Annual report and accounts **2016**

Identifying & Developing Opportunities

Welcome to Red Rock Resources plc Annual Report and Accounts 2016

Identifying and Developing Opportunities

Red Rock Resources plc is a natural resource exploration and development company. The Company's strategy involves seeking out, assessing and investing in natural resource projects where it can add value through exploration, development and corporate transactions.

With a mix of petroleum and hard rock mining assets Red Rock offers investors diverse exposure to the natural resource recovery now beginning with multiple pathways to value creation.

Going forward with a flat cost structure the business remains well positioned to take advantage of bottom of the cycle opportunities and to outperform for investors.

Copies of this report are available on **www.rrrplc.com/investor-relations/reports-and-presentations/**

Join our newsletter list by sending your name and email address to **exploration@rrrplc.com**

Follow us on Twitter to stay up-to-date with our latest news **@RRR_RedRock**

In This Report

Strategic Report p2

Chairman's Review	2
Corporate Strategy	4
Why Invest in Red Rock?	5
Main Highlights	6
Shoats Creek	6
Jupiter Mines	7
Migori Gold Project	8
Gold Interests	9
Principal Risks and Uncertainties	10
Corporate Social Responsibility and Health and Safety	10
Board of Directors	11

Shoats Creek p6

Jupiter Mines p7

Migori Gold Project p8

Gold Interests p9

Governance p12

Directors' Report	12
Statement of Directors' Responsibilities	15
Corporate Governance Statement	16

Financial Statements p18

Independent Auditor's Report	18
Consolidated Statement of Financial Position	20
Consolidated Income Statement	21
Consolidated Statement of Comprehensive Income	22
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
Company Statement of Financial Position	25
Company Statement of Changes in Equity	26
Company Statement of Cash Flows	27
Notes to the Financial Statements	28
Notice of Annual General Meeting	58
Company Information	62

Chairman's Review

Highlights

- Priorities During the Year:
  - Develop Multiple Revenue Streams
  - Continue Cost Reduction Efforts
  - Reduce Payables
  - Dispose Non-Core Assets
  - Reduce Dependence on Market Funding
- Successes Include:
  - Significant Cost Reductions
  - Disposed of Star Striker Ltd – Proceeds of AUD1,254,826
  - Sale of Colombian Gold Assets – Received USD1,000,000
  - Jupiter Mines Announced Initial Distribution of USD 658,350 to RRR
- 2017 Priorities
  - Continued Development of Gold and Oil Assets
  - Resolution in Kenya
  - Acceleration of Colombia Promissory Note
  - Grow Revenue Base

Dear Shareholders,

Overview

Turning points are usually only evident in retrospect, and however obvious they may then seem, they rarely were at the time. We have in the last year lived through one of those points of inflection, and it happened quickly and without explanation, as if events were moved by an invisible tide. It was the turning of commodity prices from decline to recovery, and because the final collapse had been so severe and universal, so the recovery when it came was abrupt and as the signal spread from commodity to commodity all prices rose together.

If we had not already identified the sell-off as the likely end of the bear market, the strength of the recovery gave a good signal, so the turning point could be identified with confidence, even without the benefit of hindsight. Whether it was copper or gold, oil or nickel, gas or manganese, at the end of 2015 and the first quarter of 2016 there was a slump in price followed by an even sharper recovery. This, we felt sure, was the end of the multi-year recession in commodities that had gathered pace since 2010. Whether prices would now plateau or would continue to rise we could not tell, but this period of falling prices and sector decline was over.

Our close involvement in the manganese market made it easier to interpret the data from other commodities, and the case of manganese may serve as an example. We knew that the Tshipi mine, in which we are indirectly invested, was as efficient and low cost a producer as any, and that even with every further measure that could be contemplated it could not be expected within any reasonable time frame to reduce its costs to the level necessary to operate for long at $1.32 per DMTU (dry metric tonne unit), the price seen in early 2016. We concluded in February that no producer could make an economic return at that level, and that a recovery to at least double that level was likely before the end of the calendar year. That recovery in the event took less than a month, and prices have nearly tripled since.

Taking advantage of this turnaround was not as easy as identifying it. Fortunately we were already committed to buying into low cost oil and gas exploration and development at Shoats Creek in Louisiana at the end of 2015, in anticipation of the bottoming of prices. As benchmark prices hit their lows we extended this investment, buying on 20 January 2016 into a well just coming into production in the same field.

Fortunately, we also held gold and manganese interests that were expected to become revenue-producing for us within months. Acquiring new assets already income-generating would have been likely to be beyond our depleted financial resources, yet the greatest early beneficiaries of the perception of recovering prices would be those companies with sizeable revenues not yet generating large profits.

One such asset was the gold mine we had sold in Colombia, which was being opened after refurbishment and where we had agreed to take part of our payment in the form of a royalty. Another was our holding in Jupiter Mines Ltd, the Australian public company which held 49.9% of the Tshipi é Ntle manganese mine in the Northern Cape province of South Africa.

During the year in review we also made an investment in the privately owned West African onshore oil explorer Elephant Oil Ltd and an initial investment in AIM-listed Goldstone Resources Ltd, which has an established gold Resource in West Africa and exploration upside.

As a result of actions taken the Company ended the period with oil and gas as well as gold exposure, greater liquidity in its investments, additional income streams developing, and sharply reduced expenses. Even without the background of strongly recovering commodity prices, this would have been a much improved position.

Year in Review

During the financial period to 30 June 2016 our main priority was already established as being to obtain or develop cash flow-producing assets in oil and gas to complement and support our mineral exploration activities, largely focused on gold, and give us greater resilience and less dependence on funding from financial markets.

p4 Corporate Strategy
p5 Why Invest in Red Rock?

> Sector decline is over; recovery underway."

The three main streams of income we expected in calendar 2016, from gold royalties in Colombia, oil and gas wellbore interests in the U.S., and dividend income from manganese mining and marketing in South Africa, all in the event saw the first payments made after the end of our financial year to 30 June 2016, a fact reflected in the absence of operating revenues in our Consolidated income statement. The initial schedules for the oil and gold payments would have seen them start to be paid earlier, but commissioning and optimisation of these projects meant the first payments were later, and smaller, than anticipated, coming in August and September respectively. On the other hand Jupiter announced an initial distribution earlier and larger than expected, stating in November 2016 that it planned to pay at the beginning of March 2017 a sum which would net Red Rock USD 658,350, equivalent at current exchange rates to approximately £530,000, with the prospect of a further payment later, that may be almost as large.

The other priorities during the year were to continue and intensify the process of reducing and laying off costs, to reduce payables, to continue disposals of non-core assets, and to reduce dependence on the market for new capital. In all of these aims we had some success. We sublet office space and laid off the majority of our staff, eliminating the bulk of our overhead cost for the second half of the financial year. Our Administration expenses for the year at £758,371 were reduced by 20.4% but reflect the lower cost level for only half of the year, and contain substantial redundancy costs. Our strategy at Star Striker Ltd (formerly Resource Star Ltd) of bringing in new high net worth investors, working with them, and then letting them introduce a project, came to a successful culmination during the year and enabled us to dispose of our holding, previously of negligible value, for AUD 1,254,826. We received a scheduled instalment payment of USD 225,000 in February 2016 in respect of the sale of our Colombian gold mine, but due in part to the slow build-up of revenues from Colombia and Shoats Creek we only halved the level of our external equity fundraising during the year, failing to achieve our target in this area.

Red Rock declared an after tax loss for the year reduced from £8,411,541 to £283,280, reflecting a lower level of provisions. We did provide a further £1,500,000 in respect of the Company's Greenland interests, the recovery seen in the iron ore price not having fed through at year end to capital transaction values. Other significant contributors to this reduced loss were an uplift to the fair value of the deferred consideration from the Colombian sale, taken through the £918,767 Other income item, and the £599,225 gain on sale of associates, which reflected the Star Striker sale. Nearly half of another large number, the Other receivables figure of £702,563 in Note 17, represents the current portion of the Colombian sale receivable.

Current Financial Year

The course set in the first half of the calendar year has been maintained, with a further USD 225,000 instalment payment on the sale of the El Limón Mine in Colombia received, further investment in Goldstone Resources Ltd made to maintain our 9.645% holding (9,863,987 shares with 3,857,400 two year warrants), and first payments received from our gold royalty and our oil and gas wellbore interests. Costs have continued to be tightly controlled, and the current fiscal year will be the first which reflects this new low level of overheads for the entire period.

We also proceeded with the prosecution of our judicial review case in Kenya, to protect our interest in the Migori gold asset and its 1.2Moz gold Resource. A moratorium on grants of licenses and permits in Côte d'Ivoire has ended and we expect our gold exploration applications there to pass into the final stages of permitting.

We retain some 30% of our original shares in Jupiter, which given the quality of the Tshipi manganese mine we have regarded as our anchor asset and held on to through the depths of the mineral recession. The strong performance of Tshipi this year argued against premature corporate moves that might require further expansion of our issued share capital, since the prospect of a maiden dividend from Jupiter was clearly near and this would make patent the value of our holding and lead to our share price more nearly reflecting the value of Red Rock's underlying assets. The Jupiter announcement when it came was of a planned distribution equivalent to a 35.7% yield on the £1,483,119 carrying value of our Jupiter holding, with the prospect of another dividend being announced before the end of our financial year.

Forward Prospects

In announcing Jupiter's planned distribution earlier this month, the Jupiter Chairman wrote: "When we took the decision to delist Jupiter in January 2014, I appealed to shareholders to remain invested as we entered the value optimisation phase, so as to realise significantly greater value than was reflected in the then share price. With the mine now well established, and the manganese market robust, shareholder patience is being rewarded." Even today we would echo that advice, as Jupiter pursues strategic options for its holding in Tshipi. Not only is the performance of the mine likely to continue strong, with further distributions probable, but the prospect of a crystallisation event that will unlock the underlying value in our holding has become much more immediate.

Elsewhere, we expect significant income growth from our oil and gold interests, and resolution of the issues that had arisen in Kenya. We will also pursue, if necessary through arbitration, the early repayment and conversion of our USD 1,000,000 Promissory Note from Colombia Milling Limited. We continue to review actively opportunities for development that have the potential to add shareholder value. We expect 2016-17 to be a year of significant growth for the business as the sector recovery means we begin to realise the value contained within our existing project and investment portfolio, at a time when increasing revenue flows may be expected to cover and exceed our much reduced overheads.

Once again, as always, we thank you, the shareholders, for your support and look forward to seeing you rewarded for your patience in the months ahead.

Andrew Bell
Chairman and CEO
30 November 2016

Corporate Strategy

Identify – Develop – Monetise

Our Business Model

Oil & Gas

- Cash Generative
- Lower Risk
- Onshore USA
- Onshore Benin

Corporate Transactions

- JVs and Partnerships
- Asset Trading/Disposals
- Royalties

Au Fe Mn

Metals & Mining

- Large Upside Potential
- Multiple Commodities
- JORC Resources
- Multiple Jurisdictions
- Investment Revenue

> "Red Rock creates shareholder value by participating in a diverse portfolio of projects and investments with exposure to commodities across multiple stages of the natural resource cycle. With growing cash-generation from its gold and oil investments as well as its investments in mineral production, the Company has a platform for growth both organically and from new strategic opportunities."

Strategy

Red Rock executes its corporate strategy designed to create value for investors by leveraging its deep portfolio of existing mineral exploration projects, its more recent ventures into cash generative oil and gas plays as well as its many years of transactional expertise. Project development and investments may include all phases of the natural resource development cycle where the opportunity to add and realise value has been identified.

The Company feels that its broad exposure to a series of commodities from gold and iron to oil and manganese well positions it for outperformance as natural resource markets recover. With both early-stage and production assets, Red Rock seeks to generate revenues to cover heavily reduced overheads while ultimately looking to fund future growth from operational cash flow.

Strategic Priorities

- Short term cash generation
- Longer term portfolio optimisation and disposal
- Opportunistic investments at bottom of the natural resource cycle

Group Structure

The Company operates with a lean organisational structure designed to minimise overhead costs. While certain listing and public market related costs cannot be avoided, Red Rock has significantly reduced corporate burn rates since 2015 and the Board feels a solid foundation is now in place for renewed growth.

Key Performance Indicators

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, which have been significantly reduced and remain very low relative to its peers; as well as share price performance and appreciation.

Why Invest in Red Rock?

p6 **Main Highlights**

Red Rock has positioned itself for outperformance in 2017 and beyond. With a much-reduced cost base and a diverse portfolio of legacy mineral assets as well as a venture into oil and gas production, Red Rock has now weathered the worst of the natural resource downturn and is primed for growth."

Andrew Bell
Chairman and CEO

- AIM Listed in 2004
- Ticker AIM: RRR
- Originally Focussed on Gold & Steel Feed Exploration
- Evolved into Diversified Natural Resource Play
- Residual Mineral Exploration Assets
- Market Cap of £2.85m

Significant Investment and Project Upside

Mining

Au
Gold

Migori Gold Project

RRR: 75% Project Interest

- 1.2Moz Gold JORC Resource
- Kenyan Greenstone Belt
- License Dispute in Progress
- RRR Exploring Partnership Opportunities

Four Points Mining

RRR: Disposal

- Gold Assets Sold in 2015
- USD2M Promissory Note + USD3M in Royalty Payments
- 2017 Production Expected to be 15,000oz

Ivory Coast

RRR: 100%

- Early Stage Gold Exploration
- Underexplored with Huge Potential
- Birimian Greenstone Belt

Goldstone Resources (AIM: GRL)

RRR: 9.65%

- Projects in the Ashanti Gold Belt in Ghana
- 602,000oz JORC with Average Grade of 1.77g/t
- Along Strike from Obuasi Gold Mine

Mining

Mn
Manganese

Jupiter Mines Ltd

RRR: 1.26%

- Manganese Production in South Africa
- Production of 2MT
- Announced Distribution of USD55M to Shareholders

Fe
Iron

Melville Bugt

RRR: 60%

- 67MT Iron JORC Resource
- North Greenland
- Project on Care and Maintenance

Oil & Gas

Shoats Creek

RRR: 20% Working Interest

- Interest in 3 Wells
- Low Cost Onshore Production
- Targeting Frio Sands

Elephant Oil

RRR: 4.64%

- Onshore Exploration – Benin
- Underexplored West African Transform Margin
- Strategy to Build a Portfolio of Low-Risk Oil Exploration Assets

Mining and Oil & Gas

Nb Ta
Zr

Regency Mines (AIM: RGM)

RRR: 0.52%

- Multi-Project Natural Resource Developer
- **Westport Energy** – Coal Bed Methane
- **Horse Hill** – Onshore UK Oil and Gas
- **Mambare** – Nickel Project in PNG
- **Motzfeldt** – Niobium and Tantalum in Greenland

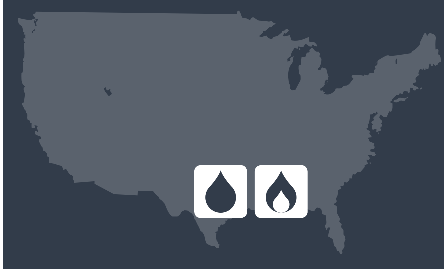
www.regency-mines.com

Main Highlights

Oil & Gas

Shoats Creek

USA



Highlights

- 1,670 acres Beauregard Parish, LA, USA
- Targeting Lower FRIO Sands
- Low Cost Onshore Vertical Wells
- RRR with 20% Working Interest/ 14.4% Net Revenue Interest
- Interests in 3 x Wells

20%

Working Interest In 3 Wells

Project

Located in the SW corner of Louisiana in the United States, the Shoats Creek Field was initially developed in the 1950s and has produced over 2MMBOE from numerous horizons. The current development phase was begun by Mayan Energy (Ex-Northcote Energy) as an operator in 2015 with one new infill well completed along with multiple recompletions. With oil prices remaining buoyant and drilling costs having fallen significantly the returns on capital employed in the project remain very attractive.

