per share is derived by dividing the loss for the year, attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue. Diluted earnings/(loss) per share is derived by dividing the loss for the year, attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

	2023	2022
<b>(Loss)/profit attributable to equity holders of the parent company, £</b>	<b>(2,952,933)</b>	(2,799,730)
Adjusted for interest accrued on the convertible notes	-	-
<b>Adjusted (loss) / profit attributable to equity holders of the parent company used for diluted EPS calculation</b>	<b>(2,952,933)</b>	(2,799,730)
<b>Weighted average number of ordinary shares of £0.0001 in issue, used for basic EPS</b>	<b>1,592,083,739</b>	1,221,091,538
from potential ordinary shares that would have to be issued, if all loan notes, convertible at the discretion of the noteholder, converted at the beginning of the period or at the inception of the instrument, whichever is later	-	-
<b>Weighted average number of ordinary shares of £0.0001 in issue, including potential ordinary shares, used for diluted EPS</b>	<b>1,592,083,739</b>	1,221,091,538

	2023	2022
<b>(Loss)/earnings per share – basic</b>	<b>(0.19 pence)</b>	(0.23 pence)
<b>(Loss)/earnings per share – fully diluted</b>	<b>(0.19 pence)</b>	(0.23 pence)

At 30 June 2023, the effect of all the instruments (fully vested and in the money) is anti-dilutive as it would lead to a further reduction of loss per share, therefore, they were not included into the diluted loss per share calculation.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 10. Earnings Per Share, *continued*

Options and warrants, that could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS for the periods presented:

	2023	2022
Share options granted to employees – either not vested and/or out of the money	21,000,000	50,000,000
Number of warrants given to shareholders as a part of placing equity instruments – out of the money	314,178,213	389,430,010
<b>Total number of contingently issuable shares, that could potentially dilute basic earnings per share in future, and anti-dilutive potential ordinary shares, that were not included into the fully diluted EPS calculation</b>	<b>335,178,213</b>	<b>439,430,010</b>

There were no ordinary share transactions such as share capitalisation, share split or bonus issue after 30 June 2023, that could have changed the EPS calculations significantly, if those transactions had occurred before the end of the reporting period.

## 11. Investments in Subsidiaries

Company	2023 £'000	2022 £'000
<b>Cost</b>		
At 1 July	77	40
Investment in subsidiaries	-	37
<b>At 30 June</b>	<b>77</b>	<b>77</b>
<b>Impairment</b>		
At 1 July	(1)	(1)
Charge in the year	-	-
<b>At 30 June</b>	<b>(1)</b>	<b>(1)</b>
<b>Net book value</b>	<b>76</b>	<b>76</b>

As at 30 June 2023 and 30 June 2022, the Company held interests in the following subsidiary companies:

<b>Company</b>	<b>Country of registration</b>	<b>Class</b>	<b>Proportion Held At 30 June 2022</b>	<b>Proportion Held At 30 June 2021</b>	<b>Nature of business</b>
Red Rock Australasia Pty Ltd	Australia	Ordinary	50.1%	50.1%	Mineral exploration
New Ballarat Gold Corporation Plc	UK	Ordinary	50.1%	50.1%	Mineral exploration
RedRock Kenya Ltd	Kenya	Ordinary	87%	87%	Mineral exploration
RRR Kenya Ltd	Kenya	Ordinary	100%	100%	Mineral exploration
Red Rock Resources (HK) Ltd	Hong Kong	Ordinary	100%	100%	Holding company
Red Rock Resources Congo S.A.U.	DRC	Ordinary	100%	100%	Holding company
African Lithium Resources PVT Ltd	Zimbabwe	Ordinary	65%	nil	Mineral exploration
Lac Minerals Ltd	UK	Ordinary	100%	100%	Mineral exploration
Lacgold Resources SARLU	Ivory Coast	Ordinary	100%	100%	Mineral exploration
Faso Minerals Ltd	UK	Ordinary	100%	100%	Mineral exploration
Faso Greenstone Resources SARL	Burkina Faso	Ordinary	100%	100%	Mineral exploration
RRR Coal Ltd	UK	Ordinary	100%	100%	Holding company
Jimano Ltd	Cyprus	Ordinary	100%	100%	Royalty Holdings
Red Rock Galaxy SA	DRC	Ordinary	80%	80%	Holding company

Red Rock Australasia Pty Ltd registered office is c/o Paragon Consultants PTY Ltd, PO Box 903, Claremont WA, 6910, Australia.

New Ballarat Gold Corporation Plc registered office is 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT.

RedRock Kenya Ltd and RRR Kenya Ltd registered office is PO Box 9306 – 003000, Nairobi, Kenya.

Red Rock Resources (HK) Ltd registered office is Suites 1601-1603, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong.

Red Rock Resources Congo S.A.U. registered office is Boulevard Du 30 Juin et Avenue Batetela, Immeuble Crown Tower, 5 Eme Niveau, Local 504, Gombe, Kinshasa.

African Lithium Resources PVT Ltd registered office is 3 Hex Road, Queensdale, Harrare, Zimbabwe.

Lac Minerals Ltd registered office is Salisbury House, London Wall, London EC2M 5PS.

Lacgold Resources SARLU registered office is Yamoussoukro Morofe Lot 420B Ilot 32, BP 1364 Yamoussoukro, Ivory Coast.

Faso Minerals Ltd registered office is Salisbury House, London Wall, London EC2M 5PS.

Faso Greenstone Resources SARL registered office is Secteur 54, Quartier Ouaga 2000, Lot 28, Parcelle 18, Section 280, 01 BP 5602 Ouagadougou 01, Burkina Faso.

RRR Coal Ltd registered office is Salisbury House, London Wall, London EC2M 5PS.

Jimano Ltd registered office Strovolou, 77 Strovolos Center, 4<sup>th</sup> Floor Office 401, Nicosia, Cyprus

Red Rock Galaxy SA office is 1320 Av Meteo 2 Q/Meteo C/Lumbumbashi, DRC

# Notes to the Financial Statements

for the year ended 30 June 2023

## 12. Investments in Associates and Joint Ventures

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Cost</b>				
At 1 July	1,251	1,806	1,114	1,669
Reclassifications to Other Receivables	-	(696)	-	(696)
Additions during the year	-	141	-	141
<b>At 30 June</b>	<b>1,251</b>	<b>1,251</b>	<b>1,114</b>	<b>1,114</b>
<b>Impairment</b>				
At 1 July	(221)	(221)	(3)	(3)
Impairment during the year	-	-	-	-
At 30 June	(221)	(221)	(3)	(3)
<b>Net book amount at 30 June</b>	<b>1,030</b>	<b>1,030</b>	<b>1,111</b>	<b>1,111</b>

The Company, at 30 June 2023 and at 30 June 2022, had significant influence by virtue other than shareholding over 20% over Mid Migori Mining Company Ltd.

Company	Country of incorporation	Class of shares held	Percentage of issued capital	Accounting year ended
Mid Migori Mining Company Limited	Kenya	Ordinary	15.00%	30 September 2022

Summarised financial information for the Company's associates and joint ventures, where available, is given below:  
For the year as at 30 June 2023:

Company	Revenue £'000	Loss £'000	Assets £'000	Liabilities £'000
Mid Migori Mining Company Limited	-	-	1,889	(1,917)

For the year as at 30 June 2022:

Company	Revenue £'000	Profit £'000	Assets £'000	Liabilities £'000
Mid Migori Mining Company Limited	-	-	2,110	(2,238)

### Mid Migori Mining Company Ltd

The Company owns 15% of the issued share capital of Mid Migori Mining Company Ltd ("MMM"), incorporated in Kenya. The Company has entered into agreements under which it manages MMM's development projects and has representation on the MMM board. In accordance with IAS 28, the involvement with MMM meets the definition of significant influence and, therefore, has been accounted for as an associate (note 1.5).

