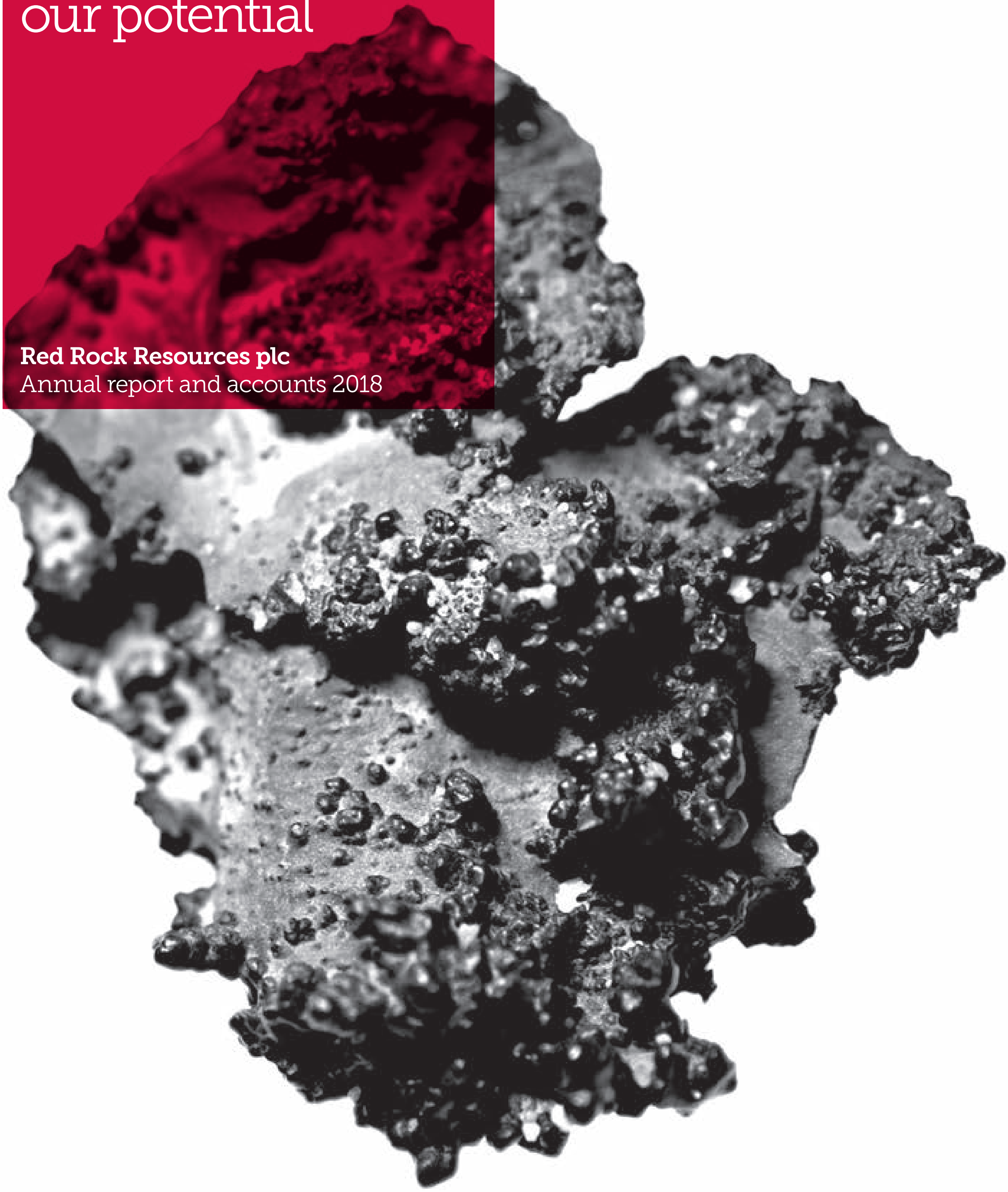
Realising our potential



Red Rock Resources plc
Annual report and accounts 2018

Red Rock Resources plc is a natural resource exploration and development company.

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

Featured image
Drill core sample

A balanced portfolio with significant upside

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

How we communicate with our shareholders

Red Rock offers many avenues of engagement with our investors and stakeholders. Please feel free to reach out and contact us with any questions or queries.

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

Sign up for Company alerts at
www.rrrplc.com/news-media/sign-up-for-alerts/

View this report
www.rrrplc.com/investor-relations/reports-and-presentations/

Featured image
Manganese nodules

£3.1m
Total proceeds from investment in Jupiter Mines since 2017

AUD251m
Jupiter distribution to shareholders since 2017

22%
Red Rock's interest in Steelmin Ltd.

100%
Interest in the assets of the Migori Gold Project

1.2m
Oz Gold JORC resource at Migori Gold Project in Kenya

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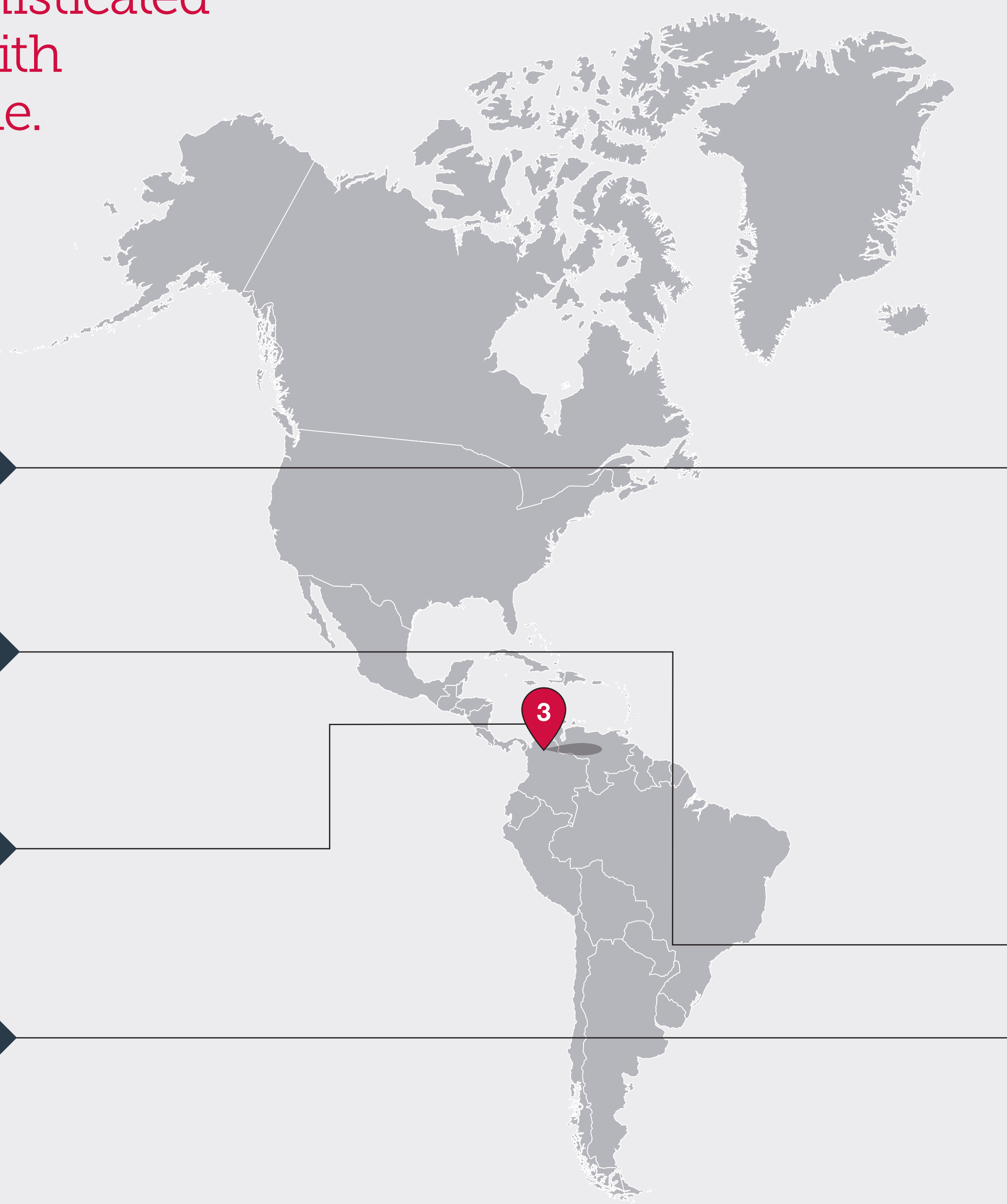
At a Glance

A balanced, sophisticated asset portfolio with significant upside.



1. Steelmin Ltd.

Location: Bosnia, BiH

Producing: Ferrosilicon

Interest: 22% Stake

2. Jupiter Mines

Location: South Africa, Australia

Producing: Manganese and iron ore

Interest: ~1% of Jupiter Mines Ltd.

3. El Limon

Location: Colombia

Producing: Gold

Interest: Ongoing Disposal

4. Democratic Republic of Congo

Location: Democratic Republic of Congo

Commodity: Cobalt and Copper

Interest: Multiple Projects

Performance Review
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Mining & Metals

Au Gold

Gold has returned to favour as a potential hedge and store of value as equity markets begin to weaken in the latter half of 2018.

Main uses
- Store of value during risk off periods
- Inflation hedge
- Jewellery and electronics

Cu Copper

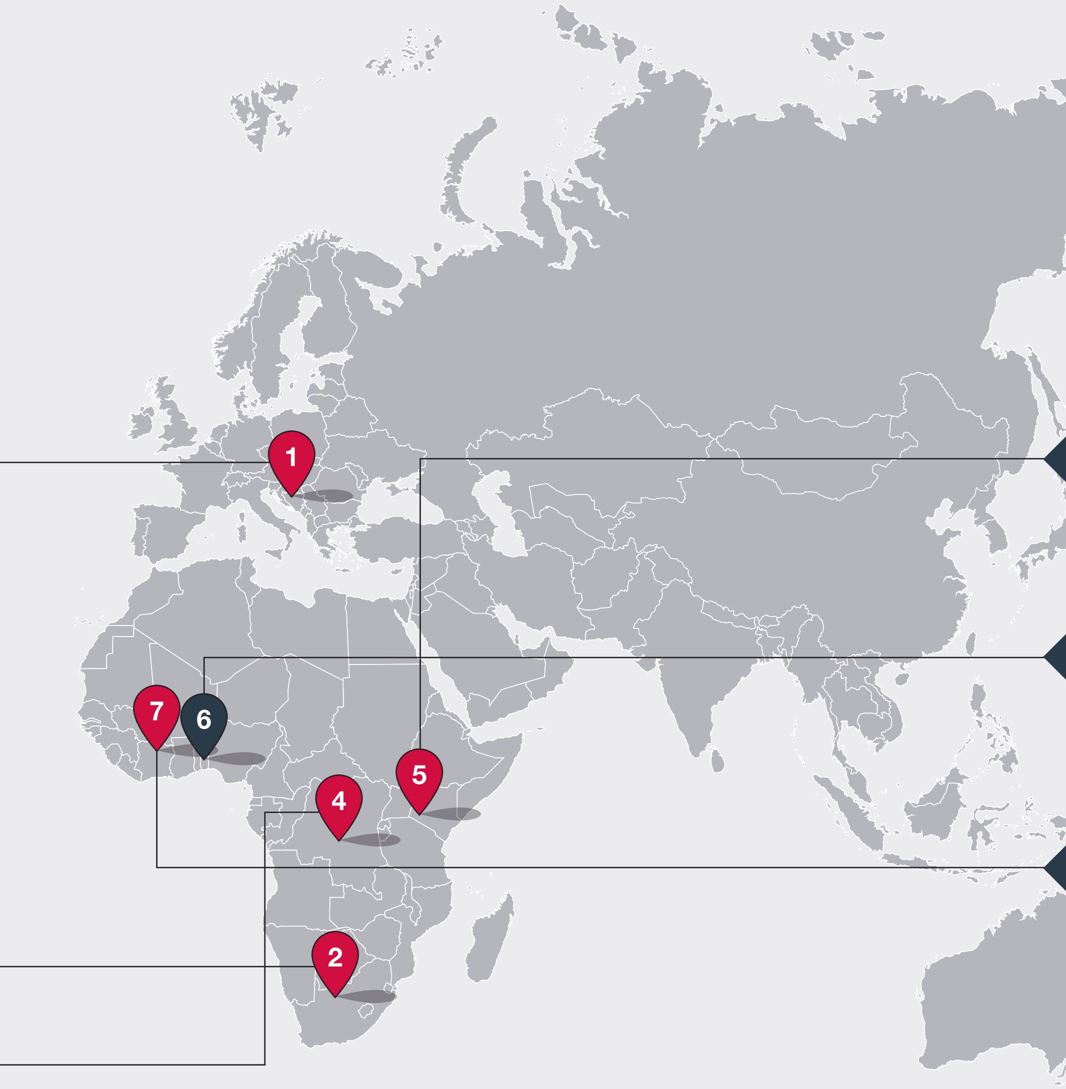
Global demand for copper expected to continue to grow alongside GDP growth, while investments in renewable energy are expected to drive the metal's performance.

Main uses
- Electrical connectors, circuitry and microchips
- Electromagnets and magnetrons
- Fire sprinklers and heat sinks

Mn Manganese

Ongoing demand for steel and an increasing focus on clean energy and battery development is expected to leave manganese prices buoyant into 2019.

Main uses
- Used in alloys – steel and batteries
- Catalyst – rubber additives
- Added to fertilisers and ceramics



5. Migori Gold Project
Location: Kenya
Commodity: Gold
Interest: 100% Asset Interest (under renewal)

6. Elephant Oil Ltd
Location: Benin
Commodity: Onshore Oil Exploration
Interest: 4.64% Interest

7. Ivory Coast Gold Project
Location: Ivory Coast
Commodity: Gold
Interest: 100%

Performance Review
p14

Oil & Gas

Co Cobalt

With demand for cobalt-cathode batteries experiencing tremendous growth, the sky is the limit for a metal with very few reliable sources of supply.

Main uses
- Used in magnetic and stainless steels
- Alloys used in jet turbines and generators
- Modern batteries of all kinds – EVs and home storage
- Jewellery and electronics

Oil & Gas

Oil prices have remained strong into Q4 2018, but appear set to weaken as questions over global growth and concerns over equity markets take their toll.

Main uses
- Energy
- Transport
- Manufacturing
- Plastics

Featured image

Diamond core drill bit

MINING – COLOMBIA

Colombian Gold Royalty

Au

$3m

Royalty investment pay out

Ongoing Revenue Stream
Red Rock continues to receive royalty payments up to a total of $3m on a quarterly basis and now has exposure to Para Resources equity and upside through a direct shareholding.

Read more
p17

Revenue Foundations

With growing cash generation from its investments, the Company has created a substantial platform for growth.

KALAHARI BASIN – SOUTH AFRICA

Global Manganese Producer

Mn

3.34MT

Of manganese ore exported in FY18

One of Largest and Shallowest Resources Worldwide
Jupiter Mines continues to move from strength to strength with plans to distribute nearly all cash received from its Tshipi manganese mine; well above the stated 70% dividend policy and closer to a 100% payout level.

Read more
p14

↑70%

Jupiter dividend policy

$3M

Total value of Colombian gold royalty

Manganese Production
Jupiter Mines Limited is an Australian company with interests in Tshipi é Ntle's manganese mine in South Africa.

Ferrosilicon Production
Steelmin Ltd. is a UK company operating a Ferrosillicon and Silicon Metal Smelter Complex in Jajce, Bosnia.

Colombian Gold Interests
Gold production continues at the company's former gold property in Colombia. Red Rock is to receive a total of $3m in royalties from an ongoing disposal.

Significant Upside Potential

Red Rock offers exposure to multiple natural resource projects with significant unrealised investor upside.

1.2m Oz

Gold JORC resource, Kenyan Greenstone Belt (renewal applied for)

3-4

Potential copper-cobalt opportunities under consideration in DRC

Gold JORC Resource – Kenya
The settlement of the outstanding legal dispute in Kenya now opens the way to licence renewal and further development of the Company's historic gold assets.

Gold Exploration – Ivory Coast
Gold exploration across three licences 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 West Africa.

Oil Exploration – Benin
While oil prices remain volatile, investor focus has turned to growth companies that offer upside aligned with a realistic expectation of accompanying cash flows.

Future opportunities
Red Rock has an ongoing process to evaluate and seek out opportunities with the potential for both near term production and investor upside.

MINING – KENYA

Gold Exploration

Au

1.2Moz

Gold resource of the Migori Gold Project

Planning for Production
With a significant historic spend, JORC resource and many opportunities for partnering, Red Rock's Kenya gold project appears primed for further development and value realisation.

Read more
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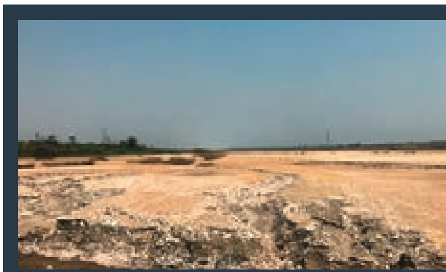


MINING – DRC

Copper/Cobalt

Cu Co

3

Different exploration and development projects under consideration

Multiple Avenues for Development
With some of the richest mineral resources found anywhere, the DRC offers both challenges and opportunities for the dedicated exploration company.

Read more
p17

Featured image
Gold rock sample

Utilising foundational cash generative investments to offer exceptional risk adjusted upside.

Value inputs

1

Experienced management team

Combining deep transactional experience with many years of natural resource expertise.

2

Dynamic financing strategy

Utilising a wide variety of financing structures to achieve development goals.

3

Flexible project and investment strategy

Creating a deep portfolio of investments and natural resource projects offering a diverse array of exposure to multiple commodities and jurisdictions.

4

Unmatched agility and efficiency

A lean London based team supplemented by talented and cost-effective external experts and consultants.

