

Red Rock Resources Plc
Annual Report and Accounts 2022

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Company Information

Directors

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

all of:

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Company Secretary

Stephen Ronaldson

Company Number

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Nominated Adviser

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Broker

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Chairman's Statement

Dear Shareholders,

There were three key developments that we expected in 2022.

Key Expected Developments In 2022

Africa

The first of these, though one we cautiously underplayed in our public statements in order not to alert too many potential adversaries, is the expected successful conclusion of our efforts in the Democratic Republic of Congo ("DRC") to obtain recompense for the sale of our interest in a copper-cobalt joint venture. We told you last year that once we discovered what had occurred, we had moved promptly to obtain a freezing order. We later obtained judgment in our favour for 50.1% of the US\$5 million consideration already paid. This judgment is executory and cannot now be appealed. We obtained a further judgment from the Congolese courts for US\$2 million for costs and damages. This judgment is being appealed. Finally, in relation to the US\$15 million consideration not yet paid, we went to arbitration to claim 50.1% of this amount. Our case is of overwhelming strength, and there is a draft award, but up to the time of writing our former partners have not attended a meeting where they would sign the Minutes of the Arbitration.

This playing for time cuts both ways. Parties, acting for our former partners, were trying to get us to agree to US\$2.5 million in the arbitration, rather than the US\$7.5 million to which we are entitled, and the prospect of receiving US\$12.5 million of the US\$15 million, subject to the arbitration is obviously enticing. But without our signature they too get nothing, and we think we should sign for what the Arbitrators we believe are minded to award, not some much lesser amount. The contract was quite clear, and the principle that foreign investors should not be unjustly deprived of their property is accepted by enough people that we feel confident that we will prevail. This is not only in the interests of justice, but in the interests of the Congo.

Despite recent frustrations – we spent a total of some nine recent weeks in two spells in Kinshasa for the arbitration and in waiting for the result – the year is one that has seen great progress on this front, if not a conclusion.

The relationships we have built may enable us to proceed with a new joint venture, also of substantial value, should we wish. Our willingness to do this depends on our demonstrating to our shareholders and potential partners that investors in the DRC can be treated justly, as they have not always been in the past.

The second key development was to be the listing of Elephant Oil, where we have a small but longstanding shareholding, on the NASDAQ 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 have generally remained positive on the outlook for the acquiring entity, because the underlying assets themselves are good, and so have often preferred the shareholdings to cash. We have sold our remaining holdings in Jupiter Mines Ltd and Juno Mines Ltd in Australia, as well as shares in Power Metal Resources Plc for total proceeds of approximately £2.54 million during the period, and the delays in obtaining a listing for Elephant Oil this year have therefore left a gap in our equity holdings buffer. We currently expect Elephant Oil to be listed in early 2023 at a listing price of between US\$4.15 and US\$5.15 a share, indicating our holding of 397,874 shares may be valued (at the mid-point) 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.

Australia

The third key development we anticipated to be the pre-IPO fundraising and then the listing of our Australian joint venture subsidiary Red Rock Australasia Pty Ltd ("RRAL"), or its holding entity New Ballarat Gold Corporation Plc. Market conditions during the year created a poor environment for a gold float, and therefore by extension for pre-IPO funding. Much time was spent by the partners considering which market, in the changed circumstances, offered the best prospects. Towards the end of 2022, there was a consensus on London, but then a further downward movement in prices made us decide to first complete the year-end drill programme, which we expect to add material value, as a private company.

As long as we can continue to increase the value of RRAL, we should endeavour to wait as in volatile markets (and the mining and exploration sector is always volatile) the difference between floating into a strong gold share market and floating into a poor one is so great. In poor markets, it has always been Red Rock's policy to try to build or maintain its positions, so that it is able to crystallise value at times when markets are in an uptrend and prospects look good. The Company did this with Jupiter pre-privatisation; it did it with Resource Star Ltd post-Fukushima, and it did it with the Kenyan assets when litigation arose involving our local partner. The first two of these positions were successfully liquidated; Kenya still remains in the portfolio, but the Company hopes to find partners so that progress can accelerate in what we believe will be better times ahead.

There are a number of different options for taking Australia forward. We could sell or buy to consolidate control in one partner, and we could float, or we could retain our interest as a bedrock asset in a safe jurisdiction to balance the well-defined and exciting, but risky potential in Congo. All these possibilities are under constant review and discussion, and the optimal choice may be different if we get an early award in the DRC, when we will be cashed up as few other companies will be. Currently we continue with our partners to fund the well-staffed, carefully managed, and active Australian company as a privately-held joint venture, which would not have been our first choice, but which is appropriate for the circumstances. Some Red Rock shareholders may regret that we have not already listed,

Chairman's Statement

continued

as we had indicated that this was likely to happen, but our aim is to secure the best eventual outcome for Red Rock stakeholders, not the quickest, and we and our partners believe we have our finger on the pulse of the market and have made the right decisions.

Fortunately, the next phase of exploration – the drill programme about to start on one or both of the former mines in our portfolio, both high grade 300,000 oz producers historically – is likely in our view to produce results that will evidence the potential that remains down the dip or along the line of strike of these old mines. It should be noted that when we refer for example to the Berringa Mine, this was in fact exploited as a number of different operations, but proximal and contemporaneous and along the same strike, so that it is convenient to think of these efforts as one mine. This piecemeal exploitation is one of a number of factors that lead our analysts to identify significant mineralised targets at shallow depth within the project area.

A further factor we consider important in evaluating the prospects for production from these key initial targets is that they are within easy reach of currently underutilised processing facilities.

During or after the drill programme, we will re-evaluate our options and consider which alternative will be best for Red Rock.

Key Expected Developments in The Next Year

We expect to be able to conclude our arbitration and litigation in the DRC, and to identify a new quality project that will add value as Musonoi has done.

That Musonoi and the other JV projects with Gécamines in the DRC were without our knowledge and consent sold for US\$20m a few months after we had started work there, and then according to our information sold on by a simultaneous or near-simultaneous contract for some hundreds of millions of dollars, shows that we had identified and obtained a first-rate project, and our shareholders were entitled to the benefit, which they have not to date received.

Our pursuit of the lost benefit and of compensation for the damage done does not end with victory in the cases fought in the DRC. We therefore also expect to be initiating further actions to make whole and compensate the Company and its shareholders, and these we shall announce in due course. We based the decision to start by getting a result in the Congo that would confirm we had rights there and that these rights had not been respected on legal advice. Having laid these foundations, we are now looking at other remedies that may be pursued outside the DRC.

We also expect to bring into test production one or more of the lithium assets held by our Zimbabwe subsidiary. An Environmental Impact Assessment has already been initiated and in January 2023 we will be focused on advancing these assets into small-scale production, initially into the local market and then, upon arrival of a flotation unit, starting sale of concentrated material into export markets. The margin on this production at current sale prices, either into the local market for unconcentrated grades, or into the export market after concentration by a flotation unit, has the capacity to generate significant positive cashflow. Our capable local staff, who have developed small scale mining operations in the past, are already working on this, and during the final development stage and as we start production, we will have one of our colleagues from London continually on site to oversee the process.

In Burkina Faso, and prospectively in Ivory Coast, our model is that our subsidiaries are funded in part by external investors. We expect to continue exploration, the early stages of which will be geochemistry or geophysics, and which will lead to drilling of our prime targets. The Company considers that it has high quality projects and staff in both jurisdictions, but does not want to run the risk of early stage exploration in these countries, diverting investment from the core projects. Of course, a lucky result in either country could convert a prospect into a core Red Rock project for the future, but that is not where we start.

In Kenya, 2023 will be a critical year where our licences come up for renewal, and after a second half of 2022 when little activity was undertaken in the run up to the Kenyan elections and then as new Ministers and ministry staff were installed, it will be essential now to develop a new approach that enables sufficient resources to be deployed so that our exploration operations can begin to match the performance of Shanta to the north and Barrick to the south. Market conditions in the second half of 2022, and our expectation that funds would be available from realisations in the Congo, mean that Kenya operations recently have been lagging behind our schedule and as our search for a suitable partner has not yet borne fruit, these are issues we ourselves need to address. We are doing so as a matter of urgency. The remaining liability to the vendor of our Kenya operations, to which reference is made in the accounts, is expected to be satisfied as DRC or Elephant Oil proceeds arrive.

Exploration

We are always exploring, but the best indicator of our progress for an outsider is the nature, scope and purposes of our drill activity.

In the year 2021-2, we drilled, first and successfully in the Congo for copper and cobalt; next for gold in Kenya, and then in Australia in a couple of our second order sites with high potential.