### VUP Musonoi Mining SA

On 28 February 2019, Vumilia Pendeza S.A. ("VUP") and Bring Minerals S.A.U. ("B.Min"), and Red Rock Resources Congo S.A.U. ("RRRC"), a wholly owned local subsidiary of the Company, signed a "Joint Venture Agreement" and B.Min and RRRC signed the "Statutes of VUP Musonoi Mining SA" ("VMM S.A."), the joint venture company (incorporated in the Democratic Republic of Congo) through which the JV Project was to be pursued. The Statutes were then taken by the lawyer to procure the signature of the correct officer of VUP. RRRC owns 50.1% of the Joint Venture and was to own 50.1% of VMM SA. The Company sent the registration costs of VMM SA twice, but the lawyer failed to register the company. The governing document of the joint venture therefore remains an unincorporated joint venture under the Joint Venture Agreement. The Company announced on 16 November 2021 that it had served an Ordonnance de Saisie Conservatoire (precautionary attachment) order on VUP and taken other measures locally to protect its interest in relation to this joint venture. On 28 December 2021 it obtained an order from the Tribunal de Commerce de Lubumbashi against VUP in the sum of US\$2.5m in respect of US\$5m that had been paid to VUP in relation to a sale of the JV Project to which the Company had not been a party (the Unauthorised Sale). Subsequently on 28 June 2022 an Arbitration was ordered in respect of a further US\$15m due to be paid by the buyer to VUP pursuant to the Unauthorised Sale. The Company continues to liaise closely with its advisors in country regarding the expectations for final ruling and settlement of this matter and expect a conclusion to be arrived at in early 2024.

Due to the above development, the Company reclassified these amounts recognised in investments in the VUP joint venture (£696,364), along with amounts previously classified as Exploration Assets (£399,892), as a Non-current receivable in the prior year. These amounts remain recognised as a non-current receivable associated with the above as at the current year end 30 June 2023.

	Mid Migori Mining Company Limited £'000	VUP Musonoi Mining SA £'000	Total £'000
<b>Cost</b>			
At 1 July 2022	1,111	-	1,111
Additions during the year	-	-	-
Reclassified during the year	-	-	-
<b>At 30 June 2023</b>	<b>1,111</b>	<b>-</b>	<b>1,111</b>
<b>Impairment and losses during the year</b>			
At 1 July 2022	(81)	-	(81)
The Group's share of profit/(loss) during the year	-	-	-
<b>At 30 June 2023</b>	<b>(81)</b>	<b>-</b>	<b>(81)</b>
<b>Carrying amount</b>			
<b>At 30 June 2022</b>	<b>1,030</b>	<b>-</b>	<b>1,030</b>
<b>At 30 June 2023</b>	<b>1,030</b>	<b>-</b>	<b>1,030</b>

# Notes to the Financial Statements

for the year ended 30 June 2023

## 13. Exploration Assets and Mineral Tenements

<b>Group Exploration Assets</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At 1 July	<b>13,265</b>	13,515
Additions	<b>139</b>	150
Impairments	<b>(259)</b>	-
Reclassification to non-current receivables	-	(400)
Reclassification from other current assets (note 17)	<b>213</b>	-
<b>At 30 June</b>	<b>13,358</b>	13,265

<b>Group Mineral Tenements</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At 1 July	<b>511</b>	124
Additions	<b>187</b>	387
<b>At 30 June</b>	<b>698</b>	511

<b>Company Exploration Assets</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At 1 July	<b>13,206</b>	13,515
Additions	-	91
Impairments	<b>(258)</b>	-
Reclassification to non-current receivables (note 16)	-	(400)
<b>At 30 June</b>	<b>12,948</b>	13,206

Exploration assets were capitalised:

- For the Galaxy (DRC) project since 17 October 2018, when exploration commenced at the project license in the DRC; and
- For the VUP (DRC) project since 22 November 2018, when the joint venture agreement was finalised, with all capitalised amounts having been reclassified as non-current receivables in the prior year.
- For the African Lithium Resources Limited project, all amounts relate to the acquisition of mineral rights in Zimbabwe. This includes the purchase of the Tin Hill project on 2 February 2022.
- For the Faso Greenstone project since the acquisition of the Bilbale licence interest on 24 December 2021.

Under a 2018 agreement with MMM partner Kansai Mining Corporation Ltd, in the event of a renewal or reissue of licenses, covering the relevant assets, the Company has within three months to make further payment of US\$2.5 million (£2.028 million) to Kansai Mining Corporation Ltd. For further details of the payments see note 27.

Impairments in the year relate to the Congo Galaxy project, which has now been fully impaired, following commercial determination not to progress the project and, as a consequence, the discontinuation of meeting mandatory expenditures under the terms of the licences.

Reclassifications of exploration assets in the prior year relate to the reclassification of assets held under the VUP project into non current receivables, following commencement of litigation regarding this JV and assessment of the Company's recourse through arbitration.

Reclassifications in the current year relate to expenditures undertaken on the Kenyan licence areas that had previously been held as recoverable receivables and have been determined in the year to now form part of the base cost of the E&E asset.

## 14. Financial Instruments with Fair Value Through Other Comprehensive Income (FVTOCI)

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening balance	736	1,755	736	778
Additions	-	223	-	223
Disposals	-	(1,693)	-	(775)
Change in fair value	-	451	-	510
<b>At 30 June</b>	<b>736</b>	<b>736</b>	<b>736</b>	<b>736</b>

### Market Value of Investments

The market value as at 30 June of the listed and unlisted investments was as follows:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Quoted on London AIM	-	-	-	-
Quoted on other foreign stock exchanges	-	-	-	-
Unquoted investments at fair value	736	736	736	736
	<b>736</b>	<b>736</b>	<b>736</b>	<b>736</b>

### Elephant Oil Ltd

Following discussions with the management team of Elephant Oil Ltd and internal analysis, conducted on the Company's projects and prospects for onshore oil exploration activities in Benin, and consideration of the implied value of the company by recent new subscriptions by investors and the intention to list the Company on the USA capital markets, the fair value of the investment has been maintained at £736,281 (2022: £736,281).

Details of the fair value measurement hierarchy are included in note 22.

## 15. Cash and Cash Equivalents

Group	30 June 2023 £'000	30 June 2022 £'000
Cash in hand and at bank	155	66
	<b>155</b>	<b>66</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Company	30 June 2023 £'000	30 June 2022 £'000
Cash in hand and at bank	149	31
	<b>149</b>	<b>31</b>

# Notes to the Financial Statements

for the year ended 30 June 2023

## 15. Cash and Cash Equivalents, *continued*

### **Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from notes and other receivables. The Directors manage the Group's exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Directors minimise credit risk by dealing exclusively with high credit rating counterparties. The Company defines default through a framework of qualitative "unlikeliness to pay" with a more objective 90 days past due timeline. The qualitative criteria allows the Company to identify exposure early on in the process, with the 90 day past due limit providing a clear final metric.

### **Credit Risk Concentration Profile**

The Group's receivables do not have significant credit risk exposure to any single counterparty or any group of counterparties, having similar characteristics. The Directors define major credit risk as exposure to a concentration exceeding 10% of a total class of such asset.

The Company maintains its cash reserves in Coutts & Co, which maintains an A-1 credit rating from Standard & Poor's.