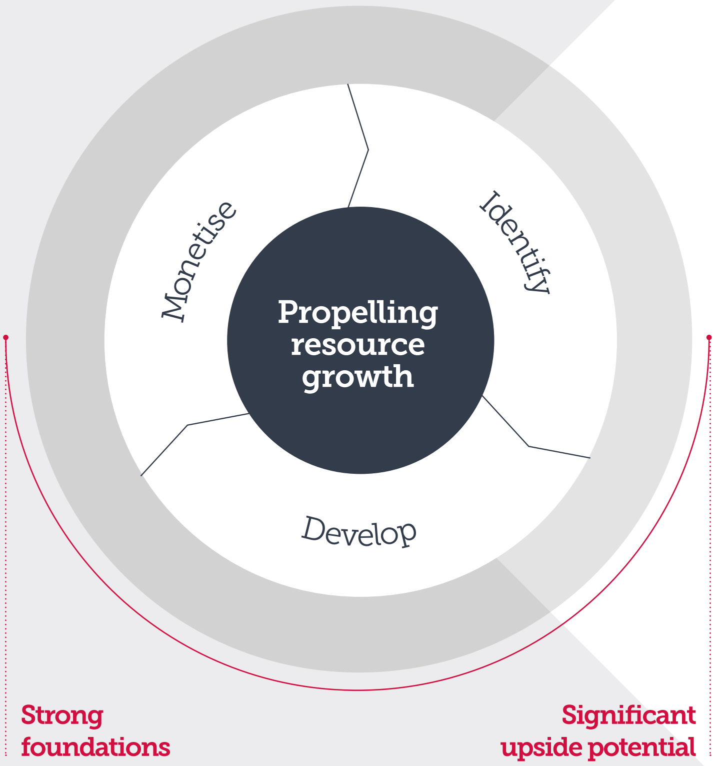
5

Strong relationships with local communities

Excelling at working with local governments and communities to gain the social right to operate.

Our core activities

A balanced approach across multiple stages of the natural resource cycle. With ongoing cash flows from its investments in manganese and gold, the Company looks forward to adding revenues from ferrosilicon and potentially copper/cobalt to this mix.



A balanced portfolio of investments ensures value creation throughout market cycles.

Internal Projects	External Investments	Corporate Transactions
Large in scale	Near-term cash generation	JVs and partnerships
Significant upside	Producing dividend streams	Asset trading/disposals
Usually early stage	Partnering with world class management teams	Royalties

Our Strategy
p13

Principal Risks and Uncertainties
p18

Identify

All successful investments start with determining where to focus one's limited resources by looking for fatal flaws, analysing risks and determining upside potential. Currently Red Rock is focussed on assets with near-term potential for cash generation, while working to maximise the value for shareholders of its historic stakes in earlier stage exploration assets.

Develop

Once an investment or decision to proceed has been made, the Company relies on its many years of natural resource experience to drive its projects and investments forward towards the key milestones previously identified. Being an efficient and agile operator, Red Rock can advance a project for a fraction of the cost of a larger natural resource major, leading to potentially outsized returns for its investors.

Monetise

Once a project or investment has been developed, Red Rock utilises joint ventures, trade sales, and equity trading to realise tangible gains for its shareholders. Monetisation can create ongoing revenue streams as well as larger lump sum realisations and the Company's goal remains to fund future development largely from revenue streams linked to the current portfolio.

Value creation

Shareholders

We seek to create value for our shareholders by:

- Generating outsized returns for investors
- Promoting liquidity in our shares with significant upside potential
- Offering exposure to a wide variety of commodities and jurisdictions

↑ 57.5%

Share price appreciation over 2 years

Employees

We seek to create value for our employees by:

- Creating a safe working environment
- Providing equal opportunities
- Offering a rewarding place to work

SIP

Company sponsored Share Incentive Plan in place

In country value

We seek to improve:

- Mining regulations
- Local employment opportunities
- Economic development

6

Countries where Red Rock or its investee companies operate

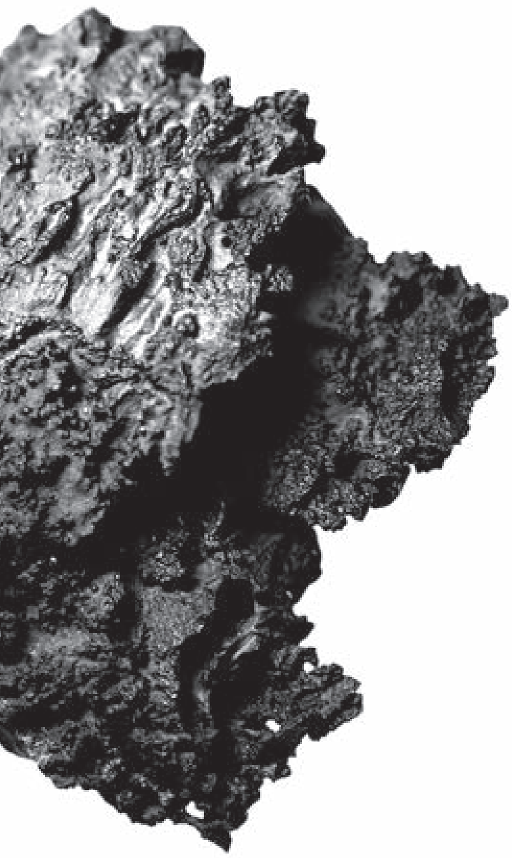
Dear Shareholders,

It's been another exciting year for Red Rock, we are well positioned through diverse and varied sources of capital and have set the foundation for growth in 2019 and beyond.

Andrew Bell
Chairman and CEO

£11.5m
Total equity

£1.2m
Revenue



▲ **Featured image**
Manganese nodules

Overview and KPIs

Let us start with our Key Performance Indicators for 2018. We broadly defined these as:

- A Jupiter Mines Ltd liquidity event involving a disposal of shares
- Additional Jupiter dividends
- Steelmin first ferrosilicon production
- Repayment to us of the Steelmin Note
- Resolution of the license litigation in Kenya, and
- Achieving a valuation on Red Rock that reflected our underlying asset value.

Of these, the first four were achieved, the fifth looks as if it may be accomplished, and the sixth has not been achieved at all.

Manganese producer Jupiter Mines was listed on the Australian Stock Exchange on 18th April 2018. We disposed of shares to raise liquidity as we had said we would, but given the low valuation at listing and the expected high running yield of Jupiter, we retained the bulk of our holding, as we did not see how if we sold more we could reinvest the money better than in an operation like Jupiter itself.

That continues to be our view. Despite a pre-listing buyback and a 5c interim dividend this year, our 18,524,914 shares in Jupiter at AUD 0.29, down from a listing price of AUD 0.40, remain in our portfolio at a lowly valuation of AUD 5,372,225 despite undimmed prospects and world-class execution.

It may be said that as a KPI further Jupiter dividends were an easy target for management to achieve, but the decision to continue holding Jupiter through the down market in commodities up to 2016, rather than to use them for needed liquidity at that time, and to continue holding them since as the market recovered, was a hard and often criticised one. Only now can we declare it vindicated as we find Jupiter's dividend stream more than covering the overhead costs of our business.

Steelmin began production, after repaying in full our loan, and our 22% therefore has some apparent value. The plant is currently closed: it needs some adjustments to achieve its potential and the sharp rise in electricity prices just as it came on stream means that a pause for negotiation of a longer-term tariff will be beneficial.

We settled the litigation with the Government in Kenya, and expect restoration of our licenses, but the process is not yet complete.

Our valuation in the market, like that of Jupiter, has in our view gone from anomalous to extremely anomalous. The market has despite our efforts failed to reflect our continuing success and the fact that we have executed on nearly all fronts. Our price stands at 0.60 pence and when we wrote this report last year it stood at 0.65 pence. The fact that the companies in our sector with which we compare ourselves have done worse is no comfort; this was to be the year in which we differentiated ourselves by showing that we were income generative and cash flow positive and so beginning to be self-sustaining. It was to be the year in which our entrepreneurial skills and strong base allowed us to seize opportunities in the recovering market and so gain a wider recognition.

The record is not therefore one of unalloyed success. Nor did every activity perform in line with our hopes. Of our other objectives, we achieved the repayment of our promissory note in relation to our Colombian gold asset, partly in cash and partly in securities, but the build up in the royalty stream we expected to impact our profits was delayed and only now begins at the levels we had expected. Our due diligence on promising copper and cobalt assets in the Democratic Republic of Congo has taken more than a year, reflecting the caution with which we enter a new market. We have not prioritised our activities in Ivory Coast or Benin, and a small oil investment in Louisiana proved disappointing.

Financial Results

The combined impact of unwinding our back to back loan to Steelmin at a profit, distributions from Jupiter, and the Colombia promissory note repayment, has created a much stronger and more liquid balance sheet.

Our last share placings were in April 2016 and August 2016, when we raised £407,500 at 0.42p and £300,000 at 0.4p respectively to give us the ammunition to advance as we came out of a five year down market. Since then, we have raised £125,000 at 0.8p and a £1m Loan Stock convertible also at 0.8p late last year, when the liquidity event at Jupiter was delayed beyond the expected timetable. As the price has not reached a level where this Loan Stock will be converted we have chosen to extend the bulk of this for another year so as to preserve our liquidity and flexibility.

During the financial period to 30 June 2018 our main priority has once again remained to obtain or develop cash flow producing assets, to give us greater resilience and less dependence on funding from financial markets. We also wanted to keep our burn rate down to minimise dependence on external financing. We wrote last year of our belief that as a result of prior years' actions we were well positioned to gain from the recovery as long as we kept a steady course, and that remained true this year. Once again, our willingness to consider bold new initiatives was restrained by our need to avoid funding at a price below our true value, since few acquisition assets are likely to come with less risk or with a greater discount to true value than we believe is the case with our existing assets.

The financial results for the year ended 30 June 2018 show a slight reduction in Total Equity from £12,182,743 at 30 June 2017 to £11,446,269. Although fewer impairments were taken in the latest year than the previous one, the year to 30 June 2017 had seen the reversal of previous impairments of £4,368,005 at Jupiter, resulting in a substantial increase in Total Equity. In the year to 30 June 2018 there was no comparable number. Although a conservative view has been taken on the Kenyan assets and the past impairments taken on them, we hope that the current year will see a full restoration of our licenses which will potentially enable us to reverse a substantial part if not the whole of these.

Current Assets and Current Liabilities both declined as a result of the unwinding of the back to back loan taken and passed on to Steelmin, and Net Current Assets continued to improve. The underlying picture is also shown in the swing from receivables to cash in Current Assets, and from debt owed to financial institutions to debt in the form of convertible loan notes issued by the Company in Current Liabilities.

The Company's financial position has once more improved substantially over the course of the year.

We are glad to report that after a consolidated Loss after tax in the prior year of £1,114,213, in the year to 30 June 2018 the Company made a consolidated Profit after tax for the year of £78,120. The main factors in this are profit on sale of Jupiter shares and reduction in provisions. We look forward to further improvements in these figures next year.

Administration costs have remained significant, increasing by £204,830 to £849,518 in the year to 30 June 2018. This included increases in legal and travel costs, which increased as we were more active in overseas transactions and continued to conduct litigation to protect our rights in Kenya, and so are in large part costs directly tied to specific projects. Office and general costs reflected one-off costs in office relocation and in changing accountants. A substantial part of our costs, £288,016 in the year just ended, are professional and regulatory fees. We expect over time to lay off, charge on, or share part of our existing overhead, and remain focussed on controlling these expenditures.

Current Financial Year

We have settled our judicial review case in Kenya, to protect our interest in the Migori gold asset and its 1.2m oz gold Resource, as well as in the old Macalder gold and copper tailings where we had already submitted a feasibility study and applied for a mining license. We look forward to the early restoration of our licenses.

We have now increased our beneficial interest in the Kenya licenses to 100%, and following their restoration we expect to form co-operations with other parties who can complement our strengths and drive towards production. As always, we try to limit our direct financial exposure and favour joint operations where appropriate. We would like to think we are also always focussed, as here, with laser-like intensity on the possibilities of early production.

We believe all our assets should be producing assets, which over time has developed as a key differentiator between ourselves and other AIM-listed stocks. This is our particular model, that we think is a sound one.

Investment Overview

Positioned for Outperformance

- Multiple cash flow streams
- Diversified project and investment portfolio
- Focussed on value creation
- Substantial built in upside

£2.5m
Cash in the bank

3
Sources of cash flow

5
Multi-commodity exposure

Corporate Governance

The Board is committed to maintaining high standards of corporate governance and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The QCA Code sets out 10 principles that define Red Rock's own governance policies.

Corporate Governance Statement
p27

Chairman and CEO's Statement
(continued)

Our investigation into our joint venture opportunity in the Congo has taken a long time to complete. The agreement signed last year to enter into copper and gold development with a view to early production is one we would like to pursue. The DRC produces more than half the world's cobalt, a material for which demand is rapidly increasing for use in battery cathodes, and the fundamental supply and demand factors for copper also appear positive in the short and long term. The Congo is the prime location for high grade deposits of both metals, and our neighbours in our targeted areas would be blue chip companies such as Glencore, China Railways and China Hydro, Jinchuan, and Gécamines.

We will look to either sell or advance our position in Steelmin, as opportunity presents.

We expect continued advance at our gold interests in Colombia, leading to higher royalties and a better price at Para Resources where we hold stock.

With the manganese price remaining at or above $6 per DMTU (dry metric ton unit), we expect continuing strong performance at Jupiter, whose policy is to pay out 70% or more of receipts as dividends to its shareholders.

Forward Prospects

We look forward to an increasing gold income stream from royalties supplementing our flow of manganese-derived dividends from Jupiter, and hope for profits or capital gains from our ferroalloys business at Steelmin.

Our key opportunities for growth and expansion in the near future we expect to be in our Kenyan and Congolese activities. We shall therefore concentrate on the maximisation, by transactions, exploration, or development planning, of the value of these assets to our shareholders and our share price. In doing so we hope to add profits from copper and cobalt to our revenue mix.

We shall renew and refresh our marketing, public relations, and social media as part of a process of shareholder engagement and regular market updating. As the market recovers, we expect those companies that communicate better to perform better. We shall as last year state the objective clearly: we want to unlock the discount between the true value we perceive in our stock and the market price, in the interest of all our shareholders and to enable the faster development of the Company.

As we raise our revenues and profitability, we shall turn our focus on to how we may best return some of that that value to shareholders. Our next target will be to obtain a level of stable revenue that will permit either share buybacks or a sustainable dividend. If we can achieve that in the course of the next 12 months, we will consider that the Company has made another great step towards maturity: we add this therefore to our Key Performance Indicators for this year and the next.

Andrew Bell
Chairman and CEO
22 November 2018

Market Dynamics

$1,362
Highest gold price per Oz 2018

Mining & Metals

Overview

Red Rock has cultivated a diversified portfolio of mineral projects at various stages of development from the resource stage on to production.

Outlook

With global growth expected to continue, the world's need for commodities looks set to grow. Red Rock's exposure to steel feed leverages this global growth story, whereas its investments in gold offer shelter if markets take a turn for the worse. Uncertainties remain around the longer-term impacts of trade protectionism, slowing Chinese growth, and the ongoing emergence of Asian middle class consumption.

Commodity market opportunities

- Focus on battery metals and the burgeoning energy storage revolution
- Asian infrastructure expansion drives the need for commodities
- Short-term policy and trade disputes dominate newsflow

$86.74
Highest Brent crude oil price 2018

Oil & Gas

Overview

Red Rock retains interests in oil and gas exploration, with a focus on onshore opportunities in Africa.

Outlook

Oil has surprised on the upside in 2018, although many of the usual factors including supply disruptions in Venezuela and Libya were not unexpected. The longer term effect of renewed sanctions on Iran will likely only partially be offset by further growth in US unconventional production. Meanwhile, the US has seen a reduction in carbon emissions due primarily to its increased use of natural gas as a transition fuel to a decarbonised future. While, a shift to an electric transportation network for cars and light trucks may hasten reductions in the long-term need for oil and increase demand for gas powered electricity production.

Oil and gas market opportunities

- Oil remains a strong short and mid-term play with potential clouds looming as transport demand slows
- Natural gas looks poised to expand its role as the bridge fuel to a decarbonised future
- US hydrocarbon production continues to increase and change market dynamics for these products

Featured image
Mineral rock sample

Our Strategy

Strategy
Red Rock executes its corporate strategy designed to create value for investors by leveraging its deep portfolio of existing mineral exploration projects, its holdings in cash generative ferrosilicon and manganese 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 in reasonably short timeframes has been identified. The Company feels that its broad exposure to a series of commodities, from gold and ferrosilicon to manganese and oil, well positions it for outperformance regardless of which direction markets take.

With both early-stage and producing assets, and active efforts to identify new opportunities underway, Red Rock seeks to generate shareholder returns that well outperform both sector indices and the market as a whole.

1 Near-term cash generation

Progress
- $3.0m in income from holdings in Jupiter Mines
- Steelmin in production
- Colombia gold royalties on the rise

Priorities
- Build off Jupiter income, £450k expected Q1 2019
- Assist Steelmin in transition to established producer
- Add new revenue streams to portfolio

2 Ongoing disposals and value maximisation

Progress
- Settlement on Kenya gold dispute
- Jupiter IPO and liquidity event
- Colombia promissory note proceeds received

Priorities
- Restore Kenya gold licences and look to transact
- Pursue market realisation of Jupiter intrinsic value
- Support Steelmin potential trade sale or exit

3 Future opportunities

Progress
- Advancement of DRC projects
- Multiple copper/cobalt projects under consideration

Priorities
- Focus on exploration opportunities with significant scale
- Leverages inroads made in DRC into world class projects

Group Structure
The Company operates with a lean organisational structure designed to minimise overheads and maximise the funds that go into projects and investments.

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; as well as share price performance and appreciation.

Jupiter Mines

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 shares, now 18.5m, or (0.95%) 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 Jupiter.

Introduction

Jupiter Mines relisted on the ASX in February 2018 as the biggest resource sector IPO on that exchange this decade. It did so on the back of its primary asset – the long life Tshipi manganese mine in South Africa, as well as its Central Yirgarn Iron Project. Jupiter has made distributions to its investors of over AUD$251m since 2017.

Tshipi

Jupiter owns 49.9% of the open-pit manganese mine Tshipi é Ntle in South Africa. With 86Mt at 36.3% Mn reserves the Tshipi mine started production in early 2013 and has since more than doubled its production and export volumes to over 3Mt of Mn ore with capacity now raised to over 3.6Mt per annum. Tshipi realised its best gross profit ratio during the half year to August 2018 at 54%. Tshipi is one of the world's largest manganese mines and is well positioned to increase market share across global manganese markets.

