

# TOWER RESOURCES PLC

COMPANY REGISTRATION NUMBER 05305345

INTERIM REPORT AND FINANCIAL STATEMENTS

30 JUNE 2023

**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
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**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE**  
**INCOME**

		Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
	Note	\$	\$
<b>Revenue</b>		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Other administrative expenses		(330,787)	(520,416)
VAT provision		-	-
<b>Total administrative expenses</b>		<b>(330,787)</b>	(520,416)
<b>Group operating loss</b>		<b>(330,787)</b>	(520,416)
Finance income		3,432	
Finance expense	4	(203,425)	(1,711)
<b>Loss for the period before taxation</b>		<b>(530,780)</b>	(522,127)
Taxation		-	-
Loss for the period after taxation		<b>(530,780)</b>	(522,127)
Other comprehensive income		-	-
Total comprehensive expense for the period		<b>(530,780)</b>	(522,127)
<b>Basic loss per share (USc)</b>	3	<b>(0.01c)</b>	(0.03c)
<b>Diluted loss per share (USc)</b>	3	<b>(0.01c)</b>	(0.03c)

**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		30 June 2023 (unaudited)	31 December 2022 (audited)
	Note		\$
<b>Non-current assets</b>			
Exploration and evaluation assets	5	32,938,502	31,833,671
		<b>32,938,502</b>	<b>31,833,671</b>
<b>Current assets</b>			
Trade and other receivables	6	58,807	474,749
Cash and cash equivalents		952,168	231,216
		<b>1,010,975</b>	<b>705,965</b>
<b>Total assets</b>		<b>33,949,477</b>	<b>32,539,636</b>
<b>Current liabilities</b>			
Trade and other payables	7	1,456,867	2,631,815
Provision for liabilities and charges		529,508	502,972
Borrowings	8	12,848	12,244
		<b>1,999,223</b>	<b>3,147,031</b>
<b>Non-current liabilities</b>			
Borrowings	8	24,416	29,286
		<b>24,416</b>	<b>29,286</b>
<b>Total liabilities</b>		<b>2,023,639</b>	<b>3,176,317</b>
<b>Net assets</b>		<b>31,925,838</b>	<b>29,363,319</b>
<b>Equity</b>			
Share capital	9	18,344,086	18,283,317
Share premium	9	155,057,983	152,336,303
Retained losses		(141,476,231)	(141,256,301)
<b>Total shareholders' equity</b>		<b>31,925,838</b>	<b>29,363,319</b>

Signed on behalf of the Board of Directors

**Jeremy Asher**

*Chairman and Chief Executive*

39 September 2023

**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	<sup>1</sup> Share-based payments reserve	Retained losses	Total
	\$	\$	\$	\$	\$
<b>At 1 January 2022</b>	<b>18,264,803</b>	<b>148,747,595</b>	<b>2,883,798</b>	<b>(143,494,024)</b>	<b>26,402,172</b>
Shares issued for cash	7,909	2,048,242	-	-	2,056,151
Shares issued on settlement of third-party fees	-	-	-	-	-
Share issue costs	-	(179,721)	-	-	(179,721)
Total comprehensive income for the period	-	-	238,374	(522,127)	(283,753)
<b>At 30 June 2022</b>	<b>18,272,712</b>	<b>150,616,116</b>	<b>3,122,172</b>	<b>(144,016,151)</b>	<b>27,994,849</b>
Shares issued for cash	10,474	1,822,547	-	-	1,833,021
Shares issued on settlement of third-party fees	131	29,393	-	-	29,524
Share issue costs	-	(131,753)	-	-	(131,753)
Transfer to retained losses	-	-	(738,615)	738,615	-
Total comprehensive expense for the period	-	-	124,673	(486,995)	(362,322)
<b>At 31 December 2022</b>	<b>18,283,317</b>	<b>152,336,303</b>	<b>2,508,230</b>	<b>(143,764,531)</b>	<b>29,363,319</b>
Shares issued for cash	59,491	3,137,601	-	-	3,197,091
Shares issued on settlement of third-party fees	1,279	196,917	-	-	198,196
Shares issue costs	-	(612,838)	-	-	(612,838)
Total comprehensive income for the period	-	-	310,850	(530,780)	(219,930)
<b>At 30 June 2023</b>	<b>18,344,086</b>	<b>155,057,983</b>	<b>2,819,080</b>	<b>(144,295,311)</b>	<b>31,925,838</b>

<sup>1</sup> The share-based payment reserve has been included within the retained loss reserve and is a non-distributable reserve.