## 16. Non-Current Receivables

	<b>Group 2023 £'000</b>	<b>Group 2022 £'000</b>	<b>Company 2023 £'000</b>	<b>Company 2022 £'000</b>
Amounts receivable relating to VUP Joint Venture	<b>1,096</b>	1,096	<b>1,096</b>	1,096
Due from subsidiaries	-	-	<b>2,472</b>	1,625
MFP sale proceeds	<b>1,410</b>	1,224	<b>1,410</b>	1,224
	<b>2,506</b>	2,320	<b>4,978</b>	3,945

Amounts receivable relating to the VUP joint venture have arisen due to the reclassification of Joint Venture investment costs and capitalised exploration asset costs in the prior year. See note 12 for further detail.

The Mineras Four Points ("MFP") sale proceeds represent the fair value of the non-current portion of the deferred consideration receivable for the sale of MFP. The fair value was estimated based on the consideration offered by the buyer adjusted to its present value based on the timing for which the consideration is expected to be received. The most significant inputs are the offer price per tranches, discount rate and estimated royalty stream. The estimated royalty stream takes into account current production levels, estimates of future production levels and gold price forecasts. Changes in the fair value of the receivable at each reporting date are taken to profit/loss for the year as finance income/expense. See note 5 for further details.

## 17. Other Receivables

	<b>Group</b>		<b>Company</b>	
	<b>2023 £'000</b>	<b>2022 £'000</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Current trade and other receivables</b>				
Prepayments	<b>32</b>	310	<b>32</b>	46
Short-term loan receivable	<b>164</b>	164	<b>164</b>	164
MFP sales proceeds – current element	<b>171</b>	129	<b>171</b>	129
Other receivables	<b>303</b>	221	<b>234</b>	120
<b>Total</b>	<b>670</b>	824	<b>601</b>	459

During the year, amounts held in the group as recoverable receivables totalling £213,000 in Red Rock Kenya relating to expenditures undertaken on the Kenyan licence areas have been determined in the year to now form part of the base cost of the E&E asset and so have been reclassified from other receivables to intangibles in the current year. See note 13 for further details.

## 18. Trade and Other Payables

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Non-current liabilities</b>				
Trade and other payables	684	415	-	-
Borrowings	756	822	756	822
<b>Total non-current liabilities</b>	<b>1,440</b>	<b>1,237</b>	<b>756</b>	<b>822</b>
<b>Current liabilities</b>				
Trade payables	1,646	1,149	1,512	1,029
Accruals	91	206	91	206
Total trade and other payables	1,737	1,355	1,602	1,235
Intra-group borrowings	-	-	2,115	1,890
Short-term borrowings	1,662	1,042	1,503	1,022
<b>Total current liabilities</b>	<b>3,399</b>	<b>2,397</b>	<b>5,220</b>	<b>4,147</b>

During the year, the Company took out the following additional borrowings:

- A £100,000 working capital loan from Power Metals Corporation plc, the joint venture partner in Red Rock Australasia Pty Ltd was advanced to the Company for use in covering pre-IPO related costs of the New Ballarat Gold Corporation;
- On 25 July 2022, the Company announced that it had issued £623,000 of convertible loan notes to high-net-worth investors, with each note convertible into ordinary shares at a price of £0.006 per share over a twelve month period. Each note holder also received 83,333 warrants for each note subscribed, entitling the holder to subscribe for shares for 30 months from the date of issue at a price of £0.008 per share. The interest rate of the notes is 12% per annum, payable upon maturity. These notes were refinanced after the year end.
- On 19 August 2022, the Company announced the creation of an additional £50,000 of convertible loan notes, which were ultimately transferred to a separate loan note with a further net amount of £50,000 added during the year. The notes carry an interest rate of 0.05% per day, a cash repayment bonus of 25% of the outstanding principal, and allow the investor to receive one for one warrants exercisable for two years into RRR shares at an exercise price of the higher of £0.006 or 10% above the VWAP on the repayment date (or in the event of a placing on the repayment day, 10% above the placing price). The notes were payable from a date three weeks following the original drawdown date.
- On 30 November 2022, the Company entered into a prepayment agreement for the sum of £10,000. The prepayment was to relate to a placing of shares expected to be completed on or around 8 December 2022, which ultimately did not conclude. The prepayment amount attracts a cash bonus fee of 25% of the prepayment amount upon repayment and allows the investor to receive one for one warrants exercisable for 24 months at the higher of £0.006 or 25% above the closing price on the date of repayment. The notes were due for repayment three weeks from the prepayment date, and any delay in repayment will draw interest of 0.5% per day.
- On 22 Feb 2023 the Company entered into a loan agreement with a high-net-worth investor with an initial principal amount of £125,000, and an additional £80,000 drawn down on this facility during the course of the year. The note was due for repayment 14 days after the date of the initial agreement. The notes carry a 20% interest rate per annum, with a 20% redemption fee payable on the total amount drawn down on the notes at repayment. The investor may elect to require conversion of all or part of the loan and redemption fee into shares at a price of £0.0025 per share, which may be reduced to the price, if lower, of any placing that completes before the loan is repaid.
- On 5 May 2023, the Company entered into a loan note agreement with a principal amount of £50,000. The note carries an interest rate of 0.05% per day from 20 May 2023, and a cash repayment bonus of 30% of the outstanding principal. The notes are due within 3 days of receipt of funds from a settlement in the DRC.
- On 25 May 2023, the Company entered into a loan note agreement with a principal amount of £50,000. The note carries an interest rate of 0.05% per day from 20 May 2023, a repayment bonus of 30% of the outstanding principal. The notes are due within 3 days of receipt of funds from a settlement in the DRC.
- During the year a convertible loan note facility with Riverfort Global Opportunities Fund ("RGO") was in place. The facility was for up to £1,000,000 in funding for working capital purposes, with an initial drawdown of £385,000 in principle (before costs). This loan was repaid through a series of conversions and cash repayments after the year end.
- A \$955,000 loan note remains payable to Kansai Ltd, which would complete the acquisition of the Mid Migori Gold project. Payment of this loan has been mutually agreed with Kansai to be delayed until the pending Democratic Republic of Congo legal claim has been resolved.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 19. Share Capital of the Company

The share capital of the Group and the Company is as follows:

<b>Authorized, Issued and fully paid</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
2,480,597,806 (2022: 1,256,147,238) ordinary shares of £0.0001 each	<b>248</b>	126
2,371,116,172 deferred shares of £0.0009 each	<b>2,134</b>	2,134
6,033,861,125 A deferred shares of £0.000096 each	<b>579</b>	579
<b>As at 30 June</b>	<b>2,961</b>	2,839