In the recent period, we have drilled seven holes in Burkina Faso on two prospects, with extremely promising intersections at Bilbale, where we encountered in one hole, 20m of 3.19 g/t gold from 22m depth, a further 8m at 2.28 g/t at 62m, and ended in renewed over 1 g/t mineralisation at 120m depth.

We now begin a jointly funded three-hole diamond drill programme in Australia at a former mine, Berringa, where we have a strong target at shallow depth, and this programme should roll into further holes on a nearby target.

Given sufficient financial resources, we could justify a major programme, including some deep holes in Kenya to intersect higher grade mineralisation. We also expect to be doing joint or partner-funded drilling in Burkina Faso and Ivory Coast later in 2023.

Other

We continue to anticipate the imminent listing of Elephant Oil, which we now hope will occur on the US markets early in the New Year. We would then look to further corporate announcements from Elephant and will decide whether to keep or sell our shares at the expiry of the hold period in July 2023.

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. The Company expects to add royalties over its DRC assets, and is in the process of putting the royalties together in a dedicated royalty-holding subsidiary, after which a further announcement about the Company's intentions will be made.

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 2022 was £2,800,000 (2021 loss of £1,699,000). This increased loss reflected principally higher administration costs, which in turn reflected higher costs of staff at subsidiaries, increased accounting costs, and increased travel costs.

Outlook

In 2022, the Company saw a falling share price, as did its peer group; this was disappointing in a year in which, operationally, a lot of progress was made, and this price weakness prevented us from taking advantage of all our opportunities to work on the existing project portfolio. The delays in announcing the arbitration result in Congo were a particularly frustrating, and unnecessary, impediment, and sometimes a distraction. We will vigorously pursue our claims in DRC and, on the basis of a successful realisation, we will deploy the funds into our projects and working capital as well as reducing our creditor balances. What we have at times to remind ourselves is that we are cracking the code of operating successfully in mineral rich but historically troubled countries. The game is worth the candle, but it is sometimes a long game. When a gap appears in the clouds, the sun can suddenly shine, and then the opportunities are realised.

In our budgeting for 2023, we have placed considerable reliance on the receipt of judgement and arbitration proceeds from the DRC. Funds from the realisation of our shares in Elephant Oil, and funds generated from mining operations, are expected to make an important contribution from mid-year or earlier, but significant delay in receipt of DRC monies will require a reassessment of priorities by the Board and either additional funding or the sale of non-core assets in order to meet loan and deferred consideration obligations.

Red Rock is in the right places for a world, which should begin to value gold more highly and has an increasing need for battery metals. We have teams that can take projects through to production in several of the countries in which we operate, and are starting to do this. A year ago we would never have supposed that our first new production project of the 2020s might be in Zimbabwe, but we are delighted that it is so, and that a country with a long and continuous mining history is coming back into favour and we are helping that process.



Andrew Bell
Chairman and CEO

28 December 2022

Strategic Review

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 high 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 equity 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, joint venture 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 realise 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 has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Company in its activities in order to help reduce possible political risks.

COVID-19

The Company recognises the uncertainty, volatility, and risks caused by the COVID-19 pandemic. The health and safety of our staff and associates is of major concern and we have taken steps to mitigate this risk utilising where appropriate alternatives to face to face meetings including through the greater adoption of video-conferencing services. This year's AGM format will reflect the current business environment and any residual risks associated with the COVID-19 pandemic.

Operationally, COVID-19 has not caused significant disruptions to the Company's projects during the year, however, the inability to travel to some project sites and the associated slowdown in government processing of licenses will have delayed progress in some instances.

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

Category	Male	Female
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

continued

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. We explain in this annual report, and referenced herein, how the Board engages with stakeholders.

Signed by order of the Board.



Andrew Bell
Chairman and CEO

28 December 2022

Board of Directors

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 Corcel Plc and 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 2022-23

- Continued exploration and development of Kenyan gold assets;
- IPO or transaction involving the New Ballarat Gold Corporation Plc joint venture ;
- IPO or transaction involving 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.

Directors' Report

Red Rock Resources Plc - Company Number: 05225394
for the year ended 30 June 2022

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 2022.

Results and Dividends

The Group's results are set out in the Consolidated Income Statement on page 24. The audited Financial Statements for the year ended 30 June 2022 are set out on pages 23 to 63.

The Group made a post-tax loss of £2.8 million (2021: loss of £1.699 million).

The Directors do not recommend the payment of a dividend (2021: 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 nil in new equity (2021: £2,000,000); 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 (appointed on 23 July 2021)

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

	Ordinary shares		Total	As percentage of issued share capital	Options	Warrants
	Direct	Beneficial				
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	—

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2021 were as follows:

	Ordinary shares		Total	As percentage of issued share capital	Options	Warrants
	Direct	Beneficial				
Andrew R M Bell	31,238,520	15,396,487	46,635,007	3.83%	28,760,000	—
Alexander Borrelli	—	—	—	—	—	—
Scott Kaintz	2,517,807	15,396,487	17,914,294	1.47%	20,180,000	—
Sam Quinn	2,206,766	13,421,944	15,628,710	1.28%	3,900,000	—

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 2022, the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	30 June 2022		1 December 2022	
	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	285,005,914	22.69%	285,042,115	21.99%
Interactive Investor Services Nominees Limited – Designation SMKTISAS	94,651,601	7.54%	105,993,405	8.18%
Interactive Investor Services Nominees Limited – Designation SMKTNOMS	84,747,714	6.75%	114,951,732	8.87%
Barclays Direct Investing Nominees Limited – Designation CLIENT1	62,072,420	4.94%	59,077,311	4.56%
Hargreaves Lansdown (Nominees) Limited – Designation VRA	58,498,160	4.66%	68,948,196	5.32%
JIM Nominees Limited – Designation JARVIS	56,593,770	4.51%	40,413,680	3.12%
Red Rock Resources Plc Share Incentive Plan	56,383,578	4.49%	56,383,578	4.35%
Hargreaves Lansdown (Nominees) Limited – Designation 15942	51,545,855	4.10%	48,374,340	3.73%
Hargreaves Lansdown (Nominees) Limited – Designation HLNOM	44,426,024	3.54%	40,080,934	3.09%
Aurora Nominees Limited – Designation 2288700	40,416,758	3.22%	1,576,283	0.12%
Vidacos Nominees Limited – Designation IGUKCLT	40,373,774	3.21%	17,568,100	1.36%
Mr John Geoffrey Bolitho	38,357,187	3.05%	38,357,187	2.96%
Embark Investment Services Nominees Limited – Designation GRO	26,018,762	2.07%	39,751,335	3.07%
Total number of shares in issue	1,256,147,223		1,296,147,223	

Management Incentives

In the year to 30 June 2022, the Company has granted nil options over its Ordinary shares (2021: 21,000,000). As at 30 June 2022, 50,000,000 options were outstanding (2021: 63,320,000).

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 2022 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 Directors, 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.

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 2022. 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.

Directors' Report

continued

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.

The Company is closely associated with Power Metal Resources Plc. The Company had a nil interest in Power Metal Resources Plc as at 30 June 2022 (2021: 2.18%) and was jointly invested in the Red Rock Australasia (now New Ballarat Gold Corporation) joint venture with Power Metal Resources Plc.

Corporate Governance Statement

A corporate governance statement follows on pages 15 to 17.

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 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.

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.

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.

Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remains a going concern. At 30 June 2022, the Group had cash and cash equivalents of £0.066 million and £1.864 million of borrowings and, as at 22 December 2022, the cash balance was c£400,000. The Directors anticipate having to raise additional funding over the course of the 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 £1.4 million and estimated settlement of DRC litigation of approximately £4.9 million, 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.

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

28 December 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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. Under that law, the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards. 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 for that period.

In preparing the Group and the 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 UK-adopted international accounting standards 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of 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.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors have confirmed that they have complied with the above requirements in preparing the Financial Statements.

Corporate Governance Statement

“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.

Executive Chairman

The Board acknowledges that, in having a Chairman, who is also the Chief Executive Officer, best practice, as stated in the listing rules of the Financial Services Authority applicable to the main market, 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 2022, the Board had 4 scheduled meetings together with additional 9 ad hoc meetings as and when the business required.

Corporate Governance Statement

continued

Board Meeting Attendance

The Director's attendance at scheduled and ad hoc Board meetings and Board Committees during the year ended 30 June 2022 is detailed in the table below:

Director	Board Scheduled Meetings (6)	Board Ad Hoc Meetings (16)*	Audit Committee (1)	Remuneration Committee (1)
Andrew Bell, Chairman and CEO	4	9	-	-
Scott Kaintz, Director and CFO	4	9	1	1
Alexander Borrelli, Non-Executive Director	4	9	1	1
Sam Quinn, Non-Executive Director	4	9	1	1
Total Meetings	4	9	1	1

* 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.