**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

		Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
	Note	\$	\$
<b>Cash outflow from operating activities</b>			
Group operating (loss) / profit for the period		(330,787)	(520,416)
Share-based payments	10	310,850	238,374
Finance costs		(199,622)	(1,201)
<b>Operating cash flow before changes in working capital</b>		<b>(219,559)</b>	<b>(283,243)</b>
Increase in receivables and prepayments		415,942	(2,727)
Decrease in trade and other payables		(1,174,948)	(706,585)
Decrease in provisions		26,536	-
<b>Cash used in operating activities</b>		<b>(952,029)</b>	<b>(992,555)</b>
<b>Investing activities</b>			
Exploration and evaluation costs	5	(1,104,831)	(786,143)
<b>Net cash used in investing activities</b>		<b>(1,104,831)</b>	<b>(786,143)</b>
<b>Financing activities</b>			
Cash proceeds from issue of ordinary share capital net of issue costs	9	2,782,449	1,876,430
Repayment of borrowing facilities		(6,189)	(6,431)
Repayment of interest on borrowing facilities		(495)	(676)
Effects of foreign currency movements on borrowing facilities		2,047	(5,769)
<b>Net cash from financing activities</b>		<b>2,777,812</b>	<b>1,863,553</b>
Increase in cash and cash equivalents		720,952	84,855
Cash and cash equivalents at beginning of period		231,216	10,227
<b>Cash and cash equivalents at end of period</b>		<b>952,168</b>	<b>95,082</b>

# TOWER RESOURCES PLC

## PERIOD ENDED 30 JUNE 2023

### NOTES TO THE INTERIM FINANCIAL INFORMATION

#### 1. Accounting policies

##### a) Basis of preparation

This interim financial report, which includes a condensed set of financial statements of the Company and its subsidiary undertakings (“the Group”), has been prepared using the historical cost convention and based on International Financial Reporting Standards (“IFRS”) including IAS 34 ‘Interim Financial Reporting’ and IFRS 6 ‘Exploration for and Evaluation of Mineral Reserves’, as adopted by the United Kingdom (“UK”).

The condensed set of financial statements for the six months ended 30 June 2023 is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. They have been prepared using accounting bases and policies consistent with those used in the preparation of the audited financial statements of the Company and the Group for the year ended 31 December 2022 and those to be used for the year ending 31 December 2023. The comparative figures for the half year ended 30 June 2022 are unaudited. The comparative figures for the year ended 31 December 2022 are not the Company’s full statutory accounts but have been extracted from the financial statements for the year ended 31 December 2022 which have been delivered to the Registrar of Companies and the auditors’ report thereon was unqualified and did not contain a statement under sections 498(2) and 498(3) of the Companies Act 2006.

This half-yearly financial report was approved by the Board of Directors on 29 September 2023.

##### b) Going concern

The Group will need to complete a farm-out and/or another asset-level transaction within the coming months, or otherwise raise further funds, in order to meet its liabilities as they fall due, particularly with respect to the forthcoming drilling programme in Cameroon. The Directors believe that there are a number of options available to them through either, or a combination of, capital markets, farm-outs or asset disposals with respect to raising these funds. There can, however, be no guarantee that the required funds may be raised, or transactions completed within the necessary timeframes, which raises uncertainty as to the application of going concern in these accounts. Having assessed the risks attached to these uncertainties on a probabilistic basis, the Directors are confident that they can raise sufficient finance in a timely manner and therefore believe that the application of going concern is both appropriate and correct.