<b>Movement in ordinary shares</b>	<b>Number</b>	<b>Nominal £'000</b>
<b>As at 30 June 2021 – ordinary shares of £0.0001 each</b>	<b>1,216,708,801</b>	<b>122</b>
Issued on 28 Jan 2022 at 0.45 pence per share (cash – options exercise)	<b>5,670,000</b>	<b>1</b>
Issued on 3 Feb 2022 at 0.45 pence per share (cash – options exercise)	<b>450,000</b>	-
Issued on 13 May 2022 at 0.425 pence per share (non-cash, SIP)	<b>5,038,253</b>	-
Issued on 15 Jun 2022 at 0.3791 pence per share (non-cash, secured shares for convertible facility)	<b>18,464,800</b>	<b>2</b>
Issued on 15 Jun 2022 at 0.39 pence per share (cash, placing)	<b>9,815,384</b>	<b>1</b>
<b>As at 30 June 2022 – ordinary shares of £0.0001 each</b>	<b>1,256,147,238</b>	<b>126</b>
Issued on 27 Sep 2022 at 0.4 pence per share (allotment for cash)	<b>40,000,000</b>	<b>4</b>
Issued on 19 Dec 2022 at 0.1 pence per share (non-cash)	<b>28,000,000</b>	<b>3</b>
Issued on 19 Dec 2022 at 0.2829 pence per share (non-cash)	<b>17,000,000</b>	<b>2</b>
Issued on 2 Mar 2023 at 0.25 pence per share (non-cash)	<b>26,753,616</b>	<b>3</b>
Issued on 13 April 2023 at 0.18 pence per share (allotment for cash)	<b>56,487,601</b>	<b>6</b>
Issued on 19 April 2023 for 0.1661 pence per share (non-cash)	<b>123,888,888</b>	<b>12</b>
Issued on 11 May 2023 for 0.15741 pence per share (non-cash)	<b>15,055,706</b>	<b>2</b>
Issued on 18 May 2023 for 0.1425 pence per share (allotment for cash)	<b>19,176,965</b>	<b>2</b>
Issued on 18 May 2023 for 0.185 pence per share (non-cash, SIP)	<b>376,028,070</b>	<b>38</b>
Issued on 18 May 2023 for 0.21 pence per share (non-cash, SIP)	<b>11,675,670</b>	<b>1</b>
Issued on 31 May 2023 for 0.1298 pence per share (non-cash)	<b>12,836,559</b>	<b>1</b>
Issued on 5 June 2023 for 0.1425 pence per share (non-cash)	<b>43,781,746</b>	<b>4</b>
Issued on 5 June 2023 for 0.11 pence per share (non-cash)	<b>45,964,912</b>	<b>4</b>
Issued on 27 June 2023 for 0.11385 pence per share (non-cash)	<b>33,237,805</b>	<b>3</b>
Issued on 27 June 2023 for 0.116908 pence per share (non-cash)	<b>65,876,152</b>	<b>7</b>
Issued on 27 June 2023 for 0.11 pence per share (non-cash)	<b>23,657,440</b>	<b>2</b>
Issued on 28 June 2023 for 0.1650 pence per share (allotment for cash)	<b>110,029,423</b>	<b>11</b>
Issued on 27 Sep 2022 at 0.4 pence per share (allotment for cash)	<b>175,000,000</b>	<b>17</b>
<b>As at 30 June 2023 – ordinary shares of £0.0001 each</b>	<b>2,480,597,791</b>	<b>248</b>

The total net cash raised from allotments of shares was £1,112,227 for the year.

Ordinary shares represent the Company's basic voting rights and reflect the equity ownership of the Company. Ordinary shares carry one vote per share and each share gives equal right to dividends. These shares also give right to the distribution of the Company's assets in the event of winding-up or sale.

Subject to the provisions of the Companies Act 2006, the deferred shares may be cancelled by the Company, or bought back for £1 and then cancelled. The deferred shares are not quoted and carry no rights whatsoever.

## Warrants

At 30 June 2023, the Company had 314,178,213 warrants in issue (2022: 389,430,010) with a weighted average exercise price of £0.0039 (2022: £0.0128). Weighted average remaining life of the warrants, at 30 June 2023, was 678 days (2022: 293 days). All the warrants were issued by the Group to its shareholders in the capacity of shareholders and, therefore, are outside of IFRS 2 scope.

<b>Group and Company</b>	<b>2023</b> <b>number of</b> <b>warrants</b>	2022 number of warrants
Outstanding at the beginning of the year	<b>389,430,010</b>	380,197,618
Granted during the period	<b>304,945,821</b>	9,232,392
Exercised during the period	-	-
Cancelled during the period	-	-
Expired during the period	<b>(380,197,618)</b>	-
<b>Outstanding at the end of the year</b>	<b>314,178,213</b>	389,430,010

During the year ended 30 June 2023, the Company had the following warrants to subscribe for shares in issue:

<b>Grant date</b>	<b>Expiry date</b>	<b>Warrant exercise price, £</b>	<b>Number of warrants</b>
8 Jun 2022	16 Aug 2025	0.005	9,232,392
16 Aug 2022	16 Aug 2025	0.005	41,454,767
16 Aug 2022	16 Feb 2025	0.008	51,916,664
13 April 2023	12 Oct 2024	0.0035	123,888,888
13 April 2023	12 Oct 2024	0.0035	12,388,888
11 May 2023	10 May 2026	0.0014	75,205,614
<b>Total warrants in issue at 30 June 2023</b>			<b>314,178,213</b>

The aggregate fair value, related to the share warrants granted during the reporting period, was £173,825 (2022: £7,578).

## 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 (note 22). 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 year.

# Notes to the Financial Statements

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for the year ended 30 June 2023

## 20. Reserves

### **Share Premium**

The share premium account represents the excess of consideration, received for shares issued above their nominal value net of transaction costs.

### **Foreign Currency Translation Reserve**

The translation reserve represents the exchange gains and losses that have arisen from the retranslation of overseas operations.

### **Retained Earnings**

Retained earnings represent the cumulative profit and loss net of distributions to owners.

### **Fair Value Through Other Comprehensive Income Financial Assets Revaluation Reserve**

The available for sale trade investments reserve represents the cumulative revaluation gains and losses in respect of available for sale trade investments.

### **Share-Based Payment Reserve**

The share-based payment reserve represents the cumulative charge for options granted, still outstanding and not exercised.

### **Warrant Reserve**

The warrant reserve represents the cumulative charge for warrants granted, still outstanding and not exercised.

## 21. Share-Based Payments

### **Employee Share Options**

In prior years, the Company established employee share option plans to enable the issue of options as part of the remuneration of key management personnel and Directors to enable them to purchase ordinary shares in the Company. Under IFRS 2 "Share-based Payments", the Company determines the fair value of the options issued to Directors and employees as remuneration and recognises the amount as an expense in the statement of income with a corresponding increase in equity.

At 30 June 2023, the Company had outstanding options to subscribe for ordinary shares as follows:

	Options issued on 24 August 2020 at 0.2p per share, expiring on 19 August 2025	Options issued on 24 August 2020 at 0.25p per share, expiring on 19 August 2025	Total
	Number	Number	Number
A R M Bell	5,500,000	5,500,000	11,000,000
S Kaintz	2,250,000	2,250,000	4,500,000
Employees	2,750,000	2,750,000	5,500,000
<b>Total</b>	<b>10,500,000</b>	<b>10,500,000</b>	<b>21,000,000</b>

	Company and Group			
	2023		2022	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at the beginning of the year	<b>50,000,000</b>	<b>1.41</b>	63,320,000	0.46
Options issued in the year	-	-	-	-
Options exercised in the year	-	-	(6,120,000)	0.45
Options lapsed in the year	<b>(29,000,000)</b>	<b>0.46</b>	(7,200,000)	0.45
Outstanding at the beginning of the year	<b>21,000,000</b>	<b>2.25</b>	50,000,000	1.41

Nil share options were granted by the Company in the reporting year (2022: Nil). The weighted average fair value of each option granted during the year was £nil (2022: Nil). The exercise price of options, outstanding at 30 June 2023, ranged between £0.0025 and £0.02 (2022: £0.0008 and £0.025). Their weighted average contractual life was 1.63 years (2020: 2.41 years).

### Share Incentive Plan

In January 2012, the Company implemented a tax efficient Share Incentive Plan, a government approved scheme, the terms of which provide for an equal reward to every employee, including Directors, who have served for three months or more at the time of issue. The terms of the plan provide for:

- Each employee to be given the right to subscribe any amount up to £150 per month with Trustees, who invest the monies in the Company's shares ("Partnership Shares");
- The Company to match the employee's investment by contributing an amount equal to double the employee's investment ("Matching Shares"); and
- The Company to award free shares to a maximum of £3,600 per employee per annum ("Free Shares").