Other Projects

Located in the Yilgarn region, Jupiter retains ownership of both the Mount Ida Magnetite as well as the Mount Mason Hematite (DSO) projects; together called the Central Yilgarn Iron Projects. Both projects have been designed to utilise existing infrastructure in the region including railway lines and the major port terminals at Esperance, where activity in 2018 indicated that space capacity is likely to become available in the near term, improving these projects prospects for development. In the meantime, with iron prices remaining weak, both projects remain on care and maintenance until economic conditions improve. Red Rock retains a royalty over the Mt Ida project.

Mining – South Africa, Australia

Manganese and Iron

Mn Fe

32.3%

Annualised H1 2019 Yield

Highlights

- Listed on the ASX: JMS
- Main asset: 49.9% ownership of Tshipi open-pit manganese mine
- Production increased to 3.3MT
- Debt free and cash generative
- 16.1% H1 2019 yield
- Distribution of A$98m in October 2018
- Market cap over AUD600m

Migori Gold Project

Mining – Kenya

Gold

Au

1.2Moz

Gold resource of the Migori Gold Project (subject to licence renewal)

Highlights

- Resolved longstanding court case with Kenyan Ministry of Mining
- Paved way for licence restoration Q4 2018
- 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 JORC resource
- Partnership opportunities post licence restoration under consideration

Location

The Migori Gold Project in south-west Kenya comprises two contiguous Special Prospecting Licences SPL122 and SPL202, covering 243km^2 and spanning 63km of the prolific Migori Greenstone Belt.

Red Rock Resources' Interest

Following several years of litigation with the Kenyan Ministry of Mining, as of Q4 2018 a consent has been signed on behalf of the Attorney General and the Company, under the terms of which Red Rock may apply for licences and previous decisions will not be prejudicial to such applications. The Company welcomes the decision and has made the appropriate applications for renewal. Following renewal, the Company intends to aggressively pursue JV and partnership opportunities to further develop the project.

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 the 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	1.56	0.068	N/A

Steelmin Ltd.

Mining and Metals – Bosnia, BiH

Ferrosilicon

Fe Si

Highlights

- Red Rock 22% interest
- Initial FeSi production in Q3 2018
- Projects €35m revenue and €7m EBITDA
- Near-term production in familiar steel feed space
- Plant upgrades ongoing in Q4 2018
- Plans to recommence production in Q1 2019

Plant and Facilities

Steelmin Ltd is located in Jajce, Bosnia, and owns a ferrosilicon plant that includes furnaces IV and V from the original Electrobosna complex built in the early 1970s. Furnace V is a 48MVA Elkem furnace, and is connected to two chimneys on the roof of the production hall. Furnace IV, the smaller of the two, is a 30 MVA Tagliaferri furnace with three chimneys, preventing the emission of gases in ambient air to comply with EU regulatory requirements. Given its larger total capacity Steelmin decided to bring furnace V on initially, which it did during Q3 2018. Refurbishment of the second furnace could begin in the first half of 2019.

In addition to the two furnaces, the facility in Jajce houses a filtration plant, warehouse storage for raw materials, pouring and dispatch hall as well as a plant for process water re-circulation. Power remains the most significant input cost to ferrosilicon production and this is provided by abundant and economical hydro-power available across the region.

Products and Markets

The plant has been shut down in September 2017 pending negotiation and execution of a long-term power contract. Steelmin intends to produce ferrosilicon containing 75% silicon and 25% iron, a product primarily used as a deoxidising agent and to add electrical conductivity and corrosion resistance to steel. A by-product of ferrosilicon production will be microsilica, which is a dust used in the manufacture of speciality concretes in the construction industry as well as in advanced refractories and ceramics. Furnace V is expected to produce 29,000t of ferrosilicon per annum as well as 5,800t of microsilica.

Over time Steelmin is expected to produce both ferrosilicon as well as additional silicon alloys that offer higher margins and additional upside. Currently ferrosilicon trades between €1280-1350 a ton and the estimated price of microsilica is €200 a ton.

European ferrosilicon production depends critically on access to cheap power (locally generated hydroelectric power in the case of Jajce) as this is up to half the cost of production. Prices are historically driven by steel production levels, the level of Chinese pricing and production allowed into Europe, as well as the associated export and anti-dumping tariffs. Since late 2016 overall Chinese export prices have begun to rise, positively impacting European prices.

Forward projections

Steelmin projects base level output to be 2,400t per month.

Democratic Republic of Congo

Mining and Metals – DRC

Copper/Cobalt

Cu Co

Highlights

- Multiple cobalt and copper projects
- Joint venture with local partners VUP and Bring Minerals SAU
- Red Rock to receive 50.1% of JV
- Exploration at gold licence PR13513 commenced
- Significant potential in a natural resource rich country
- Timing right for entry

Project Details

Red Rock has advanced two main projects in the DRC to date. The first are three copper/cobalt tenements in the heart of the Katanga segment of the Central African Copperbelt that are held jointly with local partners VUP. Through the second half of 2018, Red Rock has been working closely with VUP and parastatal Gecamines to confirm the merit and prospectivity of the proposed assets. Also during this period adjustments to the JV contract were made such that the overall cost was reduced and the structure simplified.

Following positive due diligence results, in November 2018 Red Rock decided to proceed with the JV contract and made the initial cash payment. Further works on confirmation of economic mineralisation and definition of a compliant Resource are now being carried out.

Separately, Red Rock has begun a soil sampling programme on a new licence in the DRC, PR12513, 80% of which was acquired along with other licences, including a gold-prospective license adjacent to Randgold's Kibali mine. The Company is currently working with a local contractor in order to test for copper and cobalt mineralisation on the licences.

Gold Mining & Exploration

Four Points Mining – Colombia

Highlights

- Red Rock's former gold assets – sold in 2015
- Red Rock holds royalty interest of up to USD3m
- Royalty payments ongoing
- Operated by Para Resources (CVE: PBR)
- Mill now capable of 225TPD at recoveries over 85%
- Additional plant feedstock being provided by contract miners
- Break even at $1,200 lies between 260-300oz a month

Ivory Coast Exploration

Highlights

- Gold exploration venture
- Licences under application in central and eastern Ivory Coast
- Significant gold exploration potential
- Multiple gold deposits along trend
- Project on care and maintenance

▲ Increase ▶ Stable ▼ Decrease

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.

Key risk	Description	Potential impact	Mitigating actions	Impact	Change
Market and Funding Risks	• Continued access to equity and debt capital to maintain solvency and to fund operations • 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 • Investor risk appetites • Low world GDP growth – perceived demand for commodities may decline • Natural resource sector and market sentiment • Perceived oversupply of certain commodities – extended low pricing levels	Inability to properly fund and develop internal projects – requirement to monetise investments earlier than scheduled.	Corporate finance planning and analysis facilitates multiple avenues to acquire and deploy capital including from internal sources of cash flow. Expansion of capital reserves and ongoing cost reduction efforts provides the Company with additional resilience during sector downturns.	High	▲
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	Investments in projects may fail to prove economic requiring accounting write offs and ultimately financial losses to the Company and its investors.	Ensuring new projects are undertaken only following thorough due diligence processes, and that once undertaken projects are led by skilled, technically adept managers with clearly defined goals.	Moderate	▼
Operational Risks	• Operational and development cost variability and uncertainty • Natural resource policy and regulatory changes impact operations • Social licence 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	Operational risks can both delay and ultimately force natural resource projects to be abandoned. Infrastructure limitations may cause project economics to suffer and lack of trained technical staff may result in poor quality work on site as well as an increased cost base.	Working closely with national governments and regulatory bodies all the way down to local communities helps establish good two-way communication with key stakeholders and minimises many of the risks that arise when such relationships break down. Effective long term planning meanwhile can ensure that infrastructure bottlenecks are examined and dealt with well in advance.	Moderate	▶

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 23.3.

Identification
Risks recorded in controlled risk registers

Evaluation
Risk exposure regularly reviewed and prioritised

Monitoring
Risks analysed for impact and probability

Mitigation
Risk owners identified and action plans implemented. Robust mitigation strategy subject to regular and rigorous review

Operating Responsibly

Responsible behaviour is fundamental to our success. In order to produce value for all of our stakeholders we must ensure that we operate in harmony with local communities and their environments.

Corporate Social Responsibility

Red Rock's Corporate Social Responsibility ("CSR") policy recognises that as a junior exploration business and natural resource developer, the Company has a responsibility to the local communities in which it works, ensuring that the projects it operates 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 related 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.

The Strategic Report has been approved and signed on behalf of the Board.

Andrew Bell
Chairman and CEO
22 November 2018

Governance Overview

Board activities 2018

- Advanced interests in the DRC
- Oversaw appointment of new AIM broker
- Voted to issue convertible loan notes
- Signed off on partial JMS disposal at IPO

No. of meetings held

Andrew Bell Chairman and CEO	17/17
Scott Kaintz Executive Director and COO	17/17
Michael Nott Non-executive Director	17/17
Sam Quinn Independent Non-executive Director	17/17

Dear shareholders

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

Business Model and Strategy for Promotion of Long-Term Value

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

Responsibilities of the Board

The Board has 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. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operational performance. Day to day management is delegated to the Executive Directors, responsible for consulting the Board on all significant financial and operational matters. The Board approves the annual budget and amendments to it, issues of shares or other securities, and all significant acquisitions and disposals.

The Board comprises four Directors, namely Andrew Bell, the Chairman and CEO, Scott Kaintz, Executive Director and COO/CFO, and two Non-executive Directors, Michael Nott and Sam Quinn, of whom one, Sam Quinn, is an Independent Non-executive Director. One-third of the Executive Directors and Non-executive Directors retire by rotation under the Articles of Association of the Company and, if eligible, may offer themselves for re-election.

Board of Directors

The Board consists of four Directors and the Company believes that the current balance of resource sector, technical, financial, accounting, legal and public markets skills as well as experience of the Board as a whole, reflects its business requirements. The Board shall review annually and when required the appropriateness of its mix of skills and experience to ensure that it meets the changing business needs.

The Board recognises that it has limited diversity and will give this factor due consideration if the Board concludes that replacement or additional Directors are required.

Evaluation of Board Performance

The internal evaluation of the Board, the Committees and individual Directors, including any succession planning, is undertaken on an annual basis, to determine the effectiveness of their performance and suitability to the changing business requirements. There is also a continuous and ongoing process of evaluation, which historically has resulted in an increase and then reduction in Board size and changes in composition, both at executive and non-executive level, as the business grew to 2010 and then shrank in the ensuing poor market for commodities, and as the needs of the business evolved.

The assessment criteria are based on the need to promote the Company's Business Model, industry practices and the need for balance, the Company's immediate aspirations as well as the specific skills, knowledge and capabilities that are required to perform certain roles.

The results and recommendations that come out of the appraisals of the Directors and members of the Committees identify the required changes and actions for the Board and the Committees as units as well as individually for the Directors and members of the Committees.

Shareholder and Stakeholder Communication

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

Significant developments are disseminated through Stock Exchange Announcements, Press Releases and Twitter at @RRR_RedRock as well as Company Interviews, Broker Notes, Video Updates and Presentations, all of which are available on the Company's website www.rrrplc.com, where the shareholders may sign up to receive news releases directly by email.

Corporate Culture

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

Board of Directors

The Board of Directors comprises four Directors, one of whom is Executive Chairman and Chief Executive, as of the year end.

Andrew Bell MA, LLB
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 Regency Mines Plc (AIM), Executive Chairman and Director, Jupiter Mines Ltd (ASX), Non-Executive Director. Andrew Bell is also a former Director of various resource sector companies including Star Striker Ltd (now Intiger Group Ltd) (ASX), and a former Non-Executive Chairman of Greatland Gold Plc (AIM).

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 US Air Force Officer and analyst working across Europe, the Middle East and Central Asia. Scott Kaintz 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 in a Corporate Finance role and has subsequently become an Executive Director where he works to identify, evaluate and source funding for natural resource development projects. Scott Kaintz is also an Executive Director of Regency Mines Plc, listed on AIM, and has Directorships at Curzon Energy Plc, listed on LSE, and White Car Ltd, a private company.

Sam Quinn BA, LLB
Independent Non-executive Director

Sam Quinn has a Bachelor of Laws 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 non-listed gold, silver, copper, iron-ore and diamond exploration and development companies with operations in various jurisdictions. Sam Quinn is an Executive Director of Tectonic Gold Plc, listed on NEX, and has the following Non-executive Directorships at Blencowe Resources Ltd, Trident Resources Plc, Direct Excellence Ltd, Lionshead Consultants Ltd, Nutrimentum (UK) Ltd, Ceylon Phosphates (UK) Ltd, Parq Capital Management (UK) Ltd, Diamond Manufacturing Corporation Maseru (Pty) Ltd and Ceyphos Fertilisers (Private) Ltd.

Committee membership
- Chairman of the Remuneration Committee
- Audit Committee member

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

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

Committee membership
- Chairman of Audit Committee
- Member of the Remuneration Committee

Responsibilities of the Board

- Focus on governance over management
- Formulate, review and approve Company strategy
- Oversee financial activities and operational performance
- Approval of annual budget

Focus areas for 2019

- Accelerated development of Kenyan gold interest
- Achieving underlying asset value realisation in share price
- Increasing share liquidity
- Ensuring cost-effective capital available for future projects

Directors' Report
for the year ended 30 June 2018

The Directors present their fourteenth annual report on the affairs of the Group and Parent Company, together with the Group financial statements for the year ended 30 June 2018.

Results and dividends
The Group's results are set out in the consolidated income statement on page 32. The audited financial statements for the year ended 30 June 2018 are set out on pages 29 to 73.

The Group made a post-tax profit of £78,120 (2017: loss of £1,114,213).

The Directors do not recommend the payment of a dividend (2017: nil).

Business review and future developments
The business review and future developments are dealt with in the Chairman's Review and in the Strategic Report on pages 10 to 13.

Fundraising and share capital
During the year, the Company raised £265,685 (2017: £300,000) of new equity by the issue of 36,940,971 Ordinary shares (2017: 75,000,000 shares); further details are given in note 20.

Directors
The Directors who served at any time during the period to date are as follows:
Andrew R M Bell
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 2018 were as follows:

	Ordinary shares					
	Direct	Beneficial	Total	As percentage of issued share capital	Options	Warrants
Andrew R M Bell	31,792,511	6,328,480	38,120,991	7.11%	17,760,000	7,886,904
Michael C Nott	1,471,807	6,196,480	7,668,287	1.43%	900,000	—
Scott Kaintz	2,517,807	6,328,480	8,846,287	1.65%	15,680,000	1,785,714
Sam Quinn	2,206,766	4,418,800	6,625,566	1.24%	3,900,000	1,785,714

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2017 were as follows:

	Ordinary shares					
	Direct	Beneficial	Total	As percentage of issued share capital	Options	Warrants
Andrew R M Bell	9,042,511	4,852,480	13,894,991	2.92%	17,760,000	5,867,167
Michael C Nott	1,471,807	4,756,480	6,228,287	1.31%	900,000	421,052
Scott Kaintz	1,785,714	4,852,480	6,638,194	1.39%	15,680,000	1,785,714
Sam Quinn	2,206,766	2,950,000	5,156,766	1.08%	3,900,000	1,996,240

Events after the reporting period

The events after the reporting period are set out in note 28 to the financial statements.

Substantial shareholdings

On 30 June 2018 and 1 November 2018, the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	30 June 2018		1 November 2018	
	Ordinary shares of £0.0001 each	Percentage of issued share capital	Ordinary shares of £0.0001 each	Percentage of issued share capital
Barclays Direct Investing Nominees Limited – Designation CLIENT 1	71,030,097	13.25%	64,177,134	11.97%
Vidacos Nominees Limited – Designation CLRLUX 2	53,502,688	9.98%	68,152,688	12.71%
Interactive Investor Services Nominees Limited – Designation SMKTNOMS	29,438,528	5.49%	29,710,132	5.54%
Red Rock Resources Plc Share Incentive Plan	25,738,133	4.80%	25,738,133	4.80%
Huntress (CI) Nominees Limited – Designation KGCLT	25,476,942	4.75%	—	—
Peel Hunt Holdings Limited – Designation PMPRINC	25,322,749	4.72%	35,273,855	6.58%
HSBC Global Custody Nominee (UK) Limited – Designation 941346	21,950,046	4.10%	47,426,988	8.85%
Hargreaves Lansdown (Nominees) Limited – Designation VRA	20,848,121	3.89%	19,340,250	3.61%
HSBC Client Holdings Nominee (UK) Limited – Designation 731504	19,934,748	3.72%	—	—
Interactive Investor Services Nominees Ltd – Designation SMKTISAS	19,892,718	3.71%	22,383,611	4.18%
HSDL Nominees Limited	18,797,724	3.51%	17,639,920	3.29%
Hargreaves Lansdown (Nominees) Ltd – Designation 15942	—	—	17,848,387	3.33%
Share Nominees Ltd	16,632,742	3.10%	—	—
Total number of shares in issue	536,012,471		536,012,471	

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 2018, the Company has not granted any options over its Ordinary shares (2017: a total of 35,000,000 options in the Ordinary shares). As at 30 June 2018, 48,320,000 of these options were outstanding (2017: 48,320,000).

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

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

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

In January 2016 the Directors approved an EMI (enterprise management incentive) scheme, and all options granted by the Company in the year to 30 June 2018 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 22 to the financial statements.

Directors' remuneration report

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

A fee was paid to each Director for the year ended 30 June 2018. In addition, certain fees and expenses were paid to businesses with which the Directors are associated as set out in note 8 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 1.69% interest in the Company as at 30 June 2018 (2017: 1.91%). The Company had a 0.21% interest in Regency Mines plc as at 30 June 2018 (2017: 0.29%). 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 27 and 28.

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.

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 recorded a profit of £78,120 for the year ended 30 June 2018. At that date there were net current assets of £607,396 (2017: net current assets of £299,701). The profit resulted mainly from the sale of investments during the year of £1,200,050. Cash and cash equivalents were £2,265,636 at year end.