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, JVs 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.

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.

Independent Auditor's Report

to the Members of Red Rock Resources Plc

Opinion

We have audited the Financial Statements of Red Rock Resources Plc (the "Company" or the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 June 2022, 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 Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity, the Parent 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 Parent Company's affairs as at 30 June 2022 and of the Group's loss for the year then ended;
- The Group Financial Statements 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 Parent 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 Group is required to raise funds within the going concern period. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent 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:

- Challenging the forecasts prepared by the Directors in their assessment of the Group's and Parent Company's ability to meet their financial obligations as they fall due for a period of at least 12 months from the date of approval of the Financial Statements. The forecasts demonstrated that the Group and Parent Company will require additional funding, or will need to dispose of investments, to meet their liabilities as and when they fall due.
- The forecasts also indicated that the current funding will not be sufficient to meet the planned additional investments and exploration activities.

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

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. Materiality of the Parent Company was based upon the loss before tax in order to achieve sufficient coverage of expenditure in our testing.

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 Parent Company materiality for the Financial Statements as a whole to be £187,000 and £168,300 (2021: £209,000 and £106,000) respectively. Performance materiality was set at 60% of overall materiality for the Group and Parent Company at £112,200 and £100,980 (2021: £125,400 and £63,600) respectively, whilst the threshold for reporting unadjusted differences to those charged with governance was set at £9,350 for the Group and £8,415 (2021: £10,450 and £5,300) for the Parent Company. We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

The component materiality was set at Group performance materiality.

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 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 Parent 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
Recoverability of exploration assets (see notes 1.5 and 13) Exploration assets have a carrying value in the Financial Statements of £13,265,000 at 30 June 2022 (2021: £13,515,000). We identified an audit risk that exploration assets are incorrectly valued because an impairment exists that has not been recognised, and additions expenditure had been capitalised which do not meet the eligibility criteria under IFRS 6. This was assessed to be a key audit matter because exploration assets represent 71% of the Group's total assets and management are required to use their judgement in assessing their recoverability.	Our work in this area included the following: <ul style="list-style-type: none"> • Obtaining and challenging management's impairment review, together with evaluating announcements and progress on the license areas, including exploration results and updated mineral resource estimates; • Obtaining copies of the exploration licenses to ensure good title and check, where applicable, that any specific terms or conditions therein have been adequately met; • Performed an independent assessment for indicators of impairment in accordance with the requirements of IFRS 6; • Assessing the appropriateness of the disclosures made in respect of management's judgement on whether impairment indicators exist; and • Testing additions in the period to ensure they meet the eligibility criteria under IFRS 6.

Independent Auditor's Report

continued

Key Audit Matter	How Our Scope Addressed This Matter
<p>Recoverability of non-current receivables for MFP sales proceeds (see notes 1.5 and 17)</p> <p>Non-current receivables for MFP sales proceeds have a carrying value in the Financial Statements of £1,224,000 at 30 June 2022 (2021: £1,344,000).</p> <p>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.</p> <p>We identified an audit risk that these assets are not recoverable and, therefore, are incorrectly valued in the Financial Statements.</p> <p>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.</p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"> • Obtaining management's working for the valuation of the MFP sales proceeds and ensuring arithmetical accuracy of the workings; • Evaluating publicly available information on production activities at the mine; • Reviewing all model inputs and assumptions and ensuring they are reasonable and appropriate; • Considering whether management have included all possible factors which could impact the valuation; and • Considering whether there are indications of impairment in the valuation or whether there are indications that the balance is not recoverable.
<p>Key Observations</p> <p>In reviewing the calculations prepared by management, we noted the following assumptions as key:</p> <ul style="list-style-type: none"> • Estimate production rate; • Discount rate; and • Gold price. <p>Commissioning and initial production at the mine, commenced during 2021, with production expected to ramp up to commercial levels during the forthcoming year. Management anticipate significant growth rates in production from 2023 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 Financial Statements do not include the adjustments that would be required if the assumptions used are not accurate.</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 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.

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 Parent Company and its 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 Parent 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 Parent Company Financial Statements, the Directors are responsible for assessing the Group's and Parent 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 Parent 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 Parent 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 Parent 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 Parent 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.
- 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, the valuation of unlisted investments 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.

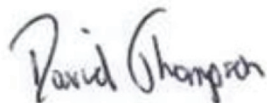
A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report

continued

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.



David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 December 2022

Consolidated Statement of Financial Position

as at 30 June 2022

	Notes	30 June 2022 £'000	30 June 2021 £'000
ASSETS			
Non-current assets			
Investments in associates and joint ventures	12	1,030	1,585
Exploration assets	13	13,265	13,515
Mineral tenements		511	124
Financial instruments - fair value through other comprehensive income (FVTOCI)	14	736	1,755
Non-current receivables	16	2,320	1,344
Total non-current assets		17,862	18,323
Current assets			
Cash and cash equivalents	15	66	457
Loans and receivables		164	161
Other receivables	17	660	399
Total current assets		890	1,017
TOTAL ASSETS		18,752	19,340
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Called up share capital	19	2,839	2,835
Share premium account		31,077	30,924
Other reserves		1,434	1,627
Retained earnings		(19,812)	(18,741)
Total equity attributable to owners of the Parent		15,538	16,645
Non-controlling interest		(420)	(199)
Total equity		15,118	16,446
LIABILITIES			
Non-current liabilities			
Trade and other payables	18	415	119
Borrowings	18	822	731
Total non-current liabilities		1,237	850
Current liabilities			
Trade and other payables	18	1,355	1,075
Short-term borrowings	18	1,042	969
Total current liabilities		2,397	2,044
TOTAL EQUITY AND LIABILITIES		18,752	19,340

These Financial Statements, on pages 23 to 63, were approved by the Board of Directors and authorised for issue on 28 December 2022 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 2022

		Year to 30 June 2022 £'000	Year to 30 June 2021 £'000
<i>Continuing operations</i>	Notes		
Administrative expenses	4	(1,225)	(699)
Exploration expenses		(256)	(105)
Project development	6	(676)	(559)
Other project costs	6	(211)	(305)
Share based payments		(16)	(350)
Currency gains		(183)	34
Other gains	5	52	290
Dividend income	5	—	126
Finance costs	5	(285)	(131)
Profit/(loss) for the year before taxation		(2,800)	(1,699)
Tax	7	—	—
Profit/(loss) for the year		(2,800)	(1,699)
Profit/(loss) for the year attributable to:			
Equity holders of the Parent		(2,615)	(1,625)
Non-controlling interest		(185)	(74)
		(2,800)	(1,699)
Earnings per share attributable to owners of the Parent:			
Basic loss per share, pence	10	(0.23)	(0.18)
Diluted loss per share, pence	10	(0.23)	(0.18)

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	30 June 2022 £'000	30 June 2021 £'000
Profit/(loss) for the year	(2,800)	(1,699)
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
(Deficit) / surplus on revaluation of FVTOCI financial assets	418	(330)
Losses and transfer of FVTOCI financial assets on disposal	(442)	(330)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	(177)	19
Total other comprehensive income net of tax for the year	(201)	(641)
Total comprehensive income, net of tax for the year	(3,001)	(2,340)
Total comprehensive income net of tax attributable to:		
Owners of the Parent	(2,816)	(2,266)
Non-controlling interest	(185)	(74)
	(3,001)	(2,340)

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

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
As at 1 July 2020	2,783	26,909	(17,187)	1,460	13,965	(135)	13,830
Changes in equity for 2021							
Loss for the year	—	—	(1,625)	—	(1,625)	(74)	(1,699)
Other comprehensive income for the year							
Transfer of FVTOCI reserve relating to disposals	—	—	—	(401)	(401)	—	(401)
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	—	—	—	(330)	(330)	—	(330)
Losses on sale of FVTOCI taken directly to reserves	—	—	71	—	71	—	71
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	—	—	—	19	19	—	19
Total comprehensive income for the year	—	—	(1,554)	(712)	(2,266)	(74)	(2,340)
Transactions with owners							
Issue of shares	52	4,163	—	—	4,215	—	4,215
Share issue costs	—	(110)	—	—	(110)	—	(110)
Share based payments	—	—	—	66	66	—	66
Issue of warrants	—	(38)	—	813	775	—	775
Total transactions with owners	52	4,015	—	879	4,946	—	4,946
As at 30 June 2021	2,835	30,924	(18,741)	1,627	16,645	(199)	16,446
Changes in equity for 2022							
Loss for the year	—	—	(2,615)	—	(2,615)	(185)	(2,800)
Other comprehensive income for the year							
Transfer of FVTOCI reserve relating to disposals	—	—	—	(442)	(442)	—	(442)
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	—	—	—	418	418	—	418
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	—	—	—	(177)	(177)	(36)	(213)
Losses on sale of FVTOCI taken directly to reserves	—	—	1,544	—	1,544	—	1,544
Total comprehensive income for the year	—	—	(1,071)	(201)	(1,272)	(221)	(1,493)
Transactions with owners							
Issue of shares	4	153	—	—	157	—	157
Issue of warrants	—	—	—	8	8	—	8
Total transactions with owners	4	153	—	8	165	—	165
As at 30 June 2022	2,839	31,077	(19,812)	1,434	15,538	(420)	15,118