# TOWER RESOURCES PLC

## PERIOD ENDED 30 JUNE 2023

### NOTES TO THE INTERIM FINANCIAL INFORMATION

#### 2. Operating segments

The Group has two reportable operating segments: Africa and Head Office. Non-current assets and operating liabilities are located in Africa, whilst the majority of current assets are carried at Head Office. The Group has not yet commenced production and therefore has no revenue. Each reportable segment adopts the same accounting policies. In compliance with IAS 34 'Interim Financial Reporting' the following table reconciles the operational loss and the assets and liabilities of each reportable segment with the consolidated figures presented in these Financial Statements, together with comparative figures for the period-ended 30 June 2022.

	Africa		Head Office		Total	
	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
	\$	\$	\$	\$	\$	\$
Loss by reportable segment	11,767	22,076	519,013	500,051	530,780	522,127
Total assets by reportable segment <sup>1</sup>	33,068,508	29,592,742	880,969	79,840	33,949,477	29,672,582
Total liabilities by reportable segment <sup>2</sup>	(244,749)	(1,359,118)	(1,778,890)	(318,615)	(2,023,639)	(1,677,733)

#### 3. Loss per ordinary share

	Basic & Diluted	
	30 June 2023 (unaudited)	31 December 2022 (audited)
	\$	\$
(Loss) / profit for the period	(530,780)	(1,009,122)
Weighted average number of ordinary shares in issue during the period	4,542,559,293	2,165,197,663
Dilutive effect of share options outstanding	-	-
Fully diluted average number of ordinary shares during the period	4,542,559,293	2,165,197,663
(Loss) / profit per share (USc)	(0.01c)	(0.05c)

#### 4. Finance costs

	30 June 2023 (unaudited)	31 December 2022 (audited)
	\$	\$
Finance costs	203,425	1,711

Finance costs include \$201k (2022: \$nil) with respect to fees incurred on the Energy Exploration Capital Partners LLC prepaid placement facility (see note 7).

# TOWER RESOURCES PLC

## PERIOD ENDED 30 JUNE 2023

### NOTES TO THE INTERIM FINANCIAL INFORMATION

#### 5. Intangible Exploration and Evaluation (E&E) assets

	Exploration and evaluation assets	Goodwill	Total
Period-ended 30 June 2023	\$	\$	\$
<b>Cost</b>			
At 1 January 2023	103,842,133	8,023,292	111,865,425
Additions during the period	1,104,831	-	1,104,831
<b>At 30 June 2023</b>	<b>104,946,964</b>	<b>8,023,292</b>	<b>112,970,256</b>
<b>Amortisation and impairment</b>			
At 1 January 2023	(72,008,462)	(8,023,292)	(80,031,754)
<b>At 1 January and 30 June 2023</b>	<b>(72,008,462)</b>	<b>(8,023,292)</b>	<b>(80,031,754)</b>
<b>Net book value</b>			
<b>At 30 June 2023</b>	<b>32,938,502</b>	<b>-</b>	<b>32,938,502</b>
At 31 December 2022	31,833,671	-	31,833,671

In accordance with the Group's accounting policies and IFRS 6 the Directors' have reviewed each of the exploration license areas for indications of impairment. Having done so, based on the financial constraints on the Group, and specific issues associated with each license it was concluded that a full ongoing impairment was only necessary in the case of the Zambian licenses 40 and 41, the circumstances of which have not changed since previous reporting period.

The additions during the period represent Cameroon \$955k (2022: \$618k), \$69k in South Africa (2022: \$54k) and \$80k in Namibia (2022: \$115k). The focus of the Group's activities during this period has been on preparing for and acquiring inventory and services with respect to the anticipated drilling of the Njonji-3 appraisal well alongside ongoing subsurface evaluation in Namibia.

#### 6. Trade and other receivables

	30 June 2023 (unaudited)	31 December 2022 (audited)
	\$	2
Trade and other receivables	58,807	474,749

Trade and other receivables comprise prepaid expenditures.

# TOWER RESOURCES PLC

## PERIOD ENDED 30 JUNE 2023

### NOTES TO THE INTERIM FINANCIAL INFORMATION

#### 7. Trade and other payables

	<b>30 June 2023</b> <b>(unaudited)</b>	<b>31 December 2022</b> <b>(audited)</b>
	\$	\$
Trade and other payables	<b>1,190,046</b>	147,185
Other accruals	<b>266,821</b>	2,484,630
	<b>1,456,867</b>	2,631,815

The future ability of the Group to recover UK VAT has been confirmed by the Upper Tier Tribunal in its judgement in favour of the Company on 20 May 2021 and is no longer the subject of a dispute with HMRC.