During the reporting year the Company has continued to receive proceeds from the sale of its gold interests in Colombia. The Company had a three-year convertible promissory note of USD1.0m secured over the assets of its former gold mine and associated plant and bearing interest of 5% per annum that became due in 2018. On 7 June 2018 the Company announced that it had received the final payment of the promissory note of USD750,000 and had chosen to apply CAN500,000 of that amount to a subscription for 2,500,000 shares of Para Resources Inc and the balance of USD376,500 in cash.

Additional payments of up to USD2.0m are to be paid in the form of a 3% net smelter royalty payable quarterly on gold production and these payments continued in 2017 and totalled USD71,414 to 30 June 2018. The Company estimates that approximately £150k will be paid out towards the initial USD2m royalty during 2019 based on updated projections from the operator in Colombia. A final royalty stream of up to USD1.0m 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 11 September 2017, Jupiter Mines Ltd, where the Company held a 1.2% stake, announced its plans to make a USD25m distribution to its shareholders. On 5 December 2017 Red Rock announced that it had received USD279,945 following its participation in this Jupiter Mines distribution. On 22 January 2018 Jupiter Mines announced its intention to distribute a further USD42m to its shareholders. On 19 March 2018 Red Rock announced the completion of this equal access buy-back, and that it had received USD501,410 as a result of its participation.

On 19 March 2018 Jupiter announced its intention to seek relisting on the Australian Stock Exchange, which would offer existing shareholders the potential to partially exit their investments at the time of the IPO. Accordingly, on 17 April 2018 Red Rock announced that Jupiter Mines had completed its AUD240m IPO and that the relisting had been oversubscribed. As part of the listing process, Red Rock sold 4,700,000 shares, constituting 20.2% of its holding in Jupiter, and agreed to retain the balance of its 18,524,914 shares in escrow for a period after listing. This sale of Jupiter shares resulted in a further AUD1,842,400 of proceeds to the Company, with Red Rock retaining a 0.95% stake in the post IPO share capital of Jupiter.

On 18 June 2018 Jupiter Mines announced its intention to make its first public distribution in the form of ZAR1.5bn, well in excess of Jupiter's previously stated 70% distribution policy in the IPO prospectus. Subsequently, on 17 September 2018 Red Rock announced that it had received £508,000 in cash following the 14.5% half-year dividend distribution by Jupiter Mines. This brought the total proceeds from the Company's investments in Jupiter Mines to USD3.99m since 2017. Simultaneously, Jupiter announced that it continued to plan to make dividend distributions to shareholders going forward on a biannual basis.

On 10 November 2017 the Company announced the issuance of up to £1,000,000 of convertible loan notes, with the first tranche closing at £495,000 and the balance closing by 14 December 2017. The notes carry a 10% interest rate and are convertible at a premium to the share price at issuance, being convertible at £0.008. During the course of the year £50k of notes were converted leaving a balance of £950,000 due for repayment or refinancing in Q4 2018.

On 2 November 2018 the Company announced that owners of £575,000 of existing convertible loan notes have applied for note renewal and have agreed to extend the term of their notes a further twelve months, with a new final redemption date of 19 Dec 2019 on the same terms. These notes are thus convertible into Red Rock shares at a price of £0.008 and carry an interest rate of 10% per annum accruing monthly.

The Group retains a lean operating structure, with three employees (excluding the two non-executive Directors) and both accounting and geological services outsourced. The Company has continued these cost control efforts by downsizing its offices in Q4 2017 and continuing to rely on consultants while minimising the size of permanently employed staff and associated overhead costs.

The Directors are confident in the Company's ability to fund its basic operations from the ongoing stream of dividends from Jupiter Mines expected to continue on a biannual basis, and currently averaging nearly £1m per annum to the Company. This quantum is expected to both cover the Company's basic overhead costs and allow for additional investment in the Company's projects. Over the longer term the Company expects to receive additional revenue from any transaction involving the Company's gold licences in Kenya as well as from the ongoing development of its investment in Steelmin, which operates a ferrosilicon smelter in Bosnia. Beyond this, the Company expects to receive an improved royalty stream from Colombia, as the operator of the gold assets there appears set for significant increases in production during 2018-19.

The Company has demonstrated the repeated ability to raise new finance as required, either in the form of debt or equity as deemed appropriate.

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.

As sentiment in natural resource investment and development remains solid, the Directors feel strongly that they will be able to largely fund the business internally and will be able to access external capital as required during 2019.

By order of the Board
Signed by:

Andrew Bell
Chairman and CEO
22 November 2018

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 and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The QCA Code sets out 10 principles that are listed here together with a short explanation of how the Company applies each of the principles and reasons for any non-compliance. The full version of the Company's Corporate Governance statement can be found on the Company's website at www.rrrplc.com.

Principle One. Business Model and Strategy for promotion of long-term value

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

Principle Two. Understanding shareholder needs and expectations

The Board understands the needs and expectations of its various shareholders, who all share a desire to maximise the value and growth of the business, but may do so with different time frames and outcomes in mind. The Company manages shareholder expectations by communicating clearly the Company plans, expectations and timelines, and providing regular updates on developments via regulatory announcements, newsletters, website and Twitter at @RRR_RedRock, as well as interviews, informal and formal meetings, including phone-in meetings, in order to serve the needs of private and institutional investors, taking into consideration shareholders' views and suggestions. Group site visits are offered to shareholders expressing interest in particular operations. Shareholders are also encouraged to attend the Company's Annual General Meetings, where they have an opportunity to share their views on the business and ask questions.

Principle Three. Consider wider social responsibilities

The Board recognises that the long-term success of the Company will be enhanced by good relations with different internal and external groups, including direct and indirect employees, business partners, consultants and contractors as well as suppliers, service providers, regulators, governments and local communities, and to understand their needs, interest and expectations. The Board has established a range of processes and systems to ensure that there is ongoing two-way communication, control and feedback processes in place to enable appropriate and timely responses.

Principle Four. Risk management

To execute and deliver the Company's strategy, a Risk Management Framework has been developed, which identifies the risks to which the Company has been or could be exposed. This framework has been in use for number of years, changing depending on the Company's size and its business activities, and serves as an internal control measure. The Risk Management Framework takes into consideration the following key categories of the business, namely, the Management, Regulatory, Financial, Operational, HR, H&S, Political, Environmental and Other Risks. Each category identifies varied risks and addresses those risks separately, assigning a risk score, likelihood, control measures in place and control measures that need to be taken to mitigate the risks, identifying a responsible person and the action deadline. Risk management is an ongoing process and extends to overseas activities as it is appropriate, taking into consideration the local as well as the UK regulatory requirements. In addition, the Audit Committee overseas the Company's financial reporting, including accounting policies and internal financial controls and is responsible for ensuring that the financial performance of the Company is properly monitored and reported to the Board. Close day to day control is also exercised by the Executive Directors to ensure the effectiveness of the Company's control systems.

Principle Five. A well-functioning Board of Directors

The Board has the 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. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operational performance. Day to day management is delegated to the Executive Directors, responsible for consulting the Board on all significant financial and operational matters. The Board approves the annual budget and amendments to it, issues of shares or other securities and all significant acquisitions and disposals. The Board comprises four Directors, namely Andrew Bell, the Chairman and CEO, Scott Kaintz, Executive Director and COO/CFO, and two Non-executive Directors, Michael Nott and Sam Quinn, of whom one, Sam Quinn, is an Independent Non-executive Director. One-third of the Executive Directors and Non-executive Directors retire by rotation under the Articles of Association of the Company and, if eligible, may offer themselves for re-election.

Principle Six. Appropriate skills and experience of the Directors

The Board consists of four Directors and the Company believes that the current balance of resource sector, technical, financial, accounting, legal and public markets skills as well as experience of the Board as a whole, reflects its business requirements. The Board shall review annually and when required the appropriateness of its mix of skills and experience to ensure that it meets the changing business needs. The Board recognises that it has limited diversity and will give this factor due consideration if the Board concludes that replacement or additional directors are required.

Principle Seven. Evaluation of Board performance

The internal evaluation of the Board, the Committees and individual Directors, including any succession planning, is undertaken on an annual basis, to determine the effectiveness of their performance and suitability to the changing business requirements. There is also a continuous and ongoing process of evaluation, which historically has resulted in changes in Board size and in composition, both at executive and non-executive level. The assessment criteria are based on the need to promote the Company's Business Model, industry practices and the need for balance. The criteria also include the Company's immediate aspirations as well as the specific skills, knowledge and capabilities that are required to perform certain roles. The results and recommendations that come out of the appraisals of the Directors and members of the Committees, identify the required changes and actions for the Board and the Committees as units as well as individually for the Directors and members of the Committees.

Corporate Governance Statement
continued

Principle Eight. Corporate culture

The Board recognises that its decisions regarding the business model, strategy and risks will impact the corporate culture of the Company and the tone and culture set by the Board will influence behaviour and performance. Therefore, respectful and open dialogue is emphasized, with sound ethical values and behaviour, if the Company is to successfully achieve its corporate objectives, and this culture is transmitted through the whole organization and set a benchmark and send a signal of what it will and will not do in some of the jurisdictions in which the Company operates. The Board places great importance on this aspect of corporate life, where failure could put the Company at risk, and seeks to ensure that this flows through all its business interactions and at all levels of the Company. The corporate governance arrangements that the Board has adopted, together with a punctilious observance of Employment Law, Health and Safety requirements, and other applicable regulatory requirements also form part of the corporate culture, requiring a standard of behaviour when they have interactions with shareholders, contractors, business partners, service providers, regulators and others. For example, the Company has adopted an Anti-Corruption and Bribery Policy, HR and H&S Policies that dictate the contractors' accepted behaviours, as well as the Share Dealing Code for Directors and employees, required for AIM listed companies and in accordance with the requirements of the Market Abuse Regulation, which came into effect in 2016.

Principle Nine. Maintenance of governance structures and processes

The Board has 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, establishing and maintaining corporate structures and processes in line with current legislation, its business aspirations and its corporate culture, that are appropriate to its size and complexity, capacity and tolerance for risk.

Description of Roles

The Chairman & CEO is the leading representative of the Company presenting the Company's aims and policies to the outside world. His responsibilities include taking the Chair at Board Meetings and General Meetings, where he is responsible for ensuring the appropriate supply of information. He is also responsible for leading the development and execution of the Company's long-term strategy, overseeing matters pertaining to the running of the Company and ensuring that the Company meets all legal requirements and corporate responsibilities. He assists in the response to shareholder inquiries and meets or speaks to shareholders as required. The Company considers that having the same person as Chairman and CEO is appropriate to the Company at its current stage of development, and that sufficient experience and compliance structures exist within the Company to ensure that the governance functions that would be part of an independent Chairman's responsibility are carried out. Independent and Non-executive Directors sit on the Audit and Remuneration Committees, particulars of which appear hereafter, and are responsible for reporting to the full Board their conclusions and for keeping up to date with the work of the corporate governance and liaising with those responsible for the Risk and Health and Safety management.

The Executive Director and COO, whose responsibilities encompass those of a Finance Director/CFO, is responsible for the day to day management of the business, works with the Chairman to develop and execute the long-term strategy of the business, and is responsible for its implementation. He also develops budgets and identifies changes in the financial outlook of the Company and recommends responses. He shares responsibility for ensuring that the Company meets its legal requirements and corporate responsibilities, and oversees the Annual Report, website, and various staffing and compliance issues. He works jointly with the Chairman on shareholder and communication issues.

Audit Committee

The Audit Committee considers the Company's financial reporting, accounting policies and internal financial controls. It is also responsible for ensuring that the financial performance of the Company is properly monitored and reported on. The Committee reviews 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. The Audit Committee is comprised of Michael Nott, Non-Executive Director as Chairman and Sam Quinn, Non-Executive Director. The Audit Committee meets at least twice a year, once with the auditor. The Chairman attends the Audit Committee's meetings as requested by the Committee.

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, namely Michael Nott as Chairman and Sam Quinn. The Executive Chairman – attends the Remuneration Committee's meetings as requested by the Committee, which meets at least twice a year.

Nominations Committee

The Board has not established a Nominations Committee. Matters that would normally be dealt with by the Nominations Committee will be discussed by the Remuneration Committee and referred to the Board as a whole.

Non-Executive Appointment Terms

The Non-Executive Directors have the same legal responsibilities to the Company as any other Director, including attendance at the regular Board Meetings, the Committees' Meetings and the General Meetings.

Matters Reserved for 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 delegated to the Executive Directors, responsible for consulting the Board on all significant financial and operational matters. The Board approves the annual budget and amendments to it, issues of shares or other securities and all significant acquisitions and disposals. Corporate governance is an ongoing and proactive process that encompasses the regulatory requirements and the changing needs of the business.

Principle Ten. Shareholder and stakeholder communication

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and is committed to providing effective communication with its shareholders. Significant developments are disseminated through stock exchange announcements, press releases and Twitter at @RRR_RedRock as well as interviews, broker notes, video updates and presentations, all of which are available on the Company's website www.rrrplc.com, where the shareholders may sign up to receive news releases directly by e-mail. Shareholders are also encouraged to attend the Company's Annual General Meetings, which is viewed by the Board as an important forum for communication between the Company and its shareholders.

Independent Auditor's Report
to the Members of Red Rock Resources plc

Opinion
We have audited the financial statements of Red Rock Resources plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2018 which comprise the Consolidated and Company Statements of financial position, the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and the related notes 1 to 31, including the principal accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's and the Parent Company's results for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of Non-current receivables
The Group's Non-current receivables represent a significant asset on its statement of financial position totalling £4,901,196 as at 30 June 2018.

Management and the Board are required to assess whether Non-current receivables are carried in the statement of financial position at fair value after any necessary impairment charge has been considered and accord with the Group's accounting policy.

Given the significance of the Non-current receivables on the Group's statement of financial position and the significant management judgement involved in the determination of their carrying values after any impairment charge there is an increased risk of material misstatement.

Carrying value of Investment in Associates
The Group's Investment in Associates represents a significant asset on its statement of financial position totalling £1,000,374 as at 30 June 2018, this amount entirely comprising the capitalised costs in the 15% holding in Mid Migori Mining Company Limited. The management judgement involved in the determination of the carrying value of this asset is applied in conjunction with the related Non-current receivable.

How the matters were addressed in the audit
The procedures included, but were not limited to, assessing and evaluating management's assessment and valuation methodology as applicable to the amounts recoverable from its Associate, Mid Migori Mining Company Limited, and the deferred consideration receivable in relation to royalties on gold production further to the sale of the Group's gold interests in Colombia, as disclosed in note 17 as MFP proceeds, with consideration of:

- the settlement of legal proceedings in Kenya in relation to the licences held in South West Kenya;
- third party interest in the acquisition of strategic stakes in the Kenyan assets;
- the modelling and valuations of the future royalties receivable on the projected gold production from El Limon; and
- the available financial information on Para Resources Inc., the majority owner of the El Limon project.

We also assessed the disclosures included in the financial statements together with amounts allocated to costs within the Income Statement.

Independent Auditor's Report
to the Members of Red Rock Resources plc continued

Materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of any misstatements identified. Based on professional judgement, we determined overall materiality for the Group financial statements as a whole to be £80,000, less than 0.6% of Total Group Assets with a lower materiality set at £72,000 for Non-current receivables and Investment in Associates, less than 1.25% of the carrying value of the combination of these assets.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Rowan J. Palmer (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
22 November 2018

Consolidated Statement of Financial Position
as at 30 June 2018

	Notes	30 June 2018 £	30 June 2017 £
Assets			
Non-current assets			
Property, plant and equipment	10	—	15,600
Investments in associates and joint ventures	12	1,000,374	963,080
Exploration assets	13	—	280,460
Available for sale financial assets	14	4,705,386	6,080,146
Non-current receivables	17	4,901,196	4,543,755
Total non-current assets		**10,606,956**	**11,883,041**
Current assets			
Cash and cash equivalents	16	2,265,636	909,094
Financial asset – investment in derivatives	15	60,345	—
Other receivables	18	935,407	4,202,880
Total current assets		**3,261,388**	**5,111,974**
Total assets		**13,868,344**	**16,995,015**
Equity and liabilities			
Equity attributable to owners of the Parent			
Called up share capital	20	2,766,857	2,760,859
Share premium account		26,016,000	25,604,575
Other reserves		3,392,060	4,855,993
Retained earnings		(20,941,477)	(21,022,232)
Total equity attributable to owners of the Parent		**11,233,440**	**12,199,195**
Non-controlling interest		(19,088)	(16,453)
Total equity		**11,214,352**	**12,182,742**
Liabilities			
Current liabilities			
Trade and other payables	19	1,645,167	1,553,665
Short-term borrowings	19	1,008,825	3,258,608
Total current liabilities		**2,653,992**	**4,812,273**
Total equity and liabilities		**13,868,344**	**16,995,015**

These financial statements on pages 29 to 73 were approved by the Board of Directors and authorised for issue on 22 November 2018 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 2018

	Notes	Year to 30 June 2018 £	Year to 30 June 2017 £
Gain/(loss) on sales of investments	14	1,200,050	90,200
Impairment of investment in associates and joint ventures	12	—	(1,496,550)
Exploration expenses		(14,218)	(42,190)
Impairment of exploration asset		(280,460)	—
Administrative expenses	4	(849,518)	(644,688)
Business development		(82,413)	—
Other project costs		(306,666)	—
Share of losses of associates	12	(23)	(8)
Impairment of loans and receivables		(217,226)	(140,178)
Other income		10,007	—
Other currency gain		61,918	122,481
Finance income, net	5	556,669	996,720
Profit/(loss) for the year before taxation from continuing operations		78,120	(1,114,213)
Tax	6	—	—
Profit/(loss) for the year from continuing operations		**78,120**	**(1,114,213)**
Profit/(loss) for the year		**78,120**	**(1,114,213)**
Profit/(loss) for the year attributable to:			
Equity holders of the Parent		80,755	(1,111,496)
Non-controlling interest		(2,635)	(2,717)
		78,120	**(1,114,213)**
Profit/(loss) per share attributable to owners of the Parent:			
Basic loss per share			
– Profit/(loss) from continuing operations		0.02 pence	(0.24) pence
Total	9	**0.02 pence**	**(0.24) pence**
Diluted			
– Profit/(loss) from continuing operations		0.02 pence	(0.24) pence
Total	9	**0.02 pence**	**(0.24) pence**