Consolidated Statement of Changes in Equity

continued

	FVTOCI financial instruments revaluation reserve £'000	Foreign currency translation reserve £'000	Share-based payment reserve £'000	Warrant reserve £'000	Total other reserves £'000
As at 1 July 2020	1,157	139	164	—	1,460
Changes in equity for 2021					
Other comprehensive income for the year					
Transfer of FVTOCI reserve relating to disposals	(401)	—	—	—	(401)
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	(330)	—	—	—	(330)
Unrealised foreign currency gains on translation of foreign operations	—	19	—	—	19
Share based payments	—	—	66	—	66
Warrants issued in the year	—	—	—	813	813
Total comprehensive income / (expense) for the year	(731)	19	66	813	148
As at 30 June 2021	426	158	230	813	1,627
Changes in equity for 2022					
Other comprehensive income for the year					
Transfer of FVTOCI reserve relating to disposals	(442)	—	—	—	(442)
Transfer of FVTOCI reserve relating to revalued FVTOCI financial assets	418	—	—	—	418
Unrealised foreign currency gains on translation of foreign operations	—	(177)	—	—	(177)
Warrants issued in the year	—	—	—	8	8
Total comprehensive income / (expense) for the year	(24)	(177)	—	8	(193)
As at 30 June 2022	402	(19)	230	821	1,434

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

	Notes	Year to 30 June 2022 £'000	Year to 30 June 2021 £'000
Cash flows from operating activities			
Profit/(loss) before tax		(2,800)	(1,699)
Increase in receivables		(140)	(281)
Increase in payables		432	143
Share of (profit)/losses in associates	12	—	—
Interest receivable and finance income, including income from MFP	5	—	(152)
Dividend income	5	—	(126)
Finance costs	5	285	128
Share-based payments	21	8	350
Foreign exchange gain/loss		179	(50)
Change in value in FVTPL financial assets		—	3
Equity settled transactions		90	—
Net cash outflow from operations		(1,946)	(1,684)
Corporation tax reclaimed/(paid)		—	—
Net cash used in operations		(1,946)	(1,684)
Cash flows from investing activities			
Proceeds from sale of FVTOCI financial assets	14	2,539	403
Dividends received		—	126
Payments to acquire exploration asset		(150)	(215)
Payments to increase interest in associate		(141)	(370)
Payments for tenements		(387)	(93)
Net cash (outflow) / inflow from investing activities		1,861	(149)
Cash flows from financing activities			
Proceeds from issue of shares		68	1,957
Share issue costs		—	(110)
Interest paid	23	(250)	(101)
Proceeds from new borrowings	23	940	545
Repayments of borrowings	23	(1,035)	(50)
Net cash inflow / (outflow) from financing activities		(277)	2,241
Net (decrease)/increase in cash and cash equivalents		(362)	408
Cash and cash equivalents at the beginning of period		457	53
Exchange (losses)/gains on cash and cash equivalents		(29)	(4)
Cash and cash equivalents at end of period	15	66	457

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

as at 30 June 2022

	Notes	30 June 2022 £'000	30 June 2021 £'000
ASSETS			
Non-current assets			
Investments in subsidiaries	11	76	39
Investments in associates and joint ventures	12	1,111	1,666
Financial instruments - fair value through other comprehensive income (FVTOCI)	14	736	778
Exploration property	13	12,948	12,948
Exploration assets	13	258	567
Non-current receivables	16	3,945	1,950
Total non-current assets		19,074	17,948
Current assets			
Cash and cash equivalents	15	31	366
Loans and other receivables	17	456	365
Total current assets		487	731
TOTAL ASSETS		19,561	18,679
EQUITY AND LIABILITIES			
Called up share capital	19	2,839	2,835
Share premium account		31,078	30,924
Other reserves		1,502	1,043
Retained earnings		(20,827)	(19,003)
Total equity		14,592	15,799
LIABILITIES			
Current liabilities			
Trade and other payables	18	1,235	1,043
Intra-group borrowings	18	1,890	1,079
Short-term external borrowings	18	1,022	758
Total current liabilities		4,147	2,880
TOTAL EQUITY AND LIABILITIES		19,561	18,679

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 £1.907 million (2021: loss of £1.578 million). The Company's total comprehensive loss for the financial year was £1.455 million (2021: loss of £2.122 million).

These Financial Statements, on pages 23 to 63, were approved by the Board of Directors and authorised for issue on 28 December 2022 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 2022

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
As at 1 July 2020	2,783	26,909	(17,362)	645	12,975
Changes in equity for 2021					
Loss for the year	—	—	(1,578)	—	(1,578)
Other comprehensive income for the year					
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	—	—	—	(631)	(631)
Transfer of FVTOCI reserve relating to disposals	—	—	—	150	150
Losses on sale of FVTOCI taken directly to reserves	—	—	(63)	—	(63)
Total comprehensive income for the year	—	—	(1,641)	(481)	(2,122)
Transactions with owners					
Issue of shares	52	4,163	—	—	4,215
Share issuance costs	—	(110)	—	—	(110)
Share based payments	—	—	—	66	66
Issue of warrants	—	(38)	—	813	775
Total transactions with owners	52	4,015	—	879	4,946
As at 30 June 2021	2,835	30,924	(19,003)	1,043	15,799
Changes in equity for 2022					
Loss for the year	—	—	(1,907)	—	(1,907)
Other comprehensive income for the year					
Transfer of FVTOCI reserve relating to revalued 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
Total comprehensive income for the year	—	—	(1,824)	452	(1,372)
Transactions with owners					
Issue of shares	4	154	—	—	158
Issue of warrants	—	—	—	7	7
Total transactions with owners	4	154	—	7	165
As at 30 June 2022	2,839	31,078	(20,827)	1,502	14,592

Company Statement of Changes in Equity

continued

	FVTOCI financial assets revaluation reserve £'000	Share-based payment reserve £'000	Warrant reserve £'000	Total other reserves £'000
As at 1 July 2020	481	164	—	645
Changes in equity for 2021				
Other comprehensive income for the year				
Transfer of FVTOCI reserve relating to disposals	150	—	—	150
Transfer of FVTOCI reserve relating to impaired FVTOCI financial assets	(631)	—	—	(631)
Share based payments	—	66	—	66
Issue of warrants	—	—	813	813
Total Other comprehensive income	(481)	66	813	398
As at 30 June 2021	—	230	813	1,043
Changes in equity for 2021				
Other comprehensive income for the year				
Transfer of FVTOCI reserve relating to revalued FVTOCI financial assets	518	—	—	518
Transfer of FVTOCI reserve relating to disposals	(66)	—	—	(66)
Issue of warrants	—	—	7	7
Total Other comprehensive income	452	—	7	459
As at 30 June 2022	452	230	820	1,502

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

Company Statement of Cash Flows

for the year ended 30 June 2022

	30 June 2022 £'000	30 June 2021 £'000
Cash flows from operating activities		
Profit/(loss) before taxation	(1,907)	(1,578)
Increase in receivables	(990)	(239)
(Decrease) / Increase in payables	859	(440)
Dividend income	—	(125)
Interest income and other finance income	—	(185)
Finance costs	90	128
Share-based payments	7	350
Equity settled transactions	90	—
Change in value in FVTPL financial assets	—	3
Foreign exchange loss / (gain)	235	118
Net cash outflow from operations	(1,616)	(1,968)
Corporation tax	—	—
Net cash used in operations	(1,616)	(1,968)
Cash flows from investing activities		
Dividends received	—	126
Proceeds from sale of FVTOCI financial assets	577	150
Investment in Joint venture projects	(141)	—
Investment in subsidiaries	(37)	—
Payments to acquire exploration asset	(91)	(215)
Net cash outflow from investing activities	308	61
Cash flows from financing activities		
Proceeds from issue of shares	68	1,957
Transaction costs of issue of shares	—	(110)
Interest paid	—	(101)
Proceeds from new borrowings	940	545
Re-payments of borrowings	(35)	(50)
Net cash inflow from financing activities	973	2,241
Net increase/(decrease) in cash and cash equivalents	(335)	334
Cash and cash equivalents at the beginning of period	366	32
Cash and cash equivalents at end of period	31	366

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 2022

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 2022, the Group had cash and cash equivalents of £0.066 million and £1.864 million of borrowings and, as at 22 December 2022, the cash balance was c£400,000. The Directors anticipate having to raise additional funding over the course of the 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 £1.4 million and estimated settlement of DRC litigation of approximately £4.9 million, 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.