Trade and other payables include \$1.1 million (2022: \$nil) payable to Energy Exploration Capital Partners LLC (“EECP”) with respect to amounts received against future share placements.

The placement price of any placing requested by EECP is the average of five daily volume-weighted average prices selected by EECP during a specified period immediately prior to the date of any notice to issue Placing Shares, less an 8% discount, rounded down to the nearest five hundredth of a penny, and subject to the floor price of 0.1p per share as discussed below.

EECP will be entitled to a long-term hold benefit of a 10% (rather than 8%) discount to the above-mentioned formula for placing shares if the placing shares are issued after the first anniversary of the initial investment (13 January 2024). In addition, the Company may benefit from share price appreciation following issuance of placing shares: if an issuance of shares to EECP would result in the effective discount to the prevailing market price of the Company's shares being in excess of 25%, the Placement Price will be increased by half of such excess.

Further, the Placement Price will be subject to a floor price of 0.1p per share. If the placement price formula results in a price that is less than the floor price, the Company may elect not to issue shares and instead opt to repay the applicable placement amount in cash, with a 9% premium, subject to EECP's right to receive placing shares at the floor price in lieu of such cash repayment if it wishes.

The Company may also at any time repay one half of the outstanding balance of any placing in relation to which placing shares have not yet been issued, with a 5% premium.

**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
**NOTES TO THE INTERIM FINANCIAL INFORMATION**

**8. Borrowings**

	Group	
	30 June 2023 (unaudited)	31 December 2022 (audited)
	\$	\$
<b>Principal balance at beginning of period</b>	<b>41,088</b>	<b>59,532</b>
Amounts drawn down during the period	-	-
Amounts repaid during the period	(6,189)	(12,294)
Currency revaluations at year end	2,027	(6,149)
<b>Principal balance at end of period</b>	<b>36,926</b>	<b>41,088</b>
<b>Financing costs at beginning of year</b>	<b>442</b>	<b>818</b>
Changes to financing costs during the year	-	-
Interest expense	372	925
Interest paid	(495)	(1,220)
Currency revaluations at year end	20	(81)
<b>Financing costs at the end of the year</b>	<b>339</b>	<b>442</b>
<b>Carrying amount at end of period</b>	<b>37,265</b>	<b>41,530</b>
Current	12,849	12,243
Non-current	24,416	29,286
<b>Repayment dates</b>	<b>Group</b>	
	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020 (audited)</b>
	\$	\$
Due within 1 year	12,849	12,243
Due within years 2-5	24,416	29,285
Due in more than 5 years	-	-
	<b>37,265</b>	<b>41,530</b>

# TOWER RESOURCES PLC

## PERIOD ENDED 30 JUNE 2023

### NOTES TO THE INTERIM FINANCIAL INFORMATION

Borrowings represent a £50k Barclays Bounceback Loan drawn in May 2020 and repayable in installments over a 5-year period. During the period, the Group and Company entered into no new facilities (2022: \$nil).

#### 9. Share capital

	30 June 2023 (unaudited)	31 December 2022 (audited)
	\$	\$
<b>Authorised, called up, allotted and fully paid</b>		
8,443,981,022 (2022: 3,554,137,955) ordinary shares of 0.001p	18,344,086	18,283,317

The share capital issues during the period are summarised below:

	Number of shares	Share capital at nominal value \$	Share premium \$
Ordinary shares			
At 1 January 2023	3,554,437,955	18,283,317	152,336,303
Shares issued for cash	4,784,543,067	59,491	3,137,601
Shares issued on settlement of third-party fees	105,000,000	1,279	196,917
Shares issued on settlement of staff remuneration	-	-	-
Share issue costs	-	-	(612,838)
At 30 June 2023	8,443,981,022	18,344,086	155,057,983