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

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2018

	Notes	30 June 2018 £	30 June 2017 £
Profit/(loss) for the year		78,120	**(1,114,213)**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Decrease in AFS reserve in relation to disposals		(1,346,648)	—
(Deficit)/surplus on revaluation of available for sale investments	14	(62,282)	4,217,753
Unrealised foreign currency (loss)/gain arising upon retranslation of foreign operations		(58,332)	17,095
Total other comprehensive (expense)/income net of tax for the year		**(1,467,262)**	**4,234,848**
Total comprehensive (expense)/income net of tax for the year		**(1,389,142)**	**3,120,635**
Total comprehensive (expense)/income net of tax attributable to:			
Owners of the Parent		(1,386,507)	3,123,352
Non-controlling interest		(2,635)	(2,717)
		(1,389,142)	**3,120,635**

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

Consolidated Statement of Changes in Equity
for the year ended 30 June 2018

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 2016	2,752,488	25,275,788	(19,910,736)	523,431	8,640,971	(13,736)	8,627,235
Changes in equity for 2017							
Loss for the year	—	—	(1,111,496)	—	(1,111,496)	(2,717)	(1,114,213)
Other comprehensive income for the year	**—**	**—**		**4,234,848**	**4,234,848**	**—**	**4,234,848**
Transactions with owners							
Issue of shares	7,500	292,500	—	—	300,000	—	300,0000
Share issue costs	—	(15,000)	—	—	(15,000)	—	(15,000)
Share issue in relation to SIP	871	51,401	—	—	52,272	—	52,272
Share-based payment transfer	—	—	—	97,600	97,600	—	97,600
Total transactions with owners	**8,371**	**328,901**	**—**	**97,600**	**434,872**	**—**	**434,872**
As at 30 June 2017	**2,760,859**	**25,604,689**	**(21,022,232)**	**4,855,879**	**12,199,195**	**(16,453)**	**12,182,742**
Changes in equity for 2018							
Profit for the year	—	—	80,755	—	80,755	(2,635)	78,120
Other comprehensive income for the year	**—**	**—**	**—**	**(1,467,261)**	**(1,467,261)**	**—**	**(1,467,261)**
Transactions with owners							
Issue of shares	5,355	377,614	—	—	382,969	—	382,969
Share issue costs	—	(5,000)	—	—	(5,000)	—	(5,000)
Share issue in relation to SIP	643	38,697	—	—	39,340	—	39,340
Share-based payment transfer	—	—	—	3,442	3,442	—	3,442
Total transactions with owners	**5,998**	**411,311**	**—**	**3,442**	**420,751**	**—**	**420,751**
As at 30 June 2018	**2,766,857**	**26,016,000**	**(20,941,477)**	**3,392,060**	**11,233,440**	**(19,088)**	**11,214,352**

	Available for sale trade investments reserve £	Foreign currency translation reserve £	Share-based payment reserve £	Total other reserves £
As at 30 June 2016	299,096	161,065	63,270	523,535
Changes in equity for 2017				
Other comprehensive income for the year	**4,217,753**	**17,095**	**—**	**4,234,848**
Transactions with owners				
Share-based payment transfer	—	—	97,600	97,600
Total transactions with owners	**—**	**—**	**97,600**	**97,600**
As at 30 June 2017	**4,516,849**	**178,160**	**160,870**	**4,855,983**
Changes in equity for 2018				
Other comprehensive income for the year				
Decrease in AFS reserve in relation to disposals	(1,346,647)	—	—	(1,346,647)
Change in reserve related to revaluation	(62,282)	—	—	(62,282)
Unrealised foreign currency gains on translation of foreign operations	—	(58,332)	—	(58,332)
Total other comprehensive income for the year	**(1,408,929)**	**(58,332)**	**—**	**(1,467,261)**
Transactions with owners				
Share-based payment transfer	—	—	3,442	3,442
Total transactions with owners	**—**	**—**	**3,442**	**3,442**
As at 30 June 2018	**3,107,920**	**119,828**	**164,312**	**3,392,060**

See note 21 for a description of each reserve included above.

Consolidated Statement of Cash Flows
for the year ended 30 June 2018

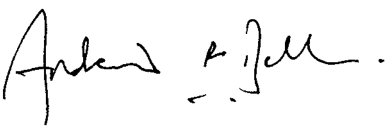
	Notes	Year to 30 June 2018 £	Year to 30 June 2017 £
Cash flows from operating activities			
Profit/(loss) before tax from continuing operations		78,210	(1,114,213)
Profit/(loss) before tax		**78,120**	**(1,114,213)**
Decrease in receivables		95,296	29,124
Increase/(decrease) in payables		209,797	(300,338)
Share of losses in associates		23	8
Interest receivable and finance income, including income from MFP		(852,886)	(620,053)
Dividend income	5	(234,830)	(387,755)
Interest expense		531,046	11,088
Share-based payments		35,669	142,732
Foreign exchange gain/loss		(61,918)	(122,480)
Impairment of associates and joint ventures		—	1,496,550
Gain on sale of available for sale investments		(1,200,050)	(90,200)
Impairment of loans and receivables		217,226	140,178
Depreciation		15,600	1,800
Impairment of exploration properties		280,460	—
Net cash outflow from operations		**(886,447)**	**(813,559)**
Corporation tax reclaimed/(paid)		—	—
Net cash used in operations		**(886,447)**	**(813,559)**
Cash flows from investing activities			
Interest received		315,194	—
Proceeds on sale of available for sale investments		1,399,601	301,644
Dividends received		234,830	387,755
Loans granted		(892,722)	(2,427,378)
Loans re-paid by the borrower		3,513,843	—
Payments to acquire available for sale investments		—	(96,435)
Payments to increase interest in the assets of an associate	12	(37,317)	—
Net cash inflow from investing activities		**4,533,429**	**(1,834,414)**
Cash flows from financing activities			
Proceeds from issue of shares		299,265	300,000
Transaction costs of issue of shares		(5,000)	(15,000)
Interest paid		(243,283)	(194)
Proceeds of new borrowings		967,000	3,308,774
Repayments of borrowings		(3,398,562)	(59,377)
Net cash inflow from financing activities		**(2,380,580)**	**3,534,203**
Net (decrease)/increase in cash and cash equivalents		**1,266,402**	**886,230**
Cash and cash equivalents at the beginning of period		909,094	26,564
Exchange (losses)/gains on cash and cash equivalents		90,140	(3,700)
Cash and cash equivalents at end of period	16	**2,265,636**	**909,094**

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

Company Statement of Financial Position
as at 30 June 2018

	Notes	30 June 2018 £	30 June 2017 £
Assets			
Non-current assets			
Property, plant and equipment	10	—	15,600
Investments in subsidiaries	11	942	941
Investments in associates and joint ventures	12	1,082,083	1,048,216
Available for sale financial assets	14	4,705,386	6,080,146
Non-current receivables	17	4,901,196	4,543,755
Total non-current assets		**10,689,607**	**11,688,658**
Current assets			
Cash and cash equivalents	16	2,263,288	905,135
Financial assets – warrants in AFS	15	60,345	—
Other receivables	18	1,083,552	4,576,789
Total current assets		**3,407,184**	**5,481,924**
Total assets		**14,096,791**	**17,170,582**
Equity and liabilities			
Called up share capital	20	2,766,857	2,760,859
Share premium account		26,016,000	25,604,689
Other reserves		3,272,232	4,679,070
Retained earnings		(20,608,820)	(20,682,534)
Total equity		**11,446,269**	**12,362,084**
Liabilities			
Current liabilities			
Trade and other payables	19	1,641,697	1,549,890
Short-term borrowings	19	1,008,825	3,258,608
Total current liabilities		**2,650,522**	**4,808,498**
Total equity and liabilities		**14,096,791**	**17,170,582**

These financial statements on pages 29 to 73 were approved by the Board of Directors and authorised for issue on 22 November 2018 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 2018

The movements in equity during the period were as follows:

	Share capital £	Share premium account £	Retained earnings £	Other reserves £	Total equity £
As at 1 July 2016	**2,752,488**	**25,275,788**	**(19,606,456)**	**363,281**	**8,785,537**
Changes in equity for 2017					
Loss for the year	—	—	(1,076,078)	—	(1,076,078)
Other comprehensive income for the year	**—**	**—**	**—**	**4,217,753**	**4,217,753**
Transactions with owners					
Issue of shares	7,500	292,500	—	—	300,000
Share issue costs	—	(15,000)	—	—	(15,000)
Share issues in relation to SIP	871	51,401	—	—	52,272
Share-based payment transfer	—	—	—	97,600	97,600
Total transactions with owners	**8,371**	**328,901**	**—**	**97,610**	**434,872**
As at 30 June 2017	**2,760,859**	**25,604,689**	**(20,682,534)**	**4,679,070**	**12,362,084**
Changes in equity for 2018					
Profit for the year	—	—	115,457	—	115,457
Other comprehensive income for the year	—	—	(41,743)	(1,410,280)	(1,452,023)
Transactions with owners					
Issue of shares	5,355	377,614	—	—	382,969
Share issue costs	—	(5,000)	—	—	(5,000)
Share issues in relation to SIP	643	38,697	—	—	39,340
Share-based payment transfer	—	—	—	3,442	3,442
Total transactions with owners	**5,998**	**411,311**	**—**	**3,442**	**420,751**
As at 30 June 2018	**2,766,857**	**26,016,000**	**(20,608,820)**	**3,272,232**	**11,446,269**

	Available for sale trade investments reserve £	Share-based payment reserve £	Total other reserves £
As at 1 July 2016	**300,447**	**63,270**	**363,821**
Changes in equity for 2017			
Other comprehensive income for the year	**4,217,753**	**—**	**4,217,753**
Transactions with owners			
Share-based payment transfer	—	97,600	97,600
Total transactions with owners	**—**	**97,600**	**97,610**
As at 30 June 2017	**4,518,200**	**160,870**	**4,679,174**
Changes in equity for 2018			
Other comprehensive income for the year			
Decrease in AFS reserve in relation to disposals	(1,389,741)	—	(1,389,741)
Change in AFS reserve in relation to revaluation	(62,282)	—	(62,282)
Transfer between reserves	41,743	—	41,743
Total other comprehensive income	**(1,410,280)**	**—**	**(1,410,280)**
Transactions with owners			
Share-based payment transfer	—	3,442	3,442
Total transactions with owners	**—**	**3,442**	**3,442**
As at 30 June 2018	**3,107,920**	**164,312**	**3,272,232**

See note 21 for a description of each reserve included above.

Company Statement of Cash Flows
for the year ended 30 June 2018

	30 June 2018 £	30 June 2017 £
Cash flows from operating activities		
Profit/(loss) before taxation	115,457	(1,076,076)
Decrease/(increase) in receivables	70,045	(10,674)
Increase/(decrease) in payables	209,797	(283,170)
Dividend income	(234,830)	(387,755)
Interest income and other finance income	(852,886)	(620,053)
Interest expense	530,637	10,612
Share-based payments	35,669	142,732
Impairment of investments in associates and joint ventures	—	1,496,550
(Gain) on sale of investments	(1,200,050)	(90,200)
Impairment of loans and receivables	217,226	140,178
Foreign exchange loss/(gain)	17,770	(142,968)
Impairment of exploration assets	280,460	—
Depreciation	15,600	1,800
Net cash outflow from operations	**(795,105)**	**(819,024)**
Corporation tax	—	—
Net cash used in operations	**(795,105)**	**(819,024)**
Cash flows from investing activities		
Interest received	315,194	—
Dividends received	234,830	387,755
Loans granted	(892,722)	(2,427,378)
Loans re-paid by the borrower	3,513,843	—
Payments to increase interest in assets of an associate (note 12)	(37,317)	—
Proceeds from sale of available for sale investments	1,399,601	301,644
Payments to acquire available for sale investments	—	(96,435)
Net cash outflow from investing activities	**4,533,429**	**(1,834,414)**
Cash flows from financing activities		
Proceeds from issue of shares	299,265	300,000
Transaction costs of issue of shares	(5,000)	(15,000)
Interest paid	(242,874)	(194)
Proceeds from new borrowings	967,000	3,308,774
Repayments of borrowings	(3,398,562)	(59,377)
Net cash inflow from financing activities	**(2,380,171)**	**3,534,203**
Net increase/(decrease) in cash and cash equivalents	**1,358,153**	**880,765**
Cash and cash equivalents at the beginning of period	905,135	24,370
Cash and cash equivalents at end of period	**2,263,288**	**905,135**

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

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 2018 were authorised for issue by the Board on 22 November 2018 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 cost basis, except for certain financial instruments, which are carried as described in the respective sections in the policies below. The principal accounting policies adopted are set out below.

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 profit for the financial year was £115,457 (2017: loss £1,076,076). The Company's other comprehensive loss for the financial year was £1,410,280 (2017: £4,217,753 income).

Amendments to published standards effective for the year ended 30 June 2018

New standards, amendments and interpretations effective for the periods from 1 July 2017

The following new standards, amendments and interpretations are effective for the first time in these financial statements. However, none have a material effect on the Group and Company:

- Amendments to IAS 12 Deferred Tax relating to recognition of deferred tax assets for unrealised losses, effective for the periods beginning on or after 1 January 2017;
- Amendments to IAS 7 Financial Instruments: Disclosures, effective for accounting periods beginning on or after 1 January 2017;
- Annual Improvements to IFRSs (2014-2016 cycle), Amendments to IFRS 12, effective for accounting periods beginning on or after 1 January 2017.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 July 2017 that had a significant effect on the Group's financial statements.

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:

	Issued date	IASB mandatory effective date, for the periods beginning on or after
New standards and interpretations		
IFRS 9 Financial Instruments	Various	01-Jan-18
IFRS 15 Revenue from contracts with customers	28-May-14	01-Jan-18
Clarifications to IFRS 15 Revenue from contracts with customers	12-Apr-16	01-Jan-18
Amendments to IFRS 15: Effective date of IFRS 15	15-Sep-15	01-Jan-18
IFRS 16 Leases	13-Jan-16	01-Jan-19
IFRS 17 Insurance contracts*	18-May-17	01-Jan-21
IFRIC 23 Uncertainty over Income Tax Treatments*	07-Jun-17	01-Jan-19
Amendments to existing standards		
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	20-Jun-16	01-Jan-18
Annual Improvements to IFRSs (2014-2016 Cycle)	08-Dec-16	01-Jan-17 and 01-Jan-18
IFRIC 22 Foreign Currency Transactions and Advance Consideration	08-Dec-16	01-Jan-18
Amendments to IFRS 9: Prepayment features with negative compensation	12-Oct-17	01-Jan-19
Amendments to IAS 40: Transfers of investment property	08-Dec-16	01-Jan-18
Amendments to IAS 28: Long-term interests in associates and joint ventures*	12-Oct-17	01-Jan-19
Annual improvements to IFRSs (2015-2017 Cycle)*	12-Dec-17	01-Jan-19
Amendments to IAS 19: Plan amendment, curtailment or settlement*	07-Feb-18	01-Jan-19
Amendments to References to the conceptual framework in IFRSs*	29-Mar-18	01-Jan-20
Amendments to IAS 1 and IAS 8: Definition of Material*	31-Dec-18	01-Jan-20

* Not yet endorsed for use in the EU at the time these accounts were authorised for issue.

1 Principal accounting policies continued

1.2 Basis of preparation continued

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group in future periods, except for IFRS 9 as detailed below.

IFRS 9 "Financial Instruments" will impact both the measurement and disclosures of financial instruments. The Group is planning to first apply this standard at the beginning of the next reporting year to 30 June 2019. The Group will not retrospectively re-state prior period but will recognise any difference between the previous carrying amount and the carrying amount at 1 July 2018 in the opening retained earnings at 1 July 2018 for the assets that have not been disposed of at the date of initial application. All of the investments into equity instruments, that are held by the Group at 30 June 2018 and currently included in the Available for sale financial assets line in the Statement of financial position, are held by the Group with a long-term view and are not held for trading. The Group is analysing its investments into equity instruments on investment-by-investment basis and in respect of each one plans to make an irrevocable election to present subsequent changes in the fair value either in profit and loss (FVTPL) or in other comprehensive income (FVTOCI). For equity instruments designated at FVTOCI under IFRS 9, only dividend income will be recognised in profit or loss, all other gains and losses will be recognised in OCI without reclassification on derecognition. This differs from the current treatment of available for sale (AFS) equity instruments under IAS 39 where gains and losses recognised in OCI are reclassified on derecognition or impairment.

IFRS 15 "Revenue from Contracts with Customers" – the Company is pre-revenue hence the adoption would have no impact on the reported results.

Adoption of IFRS 16 will result in the Group recognising right of use of assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. Since the Group currently only has short-term (less than 12 months) operating leases, IFRS 16 will not have an impact on the results or balance sheet of the Group.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The Group does not have any contract that fall within the scope of this standard and therefore it would have no impact on the reported results.

IFRIC 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. This interpretation is unlikely to have a material effect on the reported results.

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.

At 30 June 2018, the consolidated financial statements combine those of the Company with those of its subsidiaries, Red Rock Australasia Pty Ltd, Red Rock Kenya Ltd and Red Rock Resources HK Ltd.

The Group's dormant subsidiary Intrepid Resources Limited, Red Rock Resources Inc., 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

1.4.2 Investment in associates

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

Investments in associates are recognised in the consolidated financial statements using the equity method of accounting. The Group's share of post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised directly in other comprehensive income. The carrying value of the investment, including goodwill, is tested for impairment when there is objective evidence of impairment. Losses in excess of the Group's interest in those associates are not recognised unless the Group has incurred obligations or made payments on behalf of the associate.

Where 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 Group recognises its interest in the jointly controlled entity's assets and liabilities using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the 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.

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

During the reporting year and the comparative year, the Company had a 60% interest in Melville Bay Limited (formerly known as "NAMA Greenland Limited"). The Company did 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 shares in Melville Bay were sold on 29 June 2018, so it is no longer included in the consolidated accounts at 30 June 2018.

1 Principal accounting policies continued

1.4 Summary of significant accounting policies continued

1.4.4 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.

1.4.5 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) and Kenyan Shillings and US Dollars (USD).

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

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

1.4.6 Share-based payments

Share options

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

The fair value of options granted to Directors and others in respect of services provided is recognised as an expense in the income statement with a corresponding increase in equity reserves – the share-based payment reserve until the award has been settled and then make a transfer to share capital.