Red Rock Resources' Interest

The Company has acquired a 20% working interest in the Lutcher Moore #20 well as well as the future Lutcher Moore #21 and #22 wells. Red Rock has also participated in the Lutcher Moore #19 recompletion and has had discussions with Mayan about becoming a field-wide partner.

Current Production

In early 2015 Mayan Energy drilled and tested the first well in the redevelopment effort, the LM#20, which was a twin to the historical LM#16 that had been a strong producer until it had to shut down prematurely as a result of mechanical problems. LM#20 reported tested rates of over 250 BO and 500 MCF of gas per day in early 2016. The LM#20 encountered 10'-12' of pay with an estimated 20% porosity and was perforated over a small interval from 5018-23'. By late 2016 a gas line had been installed which enabled gas to be sold to market from the LM#20.

Development Roadmap

Following management changes at Mayan Energy during the course of 2016, the Company expects development to proceed anew in 2017. Plans include moving to full production on the LM#19 as well as multiple additional workovers where Red Rock may choose to participate as well as the spud of the new LM#21.

Mining – Manganese and Iron

Jupiter Mines

South Africa, Australia

Highlights

- Planned Distribution of US$55m to Shareholders in Q1 2017
- Tshipi, South Africa
  49.9% Ownership of Open-Pit Manganese Mine
  – Started Production Early 2013
  – Production Increased to 2MT+
  – One of the World's Largest Mn Mines
  – Strong Manganese Prices
- Mount Mason, Western Australia DSO project
  – On Care and Maintenance
- Mt Ida, Western Australia Magnetite project
  – JORC Inferred Resource of 1.85bn Tonnes at 29.48% Fe
  – On Care and Maintenance

$55m

Distribution Announced

Introduction

Jupiter Mines Limited is an Australian company with interests in Tshipi é Ntle's manganese mine in South Africa, a Direct Shipping Ore iron project at Mount Mason in Western Australia and a Magnetite project at Mt Ida, also in Western Australia. Red Rock's 27.3m shares (1.2%) in Jupiter have formed a significant part of the Company's investment portfolio since 2007 when Red Rock vended its iron and manganese exploration tenements into then-ASX listed Jupiter. In December 2013 Jupiter Mines delisted during the sector downturn and has been operated privately since that period. As of November 2016 Jupiter has announced its intention to distribute $55m to shareholders payable in March 2017. Jupiter further announced that it expects further distributions if manganese prices remain strong.

Tshipi

Jupiter owns 49.9% of the open-pit manganese mine Tshipi é Ntle in South Africa. The 163Mt at 37.1%Mn Tshipi mine started production in early 2013 and has since more than doubled its production and export volumes to over 2Mt of Mn ore with capacity now raised to 3.6Mt per annum. Tshipi is one of the world's largest manganese mines and is well positioned to increase market share across global manganese markets. Jupiter expects to pursue strategic options for its investment, which offers a 60 year mine life.

Other Projects

Progress at both of Jupiter's Western Australia projects has been slowed by recent low iron ore prices. Mt Ida, in which Red Rock retains a 0.75% production royalty, has a JORC Inferred Mineral Resource Estimate of 1.85bn tonnes at 29.48% Fe. This and the Direct Shipping Ore project at Mt. Mason are on care and maintenance.

Main Highlights continued

Mining – Gold

Migori Gold Project

Kenya

Highlights

- Challenging Licences Termination With the Kenyan Ministry of Mining
- RRR to Receive 75% Interest Following Recovery
- JORC Indicated and Inferred Resource Estimates at 0.5g/t Au cut-off: 29.4Mt at 1.26g/t Au With Contained Metal Content of 1.2Moz Au
- Macalder Tailings with a JORC Measured Resource of 1.3Mt at 1.7g/t Au With Contained Metal Content of 68koz Au
- More Than 30 Regional Targets Within the Migori Greenstone Belt

1.2Moz

Gold Resource of the Migori Gold Project

Location

The Migori Gold Project in south-west Kenya comprises two contiguous Special Prospecting Licences SPL122 and SPL202, covering 243km² and spanning 63km of the prolific Migori Greenstone Belt.

Red Rock Resources' Interest

The notifications of termination of the Special Prospecting Licences (SPL) by the office of the Mining Cabinet Secretary are being challenged in the Kenya High Court. Red Rock and Mid Migori Mining Company Ltd (MMM) have jointly been granted leave to institute judicial review proceedings and a stay in relation to the purported Migori SPLs termination. Legal proceedings are ongoing.

Red Rock executed an agreement with Kansai Mining Corporation Ltd ("Kansai"), the majority shareholder in MMM, for a higher direct stake to 75% in MMM through funding and directing the legal proceedings through to a successful conclusion.

Resource and Geology

The Migori Project's 1.2Moz gold resource lies over five main zones within the Mikei Shear Zone. The mineral resource statement released in December 2012 validated and increased historic resources to Indicated and Inferred JORC status. Gold mineralisation is hosted predominantly within iron-rich mafic volcanic rocks with pervasive carbonate alteration and some felsic igneous intrusive dykes, cut by a major shear zone in close proximity to the Migori granite. The Nyanza prospect is the Company's primary resource area, hosting significant diamond drill intersections up to 31m at 3.91g/t Au.

Prospect	JORC Classification	Mt	g/t Au	Moz	Cut-off g/t Au
KKM	Indicated & Inferred	17.8	1.01	0.58	0.5
KKM-West	Indicated & Inferred	4.2	1.04	0.14	0.5
Nyanza	Indicated & Inferred	2.3	2.73	0.20	0.5
Gori Maria	Indicated	3.8	1.16	0.14	0.5
MK	Indicated & Inferred	1.4	3.07	0.13	0.5
	Total	**29.4**	**1.26**	**1.2**	**0.5**
Macalder Tailings	Measured	1.3	1.65	0.068	N/A

Mining – Gold

Four Points Mining

Colombia

Highlights

- Gold Assets Sold in 2015
- RRR Holds $1m Promissory Note + Royalty Interest up to $3m
- Operated by Para Resources (CVE: PBR)
- Plant Upgrade Programme Planned – Mill 100tpd to 200tpd+
- 2016 Full Year Production Expected to be Between 1,580–1,632oz
- 2017 Production Expected to Grow to 15,000oz

Located in Northwest Colombia near the town of Zaragoza, Antioquia, the site is part of the Zaragoza Gold District, which hosts a number of primary underground gold mines and is considered one of the most prolific gold zones in Colombia. The El Limon mine is operating underground on Levels 6 and 7 where the diluted head grade continues to be over 8 g/t Au. The vein system is open at depth but constrained on both ends by faults and the current operator believes the property offers multiple exploration targets that could significantly increase the life of the mine.

25,000oz

Per Year Targeted by 2018

Mining – Gold

Ivory Coast Exploration

Ivory Coast

Highlights

- Gold Exploration Venture
- Licences Under Application in Central and Eastern Ivory Coast
- Interests in Additional Licences Under Application in Central and Eastern Ivory Coast
- Significant Gold Exploration Potential
- Multiple Gold Deposits Along Trend

Red Rock will, through local subsidiaries, carry out gold and manganese exploration across three licenses in the highly prospective Birimian greenstone belt in the Ivory Coast – a country that is being touted as the next frontier for gold exploration in Africa. Despite containing more than a third of Birimian greenstone geology, due to a relative lack of exploration, Ivory Coast produces much less gold than its neighbouring countries. As an underexplored country with exceptional mineral potential the Company remains bullish on its ultimate prospects for development.

Multiple

Licences and Applications

Mining – Gold

Goldstone

Ghana

Highlights

- AIM Listed Gold Exploration Company With a Focus on Western Africa
- Gold Projects Located in Ghana – Grassroots and Advanced Exploration
- Flagship Project is Homase/Akokerri Located Near AngloGold Ashanti's Obuasi Mine Where 70Moz Have Been Produced
- Homase/Akokerri Has JORC Resource With 602,000oz at an Average Grade of 1.77 g/t

Red Rock holds 9,863,987 shares in Goldstone Resources Ltd, an AIM listed gold exploration company focussed on Central and Western Africa. The Company's main project is the Homase/Akokerri project located within the Ashanti Gold Belt and abutting Anglo Gold Ashanti's Obuasi tenements. Goldstone holds 90% of the Homase license and 100% of the Akokerri license. The project currently has a JORC compliant mineral resource of 10.6m tonnes at an average grade of 1.77g/t for 602,000oz, of which Goldstone controls 93%. A 2,500m RC drilling campaign took place in September and October 2016.

9,863,987 shares

Red Rock Holds 9.65% of Goldstone

Principal Risks and Uncertainties

The principal risks facing the Group and Company are set out below.

Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. For the Company the term risk is understood as the probability of failure and refers to the probability of delivering an undesirable financial outcome for investors.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. Further details of the Group's financial risk management policies can be found in note 22.3.

Andrew Bell
Chairman and CEO
30 November 2016

Key Risk	Description
Market and Funding Risks	• Continued Access to Equity and Debt Capital to Maintain Solvency and to Fund Operations • Excessive Cost of Available Capital – Interest Rate Fluctuations – Discounted Equity Offerings • Currency Volatility in the UK and in Currencies in Which the Company Operates • Company Share Price Volatility • Commodity Investor Risk Appetites • Low World GDP Growth – Perceived Demand for Commodities May Decline • Natural Resource Market Sentiment • Perceived Oversupply of Certain Commodities
Geological Risks	• Base Probability of Exploration and Development Success • Low Rate of Deposits and Reserves Developed from Targets • Geological Setting Variations and Data Uncertainties • Style of Mineralisation and Variability of Geological Targets • Grade/Tonnage Issues – Failure to Achieve Economic Deposits or Reserves During Development
Operational Risks	• Operational and Development Cost Variability and Uncertainty • Natural Resource Policy and Regulatory Changes Impact Operations • Social License to Operate – Permitting and Approvals May be Denied and/or Delayed • Resource Nationalism – Threatens Project Ownership During Development • Infrastructure Access – Poor Infrastructure May Require Government Upgrades and Investment • Staffing and Expertise – Key Geological and Operation Staff May be Difficult to Recruit and Retain • Breakdowns of Key Plant and Equipment • Extreme Weather Conditions at Operational Sites May Delay or Increase the Cost of Operations

Corporate Social Responsibility

Red Rock's Corporate Social Responsibility ("CSR") policy recognises that as a junior explorer and natural resource investor, the Company has a responsibility to the local communities in which it works, ensuring that the projects it brings off the ground are undertaken with responsible behaviours. The Company's framework for CSR places emphasis on stakeholder engagement and information dissemination, ensuring the local community is aware of plans and activities. Where appropriate, the Company also undertakes sustainable development projects including capacity building, scholarships, and other ventures.

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 and H&S inductions, Emergency Response Plans and field team reporting procedures.

Board of Directors

Capable and Synergistic

Andrew Bell
MA, LLB, FGS
Chairman and CEO

Andrew Bell began his career as a natural resources analyst at 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's listed company directorships are Red Rock Resources plc (Executive Chairman) and Jupiter Mines Limited (Non-executive Director). Andrew is also a former Director of Greatland Gold listed on AIM and of Star Striker Ltd, listed on the ASX.

Scott Kaintz
BS, MBA
Executive Director and COO

Scott Kaintz has an MBA from London Business School and Columbia Business School. He started his career as a Military Intelligence Officer and analyst working across Europe, the Middle East and Central Asia. Scott has held operational and managerial roles in the defence industry and worked in corporate finance and investment funds in London, focussing primarily on capital raising efforts and debt and equity investments in small-cap companies.
He joined Red Rock Resources plc in 2011 as Corporate Finance Manager and has subsequently taken on the role of Chief Operations Officer. Scott is also a Director of Regency Mines plc, listed on AIM.

Michael Nott
BSc, MSc, DIC, FIMMM, FMES, FIQ, C.Eng
Non-executive Director

Mike Nott is a geologist and mining engineer by profession and has 40 years' experience in the oil and gas, mining, minerals and quarrying industries.
His early career was based in Zambia including nine years with Roan Consolidated Mines Limited. He was a regional manager for Pioneer Aggregates (UK) Limited, then an Australian company, and later a director of Jay Minerals Services Limited and Hills Aggregates Limited, becoming trading director of ARC (Southern) Limited and production director of C White Limited. He is currently CEO of Alba Mineral Resources plc and a director and CEO of Magyar Mining Limited.

Sam Quinn
BA, LLB
Non-executive Director

Sam Quinn has a Bachelor of Law and Bachelor of Arts 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 nonlisted gold, silver, copper, iron ore and diamond exploration and development companies with operations in various jurisdictions. He is also currently the Director of Corporate Finance and Legal Counsel for the Dragon Group and Lionshead Consultants Limited.

Directors' Report

for the year ended 30 June 2016

The Directors present their twelfth annual report on the affairs of the Group and Parent Company, together with the Group financial statements for the year ended 30 June 2016.

Results and Dividends

The Group's results are set out in the consolidated income statement on page 21. The audited financial statements for the year ended 30 June 2016 are set out on pages 20 to 57.

The Group made a post-tax loss of £283,280 (2015: £8,411,541).

The Directors do not recommend the payment of a dividend.

Business Review and Future Developments

The business review and future developments are dealt with in the Chairman's statement and in the strategic report on pages 2 to 11.

Fundraising and Share Capital

During the year, the Company raised £1,155,323 (2015: £2,327,377) of new equity by the issue of 1,522,807,864 Ordinary shares (2015: 2,727,436,998 shares); further details are given in note 19.

Directors

The Directors who served at any time during the period to date are as follows:
Andrew R M Bell
James F Ladner (Resigned 21 December 2015)
Michael C Nott
Scott Kaintz
Sam Quinn

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2016 were as follows:

	Ordinary shares					
	Direct	Beneficial*	Total	As percentage of issued share capital	Options	Warrants
Andrew R M Bell	7,706,077	4,148,914	11,854,991	3.02%	5,760,000	5,867,167
Michael C Nott	—	4,236,287	4,236,287	1.08%	900,000	421,052
Scott Kaintz	—	4,598,194	4,598,194	1.17%	4,680,000	1,785,714
Sam Quinn	—	3,116,766	3,116,766	0.79%	900,000	1,996,240

* Andrew Bell and Scott Kaintz both hold 2,812,480 shares, Mike Nott holds 2,764,480 shares and Sam Quinn holds 910,000 shares indirectly held by the Share Incentive Plan Trustees. In addition, Andrew Bell indirectly holds 5,600 shares through Beaufort Securities Nominees Limited and 1,330,834 shares in the account of Brewin 1762 Nominees Limited and 2,210,526 shares directly and jointly with Stephanie Bell. Michael Nott indirectly holds 1,471,807 shares jointly with Anna Nott through Barclayshare Nominees Limited. Scott Kaintz indirectly holds 1,785,714 shares through HSBC Client Holdings Nominee UK Limited. Sam Quinn indirectly holds 2,206,766 shares through Fitel Nominees Limited/WH Ireland.

Events After the Reporting Period

The events after the reporting period are set out in note 25 to the financial statements.