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:

- Annual Improvements: 2018 – 2020 Cycle (effective 1 January 2022);
- Amendments to IAS 1: Classifications of liabilities and Disclosure of Accounting Policies (effective 1 January 2023);
- 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 37: Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022).

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.

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 2022, 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 capitalised and amortised over the term of the permit. 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.

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.

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.

Notes to the Financial Statements

continued

1. Principal Accounting Policies continued

1.4 Summary of Significant Accounting Policies continued

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.

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 currency of the 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.

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 and development costs is dependent upon successful development and commercial exploitation of each area of interest and will be amortised over the expected commercial life of each area once production commences. 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.

Notes to the Financial Statements

continued

1. Principal Accounting Policies continued

1.4 Summary of Significant Accounting Policies continued

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.

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.

Fair Value through Other Comprehensive Income (FVTOCI)

The Group has a number of 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.

Financial Liabilities

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

Notes to the Financial Statements

continued

1. Principal Accounting Policies *continued*

1.4 Summary of Significant Accounting Policies *continued*

1.4.11 Financial Instruments *continued*

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

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.

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 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 £29 (2021: decrease the profit by £25).

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.

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\$1,750 (2021: US\$1,750);
- Discount rate – 10% (2021: 10%); and
- Annual production rate – 6,500 (2021: 10,000oz)

The fair value is directly sensitive to any changes in the key assumptions.

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.

Notes to the Financial Statements

continued

1. Principal Accounting Policies *continued*

1.5 Significant Accounting Judgements, Estimates and Assumptions *continued*

Impairment 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. 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.

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.

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 considers 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	Other Projects £'000	Investments £'000	Corporate and unallocated £'000	Total £'000
Year to 30 June 2022							
Exploration expenses	—	(255)	—	(1)	—	—	(256)
Administration expenses	(280)	(1)	(1)	(8)	(9)	(926)	(1,225)
Project development	—	—	(623)	(54)	—	—	(677)
Other project costs	(45)	(10)	(15)	(140)	—	—	(210)
Share based payments	—	—	—	—	—	(16)	(16)
Currency gain	20	—	—	—	32	(235)	(183)
Other income	—	—	—	116	(77)	13	52
Dividend income	—	—	—	—	—	—	—
Finance costs	—	—	—	1	(205)	(81)	(285)
Net profit/(loss) before tax from continuing operations	(305)	(266)	(639)	(86)	(259)	(1,245)	(2,800)

	Gold Exploration Australia £'000	Gold Exploration Kenya £'000	Copper Exploration DRC £'000	Investments £'000	Corporate and unallocated £'000	Total £'000
Year to 30 June 2021						
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)
Net profit/(loss) before tax from continuing operations	(147)	(143)	(563)	124	(970)	(1,699)

Notes to the Financial Statements

continued

2. Segmental Analysis continued

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.

Year ended 30 June 2022	UK £'000	Africa £'000	Australia £'000	Total £'000
Non-current assets				
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
Total segment non-current assets	1,960	15,556	346	17,862

Year ended 30 June 2021	UK £'000	Africa £'000	Australia £'000	Total £'000
Non-current assets				
Investments in associates and joint ventures	—	1,585	—	1,585
Mineral tenements	—	—	124	124
Exploration properties	—	12,948	—	12,948
Exploration assets	—	567	—	567
FVTOCI financial assets	736	1,019	—	1,755
Non-current receivables	1,341	—	3	1,344
Total segment non-current assets	2,077	16,119	127	18,323

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

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

	2022 £'000	2021 £'000
Auditor's remuneration:		
- fees payable to the Company's auditor for the audit of consolidated and Company Financial Statements	28	25
Directors' emoluments (note 9)	310	312
- Share Incentive plan – Directors	12	11
- Share Incentive plan – staff	4	7

4. Administrative Expenses

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Staff costs				
Payroll	562	307	356	307
Pension	47	20	27	20
Consultants	15	15	15	15
HMRC / PAYE	39	28	39	28
Professional services				
Accounting and Audit	115	42	98	40
Legal	36	15	23	14
Marketing	45	64	33	64
Other	13	—	5	—
Regulatory compliance	96	105	96	105
Travel	77	24	75	24
Office and Admin				
General	37	22	29	17
IT costs	10	8	10	8
Rent	92	35	72	35
Insurance	41	13	39	13
Total administrative expenses	1,225	699	917	690

5. Finance Income/(Costs), Net

Group	2022 £'000	2021 £'000
Interest income (other than MFP finance income)	—	290
Dividend income	—	126
Interest expense & other finance costs	(209)	(131)
Total finance (costs) / income (other than MFP finance income)	(209)	285
MFP finance expense / (income)	(76)	—
Total finance (costs) / income	(285)	285
Other gains	52	—

Interest income (other than Mineras Four Points ("MFP") finance income) comes from non-current receivables from an associate. Please refer to note 16 and note 17 respectively. Dividend income in the prior year represents the money received from the Group's 0.53% holding in Jupiter Mines Limited as at 30 June 2021, which was fully disposed of in the current year.

Notes to the Financial Statements

continued

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	
	2022 £'000	2021 £'000
Project development expenses		
VUP (Congo)	(328)	(392)
Zlata Bana	—	(42)
Galaxy (Congo)	(47)	(14)
Other (Congo)	(79)	—
Luanshimba (Congo)	(166)	(19)
Kinsevere	(2)	(92)
Other	(54)	—
Total project development expenses	(676)	(559)
Other project costs		
Mid Migori Mines (Kenya)	(10)	(40)
Greenland	(68)	(126)
Other	(133)	(139)
Total other project expenses	(211)	(305)

7. Taxation

	2022 £'000	2021 £'000
Current period taxation on the Group		
UK corporation tax at 19.00% (2020: 19.00%) on profit/(loss) for the period	—	—
	—	—
Deferred tax		
Origination and reversal of temporary differences	—	—
Deferred tax assets not recognised	—	—
Tax credit	—	—
Factors affecting the tax charge/(credit) for the year		
Profit/(loss) on ordinary activities before taxation	(2,800)	(1,699)
Profit/(loss) on ordinary activities at the average UK standard rate of 19.00% (2020: 19.00%)	(532)	(323)
Income not taxable	—	—
Effect of expenditure not deductible	20	67
Losses brought forward utilised in the current period	—	—
Tax losses carried forward	512	256
Tax charge	—	—

No deferred tax asset, relating to the Group's investments, was recognised in the Statement of Comprehensive Income (2021: £nil). No deferred tax charge has been made due to the availability of trading losses. Unutilised tax losses, arising in the UK, amount to £4.4 million (2021: £4.1 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.

8. Staff Costs

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

	2022 £'000	2021 £'000
Wages and salaries	562	322
Pension	47	20
Social security costs	39	28
Employee share-based payment charge	9	66
Total staff costs	657	436

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

	2022 Number	2021 Number
Executives	4	4
Administration	1	1
Exploration	9	1
	14	6

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

1,236,656 free shares were issued to five employees (2021: 360,000), including Directors. 1,267,199 partnership and 2,534,398 matching shares, making the total of 3,801,597, were issued in the year ended 30 June 2022 (2021: 4,589,418 partnership, 9,178,836 matching, 15,568,254 total).

9. Directors' Emoluments

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
Executive Directors							
A R M Bell	120	—	15	4	10	15	164
Other Directors							
S Kaintz	65	—	—	3	6	7	81
S Quinn	24	—	—	3	2	2	31
A Borrelli	22	—	—	2	—	2	26
	231	—	15	12	18	26	302

2021	Directors' fees £'000	Directors' fees - discretionary bonus £'000	Consultancy fees £'000	Share Incentive Plan £'000	Pension contributions £'000	Social security costs £'000	Total £'000
Executive Directors							
A R M Bell	88	17	15	7	7	10	144
Other Directors							
S Kaintz	65	15	—	7	6	7	100
M C Nott	15	7	—	7	1	1	31
S Quinn	19	7	—	7	2	2	37
	187	46	15	28	16	20	312

Three Directors exercised share options in the year, for a total of 5,670,000 new shares (2021: nil). During the year, the Company contributed to a Share Incentive Plan, more fully described in the Directors' Report on pages 10 to 13.

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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.