On exercise or lapse of share options, the proportion of the share-based payment reserve relevant to those options is transferred to retained earnings. On exercise, equity is also increased by the amount of the proceeds received.

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

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

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

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

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

When a share-based payment is modified, the Group determines whether the modification affects the fair value of the instruments granted, affects the number of equity instruments granted or is otherwise beneficial to the employee. In cases where the exercise price of options granted to employees is reduced, the Group recognises the incremental change in fair value (along with the original fair value determined at grant date) over the remaining vesting period as an expense and an increase in equity. Decreases in the fair value are not considered. To determine if an increase has occurred, management compares the fair value of the modified award with the fair value of the original award at the modification date. Any other benefit to the employee is taken into account in estimating the number of equity instruments that are expected to vest.

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

Share Incentive Plan

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

1.4.7 Pension

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

1.4.8 Finance income and expense

Finance expense is recognised on an accruals basis using the effective interest method.

Finance income 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.

Dividends received from available for sale investments are recognised as finance income in the period when they are declared by the investee. In case of distributions made by way of equal rights share buy-back by an investee, the funds received as a part of such distribution are shown by the Company and by the Group in the period then the right to receive them becomes established and presented in the Dividends received line of the income statement.

1 Principal accounting policies continued

1.4 Summary of significant accounting policies continued

1.4.9 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.

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 impairment.

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

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity.

Fair value through profit and loss

Derivative financial instruments (warrants) are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise through the provision of goods or services (trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using effective interest rate method, less provision for impairment.

Impairment provision is recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such provision being the difference between the net carrying amount and the net present value of the future expected cash flows associated with the impaired receivable.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

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.

Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised 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.

Available for sale financial assets

Non-derivative financial assets not included in the above categories are classified as available for sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These equity investments are intended to be held by the Group for an indefinite period of time. 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 income statement, and the cost of such disposed of investments is written off on a first in first out method.

Income from available for sale investments is accounted for in the income statement 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.

Financial liabilities and equity

The Group classifies its financial liabilities into one of two categories: fair value through profit and loss or other financial liabilities. The Group has not classified any of its financial liabilities as fair value through profit and loss.

Other financial liabilities comprise trade and other payables and borrowings.

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 the income statement 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.

1.4.10 Dividend income

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

1.4.11 Share capital

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

1.4.12 Warrants

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

1.5 Significant accounting judgements, estimates and assumptions

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

Significant judgements in applying the accounting policies

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

Going concern

The Group has recorded a profit of £78,120 for the year ended 30 June 2018. At that date there were net current assets of £607,396 (2017: net current assets of £299,701). The profit resulted mainly from the sale of investments during the year of £1,200,050. Cash and cash equivalents were £2,265,636 at year end.

1 Principal accounting policies continued

1.5. Significant accounting judgements, estimates and assumptions continued

During the reporting year the Company has continued to receive proceeds from the sale of its gold interests in Colombia. The Company had a three-year convertible promissory note of USD1.0m secured over the assets of its former gold mine and associated plant and bearing interest of 5% per annum that became due in 2018. On 7 June 2018 the Company announced that it had received the final payment of the promissory note of USD750,000 and had chosen to apply CAN500,000 of that amount to a subscription for 2,500,000 shares of Para Resources Inc and the balance of USD376,500 in cash.

Additional payments of up to USD2.0m are to be paid in the form of a 3% net smelter royalty payable quarterly on gold production and these payments continued in 2017 and totalled USD71,414 to 30 June 2018. The Company estimates that approximately £150k will be paid out towards the initial USD2m royalty during 2019 based on updated projections from the operator in Colombia. A final royalty stream of up to USD1.0m 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 11 September 2017, Jupiter Mines Ltd, where the Company held a 1.2% stake, announced its plans to make a USD25m distribution to its shareholders. On 5 December 2017 Red Rock announced that it had received USD279,945 following its participation in this Jupiter Mines distribution. On 22 January 2018 Jupiter Mines announced its intention to distribute a further USD42m to its shareholders. On 19 March 2018 Red Rock announced the completion of this equal access buy-back, and that it had received USD501,410 as a result of its participation.

On 19 March 2018 Jupiter announced its intention to seek relisting on the Australian Stock Exchange, which would offer existing shareholders the potential to partially exit their investments at the time of the IPO. Accordingly, on 17 April 2018 Red Rock announced that Jupiter Mines had completed its AUD240m IPO and that the relisting had been oversubscribed. As part of the listing process, Red Rock sold 4,700,000 shares, constituting 20.2% of its holding in Jupiter, and agreed to retain the balance of its 18,524,914 shares in escrow for a period after listing. This sale of Jupiter shares resulted in a further AUD1,842,400 of proceeds to the Company, with Red Rock retaining a 0.95% stake in the post IPO share capital of Jupiter.

On 18 June 2018 Jupiter Mines announced its intention to make its first public distribution in the form of ZAR1.5bn, well in excess of Jupiter's previously stated 70% distribution policy in the IPO prospectus. Subsequently, on 17 September 2018 Red Rock announced that it had received £508,000 in cash following the 14.5% half-year dividend distribution by Jupiter Mines. This brought the total proceeds from the Company's investments in Jupiter Mines to USD3.99m since 2017. Simultaneously, Jupiter announced that it continued to plan to make dividend distributions to shareholders going forward on a biannual basis.

On 10 November 2017 the Company announced the issuance of up to £1,000,000 of convertible loan notes, with the first tranche closing at £495,000 and the balance closing by 14 December 2017. The notes carry a 10% interest rate and are convertible at a premium to the share price at issuance, being convertible at £0.008. During the course of the year £50k of notes were converted leaving a balance of £950,000 due for repayment or refinancing in Q4 2018.

On 2 November 2018 the Company announced that owners of £575,000 of existing convertible loan notes have applied for note renewal and have agreed to extend the term of their notes a further twelve months, with a new final redemption date of 19 December 2019 on the same terms. These notes are thus convertible into Red Rock shares at a price of £0.008 and carry an interest rate of 10% per annum accruing monthly.

The Group retains a lean operating structure, with three employees and both accounting and geological services outsourced. The Company has continued these cost control efforts by downsizing its offices in Q4 2017 and continuing to rely on consultants while minimising the size of permanently employed staff and associated overhead costs.

The Directors are confident in the Company's ability to fund its basic operations from the ongoing stream of dividends from Jupiter Mines expected to continue on a biannual basis, and currently averaging nearly £1m per annum to the Company. This quantum is expected to cover the Company's basic overhead costs several times over and allow for additional investment in the Company's projects. Over the longer term the Company expects to receive additional revenue from any transaction involving the Company's gold licences in Kenya as well as from the ongoing development of its investment in Steelmin, which operates a ferrosilicon smelter in Bosnia. Beyond this, the Company expects to receive an improved royalty stream from Colombia, as the operator of the gold assets there appears set for significant increases in production during 2018-19.

The Company has demonstrated the repeated ability to raise new finance as required, either in the form of debt or equity as deemed appropriate.

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.

As sentiment in natural resource investment and development remains solid, the Directors feel strongly that they will be able to largely fund the business internally and will be able to access external capital as required during 2019.

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 years ended 30 June 2018 and 30 June 2017.

The effect of recognising MMM as an available for sale financial asset would be to decrease the loss by £23 (2017: £8).

Significant accounting estimates and assumptions

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

Fair value 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.

At 30 June 2018, the Company holds 22% interest in the ordinary shares of Steelmin Limited ('Steelmin'). The ferrosilicon plant in Jajce, Bosnia was recommissioned and brought back into production earlier this year by Steelmin, and was closed in September 2018 for work to increase the capacity of the cooling system. This was initially planned as a short suspension of production as part of the commissioning process, but the management of the plant has now decided, in the light of exceptionally high spot electricity prices offered to Steelmin, to extend the shutdown until January 2019. An assessment of how the plant may be optimised is being carried out, and the plan is to lock in a long-term electricity supply contract once prices adjust. The 22% stake in Steelmin was valued based on the valuation of land and equipment, performed by the external independent surveyors in February 2017, and further adjusted by the value of all Steelmin's liabilities and additional discounting.

Comparative period estimates: 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 relied on the single share buy-back that occurred during 2017. Using the preferred market approach, the Company has taken the price used in the proposed in September 2017 Jupiter Mines share buy-back of 134,190,158 shares at USD0.29, and this gives a total valuation for Red Rock's Jupiter holdings at 30 June 2017 of USD7,448,625, relied on the single share buy-back. On 18 April 2018, Jupiter's shares were admitted to Australian Securities Exchange and has been valued in these accounts based on publicly available quoted market price at 30 June 2018.

1 Principal accounting policies continued

1.5. Significant accounting judgements, estimates and assumptions continued

Share-based payment transactions

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

Impairment of financial assets

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

In the case of equity investments classified as 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.

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

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, the 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. On 22 October 2018 the Company announced that a consent had been signed on behalf of the Attorney General and the Company and was being filed with the court. Under the terms of the consent the parties have agreed that the case be marked as withdrawn and that the Company was now at liberty to apply for renewal of the gold licenses in Kenya with no prejudicial decisions outstanding. This decision is considered a major step in the renewal and restoration of the Company's gold assets in Kenya and as such makes the amount due from Mid Migori Mining more likely to be recoverable.

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.

The Group has made a strategic decision to concentrate on several commodities ranging from gold to manganese and ferrosilicon, and as such further segmental analysis by commodity has not been considered useful or been presented.

	Investment		Exploration		Other	
Year to 30 June 2018	Jupiter Mines Limited £	Other investments £	Australian exploration £	African exploration £	Corporate and unallocated £	Total £
Gain on sale of available for sale investments	1,196,780	3,270	—	—	—	1,200,050
Exploration expenses	—	—	(1,173)	(13,045)	—	(14,218)
Impairment of exploration properties	—	—	—	—	(280,460)	(280,460)
Administration expenses*	—	—	(931)	(11,303)	(837,284)	(849,518)
Business development	—	—	—	—	(82,413)	(82,413)
Other project costs	—	—	—	—	(306,666)	(306,666)
Currency gain	—	—	(10,454)	—	72,372	61,918
Other income	—	—	—	—	10,007	10,007
(Provision for)/Reversal of provision for bad debts	—	—	—	—	(217,226)	(217,226)
Share of losses in associates	—	—	—	—	(23)	(23)
Finance income, net	234,830	—	—	410	322,249	556,669
Net profit/(loss) before tax from continuing operations	**1,431,610**	**3,270**	**(12,559)**	**(24,758)**	**(1,319,444)**	**78,120**

	Investment		Exploration		Other	
Year to 30 June 2017	Jupiter Mines Limited £	Other investments £	Australian exploration £	African exploration £	Corporate and unallocated £	Total £
Gain on sale of available for sale investments	150,985	(60,785)	—	—	—	90,200
Impairment of investments in associates and joint ventures	—	(1,496,550)	—	—	—	(1,496,550)
Exploration expenses	—	(29,103)	—	(13,087)	—	(42,190)
Administration expenses*	—	—	—	—	(644,687)	(644,687)
Currency gain	—	—	41,430	—	81,050	122,480
(Provision for)/Reversal of provision for bad debts	—	(140,178)	—	—	—	(140,178)
Share of losses in associates	—	—	—	—	(8)	(8)
Finance income, net	387,755	—	—	—	608,965	996,720
Net profit/(loss) before tax from continuing operations	**538,740**	**(1,726,616)**	**41,430**	**(13,087)**	**45,320**	**(1,114,213)**

* Included in administration expenses is a depreciation charge of £15,600 (2016: £1,800).

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 2018	UK £	USA £	Africa £	Canada £	Bosnia £	Total £
Revenue						
Gain on sale of available for sale investments	3,270	—	1,196,780	—	—	1,200,050
Total segment revenue and other gains	**3,270**	**—**	**1,196,780**	**—**	**—**	**1,200,050**
Non-current assets						
Property, plant and equipment	—	—	—	—	—	—
Investments in associates and joint ventures	—	—	1,000,374	—	—	1,000,374
Available for sale financial assets	284,322	—	4,050,887	259,284	110,894	4,705,387
Exploration assets	—	—	—	—	—	—
Total segment non-current assets	**284,322**	**—**	**5,051,261**	**259,284**	**110,894**	**5,705,761**
Non-current receivables						4,901,196
Total non-current assets						**10,606,956**

Year ended 30 June 2017	UK £	USA £	Africa £	Canada £	Bosnia £	Total £
Revenue						
(Loss) on sale of available for sale investments	(60,785)	—	150,985	—	—	90,200
Total segment revenue and other gains	(60,785)	—	—	—	—	—
Non-current assets						
Property, plant and equipment	15,600	—	—	—	—	15,601
Investments in associates and joint ventures	—	—	963,080	—	—	963,080
Available for sale financial assets	336,606	—	5,743,541	—	—	6,080,146
Exploration assets	—	280,460	—	—	—	280,460
Total segment non-current assets	**352,206**	**280,460**	**6,706,621**	**—**	**—**	**7,339,287**
Non-current receivables						4,543,755
Total non-current assets						**11,883,042**

3 Loss for the year before taxation

Loss for the year before taxation is stated after charging:

	2018 £	2017 £
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of consolidated and Company financial statements	21,600	20,000
Directors' emoluments (note 8)	330,047	343,681
– Share-based payments – Directors	31,184	83,746
– Share-based payments – staff	4,485	22,130
Depreciation	15,600	1,800
Currency gain	61,918	122,481

4 Administrative expenses

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Staff costs				
Payroll	321,169	316,311	321,169	316,311
Pension	15,443	12,632	15,443	12,632
Consultants	15,000	13,750	15,000	13,750
HMRC/PAYE	17,654	16,536	17,654	16,536
Professional services				
Accounting	75,714	29,448	69,548	27,933
Legal	97,824	87,315	97,824	87,315
Marketing	28,300	48,748	28,300	48,749
Other	28,336	4,859	28,336	4,859
Regulatory compliance	57,842	69,968	57,842	69,968
Travel	37,885	8,499	37,885	8,499
Office and admin				
General	61,823	(9,515)	55,973	(16,858)
IT related costs	8,423	4,648	8,423	4,648
Rent	75,914	38,105	75,696	38,105
Insurance	8,191	3,384	8,191	3,384
Total administrative expenses	**849,518**	**644,688**	**837,284**	**635,831**

5 Finance income/(costs), net

Group	2018 £	2017 £
Interest income (other than MFP finance income)	863,411	342,932
Dividend income	234,830	387,755
Interest expense	(529,612)	(11,088)
Total finance income (other than MFP finance income)	568,629	719,599
MFP finance expense/(income)	(11,960)	277,121
Total finance income	**556,669**	**996,720**

Interest income (other than MFP finance income) comes from non-current receivables from an associate and interest income from loan to Steelmin. Please refer to note 17 and note 18 respectively. Dividend income represents the money received from the Group's 0.95% holding in Jupiter Mines (2017: holding in Jupiter Mines of 1.2%).

6 Taxation

	2018 £	2017 £
Current period taxation on the Group		
UK corporation tax at 19.00% (2017: 19.75%) 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		
Profit/(loss) on ordinary activities before taxation	78,120	(1,114,213)
Profit/(loss) ordinary activities at the average UK standard rate of 19.00% (2017: 19.75%)	14,843	(220,057)
Income not taxable	(44,618)	—
Effect of expenditure not deductible	10,013	329,364
Indexation allowance on gains	(575)	—
Tax losses carried forward	20,337	—
Utilisation of prior year losses	—	(109,307)
Tax charge	**—**	—
Tax credit arising from continuing operations	—	—
Total tax credit	**—**	—

Deferred tax amounting to £nil (2017: £nil) relating to the Group's investments was recognised in the statement of comprehensive income. No deferred tax charge has been made due to the availability of trading losses, which are estimated circa £1,266 thousand (2017: £nil), and capital losses estimated circa £1,308 thousand (2017: £2,506 thousand).

7 Staff costs

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

	2018 £	2017 £
Wages and salaries	285,500	210,500
Pension	15,443	12,632
Social security costs	29,853	16,536
Employee share-based payment charge	35,669	142,732
Total staff costs	**366,465**	**382,400**

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

	2018 Number	2017 Number
Executives	4	4
Administration	1	1
Exploration	—	—
	5	5

The key management personnel are the Directors and their remuneration is disclosed within note 8.

576,000 (2017: 600,000) free shares were issued to each employee, including Directors, making a total of 2,880,000 (2017: 3,000,000) free shares issued during the year.

1,185,600 partnership and 3,808,000 matching shares, making the total of 3,556,800, were issued in the year ended 30 June 2018 (2017: 1,904,000 partnership, 3,808,000 matching, 8,112,000 total).

8 Directors' emoluments

2018	Directors' fees £	Directors' discretionary bonus £	Consultancy fees £	Share Incentive Plan £	Share-based payments £	Pension contributions £	Social security costs £	Total £
Executive Directors								
A R M Bell	82,000	20,000	15,000	7,200	1,180	6,504	11,081	142,965
S Kaintz	65,000	20,000	—	7,200	1,082	4,618	9,602	107,501
Other Directors								
M C Nott	18,000	10,000	—	7,056	—	1,179	2,463	38,698
S Quinn	18,000	10,000	—	7,171	295	1,100	4,317	40,883
	183,000	**60,000**	**15,000**	**28,627**	**2,557**	**13,401**	**27,462**	**330,047**

2017	Directors' fees £	Directors' discretionary bonus £	Consultancy fees £	Share Incentive Plan £	Share-based payments £	Pension contributions £	Social security costs £	Total £
Executive Directors								
A R M Bell	82,000	—	13,750	10,440	35,115	6,091	7,847	155,243
S Kaintz	65,000	—	—	10,440	31,358	3,797	6,967	117,562
Other Directors								
M C Nott	18,000	—	—	10,212	1,245	976	1,175	31,608
S Quinn	18,000	—	—	10,440	8,031	275	2,522	39,268
	183,000	**—**	**13,750**	**41,532**	**75,749**	**11,139**	**18,511**	**343,681**

The number of Directors who exercised share options in the year was nil (2017: nil). During the year, the Company contributed to a Share Incentive Plan more fully described in the Directors' Report on page 22.