The subscriptions remain free of taxation and national insurance if held for five years.

All such shares are held by Share Incentive Plan Trustees and the ordinary shares cannot be released to participants until five years after the date of the award.

During the financial year, a total of 12,836,559 Partnership and Matching Shares were awarded and 11,675,670 Free Shares (2022: 3,801,597 Partnership and Matching Shares and 1,236,656 Free Shares) with a fair value of £0.0021 for the Partnership and the Matching Shares and £0.00185 for the Free Shares (2022: £0.00425 for the Partnership and the Matching Shares and £0.00425 for the Free Shares), resulting in a share-based payment charge of £39,571 (2022: £16,027), included in the administration expenses line in the Income Statement.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 22. Financial Instruments

### 22.1 Categories of Financial Instruments

The Group and the Company hold a number of financial instruments, including bank deposits, short-term investments, loans and receivables, borrowings and trade payables. The carrying amounts for each category of financial instrument are as follows:

30 June	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Financial assets</b>				
<b>Available for sale financial assets at fair value through OCI</b>				
Unquoted equity shares	736	736	736	736
Quoted equity shares		-		-
<b>Total available for sale financial assets at fair value through OCI</b>				
<b>Financial assets FVTPL (Para warrants)</b>				
	-	-	-	-
<b>Total financial assets carried at fair value through profit and loss</b>	<b>736</b>	<b>736</b>	<b>736</b>	<b>736</b>
<b>Cash and cash equivalents</b>	<b>155</b>	<b>66</b>	<b>149</b>	<b>31</b>
<b>Loans and receivables</b>				
Non-current receivables	2,506	2,320	4,978	3,945
Other receivables – current	506	660	601	456
<b>Total loans and receivables carried at amortised cost</b>	<b>3,012</b>	<b>2,980</b>	<b>5,579</b>	<b>4,401</b>
<b>Total financial assets</b>	<b>3,903</b>	<b>3,782</b>	<b>6,464</b>	<b>5,168</b>
<b>Total current financial assets</b>	<b>661</b>	<b>726</b>	<b>750</b>	<b>487</b>
<b>Total non-current financial assets</b>	<b>3,242</b>	<b>3,056</b>	<b>5,714</b>	<b>4,681</b>
<b>Financial liabilities</b>				
Short-term borrowings, including intra-group	1,662	1,042	3,618	2,912
Long-term borrowings	1,440	1,237	756	822
Trade and other payables, excluding accruals	1,646	1,149	1,511	1,029
<b>Total current financial liabilities</b>	<b>4,748</b>	<b>3,428</b>	<b>5,885</b>	<b>4,763</b>

#### Other Receivables and Trade Payables

Management assessed that fair values of other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Non-Current Receivables

Long-term fixed-rate receivables are evaluated by the Group, based on parameters such as interest rates, recoverability and risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for any expected losses on these receivables.

#### Loans and Borrowings

The carrying value of interest-bearing loans and borrowings is determined by calculating present values at the reporting date, using the issuer's borrowing rate.

The carrying value of current financial liabilities in the Company is not materially different from that of the Group.

## 22.2 Fair Values

Financial assets and financial liabilities, measured at fair value in the Statement of Financial Position, are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input, that is significant to the fair value measurement, is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input, that is significant to the fair value measurement, is unobservable.

The carrying amount of the Company's financial assets and liabilities is not materially different to their fair value. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Where a quoted price in an active market is available, the fair value is based on the quoted price at the end of the reporting period. In the absence of a quoted price in an active market, the Group uses valuation techniques, that are appropriate in the circumstances, and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

<b>Group</b> <b>30 June 2023</b>	<b>Level 1</b> <b>£'000</b>	<b>Level 2</b> <b>£'000</b>	<b>Level 3</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
FVTOCI financial assets				
– Unquoted equity shares	-	736	-	736
– Quoted equity shares	-	-	-	-
FVTPL (Para warrants)	-	-	-	-

<b>Company</b> <b>30 June 2023</b>	<b>Level 1</b> <b>£'000</b>	<b>Level 2</b> <b>£'000</b>	<b>Level 3</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
FVTOCI financial assets				
– Unquoted equity shares	-	736	-	736
– Quoted equity shares	-	-	-	-
FVTPL (Para warrants)	-	-	-	-

<b>Group</b> <b>30 June 2022</b>	<b>Level 1</b> <b>£'000</b>	<b>Level 2</b> <b>£'000</b>	<b>Level 3</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
FVTOCI financial assets				
– Unquoted equity shares	-	736	-	736
– Quoted equity shares	-	-	-	-
FVTPL (Para warrants)	-	-	-	-

<b>Company</b> <b>30 June 2022</b>	<b>Level 1</b> <b>£'000</b>	<b>Level 2</b> <b>£'000</b>	<b>Level 3</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
FVTOCI financial assets				
– Unquoted equity shares	-	736	-	736
– Quoted equity shares	-	-	-	-
FVTPL (Para warrants)	-	-	-	-

# Notes to the Financial Statements

for the year ended 30 June 2023

## 22. Financial Instruments, *continued*

### 22.3 Financial Risk Management Policies

The Directors monitor the Group's financial risk management policies and exposures and approve financial transactions.

The Directors' overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies and future cash flow requirements.

#### *Specific Financial Risk Exposures and Management*

The main risks, the Group are exposed to through its financial instruments, are credit risk and market risk, consisting of interest rate risk, liquidity risk, equity price risk and foreign exchange risk.

#### *Credit Risk*

Exposure to credit risk, relating to financial assets, arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial liability of significant customers and counterparties), ensuring, to the extent possible, that customers and counterparties to transactions are of sound creditworthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Directors have otherwise cleared as being financially sound.

Other receivables, which are neither past due nor impaired, are considered to be of high credit quality.

The consolidated Group does have a material credit risk exposure with Mid Migori Mining Company Ltd, an associate of the Company. See note 1.5, "Significant accounting judgements, estimates and assumptions" for further details.

#### *Liquidity Risk*

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Monitoring undrawn credit facilities;
- Obtaining funding from a variety of sources; and
- Maintaining a reputable credit profile.

The Directors are confident that adequate resources exist to finance operations for commercial exploration and development and that controls over expenditure are carefully managed.

Management intend to meet obligations as they become due through ongoing revenue streams, the sale of assets, the issuance of new shares, the collection of debts owed to the Company and the drawing of additional credit facilities.

#### *Market Risk*

##### **Interest Rate Risk**

The Company is not exposed to any material interest rate risk.

##### **Equity Price Risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities, but also include political, economic, social, technical, environmental and regulatory factors.

## Foreign Currency Risk

The Group's transactions are carried out in a variety of currencies, including Sterling, Australian Dollar, US Dollar, Kenyan and Shilling.

To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored. The Group does not enter into forward exchange contracts to mitigate the exposure to foreign currency risk as amounts paid and received in specific currencies are expected to largely offset one another and the currencies most widely traded in are relatively stable.

The Directors consider the balances, most susceptible to foreign currency movements, to be financial assets with FVTOCI.