	2022	2021
(Loss)/profit attributable to equity holders of the parent company, £	(2,799,730)	(1,698,983)
Adjusted for interest accrued on the convertible notes	—	—
Adjusted (loss) / profit attributable to equity holders of the parent company used for diluted EPS calculation	(2,799,730)	(1,698,983)
Weighted average number of ordinary shares of £0.0001 in issue, used for basic EPS	1,221,091,538	939,293,986
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	—	—
Weighted average number of ordinary shares of £0.0001 in issue, including potential ordinary shares, used for diluted EPS	1,221,091,538	939,293,986
(Loss)/earnings per share – basic	(0.23 pence)	(0.18 pence)
(Loss)/earnings per share – fully diluted	(0.23 pence)	(0.18 pence)

At 30 June 2022, 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.

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:

	2022	2021
Share options granted to employees – either not vested and/or out of the money	50,000,000	63,320,000
Number of warrants given to shareholders as a part of placing equity instruments – out of the money	389,430,010	380,197,618
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	439,430,010	443,517,618

There were no ordinary share transactions such as share capitalisation, share split or bonus issue after 30 June 2022, 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	2022 £'000	2021 £'000
Cost		
At 1 July	40	20
Investment in subsidiaries	37	20
At 30 June	77	40
Impairment		
At 1 July	(1)	(1)
Charge in the year	—	—
At 30 June	(1)	(1)
Net book value	76	39

As at 30 June 2022 and 30 June 2021, the Company held interests in the following subsidiary companies:

Company	Country of registration	Class	Proportion Held At 30 June 2022	Proportion Held At 30 June 2021	Nature of business
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, 4th 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

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12. Investments in Associates and Joint Ventures

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cost				
At 1 July	1,806	1,805	1,669	1,668
Reclassifications to Other Receivables	(696)	—	(696)	—
Additions during the year	141	1	141	1
At 30 June	1,251	1,806	1,114	1,669
Impairment				
At 1 July	(221)	(221)	(3)	(3)
Profit/(loss) during the year	—	—	—	—
At 30 June	(221)	(221)	(3)	(3)
Net book amount at 30 June	1,030	1,585	1,111	1,666

The Company, at 30 June 2022 and at 30 June 2021, 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 2021

Summarised financial information for the Company's associates and joint ventures, where available, is given below:

For the year as at 30 June 2022:

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

For the year as at 30 June 2021:

Company	Revenue £'000	Profit £'000	Assets £'000	Liabilities £'000
Mid Migori Mining Company Limited	—	—	2,559	(2,623)

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.

Due to the above developments in the year, the Company has reclassified amounts recognised as investments in the VUP joint venture (£696,364), along with amounts previously classified as Exploration Assets (£399,892), as a Non-current receivable.

	Mid Migori Mining Company Limited £'000	VUP Musonoi Mining SA £'000	Total £'000
Cost			
At 1 July 2021	1,083	583	1,666
Additions during the year	28	113	141
Reclassified during the year	—	(696)	(696)
At 30 June 2022	1,111	—	1,111
Impairment and losses during the year			
At 1 July 2021	(81)	—	(81)
The Group's share of profit/(loss) during the year	—	—	—
At 30 June 2022	(81)	—	(81)
Carrying amount			
At 30 June 2021	1,002	583	1,585
At 30 June 2022	1,030	—	1,030

13. Exploration Assets

Group	2022 £'000	2021 £'000
At 1 July	13,515	11,858
Additions	150	1,657
Reclassification as non-current receivables (note 16)	(400)	—
At 30 June	13,265	13,515

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 current 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 was 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.

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Opening balance	1,755	2,755	778	1,711
Additions	223	143	223	143
Disposals	(1,693)	(401)	(775)	(697)
Change in fair value	451	(742)	510	(379)
At 30 June	736	1,755	736	778

Market Value of Investments

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Quoted on London AIM	—	562	—	562
Quoted on other foreign stock exchanges	—	1,019	—	42
Unquoted investments at fair value	736	174	736	174
	736	1,755	736	778

Jupiter Mines Limited

During the prior year, Jupiter Mines Limited made distributions recognised as dividends and included into the Dividend line in the Consolidated Income Statement in the amount of £0.126 million. No dividends were received in the current year as this investment was fully disposed of during the year.

At 30 June 2022, Red Rock retains a nil% stake in the share capital of Jupiter Mines Limited (2020: 0.53%).

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 revalued to £736,281 (2021: £173,866).

Corcel Plc

During the prior year, the Company sold 3,383,633 shares in Corcel Plc to maintain the Company's working capital. Gain on sale of these shares recognised in the Statement of Other Comprehensive Income amounted to £65,606.

Juno Minerals Limited

At 30 June 2022, Red Rock retains a nil% stake in the share capital of Juno Minerals Limited (2021: 0.29%).

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

15. Cash and Cash Equivalents

Group	30 June 2022 £'000	30 June 2021 £'000
Cash in hand and at bank	66	457
	66	457

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

Company	30 June 2022 £'000	30 June 2021 £'000
Cash in hand and at bank	31	366
	31	366

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 "unlikelihood 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

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Amounts receivable relating to VUP Joint Venture	1,096	—	1,096	—
Due from subsidiaries	—	—	1,625	601
MFP sale proceeds	1,224	1,344	1,224	1,341
	2,320	1,344	3,945	1,942

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 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.

17. Other Receivables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current trade and other receivables				
Prepayments	310	42	46	42
Short-term loan receivable	—	—	161	162
MFP sales proceeds – current element	129	85	129	85
Other receivables	221	272	120	76
Total	660	399	456	365

Prepayments in the year include £264,085 of prepaid/deferred costs relating to mineral exploration activity in Kenya (2021: £nil).

Notes to the Financial Statements

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18. Trade and Other Payables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Non-current liabilities				
Trade and other payables	415	119	—	—
Borrowings	822	731	822	731
Total non-current liabilities	1,237	850	822	731
Current liabilities				
Trade payables	1,149	835	1,029	803
Accruals	206	240	206	240
Due to Partners in associate (note 26)	—	—	—	—
Due to key management	—	—	—	—
Total trade and other payables	1,355	1,075	1,235	1,043
Intra-group borrowings	—	—	1,890	1,079
Short-term borrowings	1,042	969	1,022	27
Total current liabilities	2,397	2,044	4,147	2,149

During the prior year, on 6 November 2020, the Company's 100% owned subsidiary, RRR Coal Ltd, refinanced its existing loan facility with Riverfort Global Opportunities PCC Limited and YA II PN Ltd, increasing the total amount available for draw-down to US\$ 2.0 million, and drawing down an initial gross amount of US\$ 1.0 million with additional tranches available at the lenders' absolute discretion. The notes were secured on 6,302,000 shares in Jupiter Mines Limited as well as 20,000,000 shares in Power Metal Resources Plc, which were transferred from the Company to an escrow account for the duration of the loan as well as by a corporate guarantee, executed by Red Rock Resources Plc. The notes carried an interest rate of 10% and came with a 7.5% implementation fee. The notes were repaid in the year out of the disposal proceeds of Jupiter Mines Limited shares.

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;
- A convertible loan note facility 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). On drawdown, 18,464,800 shares in the Company were issued to RGO as security against future conversions of principal. The unremunerated value of these shares, being £68,153 at the reporting date, forms an offsetting receivable against the principal owing on the facility in these financial statements. Drawdown on the facility was subject to a coupon deduction of £35,000, implementation fee of £26,950 and various legal costs of £14,346. Amounts owing are convertible at the lower of 0.455 pence per share and the volume weighted average share price in the 5 trading days prior to conversion. The facility is further secured by a fixed and floating charge over the assets of the Company, which was registered on 27 May 2022 and will be satisfied on full settlement of amounts owing, by either repayment or conversion.
- A short-term loan facility provided by Yew Tree Capital for a principal amount of £250,000 (before £6,250 in drawdown deductions) for working capital purposes. The facility accrues interest at 8% per annum and was settled via novation into convertible loan notes following the reporting date.
- In June 2022, various subscribers to new convertible loan notes, which were issued following the reporting date, had provided their subscription funding for this transaction. As a consequence, as at the reporting date, the Company had received £320,000 in funds to be applied against these convertible loan notes, which were formally issued on 25 July 2022. As at the reporting date, these funds represent "prepaid subscriptions" and have been recognised as a short term borrowing in these financial statements.
- A US\$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.