Substantial Shareholdings

On 30 June 2016 and 1 November 2016 the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	30 June 2016		1 November 2016	
	Ordinary shares of £0.001 each	Percentage of issued share capital	Ordinary shares of £0.001 each	Percentage of issued share capital
Barclayshare Nominees Limited	55,235,139	14.08%	50,638,984	10.84%
Hargreave Hale Nominees Limited – Designation LON	54,577,427	13.91%	54,577,427	11.68%
TD Direct Investing Nominees (Europe) Limited – Designation SMKTNOMS	25,879,460	6.60%	40,846,912	8.74%
Beaufort Nominees Limited – Designation SSLNOMS	—	—	36,524,108	7.82%
Huntress (CI) Nominees Limited – Designation KGCLT	21,315,971	5.43%	21,315,971	4.56%
Jim Nominees Limited – Designation JARVIS	20,502,531	5.23%	14,992,135	3.21%
HSBC Client Holdings Nominee (UK) Limited – Designation 731504	19,482,553	4.97%	18,226,340	3.90%
HSDL Nominees Limited	16,594,571	4.23%	16,473,605	3.53%
HSDL Nominees Limited – Designation IWEB	14,896,013	3.80%	18,183,923	3.89%
Hargreaves Lansdown (Nominees) Limited – Designation VRA	—	—	16,515,112	3.53%
SVS (Nominees) Limited – Designation POOL	—	—	15,848,388	3.39%
Total number of shares in issue	392,325,740		467,325,740	

Auditor

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

Management Incentives

In the year to 30 June 2016, the Company granted options over a total of 13,320,000 Ordinary shares. As at 30 June 2016, 13,320,000 of these options were outstanding.

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;
- the Company to match the employee's investment by contributing an amount equal to double the employee's investment; and
- the Company to award free shares to a maximum of £3,600 per employee per annum.

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 2016 to executive 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 were 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.

A fee was paid to each Director for the year ended 30 June 2016. In addition, certain fees and expenses were paid to businesses with which the Directors are associated as set out in note 7 to the financial statements.

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

The Company also has a Group Personal Pension Scheme for all eligible employees, including the Directors. The Scheme is an insured, defined contribution arrangement with all members entitled to an employer pension contribution equivalent to 4.5% of basic salary, subject to the individual agreeing to make a minimum contribution to the Scheme equivalent to 4% of basic salary (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 Regency Mines plc, which had a 2.32% interest in the Company as at 30 June 2016. The Company had a 0.67% interest in Regency Mines plc as at 30 June 2016. Two Directors, Andrew Bell and Scott Kaintz, are also directors of and are paid by Regency Mines plc. The amount of their remuneration is not required to be disclosed in the Company financial statements, but is fully disclosed in the financial statements of Regency Mines plc.

Corporate Governance Statement

A corporate governance statement follows on pages 16 and 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.

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.

Directors' Report

for the year ended 30 June 2016 continued

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.

Going Concern

The Group has incurred a loss of £283,280 for the year ended 30 June 2016. At that date there was a net current liability of £945,000. The loss resulted mainly from the £1.5m impairment of the Company's iron exploration assets in Greenland.

During the fiscal year the Company has continued to receive proceeds from the sale of its gold interests in Colombia. Fixed cash payments have now occurred with a total of $1m paid in three tranches. In addition, the Company has a three-year convertible promissory note of US$1.0m secured over the assets of its former gold mine and associated plant and bearing interest of 5% per annum due in 2018. The Company believes that the conversion rights associated with this note have been triggered as of early 2016, and it has announced the intention to pursue realisation of these rights via international arbitration.

Additional payments of up to $2.0m will be paid in the form of a 3% net smelter royalty payable quarterly on gold production and payments began in August 2016. The Company estimates that approximately £360k will be paid out towards the initial $2m royalty during 2017. A final royalty stream of up to $1.0m will be paid following the payment in full of the initial net smelter royalty in the form of a 0.5% net smelter royalty.

On 21 November 2016, Jupiter Mines Ltd, where the Company holds a 1.2% stake, announced that it plans to make a cash distribution to its shareholders, most probably by an equal access share buyback in March 2017. The Company calculates that this should provide cash inflows of approximately £530k and will likely be followed by a second substantial distribution later in 2017. In the longer term Jupiter may look to re-list or to dispose of its main production asset, the Tshipi Manganese Mine in South Africa, which would likely result in a significant pay-out to the Company.

Income streams from the Company's investment in oil production at Shoats Creek, LA, in the United States are expected to increase in 2017 as operational efficiencies improve and additional wells are drilled and reworked and come onstream.

Further the Company has since the first quarter of 2016 begun to receive revenue from the subletting of its offices in downtown London. With a reduced requirement for space the Company moved to monetise its existing lease and has been able to realise meaningful income from its excess office space. The Company's lease currently extends through to December 2017 and discussions on renewal are expected to begin shortly.

In September 2016, the Company paid off the balance of its £250,000 convertible from YA Global Master SPV, Ltd removing all corporate debt from the balance sheet and completing the deleveraging efforts started in 2014.

The Group's cash outflow reduction and restructuring programme came to fruition as corporate headcount was reduced to three individuals by February 2016 and functions including geological and accounting services were outsourced. This has led to total corporate overhead reductions of 60% over the year and the Group has ultimately exceeded anticipated monthly cost reduction targets by 1.8%.

The Directors are confident in the Company's ability to raise new finance from stock markets if this is required during 2017 and the Group has demonstrated a consistent ability to do so. This includes share issuance of 280 million (post-consolidation) shares for a total consideration of £1.45 million since the 2015 financial year-end.

The Directors have concluded that the combination of these circumstances means that preparation of the Group's financial statements on a going concern basis is appropriate. The Company's income has increased due to multiple revenue streams as well the return on prior investments such as Jupiter Mines. The Group expects to receive ongoing cashflows from its Shoats Creek oil investments, the Colombia disposal royalty stream, Jupiter dividends and ongoing office subletting revenue. Thanks to the improving financial and market situation the Company does not anticipate difficulty raising new finance from equity markets if this is required during 2017.

By order of the Board
Signed by:

Andrew Bell
Chairman and CEO
30 November 2016

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. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

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

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 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.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Services Authority incorporate the UK Corporate Governance Code, which sets out the principles of good governance, and the Code of Best Practice for listed companies. The UK Corporate Governance Code does not apply to AIM companies. The Company does not comply with the UK Corporate Governance Code. However, the Directors have reported on Corporate Governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code which are considered to be relevant to the company and best practice.

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 Directors who are charged with consulting the Board on all significant financial and operational matters.

Board of Directors

The Board of Directors comprises five Directors, one of whom is Executive Chairman and Chief Executive as of the year end. In addition, there is one executive Director, one Independent Non-executive Director, being Sam Quinn, and one Non-executive Director who has additionally provided professional services to the Company and who therefore does not qualify as independent.

The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the UK Corporate Governance Code have been implemented to an appropriate level. The Board, through the Executive Chairman and the executive 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 an Executive 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 at this stage of development.

Board meetings

The Board meets regularly throughout the year. During the year ended 30 June 2016 the Board met sixteen times in relation to normal operational matters.

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 at least twice a year, once with the auditor, and is comprised of Michael Nott, Independent Non-executive Director, as Chairman and Sam Quinn, Non-executive Director. The Executive 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 Michael Nott. The Executive Chairman and other senior personnel attend meetings as requested by the Committee which meets at least twice a 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.

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.

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
The Board has adopted the Share Dealing Code contained within the AIM rules 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" (usually two months 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.

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 email.

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

We have audited the financial statements of Red Rock Resources plc for the year ended 30 June 2016 which comprise the consolidated and Company statements of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statements of changes in equity, the consolidated and Company statements of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2016 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's 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.

Rowan J Palmer
Senior Statutory Auditor
for and on behalf of Chapman Davis LLP
Statutory Auditor, Chartered Accountants
London
30 November 2016

Consolidated Statement of Financial Position
as at 30 June 2016

	Notes	30 June 2016 £	30 June 2015 £
Assets			
Non-current assets			
Property, plant and equipment	10	17,400	266
Investments in associates and joint ventures	12	2,459,638	3,968,878
Exploration assets	13	280,460	—
Available for sale financial assets	14	1,976,552	1,331,766
Non-current receivables	16	4,838,559	3,634,270
Total non-current assets		**9,572,609**	**8,935,180**
Current assets			
Cash and cash equivalents	15	26,564	29,426
Other receivables	17	939,554	661,152
Total current assets		**966,118**	**690,578**
Assets classified as held for sale	8	—	—
Total assets		**10,538,727**	**9,625,758**
Equity and liabilities			
Equity attributable to owners of the Parent			
Called up share capital	19	2,752,487	2,600,207
Share premium account		25,275,788	24,285,503
Other reserves		523,431	394,899
Retained earnings		(19,910,736)	(19,747,630)
Total		**8,640,971**	**7,532,979**
Non-controlling interest		(13,736)	(5,491)
Total equity		**8,627,235**	**7,527,488**
Liabilities			
Current liabilities			
Trade and other payables	18	1,854,002	2,098,270
Short-term borrowings	18	57,490	—
Total current liabilities		**1,911,492**	**2,098,270**
Liabilities directly associated with the assets classified as held for sale	8	—	—
Non-current liabilities			
Long-term borrowings	18	—	—
Total non-current liabilities		**—**	**—**
Total equity and liabilities		**10,538,727**	**9,625,758**

These financial statements on pages 20 to 57 were approved by the Board of Directors and authorised for issue on 30 November 2016 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 2016

	Notes	Year to 30 June 2016 £	Year to 30 June 2015 £
Gain on sales of investments		—	4,308
Gain on sale of associates		599,225	—
Impairment of investment in associates and joint ventures	12	(1,500,000)	(1,349,245)
Impairment of available for sale investment	14	—	—
Impairment of amount due from associates		—	(5,280,000)
Exploration expenses		(119,768)	(139,221)
Administration expenses		(758,351)	(952,185)
Share of losses of associates	12	(9,240)	(1,183)
Provision for bad debts		(57,768)	(222,830)
Other income and currency gain on MFP receivable		918,767	30,033
Other currency gain/(loss)		346,155	(382,219)
Finance income, net	4	297,700	565,171
Loss for the year before taxation from continuing operations	3	(283,280)	(7,727,371)
Tax	5	—	—
Loss for the year from continuing operations		**(283,280)**	**(7,727,371)**
Discontinued operations			
Loss after tax for the year from discontinued operations	8	—	(684,170)
Loss for the year		**(283,280)**	**(8,411,541)**
Loss for the year attributable to:			
Equity holders of the Parent		(275,035)	(8,091,951)
Non-controlling interest		(8,245)	(319,590)
		(283,280)	**(8,411,541)**
Loss per share attributable to owners of the Parent:			
Basic loss per share			
– Loss from continuing operations		(0.10) pence	(6.69) pence
– Loss from discontinued operations		—	(0.31) pence
Total	9	**(0.10) pence**	**(7.00) pence**
Diluted			
– Loss from continuing operations		(0.10) pence	(6.69) pence
– Loss from discontinued operations		—	(0.31) pence
Total	9	**(0.10) pence**	**(7.00) pence**

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

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2016

	Notes	30 June 2016 £	30 June 2015 £
Loss for the year		**(283,280)**	**(8,411,541)**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Surplus/(Deficit) on revaluation of available for sale investment	14	157,286	(242,148)
Unrealised foreign currency gain arising upon retranslation of foreign operations		19,905	48,973
Total other comprehensive income net of tax for the year		**177,191**	**(193,175)**
Total comprehensive expense net of tax for the year		**(106,089)**	**(8,604,716)**
Total comprehensive expense net of tax attributable to:			
Owners of the Parent		(97,844)	(8,285,126)
Non-controlling interest		(8,245)	(319,590)
		(106,089)	**(8,604,716)**

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

Consolidated Statement of Changes in Equity
for the year ended 30 June 2016

The movements in equity during the period were as follows:

	Share capital £	Share premium account £	Retained earnings £	Other reserves £	Total attributable to owners of the Parent £	Non-controlling interest £	Total equity £
As at 30 June 2014	1,934,588	22,663,691	(11,671,669)	604,064	13,530,674	60,461	13,591,135
Changes in equity for 2015							
Loss for the year	—	—	(8,091,951)	—	(8,091,951)	(319,590)	(8,411,541)
Disposal of subsidiary	—	—	—	—	—	253,638	253,638
Other comprehensive income for the year	**—**	**—**	**—**	**(193,175)**	**(193,175)**	**—**	**(193,175)**
Transactions with owners							
Issue of shares	655,354	1,656,938	—	—	2,312,292	—	2,312,292
Share issue costs	—	(112,116)	—	—	(112,116)	—	(112,116)
Share issue in relation to SIP	10,265	76,990	—	—	87,255	—	87,255
Share-based payment transfer	—	—	15,990	(15,990)	—	—	—
Total transactions with owners	**665,619**	**1,621,812**	**15,990**	**(15,990)**	**2,287,431**	**—**	**2,287,431**
As at 30 June 2015	**2,600,207**	**24,285,503**	**(19,747,630)**	**394,899**	**7,532,979**	**(5,491)**	**7,527,488**
Changes in equity for 2016							
Loss for the year	—	—	(275,035)	—	(275,035)	(8,245)	(283,280)
Disposal of subsidiary	—	—	—	—	—	—	—
Other comprehensive income for the year	**—**	**—**		**177,191**	**177,191**	**—**	**177,191**
Transactions with owners							
Issue of shares	151,541	1,003,782	—	—	1,155,323	—	1,155,323
Share issue costs	—	(40,500)	—	—	(40,500)	—	(40,500)
Share issue in relation to SIP	740	27,003	—	—	27,743	—	27,743
Share-based payment transfer	—	—	111,929	(48,659)	63,270	—	63,270
Total transactions with owners	**152,281**	**990,285**	**111,929**	**(48,659)**	**1,205,836**	**—**	**1,205,836**
As at 30 June 2016	**2,752,488**	**25,275,788**	**(19,910,736)**	**523,431**	**8,640,971**	**(13,736)**	**8,627,235**

	Available for sale trade investments reserve £	Associate investments reserve £	Foreign currency translation reserve £	Share-based payment reserve £	Total other reserves £
As at 30 June 2014	383,958	—	92,187	127,919	604,064
Changes in equity for 2015					
Other comprehensive income for the year	**(242,148)**	**—**	**48,973**	**—**	**(193,175)**
Transactions with owners					
Share-based payment transfer	—	—	—	(15,990)	(15,990)
Total transactions with owners	**—**	**—**	**—**	**(15,990)**	**(15,990)**
As at 30 June 2015	**141,810**	**—**	**141,160**	**111,929**	**394,899**
Changes in equity for 2016					
Other comprehensive income for the year	**157,286**	**—**	**19,905**	**—**	**177,191**
Transactions with owners					
Share-based payment transfer	—	—	—	(48,659)	(48,659)
Total transactions with owners	**—**	**—**	**—**	**(48,659)**	**(48,659)**
As at 30 June 2016	**299,096**	**—**	**161,065**	**63,270**	**523,431**