These assets are denominated in the following currencies:

<b>Group</b> <b>30 June 2023</b>	<b>GBP</b> <b>£</b>	<b>AUD</b> <b>£</b>	<b>USD</b> <b>£</b>	<b>CAD</b> <b>£</b>	<b>Other</b> <b>£</b>	<b>Total</b> <b>£</b>
Cash and cash equivalents	149	2	-	-	4	155
Amortised cost financial assets - Other receivables	228	10	374	-	58	670
FVTOCI financial assets	-	-	736	-	-	736
Amortised costs financial assets - Non-current receivables	-	-	2,506	-	-	2,506
Trade and other payables, excluding accruals	355	42	286	959	4	1,646
Short-term borrowings	1,503	-	159	-	-	1,662
Long term borrowings	-	684	756	-	-	1,440

<b>Group</b> <b>30 June 2022</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>Other</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	31	13	16	-	6	66
Amortised cost financial assets - Other receivables	125	8	332	-	360	825
FVTOCI financial assets	-	-	736	-	-	736
Amortised costs financial assets - Non-current receivables	-	-	2,320	-	-	2,320
Trade and other payables, excluding accruals	77	26	166	876	4	1,149
Short-term borrowings	1,042	-	-	-	-	1,042
Long term borrowings	-	415	822	-	-	1,237

<b>Company</b> <b>30 June 2023</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>Other</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	149	-	-	-	-	149
Amortised cost financial assets - Other receivables	2,700	-	373	-	-	3,073
FVTOCI financial assets	-	-	736	-	-	736
Amortised costs financial assets - Non-current receivables	-	-	2,506	-	-	2,506
Trade and other payables, excluding accruals	351	-	200	959	1	1,511
Short-term borrowings, including intra-group	3,618	-	-	-	-	3,618
Long term borrowings	-	-	756	-	-	756

# Notes to the Financial Statements

for the year ended 30 June 2023

## 22. Financial Instruments, *continued*

### 22.3 Financial Risk Management Policies, *continued*

<u>Company</u> <u>30 June 2022</u>	<u>GBP</u> <u>£'000</u>	<u>AUD</u> <u>£'000</u>	<u>USD</u> <u>£'000</u>	<u>CAD</u> <u>£'000</u>	<u>Other</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Cash and cash equivalents	31	-	-	-	-	31
Amortised cost financial assets - Other receivables	1,750	-	331	-	-	2,081
FVTOCI financial assets	-	-	736	-	-	736
Amortised costs financial assets - Non-current receivables	-	-	2,320	-	-	2,320
Trade and other payables, excluding accruals	74	-	79	876	-	1,029
Short-term borrowings, including intra-group	2,912	-	-	-	-	2,912
Long term borrowings	-	-	822	-	-	822

Exposures to foreign exchange rates vary during the year, depending on the volume and nature of overseas transactions.

## 23. Reconciliation of Liabilities Arising from Financing Activities and Major Non-Cash Transactions

<u>Group</u>	<u>30 June</u> <u>2022</u> <u>£'000</u>	<u>Cash</u> <u>flow</u> <u>loans</u> <u>received</u> <u>£'000</u>	<u>Cash</u> <u>flow</u> <u>principal</u> <u>re-</u> <u>payment</u> <u>£'000</u>	<u>Cash</u> <u>flow</u> <u>interest</u> <u>paid</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Forex</u> <u>movemen</u> <u>t</u> <u>£'000</u>	<u>Non-cash</u> <u>flow -</u> <u>Conversion</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Interest</u> <u>and</u> <u>arrangeme</u> <u>nt fee</u> <u>accrued</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Introduce</u> <u>rs fee</u> <u>accrued</u> <u>£'000</u>	<u>30 June</u> <u>2023</u> <u>£'000</u>
Loan from institutional investors	577	410	(205)	-	18	(903)	103	-	-
Convertible notes	317	47	(190)	-	-	350	170	-	694
Other loans	100	780	(99)	-	-	(66)	252	-	967
<b>Total</b>	<b>994</b>	<b>1,237</b>	<b>(494)</b>	<b>-</b>	<b>18</b>	<b>(619)</b>	<b>525</b>	<b>-</b>	<b>1,661</b>

<u>Company</u>	<u>30 June</u> <u>2022</u> <u>£'000</u>	<u>Cash</u> <u>flow</u> <u>loans</u> <u>received</u> <u>£'000</u>	<u>Cash</u> <u>flow</u> <u>loans</u> <u>re-</u> <u>payment</u> <u>£'000</u>	<u>Cash</u> <u>flow</u> <u>interest</u> <u>paid</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Forex</u> <u>movement</u> <u>£'000</u>	<u>Non-cash</u> <u>flow -</u> <u>Conversion</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Interest</u> <u>accrued</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>arrangeme</u> <u>nt fee</u> <u>accrued</u> <u>£'000</u>	<u>30 June</u> <u>2023</u> <u>£'000</u>
Loan from subsidiary	1,889	225	-	-	-	-	-	-	2,115
Loan from institutional investors	577	410	(205)	-	18	(903)	103	-	-
Convertible notes	317	47	(190)	-	-	350	170	-	694
Other loans	100	621	(99)	-	-	(65)	252	-	809
<b>Total</b>	<b>2,883</b>	<b>1,303</b>	<b>(494)</b>	<b>-</b>	<b>18</b>	<b>(618)</b>	<b>525</b>	<b>-</b>	<b>3,618</b>

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Repayments of borrowings in the year include £37,636 paid against non-current borrowings from Kansai not included in the above table of current borrowings.

Significant non-cash transactions from financing activities, in relation to raising new capital, are disclosed in note 18.

## 24. Significant Agreements and Transactions

The following are the significant agreements and transactions recently undertaken having an impact in the year under review. For the sake of completeness and of clarity, some events after the reporting year may be included here and in note 26.

### Financing

A convertible loan note facility was in place with Riverfort Global Opportunities Fund ("RGO"). The facility is for up to £1,000,000 in funding for working capital purposes, with an initial drawdown of £385,000 in principal (before costs). This loan was repaid through a series of conversions and cash repayments after the year end.

On 25 July 2022, the Company announced that it had issued £623,000 of convertible loan notes to high-net-worth investors, with each note convertible into ordinary shares at a price of £0.006 per share over a twelve-month period. Each note holder also received 83,333 warrants for each note subscribed, entitling the holder to subscribe for shares for 30 months from the date of issue at a price of £0.008 per share. The interest rate of the notes is 12% per annum, payable upon maturity.

On 19 August 2022, the Company announced the creation of an additional £50,000 of convertible loan notes, which were ultimately transferred to a separate loan note with a further net amount of £50,000 added during the year. The notes carry an interest rate of 0.05% per day, a cash repayment bonus of 25% of the outstanding principal, and allow the investor to receive one for one warrants exercisable for two years into RRR shares at an exercise price of the higher of £0.006 or 10% above the VWAP on the repayment date (or in the event of a placing on the repayment day, 10% above the placing price). The notes were originally payable from a date three weeks following the original drawdown date.

On 21 September 2022, the Group announced the placing of 40,000,000 new ordinary shares to institutional investors at 0.4 pence per share, raising gross proceeds of £160,000 before costs. Additionally, 20,000,000 warrants to subscribe to ordinary shares at 0.8 pence each for a period of 24 months were issued to placees. The Company further announced that it had appointed OvalX as joint broker to the Company.

On 30 November 2022, the Company entered into a prepayment agreement for the sum of £10,000. The prepayment was to relate to a placing of shares expected to be completed on or around 8 December 2022. The prepayment amount attracts a cash bonus fee of 25% of the prepayment amount upon repayment and allows the investor to receive one for one warrants exercisable for 24 months at the higher of £0.006 or 25% above the closing price on the date of repayment. The notes were due for repayment three weeks from the prepayment date, and any delay in repayment will draw interest of 0.5% per day.