19. Share Capital of the Company

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

	2022 £'000	2021 £'000
Authorized, Issued and fully paid		
1,216,708,801 (2020: 696,767,452) ordinary shares of £0.0001 each	126	122
2,371,116,172 deferred shares of £0.0009 each	2,134	2,134
6,033,861,125 A deferred shares of £0.000096 each	579	579
As at 30 June	2,839	2,835

	Number	Nominal £'000
Movement in ordinary shares		
As at 30 June 2020 – ordinary shares of £0.0001 each	696,767,452	70
Issued 28 Sep 2020 at 0.8 pence per share (cash)	125,000,000	13
Issued 18 Nov 2020 at 0.7 pence per share (non-cash, Kansai settlement for MMM)	3,571,429	—
Issued 14 Dec 2020 at 0.6 pence per share (non-cash, convertible loan note conversion)	42,493,333	4
Issued 18 Dec 2020 at 0.6 pence per share (non-cash, convertible loan note conversion)	34,313,378	3
Issued 22 Dec 2020 at 0.6 pence per share (non-cash, convertible loan note conversion)	70,466,665	7
Issued on 12 Feb 2021 at 1.05 pence per share (cash)	95,238,095	10
Issued on 22 Mar 2021 at 1.05 pence per share (non-cash, Kansai settlement)	101,550,000	10
Issued on 9 Apr 2021 at 0.75 pence per share (cash, exercise of warrants)	980,392	—
Issued on 12 Apr 2021 at 1 pence per share (non-cash, SIP)	1,800,000	—
Issued on 12 Apr 2021 at 0.155 pence per share (non-cash, SIP)	13,768,254	1
Issued on 15 Apr 2021 at 0.75 pence per share (cash, exercise of warrants)	1,838,235	—
Issued on 19 Apr 2021 at 0.75 pence per share (cash, exercise of warrants)	980,392	—
Issued on 20 Apr 2021 at 0.75 pence per share (cash, exercise of warrants)	980,392	—
Issued on 4 Jun 2021 at 0.75 pence per share (cash, exercise of warrants)	26,960,784	3
As at 30 June 2021 – ordinary shares of £0.0001 each	1,216,708,801	122
Issued on 28 Jan 2022 at 0.45 pence per share (cash – options exercise)	5,670,000	1
Issued on 3 Feb 2022 at 0.45 pence per share (cash – options exercise)	450,000	—
Issued on 13 May 2022 at 0.425 pence per share (non-cash, SIP)	5,038,253	—
Issued on 15 Jun 2022 at 0.3791 pence per share (non-cash, secured shares for convertible facility)	18,464,800	2
Issued on 15 Jun 2022 at 0.39 pence per share (cash, placing)	9,815,384	1
As at 30 June 2022 – ordinary shares of £0.0001 each	1,256,147,238	126

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 2022, the Company had 389,430,010 warrants in issue (2021: 380,197,618) with a weighted average exercise price of £0.0128 (2021: £0.0015). Weighted average remaining life of the warrants, at 30 June 2022, was 293 days (2021: 582 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.

Group and Company

	2022 number of warrants	2021 number of warrants
Outstanding at the beginning of the year	380,197,618	101,740,195
Granted during the period	9,232,392	323,322,618
Exercised during the period	—	(44,865,195)
Cancelled during the period	—	—
Lapsed during the period	—	—
Outstanding at the end of the year	389,430,010	380,197,618

Notes to the Financial Statements

continued

19. Share Capital of the Company continued

During the year ended 30 June 2022, the Company had the following warrants to subscribe for shares in issue:

Grant Date	Expiry date	Warrant exercise price, £	Number of warrants
10 Dec 2019	19 Dec 2022	0.009	56,875,000
28 Sep 2020	27 Mar 2023	0.012	137,500,000
6 Nov 2020	6 Nov 2023	0.016	8,000,000
6 Nov 2020	6 Nov 2023	0.024	8,000,000
18 Nov 2020	18 May 2023	0.007	71,428,571
19 Mar 2021	18 Mar 2023	0.020	47,619,047
1 Mar 2021	18 Mar 2023	0.020	50,775,000
8 Jun 2022	16 Aug 25	0.005	9,232,392
Total warrants in issue at 30 June 2022			389,430,010

The aggregate fair value, related to the share warrants granted during the reporting period, was £7,578 (2021: £1,195,797).

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.

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 2022, the Company had outstanding options to subscribe for ordinary shares as follows:

	Options issued 13 January 2017 exercisable at 0.8p per share, expiring on 13 January 2023 Number	Options issued on 24 August 2020 at 0.2p per share, expiring on 19 August 2025 Number	Options issued on 24 August 2020 at 0.25p per share, expiring on 19 August 2025 Number	Total Number
A R M Bell	12,000,000	5,500,000	5,500,000	23,000,000
S Kaintz	11,000,000	2,250,000	2,250,000	15,500,000
S Quinn	3,000,000	—	—	3,000,000
Employees	3,000,000	2,750,000	2,750,000	8,500,000
Total	29,000,000	10,500,000	10,500,000	50,000,000

	Company and Group			
	2022		2021	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at the beginning of the year	63,320,000	0.46	48,320,000	0.70
Options issued in the year	—	—	21,000,000	0.225
Options exercised in the year	(6,120,000)	0.45	—	—
Options lapsed in the year	(7,200,000)	0.45	(6,000,000)	0.80
Outstanding at the beginning of the year	50,000,000	1.41	63,320,000	0.46

Nil share options were granted by the Company in the reporting year (2021: 21,000,000). The weighted average fair value of each option granted during the year was £nil (2021: £0.002). The exercise price of options, outstanding at 30 June 2022, ranged between £0.0008 and £0.025 (2021: £0.0020 and £0.0045). Their weighted average contractual life was 1.63 years (2020: 2.41 years).

Share-based remuneration expense, related to the share options grant, is included in the administration expenses line in the Consolidated Income Statement in the amount of £nil (2021: £42,000).

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 3,801,597 Partnership and Matching Shares were awarded and 1,236,656 Free Shares (2021: 13,768,254 Partnership and Matching Shares and 1,800,000 Free Shares) with a fair value of £0.00425 for the Partnership and the Matching Shares and £0.00425 for the Free Shares (2021: £0.00155 for the Partnership and the Matching Shares and £0.01 for the Free Shares), resulting in a share-based payment charge of £16,027 (2020: £39,341), included in the administration expenses line in the Income Statement.

Notes to the Financial Statements

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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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Financial assets				
Available for sale financial assets at fair value through OCI				
Unquoted equity shares	736	174	736	174
Quoted equity shares	—	1,581	—	604
Total available for sale financial assets at fair value through OCI		1,755		778
Financial assets FVTPL (Para warrants)	—	—	—	—
Total financial assets carried at fair value through profit and loss	736	—	736	—
Cash and cash equivalents	66	457	31	366
Loans and receivables				
Non-current receivables	2,320	1,344	3,945	1,950
Other receivables – current	660	560	456	365
Total loans and receivables carried at amortised cost	2,980	1,904	4,401	2,315
Total financial assets	3,782	4,116	5,168	3,459
Total current financial assets	726	1,067	487	731
Total non-current financial assets	3,056	3,099	4,681	2,728
Financial liabilities				
Short-term borrowings, including intra-group	1,042	969	2,912	1,106
Long-term borrowings	1,237	731	822	731
Trade and other payables, excluding accruals	1,149	954	1,029	803
Total current financial liabilities	3,428	2,654	4,763	2,640

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.

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

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

Group 30 June 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
FVTOCI financial assets				
– Unquoted equity shares	—	—	174	174
– Quoted equity shares	1,581	—	—	1,581
FVTPL (Para warrants)	—	—	—	—

Company 30 June 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
FVTOCI financial assets				
– Unquoted equity shares	—	—	174	174
– Quoted equity shares	604	—	—	604
FVTPL (Para warrants)	—	—	—	—

Notes to the Financial Statements

continued

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:

Group	GBP	AUD	USD	CAD	Other	Total
30 June 2022	£	£	£	£	£	£
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

Group	GBP	AUD	USD	CAD	Other	Total
30 June 2021	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	387	29	7	—	34	457
Amortised cost financial assets - Other receivables	254	1	144	—	161	560
FVTOCI financial assets	604	977	174	—	—	1,755
Amortised costs financial assets - Non-current receivables	—	3	1,341	—	—	1,344
Trade and other payables, excluding accruals	57	26	699	—	53	835
Short-term borrowings	969	—	—	—	—	969

Company	GBP	AUD	USD	CAD	Other	Total
30 June 2022	£'000	£'000	£'000	£'000	£'000	£'000
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

Company	GBP	AUD	USD	CAD	Other	Total
30 June 2021	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	361	5	—	—	—	366
Amortised cost financial assets - Other receivables	204	—	161	—	—	365
FVTOCI financial assets	604	—	174	—	—	778
Amortised costs financial assets - Non-current receivables	—	—	1,341	—	—	1,341
Trade and other payables, excluding accruals	57	—	693	—	53	803
Short-term borrowings, including intra-group	27	—	—	—	—	27

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

Notes to the Financial Statements

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

Group	30 June 2021 £'000	Cash flow loans received £'000	Cash flow principal re-payment £'000	Cash flow Interest paid £'000	Non-cash flow Forex movement £'000	Non-cash flow- Conversion £'000	Non-cash flow Interest and arrangement fee accreted £'000	Non- cash flow Introducers fee accrued £'000	30 June 2022 £'000
Loan from institutional investors	963	564	(963)	(37)	—	—	37	13	577
Convertible notes	—	241	—	—	—	—	35	41	317
Other loans	—	100	—	—	—	—	—	—	100
Total	963	905	(963)	(37)	—	—	72	54	994

Company	30 June 2021 £'000	Cash flow loans received £'000	Cash flow loans re-payment £'000	Cash flow Interest paid £'000	Non-cash flow Forex movement £'000	Non-cash flow- Conversion £'000	Non-cash flow Interest accrued £'000	Non- cash flow arrangement fee accrued £'000	30 June 2022 £'000
Loan from subsidiary RRR Coal	1,079	810	—	—	—	—	—	—	1,889
Loan from institutional investors	—	564	—	—	—	—	13	—	577
Convertible notes	—	241	—	—	—	—	35	41	317
Other loans	—	100	—	—	—	—	—	—	100
Total	1,079	1,715	—	—	—	—	48	41	2,883

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.