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2016

	Notes	Year to 30 June 2016 £	Year to 30 June 2015 £
Cash flows from operating activities			
(Loss) before tax from continuing operations		(283,280)	(7,727,371)
(Loss) before tax from discontinued operations	8	—	(721,226)
(Loss) before tax		(283,280)	(8,448,597)
Decrease/(Increase) in receivables		(936,540)	4,898,171
Decrease in payables		(244,269)	(4,885,663)
Share of losses in associates		9,240	1,183
Interest receivable and finance income		(323,229)	(668,438)
Interest payable		25,529	103,267
Share-based payments		91,013	72,170
Foreign exchange gain/loss		(292,230)	411,988
Impairment of associates and joint ventures		1,500,000	6,629,245
Impairment of assets classified as held for sale	8	—	64,406
Gain on sale of associates		(599,225)	—
Gain on sale of investments		—	(4,308)
Provision for bad debts		57,769	222,830
Depreciation		867	4,834
Net cash outflow from operations		**(994,356)**	**(1,598,912)**
Corporation tax reclaimed/(paid)		—	37,056
Net cash used in operations		**(994,356)**	**(1,561,856)**
Cash flows from investing activities			
Interest received		34,785	125
Proceeds of sale of investments		—	14,378
Proceeds of sale of associates		599,225	—
Proceeds of sale of subsidiary		—	292,141
Payments to acquire available for sale investments		(487,500)	—
Payments to acquire exploration assets		(280,460)	—
Payments to acquire property, plant and equipment		(18,000)	—
Net cash inflow from investing activities		**(151,950)**	**306,644**
Cash flows from financing activities			
Proceeds from issue of shares		1,155,323	2,327,377
Transaction costs of issue of shares		(40,500)	(112,116)
Interest paid		(25,529)	(103,267)
Proceeds of new borrowings		175,000	—
Repayments of borrowings		(120,850)	(882,974)
Net cash inflow from financing activities		**1,143,444**	**1,229,020**
Net (decrease)/increase in cash and cash equivalents		**(2,862)**	**(26,192)**
Cash and cash equivalents at the beginning of period		29,426	55,618
Cash and cash equivalents at end of period	15	**26,564**	**29,426**

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

Company Statement of Financial Position
as at 30 June 2016

	Notes	30 June 2016 £	30 June 2015 £
Assets			
Non-current assets			
Property, plant and equipment	10	17,400	266
Investments in subsidiaries	11	941	131
Investments in associates and joint ventures	12	2,544,765	4,299,422
Available for sale financial assets	14	1,976,552	1,331,766
Non-current receivables	16	4,838,558	3,634,270
Total non-current assets		**9,378,216**	**9,265,855**
Current assets			
Cash and cash equivalents	15	24,370	22,841
Other receivables	17	1,273,496	703,172
Total current assets		**1,297,866**	**726,013**
Assets classified as held for sale	8	—	—
Total assets		**10,676,082**	**9,991,868**
Equity and liabilities			
Called up share capital	19	2,752,489	2,600,207
Share premium account		25,275,784	24,285,503
Other reserves		363,715	255,090
Retained earnings		(19,606,456)	(19,242,714)
Total equity		**8,785,532**	**7,898,086**
Liabilities			
Current liabilities			
Trade and other payables	18	1,833,060	2,093,782
Short-term borrowings	18	57,490	—
Total current liabilities		**1,890,550**	**2,093,782**
Non-current liabilities			
Long-term borrowings	18	—	—
Total equity and liabilities		**10,676,082**	**9,991,868**

These financial statements on pages 20 to 57 were approved by the Board of Directors and authorised for issue on 30 November 2016 and are signed on its behalf by:

Andrew Bell
Chairman and CEO

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

Company Statement of Changes in Equity
for the year ended 30 June 2016

The movements in equity during the period were as follows:

	Share capital £	Share premium account £	Retained earnings £	Other reserves £	Total equity £
As at 30 June 2014	**1,934,588**	**22,663,691**	**(11,207,345)**	**513,228**	**13,904,162**
Changes in equity for 2015					
Loss for the year	—	—	(8,051,359)	—	(8,051,359)
Other comprehensive income for the year	**—**	**—**	**—**	**(242,148)**	**(242,148)**
Transactions with owners					
Issue of shares	655,354	1,656,938	—	—	2,312,292
Share issue costs	—	(112,116)	—	—	(112,116)
Share issues in relation to SIP	10,265	76,990	—	—	87,255
Share-based payment transfer	—	—	15,990	(15,990)	—
Total transactions with owners	**665,619**	**1,621,812**	**15,990**	**(15,990)**	**2,287,431**
As at 30 June 2015	**2,600,207**	**24,285,503**	**(19,242,714)**	**255,090**	**7,898,086**
Changes in equity for 2016					
Loss for the year	—	—	(475,671)	—	(475,671)
Other comprehensive income for the year	**—**	**—**	**—**	**157,286**	**157,286**
Transactions with owners					
Issue of shares	151,541	1,003,782	—	—	1,155,323
Share issue costs	—	(40,500)	—	—	(40,500)
Share issues in relation to SIP	740	27,003	—	—	27,743
Share-based payment transfer	—	—	111,929	(48,659)	63,270
Total transactions with owners	**152,281**	**990,285**	**111,929**	**(48,659)**	**1,205,836**
As at 30 June 2016	**2,752,488**	**25,275,788**	**(19,606,456)**	**363,717**	**8,785,537**

	Available for sale trade investments reserve £	Share-based payment reserve £	Total other reserves £
As at 30 June 2014	**385,309**	**127,919**	**513,228**
Changes in equity for 2015			
Other comprehensive income for the year	**(242,148)**	**—**	**(242,148)**
Transactions with owners			
Share-based payment transfer	—	(15,990)	(15,990)
Total transactions with owners	**—**	**(15,990)**	**(15,990)**
As at 30 June 2015	**143,161**	**111,929**	**255,090**
Changes in equity for 2016			
Other comprehensive income for the year	**157,286**	**—**	**157,286**
Transactions with owners			
Share-based payment transfer	—	(48,659)	(48,659)
Total transactions with owners	**—**	**(48,659)**	**(48,659)**
As at 30 June 2016	**300,447**	**63,270**	**363,717**

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

Company Statement of Cash Flows
for the year ended 30 June 2016

	30 June 2016 £	30 June 2015 £
Cash flows from operating activities		
Loss before taxation	(475,671)	(8,051,359)
Increase in receivables	(1,229,274)	(240,028)
Decrease in payables	(260,726)	(399,213)
Interest receivable and finance income	(323,229)	(668,438)
Interest payable	24,575	101,395
Share-based payments	91,013	72,170
Impairment of assets held for sale	—	358,987
Impairment of investments in associates and joint ventures	1,500,000	6,674,451
(Gain) on sale of investments	—	(4,308)
(Gain) on sale of associates	(344,569)	—
Provision for bad debts	57,769	222,830
Unrealised foreign exchange (gain)/loss	(312,134)	363,015
Depreciation	867	4,834
Net cash outflow from operations	**(1,271,379)**	**(1,565,664)**
Corporation tax	—	—
Net cash used in operations	**(1,271,379)**	**(1,565,664)**
Cash flows from investing activities		
Interest received	34,785	125
Proceeds of sale of investments	—	14,378
Proceeds from sale of subsidiary	—	292,141
Proceeds from sale of associates	599,225	—
Payments to acquire available for sale investments	(487,500)	—
Payments to acquire property plant and equipment	(18,000)	—
Net cash outflow from investing activities	**128,510**	**306,644**
Cash flows from financing activities		
Proceeds from issue of shares	1,155,323	2,327,377
Transaction costs of issue of shares	(40,500)	(112,116)
Interest paid	(24,575)	(101,395)
Proceeds of new borrowings	175,000	—
Repayments of borrowings	(120,850)	(882,974)
Net cash inflow from financing activities	**1,144,398**	**1,230,892**
Net increase/(decrease) in cash and cash equivalents	**1,529**	**(28,128)**
Cash and cash equivalents at the beginning of period	22,841	50,969
Cash and cash equivalents at end of period	**24,370**	**22,841**

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 2016

1 Principal accounting policies

1.1 Authorisation of financial statements and statement of compliance with IFRS

The Group financial statements of Red Rock Resources plc for the year ended 30 June 2016 were authorised for issue by the Board on 30 November 2016 and the statement of financial position signed on the Board's behalf by Andrew Bell. 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.

1.2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as endorsed by the EU ("IFRS") and the requirements of the Companies Act applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

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 £475,671 (2015: £8,051,359). The Company's other comprehensive income for the financial year was £157,286 (2015: £242,148 expense).

Amendments to published standards effective for the year ended 30 June 2016

New standards, amendments and interpretations adopted by the Company

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 July 2014 are not material to the Company.

New standards, amendments and interpretations not yet adopted

At the date of authorisation 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 for the year presented:

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.
- IFRS 14 in respect of Regulatory Deferral Accounts which will be effective for accounting periods beginning on or after 1 January 2016.
- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2017.
- Amendments to IFRS 10, IFRS 12 and IAS 28 in respect of the application of the consolidation exemption to investment entities which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IFRS 10 and IAS 28 in respect of the treatment of a sale or contribution of assets between an investor and its Associate or Joint Venture which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IFRS 11 in respect of Accounting for Acquisitions of Interest in Joint Operations which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 1 in respect of determining what information to disclose in annual financial statements which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 16 and IAS 38 in respect of Clarification of Acceptable Methods of Depreciation and Amortisation which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 16 and IAS 41 in respect of Bearer Plants which will be effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 27 to allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates which will be effective for accounting periods beginning 1 January 2016.
  - Annual improvements to IFRS's which will be effective for accounting periods beginning on or after 1 January 2016 as follows:
  - IFRS 5 – Changes in methods of disposal
  - IFRS 7 – Servicing contracts
  - IFRS 7 – Applicability of the amendments to IFRS 7 to condensed interim financial statements
  - IAS 19 – Discount rate: Regional market issue
  - IAS 34 – Disclosure of information "elsewhere in the interim financial report"

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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 Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

For the year ended 30 June 2016, the consolidated financial statements combine those of the Company with those of its subsidiaries, Red Rock Australasia Pty Ltd, Red Rock Inc. and Red Rock Kenya Ltd.

The Group's dormant subsidiary, Intrepid Resources Limited and the two subsidiaries in the Ivory Coast, 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 aims of 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 Property, plant and equipment

Assets in the course of construction are stated at cost, less any identified impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Field equipment and fixtures and fittings are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following bases:

Mines	5% per annum
Field equipment	33% per annum
Fixtures and fittings	10% per annum
Assets under construction	not depreciated until brought into use

Notes to the Financial Statements for the year ended 30 June 2016 continued

1 Principal accounting policies continued

1.4 Summary of significant accounting policies continued

1.4.2 Investment in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or jointly control, 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 are 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 a Group company 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 accounts 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 Company has 60% interest in Melville Bay Limited (formerly known as "NAMA Greenland Limited"). The Company does not have significant control over Melville Bay Limited but has joint control along with North Atlantic Mining Associates Limited and International Media Projects Ltd through a contractual joint venture arrangement making it a jointly controlled entity.

The Group recognises its interest in the 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 balance sheet 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.

Financial statements of the jointly controlled entity are prepared as at and for the year ended 30 November 2015. The joint venture entity prepares, for the use of the Group, financial statements as of the same date as the financial statements of the Group. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Group and to reflect impairment losses where appropriate. Adjustments are also made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

1.4.4 Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

When a non-current asset ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) the asset is measured at the lower of: its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale; and its recoverable amount at the date of the subsequent decision not to sell.

1.4.5 Taxation

Corporation tax payable is provided on taxable profits at the current rate. The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit 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 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 nor the accounting profit.

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.

1.4.6 Foreign currencies

Both the functional and presentational currency of Red Rock Resources plc is 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), Kenyan Shillings, US Dollars (USD) and West Africa Franc (CFA).

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 retranslated 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 retranslation 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.

Notes to the Financial Statements for the year ended 30 June 2016 continued

1 Principal accounting policies continued

1.4 Summary of significant accounting policies continued

1.4.7 Share-based payments

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 statements of income with a corresponding increase in equity reserves – the share-based payment reserve.

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. There are no market vesting conditions. The exercise price is fixed at the date of grant.

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.

1.4.8 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 the profit and loss account as they become payable.

1.4.9 Finance costs/revenue

Borrowing costs are recognised on an accruals basis using the effective interest method.

Finance revenue 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 through the expected life of the financial asset to the net carrying amount of the financial asset.

1.4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised where the Group has become party to the contractual provisions of the instrument.

Financial assets

Investments

Investments in subsidiary companies 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.

Investments in associate companies 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.

Available for sale financial assets

Equity investments intended to be held for an indefinite period of time are classified as available for sale investments. They are carried at fair value, where this can be reliably measured, with movements in fair value recognised in other comprehensive income and debited or credited to the available for sale trade investments reserve. Where the fair value cannot be reliably measured, the investment is carried at cost or a lower valuation where the Directors consider the value of the investment to be impaired.

Available for sale investments are included within non-current assets. On disposal, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in reserves is recognised in the statement of income.

Income from available for sale investments is accounted for in the statement of income when the right to receive it has been established.

The Group assesses at each reporting date whether there is objective evidence that an investment is impaired. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Restricted cash
Cash which is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period is not considered cash and cash equivalents and is classified as restricted cash.

Trade and other receivables
Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An allowance for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

After initial recognition these assets are measured at amortised cost using the effective interest method less provision for impairment.

Financial liabilities and equity
Trade and other payables
Trade and other payables are initially recognised at fair value and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Borrowings
Borrowings are recorded initially at their fair value, plus directly attributable transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in profit or loss over the term of the instrument using an effective rate of interest.

Deferred and contingent consideration
Where it is probable that deferred or contingent consideration is payable on the acquisition of a business based on an earn out arrangement, an estimate of the amount payable is made at the date of acquisition and reviewed regularly thereafter, with any change in the estimated liability being reflected in the income statement. Where deferred consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest.

Equity instruments
Equity instruments issued by the Company are recorded at fair value at initial recognition net of issue costs.

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:

Notes to the Financial Statements for the year ended 30 June 2016 continued

1 Principal accounting policies continued

1.5 Significant accounting judgements, estimates and assumptions continued

Going concern

The Group has incurred a loss of £283,280 for the year ended 30 June 2016. At that date there was a net current liability of £945,000. The loss resulted mainly from the £1.5m impairment of the Company's iron exploration assets in Greenland.

During the fiscal year the Company has continued to receive proceeds from the sale of its gold interests in Colombia. Fixed cash payments have now occurred with a total of $1m paid in three tranches. In addition, the Company has a three-year convertible promissory note of US$1.0m secured over the assets of its former gold mine and associated plant and bearing interest of 5% per annum due in 2018. The Company believes that the conversion rights associated with this note have been triggered as of early 2016, and it has announced the intention to pursue realisation of these rights via international arbitration.

Additional payments of up to $2.0m will be paid in the form of a 3% net smelter royalty payable quarterly on gold production and have commenced as of August 2016. The Company estimates that approximately £360k will be paid out towards the initial $1m royalty during 2017. A final royalty stream of up to $1.0m will be paid following the payment in full of the initial net smelter royalty in the form of a 0.5% net smelter royalty.

On 21 November 2016, Jupiter Mines Ltd, where the Company holds a 1.2% stake announced that it plans to initiate a share buyback in March 2017. The Company calculates that this should provide cash inflows of approximately £530k and will likely be followed by a second buyback later in 2017. In the longer term Jupiter may look to dispose of its main production asset, the Tshipi Manganese Mine in South Africa, which would likely result in a significant dividend pay-out to the Company.

Income streams from the Company's investment in oil production at Shoats Creek, LA, in the United States are expected to increase in 2017 as operational efficiencies improve and additional wells are drilled and reworked and come onstream.

Further the Company has since the first quarter of 2016 begun to receive revenue from the subletting of its offices in downtown London. With a reduced requirement for space the Company moved to monetise its existing lease and has been able to realise meaningful income from its excess office space. The Company's lease currently extends through to December 2017.

In September 2016, the Company paid off the balance of its £250,000 convertible from YA Global Master SPV, Ltd removing all corporate debt from the balance sheet and completing the deleveraging efforts started in 2014.

The Group's cash outflow reduction and restructuring programme came to fruition as corporate headcount was reduced to three individuals by February 2016 and functions including geological and accounting services were outsourced. This has led to total corporate overhead reductions of 60% and the Group has ultimately exceeded anticipated monthly cost reduction targets by 1.8%.