On 15 December 2022, the Company announced a fundraising of US\$500,000 by way of a subscription of new ordinary shares with an ascribed value of US\$548,000 by Diversified Metal Holdings LLC. Following this subscription, the investor may make an additional advance of US\$1,000,000 by way of a further subscription for shares to an ascribed value of US\$1,098,000. Each subscription under the agreement will be made by way of the subscriber prepaying for shares to be issued at the subscriber's request, in one or several tranches. These subscriptions must occur within twenty-four months of the date of the placing at the subscription price, initially set at £0.007 per share, then after the first month, adjusting to the average of five VWAPs selected by the investor during a twenty-day period prior to the date of the subscriber's formal notice, but subject to a floor price of £0.002 per share. The Company will also have the right (but no obligation) to forego issuing shares in relation to the subscriber's request for issuance and instead opt to repay the applicable subscription amount by making a payment to the subscriber equal to the market value of the shares that would have otherwise been issued. Concurrent with the subscription, the Company will issue 28,000,000 of the subscription shares to the subscriber at par value, reducing the amount to be ultimately issued under the agreement. In lieu of applying these shares towards the aggregate number of subscription shares to be issued, the subscriber may make an additional cash payment to the Company. The Company will further issue to the subscriber 17,000,000 shares in satisfaction of an arrangement fee.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 24. Significant Agreements and Transactions, *continued*

On 24 February 2023, the Company announced that following to the funding of 15 December 2022, that Diversified Metal Holdings LLC had requested that the Company issue 26,753,616 new ordinary shares at a price of £0.0025 per share, which had been prepaid by the subscriber at the time of the initial investment. The Company further agreed with the investor that it could apply in respect of a further amount of US\$274,000 at this same purchase price. The Company had agreed to a variation fee of US\$78,000 payable within thirty days or by way of an increase in the total amount outstanding, in relation to agreeing to this modification of the agreement.

On 22 Feb 2023, the Company entered into a loan agreement with a high-net-worth investor with an initial principal amount of £125,000, and with an additional £80,000 drawn down on this facility during the course of the year. The note was due for repayment 14 days after the date of the agreement. The notes carry a 20% interest rate per annum, with a 20% redemption fee payable on the total amount drawn down on the notes at repayment. The investor may elect to require conversion of all or part of the loan and redemption fee into shares at a price of £0.0025 per share, which may be reduced to the price of any placing in the event of any issue of new ordinary shares at a lower price before the loan is repaid.

On 15 March 2023, the Company announced that Diversified Metal Holdings LLC had subscribed for a further 56,487,601 new ordinary shares at a price of £0.0018 per share. This purchase had been prepaid by the investor at the time of the original subscription agreement on 15 December 2022. The total amount of the subscription outstanding then stood at US\$348,000.

On 14 April 2023, the Company announced that it had issued 15,055,706 new ordinary shares of the Company at a price of £0.001661 per share in settlement of £25,000 of outstanding debt owed to Riverfort Global Opportunities PCC Ltd.

On 4 May 2023, the Company announced that it had issued 19,176,965 new ordinary shares of the Company at a price of £0.0015741 per share in settlement of £30,186.46 of outstanding debt owed to Riverfort Global Opportunities PCC Ltd.

On 5 May 2023, the Company entered into a loan note agreement with a principal amount of £50,000. The note carries an interest rate of 0.05% per day from 20 May 2023, and a cash repayment bonus of 30% of the outstanding principal. The notes are due within 3 days of receipt of funds from a settlement in the DRC.

On 11 May 2023, the Company announced it had completed a placing of 376,028,070 new ordinary shares of the Company, which raised £535,840 before expenses at a price of £0.001425 per share. A fee of 7.5% was to be paid to Clear Capital Corporate Broking, and Clear Capital was to receive £107,168 of warrants exercisable for three years also at a price of £0.001425 per warrant.

On 12 May 2023, the Company announced the issuance of 24,512,229 new ordinary shares to employees of the Company under the Company's Share Incentive Plan for the 2022-23 tax year as agreed by the Trustees of the plan in their meeting held on 5 April 2023.

On 24 May 2023, the Company announced that it had issued 43,781,746 new ordinary shares of the Company to Riverfort Global Opportunities PCC LTD at a price of £0.0012978 in settlement of £56,819.95 of outstanding debt.

On 25 May 2023, the Company entered into a loan note agreement with a principal amount of £50,000. The note carries an interest rate of 0.05% per day from 20 June 2023, a repayment bonus of 30% of the outstanding principal. The notes are due within 3 days of receipt of funds from a settlement in the DRC.

On 30 May 2023, the Company announced that it had repaid £65,500 of outstanding corporate debt through the issuance of 45,964,912 new ordinary shares of the Company at a price of £0.001425 per share.

On 30 May 2023, the Company announced that had issued Diversified Metal Holdings LLC 33,237,805 new ordinary shares at a price of £0.0011 per share in satisfaction of £36,562 of the subscription originally announced and prepaid on 15 December 2022.

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## 24. Significant Agreements and Transactions, *continued*

On 21 June 2023, the Company announced that it had issued 65,876,152 to Riverfort Global Opportunities PCC LTD in repayment of £75,000 of outstanding debt at a price of £0.0011385 per share. It further announced the issuance of 23,657,440 new ordinary shares at a price of £0.0016908 per share to Riverfort Global Opportunities PCC Ltd in relation to a consent fee of £40,000 in relation to a Deed of Consent executed on 19 January 2023. Lastly the Company announced that an issuance of 110,029,438 shares at a price of £0.0011 per share had been issued to Diversified Metals Holdings LLC in repayment of £121,032.38, in full settlement of the subscription originally prepaid on 15 December 2022. The amount outstanding to Riverfort Global Opportunities PCC Ltd was approximately £60,000 and would be immediately settled in cash.

On 22 June 2023, the Company announced that CMC Markets UK Plc had raised the Company £288,750 before expenses through the placing of 175,000,000 new ordinary shares at a price of £0.00165 per share.

A \$1,000,000 loan note remains payable to Kansai Ltd, which would complete the acquisition of the Mid Migori Gold project. Payment of this loan has been mutually agreed with Kansai to be delayed until a transaction or exit of the project is completed.

### **New Ballarat Gold Corporation**

On 6 July 2022, the Group announced that it had entered into an agreement for the acquisition of EL 5535, a 9 block (288 net hectare) exploration licence south-west of Ballarat containing the historic Berringa Mine from Balmaine Gold Pty Ltd. Under the terms of the agreement Balmaine was to transfer license EL 5535 to RRAL for an initial payment of A\$20,000. Pending successful renewal of the license for five additional years, RRAL has agreed to pay a further A\$130,000 to the vendor. A further payment of A\$350,000 was to be made upon the public release of a mineral resource estimate of no less than 100,000 of gold in the inferred category as defined by the JORC code. Finally a net smelter royalty of 1.5% is payable to the vendor up to a maximum total of A\$1,500,000. Completion of the acquisition was announced on 22 September 2022.

### **Elephant Oil & Gas**

Elephant Oil is currently finalizing an IPO on the Nasdaq market. This is expected to complete with an up to US\$7m funding. The most recent Elephant Oil pre-IPO funding has valued the price per share to US\$2.25 per share. Given the pricing and the pending IPO, the Company believes that it would be prudent to hold this investment at the pre-IPO funding pricing of US\$2.25 per share pending the final listing, now expected in early 2024, when the holding can be marked to market.

### **VUP Project – Democratic Republic of Congo**

On 6 January 2022, the Company announced that it had obtained an order Ordonnance No 437/BIL/12/2021 Portant Injonction de Payer (the "Payment Order") from the Commercial Court in Lubumbashi instructing VUP SA, the Company's partner in the joint venture, to pay US\$2,505,000 as a principal amount to Red Rock. It further indicated that an audience took place in Lubumbashi at which the Company's claim for interest and damages of US\$11,000,000 was heard, with judgment was to be given within eight days. Red Rock indicated that it continues to investigate additional remedies that may be available to it in the Congo and elsewhere.