**TOWER RESOURCES PLC**  
**PERIOD ENDED 30 JUNE 2023**  
**NOTES TO THE INTERIM FINANCIAL INFORMATION**

**10. Share-based payments**

**Options**

Details of share options outstanding at 30 June 2023 are as follows:

	<b>Number in issue</b>
At 1 January 2023	392,000,000
Awarded during the period	268,000,000
Lapsed during the period	-
<b>At 30 June 2022</b>	<b>660,000,000</b>

<b>Date of grant</b>	<b>Number in issue</b>	<b>Option price (p)</b>	<b>Latest exercise date</b>
24 Jan 19	70,000,000	1.250	24 Jan 24
18 Dec 20	86,000,000	0.450	18 Dec 25
01 Apr 21	88,000,000	0.450	01 Apr 26
16 Aug 22	148,000,000	0.300	16 Aug 27
16 May 23	268,000,000	0.100	15 May 28
	<b>660,000,000</b>		

These options vest in the beneficiaries in equal tranches on the first, second and third anniversaries of grant.

# TOWER RESOURCES PLC

## PERIOD ENDED 30 JUNE 2023

### NOTES TO THE INTERIM FINANCIAL INFORMATION

#### Warrants

Details of warrants outstanding at 30 June 2023 are as follows:

	<b>Number in issue</b>
At 1 January 2022	599,969,023
Awarded during the period	313,240,292
Lapsed during the period	(135,103,559)
<b>At 30 June 2022</b>	<b>778,105,756</b>

  

<b>Date of grant</b>	<b>Number in issue</b>	<b>Warrant price (p)</b>	<b>Latest exercise date</b>
01 Oct 18	4,687,500	1.575	30 Sep 23
24 Jan 19	19,999,999	1.200	23 Jan 24
16 Apr 19	90,000,000	1.000	14 Apr 24
30 Jun 19	4,285,714	1.000	28 Jun 24
30 Jul 19	3,000,000	1.000	28 Jul 24
15 Oct 19	10,990,933	0.500	13 Oct 24
31 Mar 20	49,816,850	0.200	30 Mar 25
29 Jun 20	19,719,338	0.350	28 Jun 25
28 Aug 20	78,616,352	0.600	28 Aug 23
01 Oct 20	10,960,907	0.390	30 Sep 25
01 Dec 20	4,930,083	0.375	30 Nov 25
31 Dec 20	12,116,316	0.450	30 Dec 25
01 Apr 21	16,998,267	0.450	31 Mar 26
01 Jul 21	24,736,149	0.250	30 Jun 26
01 Oct 21	16,233,765	0.425	30 Sep 26
01 Jan 22	17,329,020	0.425	01 Jan 27
13 Jan 22	7,058,824	0.425	12 Jan 27
01 Apr 22	19,851,774	0.263	01 Apr 27
01 Jul 22	16,831,240	0.295	01 Jul 27
03 Oct 22	26,114,205	0.250	03 Oct 27
01 Aug 22	10,588,228	0.425	31 Jul 24
15 Feb 23	29,114,906	0.175	15 Feb 28
02 May 23	43,053,960	0.143	01 May 28
16 May 23	112,500,000	0.100	16 May 26
30 Jun 23	128,571,426	0.050	30 Jun 28
	<b>778,105,756</b>		

# **TOWER RESOURCES PLC**

## **PERIOD ENDED 30 JUNE 2023**

### **NOTES TO THE INTERIM FINANCIAL INFORMATION**

#### **11. Subsequent events**

**3 July 2023:** Issue of warrants in lieu of £30,000 (in aggregate) of Directors fees to Paula Brancato (21,428,571 warrants), Mark Enfield (21,428,571 warrants), and Jeremy Asher (42,857,142 warrants) in settlement of fees due for the period from 1 July 2023 to 30 September 2023. The warrants are exercisable at a strike price of 0.05 pence, which is the same as the closing share price of 0.295 pence per share on 30 June 2023. The warrants are exercisable for a period of 5 years from the date of issue.

**17 July 2023:** The Company held its Annual General Meeting. All resolutions proposed in the notice of the meeting were duly passed.