The Directors are confident in the Company's ability to raise new finance from stock markets if this is required during 2017 and the Group has demonstrated a consistent ability to do so. This includes share issuance of 234 million (post-consolidation) shares for a total consideration of £1.26 million since the 2015 financial year-end.

The Directors have concluded that the combination of these circumstances means that preparation of the Group's financial statements on a going concern basis is appropriate. The Company's income has increased due to multiple revenue streams as well the return on prior investments such as Jupiter Mines. The Group expects to receive ongoing cashflows from its Shoats Creek oil investments, the Colombia disposal royalty stream and ongoing office subletting revenue. Thanks to the improving financial and market situation the Company does not anticipate difficulty raising new finance from equity markets if this is required during 2017.

Recognition of holdings less than 20% as an associate

The Company owns 15% of the issued share capital of Mid Migori Mining Company Limited ("MMM"). Andrew Bell is a member of the board of MMM. In accordance with IAS 28, the Directors of the Company consider this, 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 year ended 30 June 2016.

The effect of recognising MMM as an available for sale financial asset would be to decrease the loss by £8,245.

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 selling price of assets held for sale, the useful lives of property plant and equipment, the bad debt provision and the fair values of our financial assets and liabilities.

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
- 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.

For unquoted equity investments, we have based our valuation on the weighted average share price of actual sale transactions which we consider as level 2 of the fair value hierarchy as they are based on indirectly observable inputs. In the absence of a quoted liquid market for Jupiter shares directly determining their value, the Company applied two different methodologies to estimate the fair value of its holding. These included an Adjusted Net Asset Method and a Market Approach. Under the Adjusted Net Asset method, the final results of Jupiter for the year ended 28 February 2015 announced on 26th June 2015, as well as the independent business valuation on the Tshipi asset by Venmyn Deloitte were used to provide relevant data points. Taking the net asset value, an adjusted hard asset only net asset value, and a further adjusted asset value modified using figures from Venmyn Deloitte, management arrived at an average value of 19.8 cents per share and a total valuation of AUD 5.40m (£2.63m).

Applying a discount of 40% to this for illiquidity would reduce the fair value to 11.88 cents per share or AUD 3.24m (£1.58m). Under the Market Approach, the Company considered all the transactions involving Jupiter shares since de-listing. A total of thirty five transactions occurred between the de-listing date in January 2014 and the 2015 financial year-end, at an average price of 9.8 cents per share. This period is determined to be representative of the fair value at year end since there were no significant changes to the business and the transactions were considered orderly. After careful consideration of all the facts and circumstances that existed at the year-end date, Management believes that greater weight should be given to the actual transactions between buyers and sellers rather than the net asset value figures. Thus, the market value approach was determined to be more suitable, and the corresponding 9.8 cents per share value implies that the Company's holding in Jupiter Mines is valued at AUD 2.68m (£1.30m). The Company reviewed the above handling of the Jupiter Mines investment at the year end 30 June 2016 and after inquiring with Jupiter regarding whether additional transactions of Jupiter shares had occurred and upon learning that none had transpired, the decision was made to continue to use the available market value approach data to value the Jupiter investment.

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.

Notes to the Financial Statements for the year ended 30 June 2016 continued

1 Principal accounting policies continued

1.5 Significant accounting judgements, estimates and assumptions continued

Impairment of financial assets

The Group follows the guidance of IAS 39 to determine when a financial asset or a group of financial assets is impaired. 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 available for sale, 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.

As a result of the Group's evaluation, no impairment on available for sale financial assets was recognised in the income statement for the year ended 30 June 2016.

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.

Amounts due from associates

As a result of the Group's evaluation of its non-financial assets, an impairment loss of £1,500,000 on investments in associates and joint ventures was recognised in the income statement (2015: £1,349,245) This relates to the Company's iron ore assets in Greenland. Management recognises that the ongoing price weaknesses of iron ore and global growth rates, are all factors which indicate a further impairment may be required in the Greenland asset. In estimating the level of this impairment, management have considered factors such as the outlook for the iron ore market and the infrastructure which would be required to produce iron ore for the Greenland asset. It was decided that a valuation based on the income approach would not be appropriate due to the relative infancy of the project, and an inability to accurately project cash-flows in a meaningful way. After extensive review and analysis, a final impairment value of £1.5m (2015: 1.349m) for the year was thus determined to be most appropriate.

The Company conducted a review of the carrying value of the amount receivable from Mid Migori Mining Company Limited in relation to the Kenya asset. For the purpose of impairment review, the company views this receivable as part of its net investment in the associate and hence followed the guidance of IAS 36. Management recognise that the recent variability in gold prices, change in market fundamentals based on demand from key consumers, concerns around the global macroeconomic environment in general, and the key uncertainty relating to the renewals of licences can all have an effect on the value of this project. The Company is currently engaged via its local partner in Kenya, Mid Migori Mining, in a legal challenge of the purported termination of its Special License numbers 122 and 202. In May 2015 the Company was granted a leave to institute judicial review proceedings and a stay on the implementation of the Ministry of Mines revocation decision, which is currently ongoing. Red Rock has also applied via a local affiliate, Red Rock Kenya, for the same ground covered by the existing licenses. While the Company feels it has a strong and quite valid case for retention of the licenses and the existing JORC resource the ongoing legal process makes the timing of any resolution unclear and difficult to project.

2 Segmental analysis

The Group considered 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. Its mining segment, which has now been sold, is currently presented as discontinued operations on the face of the income statement and is excluded from the continuing operations segmental analysis below.

	Investment		Exploration		Other	
Year to 30 June 2016	**Jupiter Mines Limited £**	**Other investments £**	**Australian exploration £**	**African exploration £**	**Corporate and unallocated £**	**Total £**
Gain on sales of investments	—	—	—	—	—	—
Impairment of amounts due from associates and ventures	—	—	—	—	—	—
Impairment of investments in associates and joint ventures	—	(1,500,000)	—	—	—	(1,500,000)
Exploration expenses	—	(51,321)	1,277	(51,942)	(15,228)	(119,768)
Administration expenses (excl. other income)*	—	—	(1,176)	(12,669)	(744,505)	(758,350)
Currency gain/(loss)	—	—	26,800	—	319,355	346,155
(Provision for)/Reversal of provision for bad debts	—	(57,769)	—	—	—	(57,769)
Share of losses in associates	—	—	—	—	(9,240)	(9,240)
Other income	—	—	—	—	1,517,992	1,517,992
Finance (cost)/income, net	—	—	—	(954)	298,654	297,700
Net profit/(loss) before tax from continuing operations	**—**	**(1,609,090)**	**24,347**	**(65,566)**	**1,367,029**	**(283,280)**

* Included in administration expenses is a depreciation charge of £867.

	Investment		Exploration		Other	
Year to 30 June 2015	Jupiter Mines Limited £	Other investments £	Australian exploration £	African exploration £	Corporate and unallocated £	Total £
Gain on sales of investments	—	4,308	—	—	—	4,308
Impairment of available for sale investments	—	—	—	(5,280,000)	—	(5,280,000)
Impairment of investments in associates and joint ventures	—	(1,349,245)	—	—	—	(1,349,245)
Exploration expenses	—	(65,960)	16,710	(81,409)	(8,562)	(139,221)
Administration expenses (excl. other income)*	—	—	(2,895)	(11,677)	(937,613)	(952,185)
Currency loss	—	—	(35,648)	—	(346,571)	(382,219)
(Provision for)/Reversal of provision for bad debts	—	(222,830)	—	—	—	(222,830)
Share of losses in associates	—	—	—	—	(1,183)	(1,183)
Other income	—	—	—	—	30,033	30,033
Finance income, net	—	—	—	(1,872)	567,042	565,170
Net profit/(loss) before tax from continuing operations	**—**	**(1,633,727)**	**(21,833)**	**(5,374,958)**	**(696,854)**	**(7,727,372)**

* Included in administration expenses is a depreciation charge of £4,834.

Notes to the Financial Statements for the year ended 30 June 2016 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 2016	UK £	USA £	Greenland £	Africa £	Total £
Revenue					
Gain on sales of investments	—	—	—	—	—
Total segment revenue and other gains	**—**	**—**	**—**	**—**	**—**
Non-current assets					
Property, plant and equipment	17,400	—	—	—	17,400
Investments in associates and joint ventures	—	—	1,496,550	963,089	2,459,639
Exploration assets	—	280,460	—	—	280,460
Total segment non-current assets	**17,400**	**280,460**	**1,496,550**	**963,089**	**2,757,499**
Available for sale financial assets					**1,976,552**
Non-current receivables					**4,838,558**
Total non-current assets					**9,572,609**

Year ended 30 June 2015	UK £	Australia £	Greenland £	Africa £	Total £
Revenue					
Gain on sales of investments	4,308	—	—	—	4,308
Total segment revenue and other gains	**4,308**	**—**	**—**	**—**	**4,308**
Non-current assets					
Property, plant and equipment	266	—	—	—	266
Investments in associates and joint ventures	—	—	2,997,060	971,818	3,968,878
Total segment non-current assets	**266**	**—**	**2,997,060**	**971,818**	**3,969,144**
Available for sale financial assets					1,331,766
Non-current receivables					3,634,270
Total non-current assets					**8,935,180**

3 Loss for the year before taxation

Loss for the year before taxation is stated after charging:

	2016 £	2015 £
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of consolidated and Company financial statements	20,000	20,000
Directors' emoluments	270,873	157,169
Share-based payments – Directors	82,470	24,000
Share-based payments – staff	8,543	48,170
Depreciation – continuing operations	867	4,834
Other income and currency gain on MFP receivable	918,767	30,033
Other currency gain/(loss)	(346,155)	382,219

4 Finance income/(costs), net

	2016 £	2015 £
Interest income	323,229	668,438
Interest expense	(24,575)	(103,267)
	298,654	**565,171**

Interest income comes mainly from non-current receivables from an associate. Please refer to note 16.

5 Taxation

	Notes	2016 £	2015 £
Current period taxation on the Group			
UK corporation tax at 20% (2015: 20.75%) on profits for the period		—	—
Deferred tax			
Origination and reversal of temporary differences		—	—
Deferred tax assets not recognised		—	—
Tax credit		**—**	**—**
Factors affecting the tax charge for the year			
Loss on ordinary activities before taxation		(283,280)	(8,411,542)
Loss on ordinary activities at the average UK standard rate of 20% (2015: 20.75%)		(56,656)	(1,745,395)
Impact of gain on disposal of associates and subsidiaries		(117,997)	74,738
Effect of expenditure not deductible		324,381	1,358,309
Effect of non-taxable income		—	—
Utilisation of prior year losses		(149,728)	312,348
Tax charge		**—**	**—**
Tax credit arising from continuing operations		—	—
Tax credit arising from discontinued operations	8	—	—
Total tax credit		**—**	**—**

Deferred tax amounting to £nil (2015: £nil) relating to the Group's investments was recognised in the statement of comprehensive income.

Finance Act 2013 set the main rate of corporation tax at 20% from 1 April 2015 and at 20% from 1 April 2016. Therefore deferred tax assets/(liabilities) are calculated at 20% (2015: 20%).

Notes to the Financial Statements
for the year ended 30 June 2016 continued

6 Staff costs

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

	2016 £	2015 £
Wages and salaries	284,473	546,749
Pension	15,637	19,083
Social security costs	21,692	60,174
Severance costs	14,679	—
Employee share-based payment charge	91,013	72,170
Total staff costs	**427,494**	**698,176**

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

	2016 Number	2015 Number
Executives	4	4
Administration	1	12
Exploration	—	5
	5	**21**

The Company's staff also work for Regency Mines plc and staff costs of £24,687 (2015: £44,031) were recharged during the year. Such charges are offset against administration expenses in the income statement.

The key management personnel are the Directors and their remuneration is disclosed within note 7.

7 Directors' emoluments

2016	Directors' fees £	Consultancy fees £	Share Incentive Plan £	Pension contributions £	Social security costs £	Total £
Executive Directors						
A R M Bell	88,750	15,000	8,813	6,443	7,655	126,661
S Kaintz	65,000	—	8,813	3,284	6,468	83,565
Other Directors						
J F Ladner	9,000	—	—	—	651	9,651
M C Nott	18,000	—	8,632	909	1,027	28,568
S Quinn	18,069	—	3,412	—	945	22,426
	198,819	**15,000**	**29,670**	**10,636**	**16,746**	**270,871**

2015	Directors' fees £	Consultancy fees £	Share Incentive Plan £	Pension contributions £	Social security costs £	Total £
Executive Directors						
A R M Bell	61,750	15,000	6,000	3,361	5,384	91,495
Other Directors						
J F Ladner	16,500	8,500	6,000	—	956	31,956
M C Nott	16,500	8,500	6,000	795	905	32,700
J Watkins	16,500	1,500	6,000	—	1,018	25,018
	111,250	**33,500**	**24,000**	**4,156**	**8,263**	**181,169**

The number of Directors who exercised share options in the year was nil (2015: nil).

During the year, the Company contributed to a Share Incentive Plan more fully described in the Directors' Report on page 12. 4,550,000 (2015: 3,529,411) free shares were issued to each employee, including Directors, making a total of 8,822,000 (2015: 14,117,644) free shares issued.

8 Assets classified as held for sale at 30 June 2015

Four Points Mining SAS

On 13 May 2015 the transaction to sell, and Colombia Milling Limited ("CML") to buy, (a) a 100% interest in American Gold Mines Limited ("AGM"), which owns a 50.002% interest in Four Points Mining SAS ("FPM"), the owner of the El Limón mine, and (b) its loans to FPM, for a total consideration of USD5,000,000, was completed. Payment of the unchanged consideration of USD5,000,000 will occur in tranches. The initial payment of USD100,000 was previously made in respect of CML's due diligence review. The first tranche of USD450,000 was paid at the closing of the transaction ("Completion"). The second tranche of USD225,000 was paid in February 2016 and the third tranche of USD225,000 was paid in August 2016. A further payment of USD1,000,000 will be satisfied by the issuance by CML to Red Rock at Completion of a three year convertible 5% promissory note ("PN"), secured on the acquired shares in AGM and providing that during the duration of the loan, CML will procure that AGM does not alienate or dispose of its interest in FPM. Security for the PN will be held in the form of a charge over 100% of the shares in AGM and conversion is possible following any listing of CML or transfer of the assets into a public vehicle.

Additional payments of up to USD2,000,000 will be paid in the form of a 3% net smelter return royalty ("First NSR") payable quarterly on gold production from FPM commencing on the earlier of (a) 9 months from Completion; and (b) the achievement of commercial gold production and processing through the El Limon plant of at least 100 tons per day for 30 consecutive calendar days. A final royalty stream of up to USD1,000,000 will be paid following the payment in full of the First NSR in the form of a 0.5% net smelter return royalty ("Second NSR") payable quarterly on gold production from FPM. A 7% commission is payable to Ariel Partners on the transaction.

9 Loss per share

The basic 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 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.

The following reflects the loss and share data used in the basic and diluted earnings per share computations:

	2016	2015 (restated)
Loss attributable to equity holders of the parent from continuing operations	£(275,035)	£(7,721,880)
Loss attributable to equity holders of the parent from discontinued operations	—	£(370,071)
Loss attributable to equity holders of the Parent	£(275,035)	£(8,091,951)
Weighted average number of Ordinary shares of £0.0001 (2015: £0.001) in issue	263,154,543	115,363,741
Loss per share – basic	(0.10) pence	(7.00) pence
Weighted average number of Ordinary shares of £0.0001 (2015: £0.001) in issue inclusive of outstanding dilutive options*	263,154,543	115,363,741
Loss per share – fully diluted	(0.10) pence	(7.00) pence

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

	2016	2015 (restated)
Loss per share denominator	263,154,543	115,363,741
Weighted average number of exercisable share options	—	—
Diluted loss per share denominator*	**263,154,543**	**115,363,741**

* In accordance with IAS 33, the diluted earnings per share denominator takes into account the difference between the average market price of Ordinary shares in the year and the weighted average exercise price of the outstanding options. The Group has weighted average share options of 2,169,727 (2015: 7,265,753). These were not included in the calculation of diluted earnings per share because all the options are not likely to be exercised given that even the lowest exercise price is substantially higher than the market price and are therefore non-dilutive for the period presented.