On 19 January 2022, the Company announced that the Commercial Court of Lubumbashi issued an executory judgment ordering VUP SA, the Company's partner in the Joint Venture, to pay US\$2,000,000 as damages, with costs. This follows the earlier judgment for payment of a principal amount of US\$2,505,000, representing 50.1% of the payment already made by a third party to VUP SA.

As of 2023, the Company has been provided with a draft arbitration result in which it would receive a gross award of US\$7,500,000, in addition to the executory judgement for US\$2,500,000. The Company believes that execution of this agreement is likely in early 2024.

# Notes to the Financial Statements

for the year ended 30 June 2023

## 25. Related Party Transactions

- Power Metal Resources Plc (POW) are the Company's partner and holder of 49.9% in the Company's 50.1% owned subsidiary Red Rock Australasia Pty Ltd ("RRAL"). During the prior year, the Company entered into an agreement with POW for the provision of a £100,000 working capital loan to the Company. See note 24 for further details. Amounts drawn under this facility were converted after the reporting period. See note 26 for further details.
- Related party receivables and payables are disclosed in notes 17 and 18.
- The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2023 and at 30 June 2022 are shown in the Director's Report.
- The key management personnel are the board of Directors and their remuneration is disclosed within note 9.

## 26. Significant Events After the Reporting Period

On 3 July 2023, the Company announced that it had been issued of a Certificate of Registration in relation to the Company's application through its local subsidiary for a new lithium license near Bikita, giving the Company a license covering 94 hectares. Certificates for two small extension applications adding 45 hectares to the core license in this area were also recently granted. Also near Bikita, adjacent to a purchased areas where transfer is in progress, registration of two small extension license areas of 21 and 22ha were recently granted.

On 7 August 2023, the Company announced the extension and partial conversion of its 12% convertible loan notes. The Company had agreed with investors to extend the terms of the notes and the related warrants, including accrued interest by one year to 18 July 2024 and 18 January 2026 respectively. The total amount of the extended convertible loan notes at the time of the extension was £689,840. The conversion price of the extended notes had been adjusted to a price set at a 20% uplift from the 30 day VWAP starting from 9 July 2023, provided that the conversion price must fall between £0.002 and £0.006 per share. The partial conversion of £127,000 of the notes prior to the extension, was to be settled by the issuance of £63,500,000 new shares a price of £0.002 per share. Following this conversion, the residual balance of the notes due in July 2024 would be £562,840 plus any interest accumulated during this period.

On 22 August 2023, the Company announced that it had received notice of the conversion of £52,509.60 of convertible loan notes by a high-net-worth investor inclusive of interest at a price of £0.0020196 per share, retiring this note in full.

On 20 September 2023, the Company announced that it had sent three samples of approximately 2KG each from the pegmatites at the first permitted area at the Company's African Lithium Resources lithium project in Zimbabwe, to an ISO accredited laboratory in Harare.

On 19 October 2023, the Company announced that it had approved the issuance of up to £500,000 of convertible loan notes at a price of £10,000 per note. The notes would attract interest of 6% + 0.5% per month from the issue date to the final conversion date or 23 March 2024. The notes were convertible into new ordinary shares of the company at a price set at a 15% discount to the price of any placing conducted during the period that raised a minimum of £200,000 or more, provided that this placing were to take place prior to 23 March 2024. Default interest of 10% + 1% would be payable for each month or portion of a month and would accrue from the date of any default until payment. For every share issued to the noteholder as part of conversion of any note, or that would have been issued to the holder had the investor not made an election to be paid in cash, one warrant will be issued to the investor with a life of 30 months and set at an exercise price at 50% above the placing price. In the event that a noteholder is repaid in cash by 23 March 2024, each note will receive 4,500,000 warrants with a life of 30 months and an exercise of £0.0025 per share. The Company further announced that it had raised £210,000 before expenses by subscription to 21 of these Notes as a First Tranche closing of this facility. Additional for every 12 warrants issued to holders either via conversion or by cash repayment, 1 broker warrant will be issued to First Equity Limited on the same terms as the relevant note holder warrants.

On 15 November 2023, announced that at the Company's lithium project in Zimbabwe, 200 tons of lithium ore has been prepared for export and that the first truck had now left Harare for the Mozambican port of Beria.

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## 26. Significant Events After the Reporting Period, *continued*

On 28 November 2023, the Company announced that at the Company's operations in Cote d'Ivoire, a decree had been issued granting a second license to the Company's subsidiary LacGold Resources SARLU for an initial term of 4 years. The license covers 380.94 sq km in the departments of Yamoussoukro and others, and this grant was one of a total of Red Rock's applications consisting of a total of 1,404.86 sq km. This decree brought the total of granted licenses 725.55 sq km of prospective gold ground. Each application is located on a known regional shear zone where gold mines are currently operating, and each grant has significant artisanal mining occurring within and around them.

On 11 December 2023, the Company announced that it had placed £110,000 in the form of 100,000,000 new ordinary shares at a price of £0.0011 per share to a high net worth investor in satisfaction of costs that had been incurred at the Company's Zimbabwe lithium project and Burkina Faso gold projects respectively.

On 14 December 2023, the Company announced that it had raised gross proceeds of £500,000 through the issuance of 666,666,667 new ordinary shares at a price of £0.00075 per share.

## 27. Commitments

As at 30 June 2023, the Company had entered into the following commitments:

- Exploration commitments: On-going exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the Financial Statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.
- On 1 January 2023, the Company extended its existing lease at We Work, Aldwych House, through to 30 June 2024. Total lease rentals payable to 30 June 2024 are £69,454.
- On 26 June 2015, the Company announced an agreement with Kansai Mining Corporation Ltd, pursuant to which Red Rock's farm in agreement was replaced by agreements, under which any interest in the Migori Gold Project or the other assets of Mid Migori Mines, that may be retained or granted to Mid Migori Mines or Red Rock, would be shared 75% to Red Rock and 25% to Kansai. Kansai's interest was to be carried up the point of an Indicated Mineral Resource of 2m oz of gold. Red Rock was to have full management rights of the operations and of the conduct of legal proceedings on behalf of both Mid Migori Mines and itself. On 15 June 2018, Red Rock announced a revision to this agreement. The effect of the revision is that Kansai exchanged its 25% carried interest under the 2015 agreement for a US\$ 50,000 payment, leaving Red Rock with a 100% interest. In the event of a renewal or reissue of licenses, covering the relevant assets, the Company will within three months make further payments, subject to such renewal or reissue not being on unduly onerous terms, as follows: (1) US\$ 2.5 million payable in cash; (2) a US\$ 1 million promissory note, payable 15 months after issue; and (3) £0.500 million of warrants into Red Rock shares at a price 20% above their average closing price on the three trading days prior to issue. This agreement was further amended on 21 December 2020 through agreement with Kansai to pay US\$ 1 million, of which US\$ 0.5 million has been paid on 24 December 2020, and to defer payment of US\$ 1.5 million until 29 January 2021, at which time the balance could be paid in cash or shares at Kansai's discretion, with any shares to be issued at the closing price of the Company's shares on the 21 of December 2021. As at the reporting date, the amount of \$1,000,000 remains payable, with agreement having been arrived at between the parties that payment shall be deferred until receipt by the Company of any funds awarded by the court of the DRC.

## 28. Control

There is considered to be no controlling party.