Investment Disposals

During the year, the Group disposed of its entire holding in Power Metals Resources Plc, raising proceeds of £0.7m after transaction fees.

During the year, the Group disposed of its entire holding in Jupiter Mines Ltd, raising proceeds of £1.9m after transaction fees. Proceeds from these disposals were used in full settlement of loans payable to Riverfort/YA drawn down in the prior year, totalling £962,758 as at 30 June 2021.

Financing

During the year, the Group entered into a convertible loan note facility with Riverfort Global Opportunities Fund (RGO) for up to £1m, with an initial principal drawdown of £385,000 before costs (£310,550 after costs). Principal owing on the initial drawdown is convertible by the note holders at the lower of 4.549 pence per share and the Volume Weighted Average Share Price (VWASP) of the Company shares in the 5 trading days prior to notice of conversion. As part of the transaction, the Company issued RGO with 18,464,800 ordinary shares as security against amounts owing, at a total value of £70,000. The par value of these shares was remitted to the Company on issue, with the remainder being recognised in these financial statements as an offsetting receivable against the principal amounts owing at the reporting date.

During the year, the Company entered into an agreement with Yew Tree Capital for a loan of £250,000 before costs (£243,750 net of costs) at a coupon interest rate of 8% pa. The entire principal owing on this loan was novated into subscriptions to convertible loan notes following the reporting date. See note 26 for further details.

During the year, the Company received £320,000 from institutional investors as subscription prepayments against convertible loan notes issued after the reporting date. As at the reporting date, these amounts have been recognised as a current loan payable.

During the year, the Company entered into an agreement with Power Metal Resources plc for the provision of a £100,000 working capital loan towards expenses incurred on behalf of that company and the Company as shareholders in New Ballarat Gold Corporation Plc. The intention of the parties is that where such joint expenses do not arise or have not arisen within a reasonable time frame, any outstanding balance will be settled by the issue of Company shares on commercial terms to Power Metal Resources Plc. As of this date, no such terms have been agreed.

The Company has agreed to defer payment of its outstanding US\$1,000,000 promissory note to Kansai Limited.

During the year, 6,120,000 options previously issued to staff were exercised at a price of 0.45 pence per share, yielding total subscription proceeds of £27,540.

Elephant Oil & Gas

Elephant Oil is currently finalizing an IPO on the Nasdaq market. This is expected to complete with an up to US\$12m funding. The most recent Elephant Oil pre-IPO funding has revalued the price per share to US\$2.25 per share. The current Form S1, filed with the SEC, gives a listing price range of US\$4.15 to US\$5.15. 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, when the holding can be marked to market.

Power Metal Resources Plc and Australian Joint Venture

On 21 September 2021, the Company announced that it had incorporated New Ballarat Gold Corporation Plc ("NBGC") in order for Red Rock and Power Metal Resources Plc to hold their interest in the Victoria Goldfields joint venture in Australia. The Companies agreed to retain the same shareholdings as in the previous JV structure, 50.1% Red Rock and 49.9% Power Metal Resources Plc. Red Rock Australasia was to become a 100% owned Australian subsidiary of New Ballarat Gold Corporation Plc. A further announcement, on 7 December 2021, confirmed that shares in the old JV, RRAL, had now been exchanged for shares in NBGC.

On 24 May 2022, the Company announced that three further exploration licenses had been granted bring the project's footprint in the Victoria Goldfields to over 1,800 sq km.

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 on 14 January 2022 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.

Faso Greenstone Resources SARLU

On 6 January 2022, the Company announced that it had acquired two new prospective exploration projects in the prolific Boromo and Banfora Greenstone Belts of Burkina Faso. The assets were to be held by Faso Greenstone Resources SARLU, a wholly owned subsidiary of Faso Minerals Ltd, which itself is wholly owned by Red Rock.

Establishment of Lithium Subsidiary in Zimbabwe

On 31 March 2022, the Company announced that it had completed the creation of African Lithium Resources Pvt Limited ("ALR"), which was established as a 75% owned subsidiary in Zimbabwe with a local partner. ALR has acquired 51 ha of lithium claims 29 km NW of Bikita in SE Zimbabwe at Tin Hill and was in the process of transferring title. Consideration of US\$25,000 had been paid with a further US\$10,000 retained by ALR until completion of the transfer. A new 125 ha application near Arcturus, a mining site 32 km East of Harare in Zimbabwe had also been approved for grant with a further application nearby in process. A 107 ha application near Bikita had been made and another property with high grades from our sampling has been identified for purchase. On 6 May 2022, the Company announced that a group of high net worth investors had acquired a 10% early stage interest in African Lithium Resources Pvt Ltd for consideration of US\$100,000. The consideration of this sale would be applied to the development of the ALR business, which included recent additions including an application for 46 ha near Arcturus and an agreed acquisition of net 25 ha of claims East of Bikita. The Company reported that work continued on additional applications within and outside the registered area of interest

Notes to the Financial Statements

continued

24. Significant Agreements and Transactions continued

Kimono Cobalt Project - DRC

On 27 June 2022, the Company announced it has entered into a joint venture agreement with the Société d'Investissement Minier Akon et Sodimico S.A. ("Simaks"), whereby the Company will acquire a 58% holding in the Kimono Cobalt-Copper Project ("KCCP"), a cobalt project in Haut Katanga Province of the DRC. Simaks is a joint venture company between Whitewater LLC of Sharidan, Wyoming ("WhiteWater") and La Société de Développement Industriel et Minier du Congo ("SODIMICO"), which currently owns the 20 carrés (17 sq km) of mining licence PE 102 containing the KCCP. SODIMICO is a parastatal mining company of the DRC. White Waterfall LLC is a private equity fund controlled by the American-Senegalese businessman and musician Mr Aliaune Thiam. Red Rock indicated that it had currently paid US\$50,000 for 58% of the project, with a further US\$25,000 due per quarter until a total of US\$400,000 had been paid. The Company further indicated that an acceleration of payments to US\$100,000 per quarter or a temporary suspension of payments was provided for in the executed agreement depending on certain eventualities involving liquidity events at Red Rock as well as an ongoing license extension and restructuring of the license block holding structure.

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 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.
- In the prior year, costs incurred by the Company on behalf of Power Metal Resources Plc were £76,422 (2022: £nil) in relation to shared costs paid on behalf of RRAL during the year. Of this, £6,000 was outstanding at 30 June 2021 (2022: £nil).
- Related party receivables and payables are disclosed in notes 17 and 18.
- The Company held nil shares (nil%) in Power Metal Resources Plc as at 30 June 2022 (2021: 25,000,000 (2.18%)).
- The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2022 and at 30 June 2021 are shown in the Director's Report.
- The key management personnel are the Directors and their remuneration is disclosed within note 9.

26. Significant Events After the Reporting Period

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.

On 25 July 2022, the Group announced the issuance of £623,000 in new convertible loan notes to a variety of institutional investors. Of the principal amount, £256,000 was the novation of amounts payable to Yew Tree Capital at the reporting date and £367,000 represented new subscriptions to notes, of which £320,000 of subscription proceeds had been received as prepaid funds at the reporting date. The notes have a denomination of £1,000 each, are convertible at 0.6 pence per share and each note holder was granted 83,333 warrants per note to subscribe to new ordinary shares at 0.8 pence per share. The notes attract a coupon of 12% pa, mature 12 months from issuance and may be convertible at any point prior to maturity. On 19 August 2022, the Group announced the further issuance of £50,000 in convertible loan notes, on the same terms as above.

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 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. 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.

27. Commitments

As at 30 June 2022, 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 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 US\$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.