The 2015 loss per share has been restated to reflect the capital reorganisation on 21 December 2015. The impact of this reorganisation would be to increase the loss per share from 0.28 pence to 7 pence per share.

Notes to the Financial Statements for the year ended 30 June 2016 continued

10 Property, plant and equipment

Group	Mines £	Field equipment and machinery £	Fixtures and fittings £	Assets under construction £	Total £
Cost					
At 1 July 2014	—	34,607	28,649	—	63,256
Additions	—	—	—	—	—
Disposals	—	—	(842)	—	(842)
Currency exchange	—	—	—	—	—
At 30 June 2015	—	34,607	27,807	—	62,414
Additions	—	—	18,000	—	18,000
Disposals	—	—	—	—	—
At 30 June 2016	**—**	**34,607**	**45,807**	**—**	**80,414**
Depreciation and impairment					
At 1 July 2014	—	(31,980)	(26,176)	—	(58,156)
Depreciation charge	—	(2,627)	(2,207)	—	(4,834)
Disposal	—	—	842	—	842
Currency exchange	—	—	—	—	—
At 30 June 2015	—	(34,607)	(27,541)	—	(62,148)
Depreciation charge	—	—	(866)	—	(866)
Disposals	—	—	—	—	—
At 30 June 2016	**—**	**(34,607)**	**(28,407)**	**—**	**(63,014)**
Net book value					
At 30 June 2016	**—**	**—**	**17,400**	**—**	**17,400**
At 30 June 2015	—	—	266	—	266

Of the depreciation charge, £866 (2015: £4,834) is included within other expenses in the income statement.

Company	Field equipment and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 July 2014	34,607	28,649	63,256
Additions	—	—	—
Disposals	—	(842)	(842)
At 30 June 2015	34,607	27,807	62,414
Additions	—	18,000	18,000
Disposals	—	—	—
At 30 June 2016	**34,607**	**45,807**	**80,414**
Depreciation			
At 1 July 2014	(31,980)	(26,176)	(58,156)
Charge	(2,627)	(2,207)	(4,834)
At 30 June 2015	(34,607)	(27,541)	(62,148)
Charge	—	(866)	(866)
Disposals	—	—	—
At 30 June 2016	**(34,607)**	**(28,407)**	**(63,014)**
Net book value			
At 30 June 2016	**—**	**17,400**	**17,400**
At 30 June 2015	—	266	266

11 Investments in subsidiaries

Company	2016 £	2015 £
Cost		
At 1 July 2015	613	482
Investment in subsidiary	810	131
Reclassification to assets held for sale	—	—
At 30 June 2016	**1,423**	**613**
Impairment		
At 1 July 2015	(482)	(482)
Charge in the year	—	—
Reclassification to assets held for sale	—	—
At 30 June 2016	**(482)**	**(482)**
Net book value	**941**	**131**

Notes to the Financial Statements for the year ended 30 June 2016 continued

11 Investments in subsidiaries continued

As at 30 June 2016, the Company held interests in the following subsidiary companies:

Company	Country of registration	Class	Proportion held	Nature of business
Intrepid Resources Limited	Zambia	Ordinary	100%	Dormant
Red Rock Australasia Pty Limited	Australia	Ordinary	100%	Mineral exploration
Red Rock Kenya Limited	Kenya	Ordinary	87%	Mineral exploration
Red Rock Inc.	USA	Ordinary	100%	Mining exploration
Red Rock Cote D'Ivoire sarl	Ivory Coast	Ordinary	100%	Mineral exploration
Basse Terre sarl	Ivory Coast	Ordinary	100%	Mineral exploration

12 Investments in associates and joint ventures

	Group		Company	
	2016 £	2015 £	**2016** £	2015 £
Cost				
At 30 June 2015	9,108,304	9,108,304	8,951,460	8,951,460
Additions during the year	—	—	—	—
Disposals during the year	(1,709,735)	—	(1,709,735)	—
Transfer from assets held for sale	—	—	—	—
At 30 June 2016	**7,398,569**	**9,108,304**	**7,241,725**	**8,951,460**
Impairment				
At 30 June 2015	(5,139,426)	(3,788,998)	(4,652,038)	(3,257,587)
Losses during the year	(9,240)	(1,183)	—	—
Disposals during the year	1,709,735	—	1,455,079	—
Impairment in the year	(1,500,000)	(1,349,245)	(1,500,000)	(1,394,451)
At 30 June 2016	**(4,938,931)**	**(5,139,426)**	**(4,696,959)**	**(4,652,038)**
Net book amount	**2,459,638**	**3,968,878**	**2,544,766**	**4,299,422**

The Company, at 30 June 2016, had holdings amounting to 20% or more of the issued share capital of the following companies which amounted to significant influence or joint control:

Company	Country of incorporation	Class of shares held	Percentage of issued capital	Accounting year ended
Red Rock Zambia Limited*	Zambia	Ordinary	28.40%	30 June 2016
Melville Bay Limited (formerly "NAMA Greenland Limited")	England	Ordinary	60.00%	30 November 2015

* Financial information was not available for this company.

The Company, at 30 June 2016, had significant influence by virtue other than shareholding over 20% over the following companies:

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 2015

Summarised financial information for the Company's associates and joint ventures, where available, as at 30 June 2016 is given below:

Company	Revenue £	Loss £	Assets £	Liabilities £
Mid Migori Mining Company Limited	—	(58,197)	2,753,364	(3,411,111)
Melville Bay Limited	—	(1,760,272)	4,178,640	(223,420)

	Mid Migori Mining Company Limited £	Red Rock Zambia Limited £	Star Striker Limited £	Melville Bay Limited £	Total £
Cost					
At 30 June 2015	1,044,766	140,596	1,709,735	6,213,207	9,108,304
Additions during the year	—	—	—	—	—
Disposals during the year	—	—	(1,709,735)	—	(1,709,735)
At 30 June 2016	**1,044,766**	**140,596**	**—**	**6,213,207**	**7,398,569**
Impairment and losses during the year					
At 30 June 2015	(72,948)	(140,596)	(1,709,735)	(3,216,147)	(5,139,426)
(Losses) during the year	(8,730)	—	—	(510)	(9,240)
Impairment in period	—	—	—	(1,500,000)	(1,500,000)
Disposals during the year	—	—	1,709,735	—	1,709,735
At 30 June 2016	**(81,677)**	**(140,596)**	**—**	**(4,716,657)**	**(4,938,931)**
Carrying amount					
At 30 June 2016	**963,089**	**—**	**—**	**1,496,550**	**2,459,638**
At 30 June 2015	971,818	—	—	2,997,060	3,968,878

Mid Migori Mining Company Limited

The Company owns 15% of the issued share capital of Mid Migori Mining Company Limited ("MMM"). The Company has entered into an agreement whereby it manages and funds a number of 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).

Red Rock Zambia Limited

The book value of Red Rock Zambia Limited was fully written off in previous years.

Star Striker Limited (formerly known as Resource Star Limited)

The market value as at 30 June 2016 of the Company's investments in listed associates was as follows:

	2016 £	2015 £
Star Striker Limited	—	222,824

During the year the Company disposed of its remaining investment in Star Striker Limited, (including options).

Melville Bay Limited

In consideration for funding the 2012 exploration programme of North Atlantic Mining Associates Limited ("NAMA"), the Company earned 60% interest in Melville Bay Limited ("MBL"). The Company does not have control over MBL but has joint control along with North Atlantic Mining Associates Limited and International Media Projects Ltd through a contractual joint venture arrangement making MBL a jointly controlled entity.

Notes to the Financial Statements for the year ended 30 June 2016 continued

13 Exploration assets

	2016 £	2015 £
Cost		
At 1 July 2015	—	—
Additions	280,460	—
Disposals	—	—
At 30 June 2016	**280,460**	**—**
Impairment		
At 1 July 2015	—	—
Charge in the year	—	—
At 30 June 2016	**—**	**—**
Net book value	**280,460**	**—**

14 Available for sale financial assets

	Group and Company	
	2016 £	2015 £
Opening balance	1,331,766	1,583,984
Additions	487,500	—
Disposals	—	(10,070)
Revaluations	157,286	(242,148)
Impairment of available for sale financial assets	—	—
Closing balance	**1,976,552**	**1,331,766**

Market value of investments

The market value as at 30 June 2016 of the Company's available for sale listed and unlisted investments were as follows:

	2016 £	2015 £
Quoted on London AIM	105,933	27,120
Unquoted investments at fair value	1,870,619	1,304,646
	1,976,552	**1,331,766**

15 Cash and cash equivalents and restricted cash

Group	30 June 2016 £	Cash flow £	30 June 2015 £
Cash in hand and at bank	26,564	(2,862)	29,426
	26,564	**(2,862)**	**29,426**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:

	30 June 2016 £	30 June 2015 £
Cash in hand and at bank	26,564	29,426
Cash in hand and at bank attributable to asset held for sale (note 8)	—	—
	26,564	**29,426**

Company	30 June 2016 £	Cash flow £	30 June 2015 £
Cash in hand and at bank	24,370	1,529	22,841
	24,370	**1,529**	**22,841**

16 Non-current receivables

	Group and Company	
	2016 £	2015 £
Amounts due from associates	2,857,810	2,228,812
FPM sale proceeds	1,980,748	1,405,458
	4,838,558	**3,634,270**

Non-current related party receivables of £2,857,810 (2015: £2,228,812) is recoverable from Mid Migori Mining Company Limited under the terms of the joint venture, purchase and sale agreement entered into in August 2009 as detailed in note 26. The amount is unsecured and has no fixed repayment date. Interest is charged at 8% per annum. Management have considered the recoverability of this debt and, although the Judicial Review case is ongoing, no further impairment is considered necessary (2015: £5,280,000). More details are given in note 1.5, Significant accounting judgements, estimates and assumptions.

The FPM sale proceeds represents the fair value of the deferred consideration receivable for the sale of FPM. 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 level, estimates of future production level and gold price forecasts.

17 Other receivables

	Group		Company	
	2016 £	2015 £	**2016 £**	2015 £
Current trade and other receivables				
Prepayments	236,765	270,110	170,313	231,290
Related party receivables:				
– due from subsidiaries	—	—	404,747	82,978
– due from associates	225	715	225	715
– due from key management	—	—	—	—
Other receivables	702,563	390,327	698,211	388,189
Total	**939,553**	**661,152**	**1,273,496**	**703,172**

Other receivables are stated after full provision of £600,000 relating to an amount due from North Atlantic Mining Associates Limited (2015: £600,000).

18 Trade and other payables

	Group		Company	
	2016 £	2015 £	**2016 £**	2015 £
Trade and other payables	1,368,746	1,410,726	1,347,803	1,406,238
Accruals	335,663	302,397	335,663	302,397
Related party payables:				
– due to associates	86,966	317,882	86,966	317,882
– due to key management	62,629	67,265	62,629	67,265
Trade and other payables	1,854,004	2,098,270	1,833,061	2,093,782
Short-term borrowings	57,490	—	57,490	—
	1,911,494	2,098,270	1,890,551	2,093,782
Long-term borrowings	—	—	—	—
Total	**1,911,494**	**2,098,270**	**1,890,551**	**2,093,782**

YA Global Master SPV Limited

A short-term loan of £57,490 (2015: £nil) with YA Global Master SPV Limited ("YAGM") remains outstanding as at the end of the year.

Notes to the Financial Statements for the year ended 30 June 2016 continued

19 Share capital of the Company

The share capital of the Company is as follows:

Issued and fully paid	2016 £	2015 £
2,371,116,172 deferred shares of £0.0009 each	—	2,134,005
4,662,024,541 ordinary shares of £0.0001 each	—	466,202
241,354,445 ordinary shares of £0.0001 each	24,135	
2,371,116,172 deferred shares of £0.0009 each	2,134.005	
6,033,861,125 A deferred shares of £0.000096 each	579,251	
150,971,295 ordinary shares of £0.0001 each	15,097	
As at 30 June	**2,752,488**	**2,600,207**

Movement in share capital	Number	Nominal £
Ordinary shares of £0.0001 each		
As at 30 June 2014	**1,934,587,543**	**1,934,588**
Shares issued in the year to 30 June 2015	2,727,436,998	665,619
As at 30 June 2015 – ordinary shares of £0.0001 each	**4,662,024,541**	**2,600,207**
Issued 07 July 2015 at 0.0475 pence per share	421,052,632	42,105
Issued 07 July 2015 at 0.0475 pence per share	268,421,074	26,842
Issued 08 July 2015 at 0.0475 pence per share	107,894,948	10,789
Issued 13 July 2015 at 0.0475 pence per share	157,894,800	15,789
Issued 09 October 2015 at 0.0183 pence per share	416,573,115	41,657
As at 21 December 2015, pre-share re-organisation	6,033,861,110	2,737,389
21 December 2015, Share Re-organisation (see below)		
Issue of A deferred shares of £0.000096 each	**(6,033,861,110)**	(579,251)
Issue of new ordinary shares of £0.000004 each	**(6,033,861,110)**	(24,135)
Share consolidation: 1 new ordinary share of £0.0001 for 25 ordinary shares of £0.000004	**241,354,445**	603,388
Issued 21 January 2016 at 0.375 pence per share	3,750,000	375
Issued 01 April 2016 at 0.375 pence per share	5,072,000	507
Issued 28 April 2016 at 0.52777 pence per share	21,315,971	2,132
Issued 29 April 2016 at 0.42 pence per share	97,023,801	9,702
Issued 29 April 2016 at 0.42 pence per share	23,809,523	2,381
As at 30 June 2016 – ordinary shares of £0.0001 each	**392,325,740**	**2,752,488**

Change in Nominal Value/share re-organisation

The nominal value of shares in the company was originally 0.1 pence. At a shareholders meeting on 21 December 2015, the Company's shareholders approved a re-organisation of the company's shares which resulted in the creation of three classes of shares, being:

- Ordinary shares with a nominal value of 0.01 pence, which will continue as the company's listed securities.
- Deferred shares with a value of 0.09 pence
- A Deferred shares with a value of 0.0096 pence

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.

Equity subscription arrangements

On 7 July 2015 the Company agreed to subscribe for 1,086,956 new ordinary shares in Elephant Oil Limited at a price per share of 25.3 pence, for an aggregate consideration of £275,000. The Company issued a total of 689,473,706 ordinary shares of 0.01p each in the Company at a price of 0.0475 pence per Share. The gross proceeds of the Subscription were £327,500. For every two Subscription Shares, each subscriber was issued with one warrant exercisable at 0.065p per Share and expiring on 7 July 2017.

421,052,632 new Shares represent a £200,000 subscription by Elephant Oil Limited, who following the Subscription will hold 7.87% of the enlarged issued capital of the Company. The remaining 268,421,074 new Shares have been placed with institutional and private investors.

On 28 April 2016 the Company co-ordinated the acquisition of 12,013,173 shares of Goldstone Resources Ltd by itself and Metal Tiger plc.