9 Earnings per share

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

	2018 £	2017 £
Profit/(loss) attributable to equity holders of the parent company	80,755	**(1,114,213)**
Adjusted for interest accrued on the convertible notes	60,030	—
Adjusted profit/(loss) attributable to equity holders of the parent company used for diluted EPS calculation	140,785	**(1,114,213)**
Weighted average number of Ordinary shares of £0.0001 in issue, used for basic EPS	498,552,731	**458,077,061**
Effect of all dilutive potential ordinary share, consisting of:	81,632,170	—
(a) from potential ordinary shares that would have to be issued, if all loan notes convertible at the discretion of the noteholder converted at the beginning of the period or at the inception of the instrument, whichever is later	75,808,152	—
(b) effect from all potentially dilutive options in issue	3,556,188	—
(c) Effect from all potentially dilutive warrants in issue	2,267,829	—
Weighted average number of Ordinary shares of £0.0001 in issue, including potential ordinary shares, used for diluted EPS	580,184,901	**458,077,061**
Earnings/(loss) per share – basic	0.02 pence	**(0.24) pence**
Earnings/(loss) per share – fully diluted	0.02 pence	**(0.24) pence**

9 Earnings per share continued

At 30 June 2017, the effect of all the instruments in issue is anti-dilutive as it would lead to a further reduction of loss per share, therefore they were not included into the diluted loss per share calculation.

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

	2018 £	2017 £
Share options granted to employees – not vested and/or out of the money	24,160,000	24,160,000
Number of warrants given to shareholders as a part of placing equity instruments – out of the money	214,432,432	219,462,400
Total number of contingently issuable shares that could potentially dilute basic earnings per share in future	**238,592,432**	**243,622,400**

	2018 £	2017 £
Number of warrants – vested and in the money at year end but not included into diluted EPS calculation due to their effect being anti-dilutive	—	21,315,971
Number of share options granted to employees – vested and in the money at year end but not included into diluted EPS calculation due to their effect being anti-dilutive	—	24,160,000
Total number of contingently issuable shares that could potentially dilute basic earnings per share in future and anti-dilutive potential ordinary shares that were not included into the fully diluted EPS calculation	**238,592,432**	**289,098,371**

There were no ordinary share transactions after 30 June 2018, that could have changed the EPS calculations significantly if those transactions had occurred before the end of the reporting period.

10 Property, plant and equipment

Group and Company	Field equipment and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 July 2016	34,607	45,807	80,414
Additions	—	—	—
Disposals	—	—	—
At 30 June 2017	34,607	45,807	80,414
Additions	—	—	—
Disposals	(34,607)	(45,807)	(80,414)
At 30 June 2018	**—**	**—**	**—**
Depreciation and impairment			
At 1 July 2016	(34,607)	(28,407)	(63,014)
Depreciation charge	—	(1,800)	(1,800)
Disposal	—	—	—
At 30 June 2017	(34,607)	(28,407)	(63,014)
Depreciation charge	—	(15,600)	(15,600)
At 30 June 2018	**(34,607)**	**(45,807)**	**(80,414)**
Net book value			
At 30 June 2018	**—**	**—**	**—**
At 30 June 2017	—	15,600	15,600

Of the depreciation charge, £15,600 (2017: £1,800) is included within administrative expenses in the income statement.

11 Investments in subsidiaries

Company	2018 £	2017 £
Cost		
At 1 July 2017	1,423	613
Investment in subsidiary	1	810
At 30 June 2018	**1,424**	**1,423**
Impairment		
At 1 July 2017	(482)	(482)
Charge in the year	—	—
At 30 June 2018	**(482)**	**(482)**
Net book value	**942**	**941**

As at 30 June 2018 and 30 June 2017, the Company held interests in the following subsidiary companies:

Company	Country of registration	Class	Proportion held at 30 June 2018	Proportion held at 30 June 2017	Nature of business
Red Rock Australasia Pty Limited	Australia	Ordinary	100%	100%	Mineral exploration
Red Rock Kenya Limited	Kenya	Ordinary	87%	87%	Mineral exploration
Red Rock Kenya Limited	Kenya	Ordinary	100%	100%	Dormant
Red Rock Resources Inc.	USA	Ordinary	100%	100%	Natural resources
Red Rock Cote D'Ivoire sarl	Ivory Coast	Ordinary	100%	100%	Dormant
Basse Terre sarl	Ivory Coast	Ordinary	100%	100%	Dormant
Red Rock Resources (HK) Ltd	Hong Kong	Ordinary	100%	—	Holding company

12 Investments in associates and joint ventures

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cost				
At 30 June	7,398,569	7,398,569	7,241,725	7,241,725
Additions during the year	37,317	—	37,317	—
Disposals during the year	(6,213,207)	—	(6,193,509)	—
At 30 June	**1,222,679**	**7,398,569**	**1,085,533**	**7,241,725**
Impairment				
At 1 July	(6,435,489)	(4,938,931)	(6,193,509)	(4,696,959)
Losses during the year	(23)	(8)	—	—
Disposals during the year	6,213,207	—	6,190,059	—
Impairment in the year	—	(1,496,550)	—	(1,496,550)
At 30 June	**(222,305)**	**(6,435,489)**	**(3,450)**	**(6,193,509)**
Net book amount at 30 June	**1,000,374**	**963,080**	**1,082,083**	**1,048,216**

The Company, at 30 June 2018 and at 30 June 2017, had significant influence by virtue other than shareholding over 20% over Mid Migori Mining Company Limited. During the reporting period the Group acquired the remaining 25% of interest in net assets of Mid Migori and from 15 June 2018 it has 100% interest in Mid Migori's net assets.

12 Investments in associates and joint ventures continued

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 2017

The Company, at 30 June 2017, had holdings amounting to 20% or more of the issued share capital of the following companies which amounted to significant influence or joint control. All shares in Melville Bay were sold on 29 June 2018.

Company	Country of incorporation	Class of shares held	Percentage of issued capital	Accounting year ended
Melville Bay Limited (formerly "NAMA Greenland Limited")	England	Ordinary	60.00%	30 November 2017

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

For the year as at 30 June 2018:

Company	Revenue £	Loss £	Assets £	Liabilities £
Mid Migori Mining Company Limited	—	(31)	2,534,645	(3,207,445)

For the year as at 30 June 2017:

Company	Revenue £	Loss £	Assets £	Liabilities £
Mid Migori Mining Company Limited	—	(51)	2,763,865	(3,434,865)
Melville Bay Limited	—	(4,146,034)	37,211	(228,025)

	Mid Migori Mining Company Limited £	Red Rock Zambia Limited £	Melville Bay Limited £	Total £
Cost				
At 30 June 2017	1,044,766	140,596	6,213,207	7,398,569
Additions during the year	37,317	—	—	37,317
Disposals during the year	—	—	(6,213,207)	(6,213,207)
At 30 June 2018	**1,082,083**	**140,596**	**—**	**1,222,679**
Impairment and losses during the year				
At 30 June 2017	(81,686)	(140,596)	(6,213,207)	(6,435,489)
Disposals during the year	—	—	6,213,207	6,213,207
(Losses) during the year	(23)	—	—	(23)
At 30 June 2018	**(81,709)**	**(140,596)**	**—**	**(222,305)**
Carrying amount				
At 30 June 2018	**1,000,374**	**—**	**—**	**1,000,374**
At 30 June 2017	**963,080**	**—**	**—**	**963,080**

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. On 15 June 2018, the Company purchased the remaining interest in the assets of MMM for the consideration of USD50,000, bringing its overall interest in MMM's assets to 100%.

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).

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. The book value of MBL has been fully written off in the 2017 financial year. Since then all the expenses related to this project are being written off as they occur. The entire interest in Melville Bay was sold on 29 June 2018 for £1, and an additional liability of £183,100 was accrued at 30June 2018 to reflect the Company's obligation to clear the site of the previous exploration camp and to remove residual drilling equipment and supplies. The Company has retained ownership of the intellectual property and data associated with its exploration activities in Greenland.

13 Exploration assets

Group	2018 £	2017 £
Cost		
At 1 July	280,460	—
Additions	—	280,460
Disposals	—	—
At 30 June	**280,460**	**280,460**
Impairment		
At 1 July	—	—
Written off during the year	(280,460)	—
At 30 June	**(280,460)**	**—**
Net book value	**—**	**280,460**

14 Available for sale financial assets

	Group and Company	
	2018 £	2017 £
Opening balance	6,080,146	1,976,552
Additions	287,236	96,435
Disposals	(1,599,714)	(210,594)
Change in fair value	(62,282)	(42,668)
Reversal of previous impairment	—	4,260,421
Closing balance	**4,705,386**	**6,080,146**

Market value of investments
The market value as at 30 June 2018 of the Company's available for sale listed and unlisted investments was as follows:

	2018 £	2017 £
Quoted on London AIM	9,323	61,606
Quoted on other foreign stock exchanges	4,310,170	—
Unquoted investments at fair value	385,893	6,018,540
	4,705,386	**6,080,146**

Jupiter Mines
On 18 April 2018, Jupiter Mines ("Jupiter"), an Australian public company, has announced the full allocation of its A$240m Initial Public Offering, comprising a A$225m institutional allocation and an A$15m allocation in the general public offer. The IPO was significantly oversubscribed.

As part of the listing process, the Company, along with several other large institutional shareholders in Jupiter agreed to sell part of their holdings to ensure an adequate free float post-listing. Red Rock has now sold 4,700,000 shares, constituting 20.2% of its holding in Jupiter, and has agreed to retain the balance of its 18,524,914 shares in escrow for a period after listing. In consideration for this sale the Company has received A$1,842,400 after expenses (£1,000,027). The Company recognised a gain on sale of those shares in the amount of £903,079, that is included into the line Gain on sale of investments in the Consolidated Income Statement.

During the reporting year Jupiter has also completed two series of equal access share buy-back. Total proceeds received by the Company from both buy-back distributions was £579,274. Part of the two share buy-back distributions recognised as dividends is included into the Dividend line in the Consolidated Income Statement in the amount of £243,830. The component of the distributions that represents capital return, less original cost of the sold shares, is recorded in the Gain on sale of investments in the Consolidated Income Statement in the amount of £293,701. Red Rock retains a 0.95% stake in the post IPO share capital of Jupiter.

14 Available for sale financial assets continued

Steelmin Limited

IAS 39 requires available for sale investments to be carried at fair value, therefore the Group performed a non-recurring fair value measurement at 30 June 2018. After repayment of the loan was completed, the final holding in Steelimin was identified to be a 22% interest in ordinary shares. In accordance with IFRS 13, where a price for an identical asset is not observable, the Group is required to measure fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

The valuation technique the Company applied to value this available for sale financial asset is the salvage value method. It is based on the value of Steelmin's land and property, plant and equipment, that was independently valued in February 2017, and which was then further adjusted for the value of Steelmin's liabilities. Fair value measurement of Steelmin shares is based on a combination of observable inputs and significant unobservable inputs i.e. Level 3. There were no transfers between levels during the period in relation to Steelmin shares.

More information on Steelmin is disclosed in note 1.5.

The following table shows the changes to the fair value of the Company's Level 3 financial assets:

Group	2018 £	2017 £
At 1 July	—	
Change in fair value of available for sale investment recognised in OCI – Steelmin shares	110,894	—
Change in fair value of available for sale investment recognised in OCI – Jupiter shares, which were admitted to ASX on 18 April 2018	—	4,260,421
At 30 June	**110,894**	**4,260,421**

Para Resources, Inc.

On 4 June 2018, the Company paid CAN$500,000 to subscribe for 2,500,000 shares in Para Resources, Inc.("Para") a private placement at CAN$0.20 per Para share, representing approximately 1.57% of the Para enlarged issued share capital. Each Para placement share subscribed for has an attached three-year warrant exercisable at CAN$0.30 per Para share. Para is a Canadian gold explorer and producer listed on the Toronto Venture Exchange. Details on the warrants are presented in note 15 below.

15 Financial instruments with fair value through profit and loss

Group	30 June 2018 £	30 June 2017 £
Warrants in Para Resources, Inc. ordinary shares	60,345	—
	60,345	**—**

At 30 June 2018, the Company was holding 2,500,000 warrants in Para Resources, Inc. (2017: nil).

Warrant exercise price CAD$	Number of warrants granted	Grant date	Expiry date	Fair value of individual warrant CAD$	Total value of warrants held CAD$	Total Value of warrants held £
0.30	2,500,000	4 June 2018	4 June 2021	0.042	105,000	60,345

The following information is relevant in the determination of the fair value of the warrants granted during the year:

Valuation model	Black-Scholes model
Warrant exercise price, CAD$	0.30
Weighted average share price at grant date, CAD$	0.2
Weighted average contractual life, years	3
Expected volatility, %	47.57%
Expected dividend growth rate, %	0
Risk-free interest rate (Canadian Government three-year bond), %	2.017

Calculation of volatility involves significant judgement by the Directors and it is based on the Para Resources, Inc trading data directly preceding the grant date.

16 Cash and cash equivalents

Group	30 June 2018 £	30 June 2017 £
Cash in hand and at bank	2,265,636	909,094
	2,265,636	**909,094**

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

	30 June 2018 £	30 June 2017 £
Cash in hand and at bank	2,265,636	909,094
	2,265,636	**909,094**

Company	30 June 2018 £	30 June 2017 £
Cash in hand and at bank	2,263,288	905,135
	2,263,288	**905,135**

17 Non-current receivables

	Group and Company	
	2018 £	2017 £
Amounts due from associates	3,599,439	3,206,177
MFP sale proceeds	1,301,757	1,337,578
	4,901,196	**4,543,755**

Non-current related party receivables of £3,599,439 (2017: £3,206,176) are 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 29. 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 given the recent announcement as to a settlement of judicial proceedings in Kenya, no further impairment is considered necessary (2017: £nil). More details are given in note 1.5, "Significant accounting judgements, estimates and assumptions".

The MFP sale proceeds represent the fair value of the deferred consideration receivable for the sale of MFP. The fair value was estimated based on the consideration offered by the buyer adjusted to its present value based on the timing for which the consideration is expected to be received. The most significant inputs are the offer price per tranches, discount rate and estimated royalty stream. The estimated royalty stream takes into account current production levels, estimates of future production levels and gold price forecasts.

18 Other receivables

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Current trade and other receivables				
Prepayments	56,353	221,070	56,353	135,073
Related party receivables:				
– due from subsidiaries	—	—	236,136	465,145
– due from associates	225	225	225	225
– due from Regency Mines plc	203,498	118,740	203,498	118,740
– due from key management	3,096	3,096	3,096	3,096
Short-term loan to related party:				
– due from a director of a JV partner	37,397	—	37,397	—
Short-term loan to Steelmin	—	2,421,831	—	2,421,831
Other receivables	634,838	1,437,918	546,847	1,432,679
Total	**935,407**	**4,202,880**	**1,083,552**	**4,576,789**

19 Trade and other payables

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade and other payables	1,237,089	1,191,741	1,233,619	1,187,968
Accruals	408,078	332,540	408,078	332,540
Related party payables:				
– due to key management	—	29,384	—	29,384
Trade and other payables	1,645,167	1,553,665	1,641,697	1,549,892
Short-term borrowings	1,008,825	3,258,608	1,008,825	3,258,608
Total	**2,653,992**	**4,812,272**	**2,650,522**	**4,808,500**

During the year, the Company issued 1,000,Convertible Loan Notes ("CLN") for the total amount of £1,000,000. The Notes were issued at par and are convertible into the Company's ordinary shares at a price of 0.8 pence per share. Each Note has a denomination of £1,000 and is thus convertible into 125,000 new ordinary shares in the Company. Conversion may take place at any time up to the final redemption date. Each Note holder also received 62,500 Warrants for each Note subscribed. Each Warrant entitles the holder to subscribe for Shares at any time up to the date of expiry at a price of 1.4 pence per Share. The interest rate on the Notes is 10% per annum, accruing monthly. The Notes were due for redemption or conversion into the Company's new ordinary shares with a final redemption date of 19 December 2018. The Warrants were issued on the basis of 1 Warrant for every 2 Shares to be issued on conversion, with an exercise price of 1.4 pence per Share and a life to 30 April 2019.

During the year, 50 CLNs for the total value of £50,000 and accumulated interest of £1,205 have been converted by the holders and has in consequence the Company issued 6,400,624 new ordinary shares of 0.01p each in the Company at a price of 0.8p per Ordinary Share.

On 2 November 2018, the Company announced that Holders of £575,000 principal value of Notes, out of £950,000 of Notes still outstanding, have to date applied to renew the Notes for twelve months to a new final redemption date of 19 December 2019 on the same terms. The Warrants of renewing Noteholders have similarly been extended on the same terms by one year to expire on 30 April 2020. More details on the extension are given in the note 26.

In the previous reporting period, the Company has borrowed USD4,400,000 in order to make a loan to Steelmin Ltd to fund refurbishment of its ferrosilicon smelter in Jacje, Bosnia. The Company borrowed USD4,400,000 from a group of institutional investors on a secured basis bearing interest at 13% pa with a renewal option for a further eight months for a 5% fee. The Company further issued 20,000,000 warrants with a 24-month life exercisable at 2.2 pence per share. The loan had a three-month repayment holiday and 75% of the loan was to be amortised over eight months leaving a 25% bullet at 12 months. A 7.5% arrangement fee was agreed with 4% to be withheld at closing and 3.5% at the earlier of an exit from the Company's stake in Jupiter Mines or 31 December 2017, for which additional USD100,000 accrual was made.

Steelmin repaid its loan to the Company on 21 February 2018 in full. Total amount repaid to Red Rock was €4,314,688, and post repayment Red Rock retained a 22% holding in Steelmin Ltd as well as a board seat. Simultaneously with this repayment Red Rock has repaid USD3,000,899 in full settlement of its obligations to the institutional investors that provided the back to back financing enabling the loan to Steelmin. More details on the investment into equity interest in Steelmim Limited are given in note 14.