The consideration for the acquisition was £225,000, paid half in cash and half in new shares of the Company issued at a price of 0.52777328 pence per Red Rock share, being the VWAP (volume-weighted average price) at which Red Rock shares traded on the AIM market in the five trading days to 26 April. On completion the Company issued and allotted to the vendor, Unity Mining Ltd (ASX:UML), a company listed on the Australian Stock Exchange, 21,315,971 new Red Rock shares credited as fully paid as the Share Consideration. The Cash Consideration was paid by Metal Tiger plc.

In addition, Red Rock issued to the vendor 21,315,971 options giving the right within two years to exercise each option into a new Red Rock share at a price of 0.66 pence per share.

On 29 April 2016 Metal Tiger plc ("MTR") agreed to subscribe £100,000 for a further 23,809,523 new ordinary shares in the Company of 0.01p each but without attached warrants. Red Rock has agreed to accept payment in the form of 1,818,182 MTR shares based on a price per MTR share of 5.5 pence per MTR share. MTR and the Company have agreed not to dispose of the New Shares or the Payment Shares received through this equity exchange for a period of three months from issue without the agreement of the other party, such agreement not to be unreasonably withheld.

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.

Available for sale trade investments reserve

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

Associate investment reserve

The associate investments reserve represents the cumulative share of gains and losses of associates recognised in the statement of other comprehensive income.

Share-based payment reserve

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

Notes to the Financial Statements for the year ended 30 June 2016 continued

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 2016, the Company had outstanding options to subscribe for Ordinary shares as follows:

	Options issued 14 June 2016 exercisable at 0.45 pence per share expiring 29 January 2022 Number
A R M Bell	5,760,000
S Kaintz	4,680,000
M C Nott	900,000
S Quinn	900,000
Employees	1,080,000
Total	**13,320,000**

	Company and Group			
	2016		2015	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at the beginning of the period	7,000,000	3.20	8,000,000	3.20
Expired	(7,000,000)	3.20	(1,000,000)	3.20
Issued	13,320,000	0.45	0	0
Outstanding at the end of the period	**13,320,000**	**0.45**	**7,000,000**	**3.20**
Exercisable at the end of the period	**13,320,000**	**0.45**	**7,000,000**	**3.20**

The remaining options in issue at 30 June expired on 21 September 2015. During the financial year 13,320,000 options were issued at an exercise price of 0.45 pence (2015: nil) and they expire on 29 January 2022. A credit of £111,929 was posted to the income statement in respect of the cancelled share options and a charge of £63,270 was posted to the income statement in respect of the share options issued during the year. Therefore, a net credit of £48,659 was posted to the income statement during the year.

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;
- 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.

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

The fair value of services provided is recognised as an expense in the income statement at grant date and is determined indirectly by reference to the fair value of the free and matching shares granted. Fair value of shares is measured on the basis of an observable market price, i.e. share price as at grant date.

During the financial year, a total of 7,398,000 free and matching shares were awarded with a fair value of 0.375 pence resulting in a share-based payment charge of £27,743 in the income statement.

22 Financial instruments

22.1 Categories of financial instruments

The Group and Company hold a number of financial instruments, including bank deposits, short-term investments, loans and receivables and trade payables.

The carrying amounts for each category of financial instrument, measured in accordance with IAS 39 as detailed in the accounting policies, are as follows:

Group 30 June 2016	2016 £	2015 £
Financial assets		
Available for sale financial assets at fair value through OCI		
Unquoted equity shares	1,870,619	1,304,646
Quoted equity shares	105,933	27,120
Total available for sale financial assets at fair value through OCI	**1,976,552**	**1,331,766**
Loans and receivables		
Non-current receivables	4,838,559	3,634,270
Other receivables – current	1,217,425	391,042
Total loans and receivables	**6,055,984**	**4,025,312**
Total financial assets	**8,032,536**	**5,357,078**
Total current	**1,217,425**	**391,042**
Total non-current	**6,815,111**	**4,966,036**

The carrying value of non-current financial assets in the Company equals that of the Group.

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

Other receivables and trade payables

Management assessed that 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.

Financial instruments held at cost can be reconciled from beginning to ending balances as follows:

Group 30 June 2016	2016 £	2015 £
Financial liabilities		
Loans and borrowings		
Trade and other payables	1,854,003	2,098,270
Short-term borrowings	57,490	—
Total loans and borrowings	**1,911,493**	**2,098,270**
Total financial liabilities	**1,911,493**	**2,098,270**
Total current	**1,911,493**	**2,098,270**
Total non-current	**—**	**—**

The carrying value of non-current financial liabilities in the Company equals that of the Group.

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

Notes to the Financial Statements for the year ended 30 June 2016 continued

22 Financial instruments continued

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.

22.2 Fair values

22.2.1 Fair values of financial assets and liabilities

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 and Company **30 June 2016**	**Level 1** **£**	**Level 2** **£**	**Level 3** **£**	**Total** **£**
Available for sale financial assets at fair value through OCI				
– Unquoted equity shares	—	1,870,619	—	1,870,619
– Quoted equity shares	105,933	—	—	105,933

Group and Company 30 June 2015	Level 1 £	Level 2 £	Level 3 £	**Total** **£**
Available for sale financial assets at fair value through OCI				
– Unquoted equity shares	—	1,304,646	—	1,304,646
– Quoted equity shares	27,120	—	—	27,120

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

Unquoted available for sale financial assets (Level 2)

A significant portion of the Group's available for sale financial asset is an investment in equity shares of a non-listed company. The fair value of unquoted ordinary shares has been estimated using the weighted average share price of actual sale transactions that happened between de-listing date and the year-end.

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 to 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.

There are no amounts of collateral held as security in respect of trade and other receivables.

The consolidated Group does have a material credit risk exposure with Mid Migori Mining Company Limited, an associate of the Company. Management have impaired this asset by £5.28m. See note 1.5, 'Significant accounting judgements, estimates and assumptions' and note 15 for further details.

The Group has no outstanding pledges (2015: £nil) of its shares in Jupiter Mines Limited as security.

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 that controls over expenditure are carefully managed.

Management intend to meet obligations as they become due through 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 Shilling, Canadian Dollar and Danish Krone.

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 the available for sale financial assets.

These assets are denominated in the following currencies:

Group and Company 30 June 2016	**GBP £**	**AUD £**	**USD £**	**Total £**
	218,432	1,483,120	275,000	1,976,552

Group and Company 30 June 2015	GBP £	AUD £	USD £	**Total £**
	27,120	1,304,646	—	1,331,766

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

Notes to the Financial Statements
for the year ended 30 June 2016 continued

23 Significant agreements and transactions

The following are the significant agreements and transactions recently undertaken having an impact in the year under review and for the period to 24 November 2016. For the sake of completeness and of clarity, some events after the reporting period are included here and in note 25 on page 57.

Four Points Mining

On 14 April 2015 the Company executed a Sale Agreement with Colombia Milling Limited ("CML"), a private company registered in Belize. CML is the nominee of Nicaragua Milling Company ("NML"), with which Red Rock signed a Letter of Intent on 12 May 2014. CML is represented by James Randall Martin and Geoff Hampson, and the entire share capital of CML has as of early 2016 been vended into Para Resources Ltd, a public vehicle listed on the TSX Venture Exchange. Completion ("Completion") of the Sale Agreement took place on 13 May 2015. Under the Sale Agreement, the Company sold, and CML bought, (a) a 100% interest in American Gold Mines Limited ("AGM"), which owns a 50.002% interest in Four Points Mining SAS ("FPM"), the owner of the El Limón mine, and (b) its loans to FPM, for a total consideration of USD5,000,000. CML also purchased a 11.2% stake from a minority shareholder in the business. Payment of the consideration of USD5,000,000 occurs in tranches. The initial payment of USD100,000, was made in respect of the CML's due diligence review and was considered part of the first tranche. The balance of the first tranche of USD400,000 and second tranche of USD225,000 have been paid as of year-end.

The third tranche of USD225,000 was made after the year-end in August 2016, completing the fixed payments of USD1,000,000. Additional payments of up to USD2,000,000 will be paid in the form of a 3% net smelter return royalty ("First NSR") payable quarterly on gold production from FPM commencing on the earlier of (a) 9 months from Completion; and (b) the achievement of commercial gold production and processing through the El Limon plant of at least 100 tons per day for 30 consecutive calendar days. A final royalty stream of up to USD1,000,000 will be paid following the payment in full of the First NSR in the form of a 0.5% net smelter return royalty ("Second NSR") payable quarterly on gold production from FPM. A further payment of USD1,000,000 was satisfied by the issuance by CML to Red Rock at Completion of a three year convertible 5% promissory note ("PN"), secured on the acquired shares in AGM and providing that during its currency CML will procure that AGM does not alienate or dispose of its interest in FPM. Security for the PN is held in the form of a charge over 100% of the shares in AGM and conversion is possible following any listing of CML or vend of the assets into a public vehicle. As of 1 July 2016 the Company has informed Colombia Mining Limited and its 100% owner Para Resources that it believes that its right to convert its USD1,000,000 note into share of the listed vehicle, Para Resources Ltd, has been triggered. As of September 2016 the Company has announced that both parties were in discussion on the matter of conversion and that resolution prior to arbitration was being sought.

Convertible loan notes

On 4 September 2015 the Company announced that it had agreed to issue an unsecured convertible loan note of £250,000 with YA Global Master SPV. The notes yield 10% per annum, have a maturity of 12 months, and are able to be converted into ordinary shares at any time up until maturity. The conversion price on each conversion will be determined by a formula equal to 94% of the three lasted daily volume weighted average prices during 15 consecutive trading days beginning on the first day immediately following the delivery of a notice of conversion by the note holder. The conversion of the notes is to have a price cap of £0.01. The notes fall due on 31 August 2016 if not previously converted. The Company will issue warrants over the shares in the capital of the Company exercisable at a price of 0.036 pence and freely transferable for a period of 3 years.

On 9 October 2015, the Company announced that YA Global Master SPV Ltd had converted £75,000 of its outstanding balance of £250,000 unsecured Convertible Notes and £1,233 of accrued interest, into 416,573,115 ordinary shares in the Company at a price of 0.0183 pence per share.

On 11 December 2015, the Company repaid £94,378 of the outstanding convertible loan and interest balance due to YA Global Master SPV Limited. On 5 May 2016, the Company repaid £26,320 of the outstanding convertible loan and interest balance due to YA Global Master SPV Limited. On 19 August 2016, the Company repaid $26,102 of the outstanding convertible loan and interest balance due to YA Global Master SPV Limited. Finally, on 8 September 2016, the Company repaid in full the outstanding convertible loan and interest balance due to YA Global Master SPV Limited of £39,571.

Financing

On 7 July 2015, the Company raised £327,500 by way of an issue of 689,473,706 new ordinary shares of 0.01 pence each in the Company at a price of 0.0475 pence per share. Elephant Oil Limited participated in £200,000 of the placing. For every two shares, each subscriber will be issued with one warrant exercisable at 0.065 pence per share and expiring on 7 July 2017. The proceeds of the placing will fund the Company's investment in Elephant Oil and general working capital.

On 8 July 2015, the Company raised £51,250 by way of an issue of 107,894,948 new ordinary shares of 0.01 pence each in the Company at a price of 0.0475 pence per share. The Directors, Andrew Bell, Michael Nott and Sam Quinn participated in £41,250 of this placing. For every two shares, each subscriber will be issued with one warrant exercisable at 0.065 pence per share and expiring on 7 July 2017.

On 13 July 2015, the Company raised £75,000 by way of an issue of 157,894,800 new ordinary shares of 0.01 pence each in the Company at a price of 0.0475 pence per share. For every two shares, each subscriber will be issued with one warrant exercisable at 0.065 pence per share and expiring on 7 July 2017. The proceeds of the placing were applied towards funding exploration activities in West Africa.

On 29 April 2016, the Company raised £407,500 by way of an issue of 97,023,801 new ordinary shares of 0.01 pence each in the Company at a price of 0.42 pence per share. Metal Tiger plc participated in £125,000 of the placing. For every one share, each subscriber will be issued with one warrant exercisable at a price of 0.84 pence per share and expiring on 13 November 2018. The proceeds of the placing were applied towards funding the Company's participation in Shoats Creek oil development and advancement of the Company's gold interests.

On 29 April 2016, the Company participated in a strategic equity exchange agreement for £100,000 by way of an issue of 23,809,523 new ordinary shares of 0.01 pence each in the Company at a price of 0.42 pence per share. Metal Tiger plc participated in the full £100,000 of the exchange agreement and the Company has agreed to accept payment in the form of 1,818,182 new ordinary shares of 0.01 pence each Metal Tiger plc at a price of 5.5 pence per share.

Kenya

On 7 May 2015, the Company announced that its partner, Mid Migori Mining Ltd ("MMM"), has been advised by the Ministry of Mining of the termination of its Special Licenses numbers 122 and 202 ("the SLs"). MMM intends to challenge this purported termination. MMM also continues to have an application for a Mining License over a part of the SLs, submitted in 2012 pending at the Ministry. Meanwhile Red Rock through its local affiliate Red Rock Kenya Limited is applying for the ground covered by the SLs. The Ministry has indicated that in considering this application the work and expenditure of the Company since 2009 will be taken into account.

On 26 June 2015, the Company announced that it has been granted leave to institute judicial review proceedings and a stay in relation to the purported termination of the Special Licenses covering the Migori Gold Project of its partner Mid Migori Mining Ltd ("MMM"). Red Rock has now executed an agreement with Kansai Mining Corporation Ltd ("Kansai"), the other shareholder in MMM, pursuant to which Red Rock's farm-in agreement is replaced by arrangements under which any interest in the Migori Gold Project or the other assets of MMM that may be retained by or granted to MMM or Red Rock shall be shared in the ratio 75% to Red Rock and 25% to Kansai. Kansai's interest will be carried up to the point of an Indicated Mineral Resource of 2Moz gold. Red Rock is to have full management rights and the conduct of legal proceedings on behalf of both MMM and itself. Red Rock at the same time surrenders all its share interest in Kansai and pays £25,000 to Kansai, with a further £25,000 due upon recovery of the Migori Gold Project.

During the year under review the Company continued to work to protect its interests and those of its local partner in Kenya via its application for judicial review in relation to its Kenyan licenses.

Elephant Oil

On 26 June 2015, the Company announced that it has entered into an option agreement ("the Option") with Elephant Oil Limited ("Elephant"), an oil and gas exploration company focused on West Africa. The Option if exercised requires Red Rock to subscribe for 1,086,956 new ordinary shares in Elephant, at a price per share of 25.3 pence, for an aggregate consideration of £275,000. Further, the Option if executed, includes the right to invest an additional £412,500 in to Elephant within a six month period, also at 25.3 pence per share. The Option is exercisable within seven days, unless extended by Elephant.

On 7 July 2015, the Company agreed to subscribe for 1,086,956 new ordinary shares in Elephant Oil Limited, at a price per share of 25.3 pence, for an aggregate consideration of £275,000. The Company has also been granted the right to invest a further £412,500 in to Elephant Oil Limited within a six-month period, also at 25.3 pence per share. This right was not utilised and lapsed in January 2016.

Shoats Creek

On 28 October 2015, the Company announced it had entered into an option agreement with Shoats Creek Development Corporation Inc, to take a 20% Working Interest in the planned development of the LM#21 and LM#22 wells at the Shoats Creek Field, Beauregard Parish, Louisiana. The Operator will be an affiliate of Northcote Energy plc, later renamed Mayan Energy Plc. The 20% Working Interest is to be achieved at an aggregate cost of up to US$500,000–US$600,000.

On 27 November 2015, the Company announced that it has exercised its option to take a 20% working interest/14.4% net revenue interest in the planned LM#21 and LM#22 wells at Shoats Creek. The Company received an interest in associated common tank and production facilities as well as in two salt water disposal wells. Shoats Creek Development Corporation Inc will have a 18.75% back-in-after-payout so that once the Company has received payments for oil and gas sales minus operating expenses equal to the investment required to drill the wells and associated facilities, the Company's working interest will reset to 16.25% with a 11.7% net revenue interest.

Notes to the Financial Statements for the year ended 30 June 2016 continued

23 Significant agreements and transactions continued

Shoats Creek continued

On 20 January 2016 the Company announced that its wholly owned subsidiary Red Rock Resources Inc, has agreed to acquire a 20% working interest/14.4% net revenue interest from Shoats Creek Development Corporation in the LM#20 well for an immediate payment of US$120,000 and a US$80,000 promissory note payable in monthly instalments between July 2016 and December 2018 and bearing 4.5% interest. In the event that cumulative production from the LM#20 well exceeds 100,000 barrels of oil within three years, a further payment of US$40,000 becomes due. Shoats Creek Development Corporation receives a back-in-after-payout so that once the Company has received payments for oil and gas sales minus operating expenses equal to the investment required to drill the wells and associated facilities, the Company's working interest will reset to 16.25% with a 11.7% net revenue interest. The Company further acquired the option but not the obligation to invest in additional wells and re-entry opportunities that might be proposed from time to time on a heads-up basis.

On 8 June 2016 the Company announced that it had agreed to participate in the re-entry and recompletion of the LM#19 well at Shoats Creek, Louisiana. The work on the well was expected to cost US$40,000, US$8,000 net to the Company in exchange for a 20% working interest and 14.4% net revenue interest.

Goldstone Resources Investment

On 28 April 2016, the Company announced a joint acquisition of 12,013,173 new ordinary shares of Goldstone Resources Ltd ("GRL") by the Company and Metal Tiger plc ("MTR") for a total consideration of £225,000. The acquired shares amount to 19.29% of the issued share capital of GRL, and upon completion of the acquisition the Company will own 6,006,587 or 9.645% of GRL. The total consideration will be payable half in cash (the "Cash Consideration") and half in new shares (the "Share Consideration"). On completion, the Company will issue and allot to Unity Mining Ltd 21,315,971 new ordinary shares of 0.01 pence each in the Company at a volume-weighted average price of 0.52777328 pence per share. For every one share, Unity Mining Ltd will be issued with one option exercisable at 0.66 pence per share and expiring on 28 April 2018. These shares were credited as fully paid as the Share Consideration while the Cash Consideration will be paid by MTR.

Share Incentive Plan

On 22 January 2016, the Board of Directors approved the issue of 3,750,000 ordinary shares of 0.01 pence each in the Company under the Company's Share Incentive Plan ("SIP") for the 2015/16 tax year. 3,750,000 Free Shares have been awarded with reference to the mid-market closing price of 0.4 pence on 20 January 2016.

On 7 April 2016, the Board of Directors approved the issue of 5,072,000 ordinary shares of 0.01 pence each in the Company under the Company's Share Incentive Plan ("SIP") for the 2015/16 tax year. 800,000 Free Shares, 1,424,000 Partnership Shares and 2,848,000 Matching Shares have been awarded with reference to the mid-market closing price of 0.375 pence on 31 March 2016.

Consolidation of Shares

On 21 December 2015, the Company announced that each of the existing 6,033,861,125 issued ordinary shares of 0.01 pence each in the capital of the Company ("Existing Ordinary Shares") will be subdivided into one A deferred share of 0.0096 pence each ("A Deferred Shares") and one new ordinary share of 0.0004 pence each. Furthermore, every 25 ordinary shares of 0.0004 pence each in the capital of the Company will be consolidated into one new ordinary share of 0.01 pence each ("New Ordinary Shares") and accordingly the Company will have 241,354,445 New Ordinary Shares in issue post consolidation. The New Ordinary Shares will have the same rights and be subject to the same restrictions as the Existing Ordinary Shares in the Company's Articles of Association and the A Deferred Shares will have the rights and be subject to the restrictions attached to A Deferred Shares as set out in the Articles of Association.

24 Related party transactions

- On 5 April 2013, Regency Mines plc, Red Rock Resources plc where Andrew Bell currently is a Director and Greatland Gold plc, where Andrew Bell previously was a Director, entered into a joint lease at Ivybridge House, 1 Adam Street, London WC2N 6LE. The total cost to the Company for these expenses during the year was £110,918 (2015: £151,632), of which £44,949 represented the Company's share of the office rent and the balance services provided (2015: £48,725).
- The Company's staff are also sub-contracted to Regency Mines plc to work on specific assignments as necessary. During the year, staff costs of £24,687 (2015: £44,031) were recharged to Regency Mines plc. Such charges are offset against administration expenses in the income statement.
- The costs incurred on behalf of the Company by Regency Mines plc are invoiced at each month end and settled as soon as may be possible. By agreement, the Company pays interest at the rate of 0.5% per month on all balances outstanding at each month end until they are settled. The total charge for the year was £15,869 (2015: £16,865).
- Related party receivables and payables are disclosed in notes 16 to 18.
- The Company held 1,695,000 shares (0.52%) in Regency Mines plc as at 30 June 2016 and the same figures at 24 November 2016.
- The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2016 are shown in the Directors' Report on page 12.
- The key management personnel are the Directors and their remuneration is disclosed within note 7.

25 Events after the reporting period

Issue of new shares

- On 28 July 2016, the Company agreed to acquire a further 3,857,400 new ordinary shares in Goldstone Resources Ltd, at a price per share of 2.5 pence, for an aggregate consideration of £96,435. For every one share, the Company will also receive one warrant exercisable at 5 pence per share and expiring on 28 July 2018.
- On 24 August 2016, the Company raised £300,000 by way of an issue of 75,000,000 new ordinary shares of 0.01 pence each in the Company at a price of 0.4 pence per share. Metal Tiger plc participated in £100,000 of this placing. The Company has also granted Metal Tiger plc the option to nominate a non-executive director to the board of the Company. For every one share, each subscriber will be issued with one warrant exercisable at 0.8 pence per share and expiring on 24 August 2018.

El Limon

- On 1 July 2016, Colombia Milling Limited, a 100% owned subsidiary of Para Resources Inc, informed the Company that they do not agree that the Company's conversion right of its $1,000,000 Promissory Note into new ordinary shares of Para Resources Inc, has been triggered. The Company has set in motion the arbitration process provided for in its Letter Agreement with Colombia Milling Limited and is in discussions with Para Resources Inc regarding a solution that would avoid arbitration.

Jupiter Mines

- On 21 November 2016, Jupiter announced that its 49.9% owned associate Tshipi é Ntle Manganese Mining Proprietary Ltd has resolved to distribute ZAR1,000,000,000 to its shareholders in respect of the year ending 28 February 2017, subject to there being no material change in production and market conditions for the rest of the financial year. Jupiter has resolved on receipt of its portion of this payment to distribute $55,000,000 to its own shareholders. This distribution would equate to a $658,350 payment to the Company.

Annual General Meeting

The Company intends to issue a notice of Annual General Meeting of shareholders to be held on 30 December 2016 for the purpose of dealing with the usual business applicable at such a meeting.

26 Commitments

As at 30 June 2015, the Company had entered into the following commitments:

- Exploration commitments: ongoing exploration expenditure is required to maintain title to the Group mineral exploration permits in Kenya and Greenland. 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.
- Under the terms of the joint venture, purchase and sale agreement entered into in August 2009 between the Company and Kansai Mining Corporation Limited, the Company is required to act as manager of the tenements held by Mid Migori Mining Company Limited in Kenya, pay the costs of exploration and other costs except for the costs of licence renewal and rents, and keep the tenements in good standing.
- On 5 April 2013, Red Rock Resources plc entered into a joint lease agreement with Regency Mines plc and Greatland Gold plc at Ivybridge House, 1 Adam Street, London WC2N 6LE. The lease is non-cancellable until 1 December 2017. Future minimum annual rental and service charges payable by the Company is £38,850.

27 Control

There is considered to be no controlling party.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Red Rock Resources plc (the "Company") will be held at Ivybridge House, 1 Adam Street, London, WC2N 6LE on 30 December 2016 at 11.00 am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the cases of resolutions 1–4 and as special resolutions in the cases of resolution 5.

Ordinary Resolutions

1. To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2016.
2. To re-elect Michael C. Nott as a Director of the Company, who retires by rotation under the Articles of Association of the Company and, being eligible, offers himself for re-election.
3. To re-appoint Chapman Davis LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration of the auditors.
4. That in substitution for all existing and unexercised authorities, the directors of the company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ('the Act') to exercise all or any of the powers of the company to allot equity securities (within the meaning of Section 560 of the Act) up to a maximum nominal amount of £50,000 provided that this authority shall, unless previously revoked or varied by the company in general meeting, expire on the earlier of the conclusion of the next Annual General Meeting of the company or 15 months after the passing of this Resolution, unless renewed or extended prior to such time except that the directors of the company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the directors of the company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Special Resolutions

5. That in substitution for all existing and unexercised authorities and subject to the passing of resolution 4, the directors of the company be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 4 as if section 561(1) of the Act did not apply to any such allotment provided that the power conferred by the Resolution, unless previously revoked or varied by special resolution of the company in general meeting, shall be limited:

   (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory;

   (b) the grant of a right to subscribe for, or to convert any equity securities into Ordinary Shares otherwise than under sub-paragraph (a) above, up to a maximum aggregate nominal amount of £10,000; and

   (c) to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £40,000 in respect of any other issues for cash consideration;

and shall expire on the earlier of the date of the next Annual General Meeting of the company or 15 months from the date of the passing of this Resolution save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by facsimile transfer to 01252 719 232 or by mail using the reply paid card to:

The Company Secretary
Red Rock Resources Plc
c/o Share Registrars Limited
The Courtyard
17 West Street
Farnham, Surrey GU9 7DR

In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting, or any adjournment thereof.

Registered Office:

Third Floor
55 Gower Street
London WC1E 6HQ
Registered in England and Wales Number: 5225394

By order of the Board

Stephen Ronaldson
Company Secretary
30 November 2016

Notes to the Notice of General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:
   - completed and signed;
   - sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232; and
   - received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

   By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

   Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 30 November 2016, the Company's issued share capital comprised 467,325,740 ordinary shares of £0.001 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 30 November 2016 is 467,325,740.

Communications with the Company

11. Except as provided above, members who have general queries about the Meeting should telephone Miss Rasa Vaitkute on 020 7747 9990 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

CREST

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

    CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

    In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via euroclear.com/CREST).

    The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

    CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

    The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Company Information

Directors
Andrew Bell
Executive Chairman

Scott Kaintz
Executive Director

Michael Nott
Non-executive Director

Sam Quinn
Independent Non-executive Director

all of:
Ivybridge House
1 Adam Street
London WC2N 6LE
020 7747 9990

Secretary and Registered Office
Stephen Ronaldson
55 Gower Street
London WC1E 6HQ

Website
www.rrrplc.com

Auditor
Chapman Davis LLP
2 Chapel Court
London SE1 1HH

Solicitors
Ronaldsons LLP
55 Gower Street
London WC1E 6HQ

Nominated adviser
Beaumont Cornish Limited
29 Wilson St
London EC2M 2SJ

Accountants and tax advisers
Baker Tilly Tax and Accounting Limited
One London Square, Cross Lanes
Guildford
Surrey GU1 1UN

Broker
Dowgate Capital Stockbrokers Limited
Talisman House
Jubilee Walk
Three Bridges, Crawley
West Sussex RH10 1LQ

Bankers
Coutts & Co
440 Strand
London WC2R 0QS

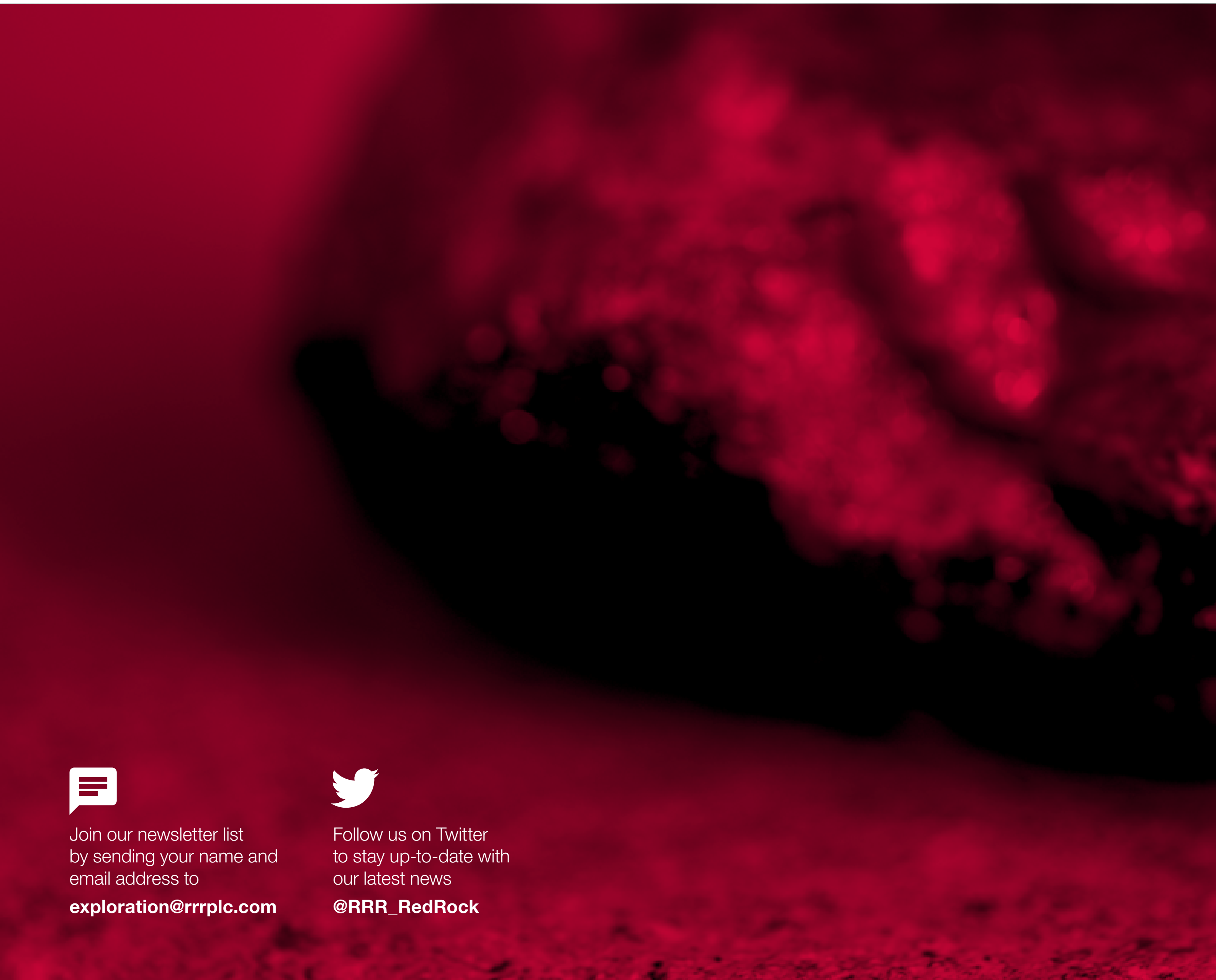
Registrars
Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR
01252 821390

Registered number
05225394

Designed and produced by SampsonMay
Telephone: 020 7403 4099
www.sampsonmay.com

REDROCK
RESOURCES

www.rrrplc.com



Join our newsletter list by sending your name and email address to
exploration@rrrplc.com

Follow us on Twitter to stay up-to-date with our latest news
@RRR_RedRock