20 Share capital of the Company

The share capital of the Company is as follows:

Issued and fully paid	2018 £	2017 £
536,012,471 (2017: 476,037,740) ordinary shares of £0.0001 each	53,601	47,603
2,371,116,172 deferred shares of £0.0009 each	2,134,005	2,134,005
6,033,861,125 A deferred shares of £0.000096 each	579,251	579,251
As at 30 June	**2,766,857**	**2,760,859**

Movement in ordinary shares	Number	Nominal £
As at 30 June 2016 – ordinary shares of £0.0001 each	**392,325,740**	39,232
Issued 24 August 2016 at 0.4 pence per share	75,000,000	7,500
Issued 5 April 2017 at 0.6 pence per share	8,712,000	871
As at 30 June 2017 – ordinary shares of £0.0001 each	**476,037,740**	47,603
Issued 6 October 2017 at 0.625 pence per share	2,880,000	288
Issued 30 October 2017 at 0.6 pence per share	4,500,000	450
Issued 21 December 2017 at 0.8 pence per share	15,625,000	1,563
Issued 20 February 2018 at 0.65 pence per share	4,615,384	461
Issued 9 March 2018 at 0.8 pence per share	6,400,624	640
Issued 3 April 2018 at 0.6 pence per share	3,556,800	356
Issued 13 April 2018 at 0.66 pence per share	21,315,971	2,132
Issued 20 April 2018 at 0.84 pence per share	1,080,952	108
As at 30 June 2018 – ordinary shares of £0.0001 each	**536,012,471**	53,601

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

Warrants

At 30 June 2018, the Company had 289,432,432 warrants in issue (2017: 240,778,371) with a weighted average exercise price of 1.10 pence (2017: 0.99 pence). Out of those, 123,599,099 (2017: 97,023,801) have market performance conditions that accelerate the expiry date. Weighted average remaining life of the warrants at 30 June 2018 was 186 days (2017: 434 days). All the warrants, except for the last issue of 19,843,750 warrants, were issued by the Group to its shareholders in the capacity of shareholders and therefore are outside of IFRS 2 scope.

Group and Company	2018 number of warrants	2017 number of warrants
Outstanding at the beginning of the period	240,778,371	145,778,371
Granted during the period	90,156,250	95,000,000
Exercised during the period	(22,396,923)	—
Lapsed during the period	(19,105,266)	—
Outstanding at the end of the period	**289,432,432**	**240,778,371**

During the year ended 30 June 2018 the Company had the following warrants to subscribe for shares in issue:

Grant date	Expiry date	Warrant exercise price £	Number of warrants
3 Sept 2015	3 Sept 2018	0.0090	8,333,333
13 May 2016	13 Nov 2018	0.0084	95,942,849
22 Aug 2016	22 Aug 2018	0.0080	75,000,000
21 Jun 2017	20 Jun 2019	0.0220	20,000,000
19 Oct 2017	30 Apr 2019	0.0140	62,500,000
21 Dec 2017	20 Dec 2019	0.0140	7,812,500
23 Feb 2018	30 Apr 2019	0.0140	19,843,750
Total warrants in issue at 30 June 2018			**289,432,432**

The aggregate fair value related to the share warrants granted during the reporting period was £nil (2017: £nil).

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 23).

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.

21 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 investments 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.

22 Share-based payments

During the year 19,843,750 warrants were issued as introducers fees for broker's, to which a finance charge has not been included on grounds of materiality. Details of those warrants are disclosed in note 20.

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 2018 and June 2017, 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	Options issued 13 January 2017 exercisable at 0.8p per share, expiring on 13 January 2023 Number	Total Number
A R M Bell	5,760,000	12,000,000	17,760,000
S Kaintz	4,680,000	11,000,000	15,680,000
M C Nott	900,000	—	900,000
S Quinn	900,000	3,000,000	3,900,000
Employees	1,080,000	9,000,000	10,080,000
Total	**13,320,000**	**35,000,000**	**48,320,000**

	Company and Group			
	2018		2017	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at the beginning of the period	48,320,000	0.70	13,320,000	0.45
Granted during the period	—	—	35,000,000	0.80
Forfeited during the period	—	—	—	—
Exercised during the period	—	—	—	—
Lapsed during the period	—	—	—	—
Outstanding at the end of the period	**48,320,000**	**0.70**	**48,320,000**	**0.70**
Of them vested and exercisable	**24,160,000**	**0.70**	**24,160,000**	**0.70**

No share options were granted by the Company in the reporting year. During the financial year ended 30 June 2017, 35,000,000 options were issued at an exercise price of 0.8 pence and they expire on 13 January 2023. The grant was structured in four tranches, first tranche vested immediately and the other three tranches had time and market performance vesting conditions.

The weighted average fair value of each option granted during the year was nil pence (2017: 0.236 pence).

The exercise price of options outstanding at 30 June 2018 ranged between 0.45p and 0.8p (2017: 0.45p-0.8p). Their weighted average contractual life was 4.28 years (2017: 5.28 years).

22 Share-based payments continued

The following information is relevant in the determination of the fair value of options granted during the year under equity-settled share-based remuneration schemes:

	Granted on 13 January 2017	Granted on 14 June 2016
Option pricing model used	Black-Scholes model	Black-Scholes model
Weighted average share price at grant date, pence	0.59	0.48
Exercise price, pence	0.80	0.45
Weighted average contractual life, months	66.50	55.00
Expected volatility, %	51.42	112.00
Expected dividend growth rate, %	0	0
Risk-free interest rate, %	0.579	0.679

Share-based remuneration expense related to the share options grant is included in the administration expenses line in the consolidated income statement in the amount of £3,442 (2017: £97,600).

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.

All such shares are held by SIP Trustees and the Ordinary shares cannot be released to participants until five years after the date of the award.

During the financial year, a total of 6,436,800 free, matching and partnership shares were awarded (2017: 8,712,000) with a fair value of 0.6-0.625 pence (2017: 0.375 pence) resulting in a share-based payment charge of £32,227 (2017: £45,132), included in the administration expenses line in the income statement.

23 Financial instruments

23.1 Categories of financial instruments

The Group and Company hold a number of financial instruments, including bank deposits, short-term investments, loans and receivables, borrowings and trade payables. The carrying amounts for each category of financial instrument, measured in accordance with IAS 39 as detailed in the accounting policies, are as follows:

30 June	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Available for sale financial assets at fair value through OCI				
Unquoted equity shares	385,894	6,018,540	385,894	6,018,540
Quoted equity shares	4,319,492	61,606	4,319,492	61,606
Total available for sale financial assets at fair value through OCI	**4,705,386**	**6,080,146**	**4,705,386**	**6,080,146**
Financial assets FVTPL (Para warrants)	60,345	—	60,345	—
Total financial assets carried at fair value through profit and loss	**60,345**	**—**	**60,345**	**—**
Cash and cash equivalents	2,265,636	909,094	2,263,288	905,135
Loans and receivables				
Non-current receivables	4,901,196	4,543,755	4,901,196	4,543,755
Other receivables – current	935,407	4,202,879	1,083,553	4,576,789
Total loans and receivables carried at amortised cost	**5,836,603**	**8,746,634**	**5,984,748**	**9,120,544**
Total financial assets	**12,867,970**	**15,735,874**	**13,013,767**	**16,105,825**
Total current financial assets	**3,261,388**	**5,111,973**	**3,407,185**	**5,481,924**
Total non-current financial assets	**9,606,582**	**10,623,901**	**9,606,582**	**10,623,901**
Financial liabilities				
Short-term borrowings	1,008,825	3,258,608	1,008,825	3,258,608
Trade and other payables, excluding accruals	1,237,089	1,221,125	1,233,618	1,217,350
Total current financial liabilities	**2,245,914**	**4,479,733**	**2,242,444**	**4,475,958**

Other receivables and trade payables

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

Non-current receivables

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

Loans and borrowings

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

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

23 Financial instruments continued

23.2 Fair values

23.2.1 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 2018**	Level 1 £	Level 2 £	Level 3 £	Total £
Available for sale financial assets at fair value through OCI				
– Unquoted equity shares	—	—	385,894	385,894
– Quoted equity shares	4,319,492	—	—	4,319,492
FVTPL (Para warrants)	—	—	60,345	60,345

Group and Company 30 June 2017	Level 1 £	Level 2 £	Level 3 £	**Total** **£**
Available for sale financial assets at fair value through OCI				
– Unquoted equity shares	—	6,018,540	—	6,018,540
– Quoted equity shares	61,606	—	—	61,606

23.3 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 and future cash flow requirements.

Specific financial risk exposures and management

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

Credit risk

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

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

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

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

23.3 Financial risk management policies continued

The consolidated Group does have a material credit risk exposure with Mid Migori Mining Company Limited, an associate of the Company. See note 1.5, 'Significant accounting judgements, estimates and assumptions' and note 17 for further details.

Liquidity risk

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

- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources; and
- maintaining a reputable credit profile.

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

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

Market risk

Interest rate risk

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

Equity price risk

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

Foreign currency risk

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

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.

23 Financial instruments continued

These assets are denominated in the following currencies:

Group **30 June 2018**	GBP £	AUD £	USD £	EUR £	CAD £	Other £	Total £
Cash and cash equivalents	460,575	2,803	1,799,774	—	—	2,484	**2,265,636**
Other receivables	578,421	—	255,630	—	—	101,355	**935,407**
Available for sale investments	9,323	4,050,886	275,000	110,894	259,284	—	**4,705,386**
Fair value through profit and loss – warrants	—	—	—	—	60,345	—	**60,345**
Non-current receivables	3,599,439	—	1,301,757	—	—	—	**4,901,196**
Trade and other payables, excluding accruals	384,256	2,460	46,283	432	779,704	23,953	**1,237,089**
Short-term borrowings	1,008,825	—	—	—	—	—	**1,008,825**

Group 30 June 2017	GBP £	AUD £	USD £	EUR £	CAD £	Other £	**Total** **£**
Cash and cash equivalents	27,304	225	877,696	—	—	3,869	**909,094**
Other receivables	725,727	97	1,050,854	2,421,831	—	4,371	**4,202,880**
Available for sale investments	61,606	5,743,540	275,000	—	—	—	**6,080,146**
Non-current receivables	3,070,862	—	1,337,578	—	—	135,315	**4,543,755**
Trade and other payables, excluding accruals	213,885	267	161,171	—	—	845,802	**1,221,125**
Short-term borrowings	—	—	3,258,608	—	—	—	**3,258,608**

Company **30 June 2018**	GBP £	AUD £	USD £	EUR £	CAD £	Other £	Total £
Cash and cash equivalents	460,575	2,803	1,799,773	—	—	135	**2,263,288**
Other receivables	578,421	—	255,631	—	—	249,501	**1,083,553**
Available for sale investments	9,322	4,050,886	275,000	110,894	259,284	—	**4,705,386**
Fair value through profit and loss – warrants	—	—	—	—	60,345	—	**60,345**
Non-current receivables	3,599,439	—	1,301,757	—	—	—	**4,901,196**
Trade and other payables, excluding accruals	384,256	2,460	46,283	432	779,704	20,555	**1,233,691**
Short-term borrowings	1,008,825	—	—	—	—	—	**1,008,825**

Company 30 June 2017	GBP £	AUD £	USD £	EUR £	CAD £	Other £	**Total** **£**
Cash and cash equivalents	27,304	—	877,696	—	—	135	**905,135**
Other receivables	940,601	—	964,856	2,421,831	—	249,501	**4,576,789**
Available for sale investments	61,606	5,743,540	275,000	—	—	—	**6,080,146**
Non-current receivables	3,070,862	—	1,337,578	—	—	135,315	**4,543,755**
Trade and other payables, excluding accruals	213,885	—	161,171	—	—	842,296	**1,217,350**
Short-term borrowings	—	—	3,258,608	—	—	—	**3,258,608**

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

24 Reconciliation of liabilities arising from financing activities

	30 June 2017	Cash flows	Non-cash flow Forex movement	Non-cash flow Conversion	Non-cash flow Interest and arrangement fee accreted	30 June 2018
Loan from institutional investors	3,258,608	(3,641,437)	(53,166)	—	435,995	—
Convertible notes	—	967,000	—	(51,205)	93,030	1,008,825
	3,258,608	**2,674,437**	**(53,166)**	**(51,205)**	**529.025**	**1,008,825**

25 Operating lease commitments

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 was non-cancellable until 1 December 2017. The Company let the lease expire on 1 December 2017 and moved into new offices.

On 21 August 2017, the Company entered into a new lease agreement for office space with WeWork Aldwych House. The initial lease runs from 1 October 2017 through 30 September 2019 and is non-cancellable during this period. Thereafter the lease can be terminated by giving one full calendar month notice.

The Group and Company's total of future minimum lease payments under non-cancellable operating leases are as presented in the table below:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than one year	30,114	12,069	30,114	12,069
Later than one year and not later than five years	7,560	—	7,560	—
Later than five years	—	—	—	—
Total non-cancellable operating lease commitments at 30 June	**37,674**	**12,069**	**37,674**	**12,069**

26 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 22 November 2018. For the sake of completeness and of clarity, some events after the reporting period are included here and in note 28.

Financing

On 10 November 2017 the Company announced the issuance of up to £1,000,000 of convertible loan notes, with the first tranche closing at £495,000 and the balance closing by 14 December 2017. The notes carry a 10% interest rate and are convertible at a premium to the share price at issuance, being convertible at £0.008. Each note holder also received warrants equating to 62,500 warrants for each £1,000 loan note and which allows the warrant holder to subscribe for ordinary shares in the Company at a price of £0.014 until 19 December 2019. During the course of the year £50k of notes were converted leaving a balance of £950,000 due for repayment or refinancing in Q4 2018.

On 21 December 2017, the Company raised £125,000 by way of an issue of 15,625,000 new ordinary shares of 0.01 pence each in the Company at a price of 0.80 pence per share. For every two shares, each subscriber was issued with one warrant exercisable at a price of 1.6 pence per share and expiring on 21 December 2019. The proceeds of the placing were applied towards working capital and strengthening the Company's balance sheet.

Steelmin

On 23 June 2017 the Company announced that it had entered into back to back financing agreements under which it would fund Steelmin Limited to complete the refurbishment and recommissioning of a ferrosilicon smelter complex in Jajce, Bosnia and to simultaneously acquire an equity interest in Steelmin.

In order to fund Steelmin's refurbishment, Red Rock issued an eight-month secured loan of €3,848,000 bearing 13% interest and extendable for a further eight months for a 5% renewal fee. The Company received a 7.5% arrangement fee with 4% due at close and the balance of 3.5% due after eight months.

For putting this loan in place Red Rock was issued 16% of the fully diluted equity of Steelmin. Red Rock also received a board seat and one observer seat, with the second seat converting to a full board position if the loan was extended. For each month following a holiday period lasting until 1 September 2017 the Company received a further 1% of the fully diluted equity of Steelmin on a predetermined schedule up to a maximum of 30%.

26 Significant agreements and transactions continued

To fund the loan to Steelmin the Company borrowed USD4,400,000 from a group of institutional investors on a secured basis bearing interest at 13% pa with a renewal option for a further eight months for a 5% fee. The Company further issued 20,000,000 warrants with a 24-month life exercisable at 2.2 pence per share. The loan had a three-month repayment holiday and 75% of the loan is to be amortised over eight months leaving a 25% bullet at 12 months. A 7.5% arrangement fee was agreed with 4% to be withheld at closing and 3.5% at the earlier of an exit from the Company's stake in Jupiter Mines or 31 December 2017.

Additional 1% interests in Steelmin were issued to the Company in September, October, November, and December 2017 as well as in January and February 2018.

On 21 February 2018 Steelmin repaid in full €4,314,688 outstanding to Red Rock under the secured loan that had been previously issued on 23 June 2017 to fund the refurbishment and recommissioning of a ferrosilicon smelter complex in Jajce, Bosnia. The Company also retained a 22% fully diluted shareholding in Steelmin under the conditions of the loan.

Jupiter Mines

On 11 September 2017, Jupiter Mines Ltd, where the Company held a 1.2% stake, announced its plans to make a USD25m distribution to its shareholders. On 5 December 2017 Red Rock announced that it had received USD279,945 following its participation in this Jupiter Mines distribution. On 22 January 2018 Jupiter Mines announced its intention to distribute a further USD42m to its shareholders. On 19 March 2018 Red Rock announced the completion of this equal access buy-back, and that it had received USD501,410 as a result of its participation.

On 19 March 2018 Jupiter announced its intention to seek relisting on the Australian Stock Exchange, which would offer existing shareholders the potential to partially exit their investments at the time of the IPO. Accordingly, on 17 April 2018 Red Rock announced that Jupiter Mines had completed its AUD240m IPO and that the relisting had been oversubscribed. As part of the listing process, Red Rock sold 4,700,000 shares, constituting 20.2% of its holding in Jupiter, and agreed to retain the balance of its 18,524,914 shares in escrow for a period after listing. This sale of Jupiter shares resulted in a further AUD1,842,400 of proceeds to the Company, with Red Rock retaining a 0.95% stake in the post IPO share capital of Jupiter.

On 18 June 2018 Jupiter Mines announced its intention to make its first public distribution in the form of ZAR1.5bn, well in excess of Jupiter's previously stated 70% distribution policy in the IPO prospectus. Subsequently, on 17 September 2018 Red Rock announced that it had received £508,000 in cash following the 14.5% half-year dividend distribution by Jupiter Mines. This brought the total proceeds from the Company's investments in Jupiter Mines to USD3.99m since 2017. Simultaneously, Jupiter announced that it continued to plan to make dividend distributions to shareholders going forward on a biannual basis.

Democratic Republic of Congo Copper-Cobalt due diligence

On the 27th of September 2017 the Company announced that it has entered into a conditional agreement with Cobalt Blue Limited, a private Isle of Man company ("COB"), to acquire an interest in a Joint Venture company ("JVCo") to be newly formed for the exploitation of four or five copper/cobalt tailings near Kolwezi in the Democratic Republic of Congo ("Agreement" and "DRC"). Red Rock had 40 days for due diligence and an exclusivity period of 45 days. In the event that Red Rock elected to proceed with the transaction following due diligence and fulfilment or waiver of the conditions, it will acquire 26.25% of JVCo for:

- Cash payment of USD700,000
- £490,000 payable in Red Rock shares ("Shares") at 0.65 pence a share, with attached 5 for 3 three-year warrants to subscribe for new Shares at 1p ("Warrants")
- Commitment by Red Rock to fund USD1.2m of exploration expenditure over 18 months to produce a bankable feasibility study ("BFS") on Kamirombe, and thereafter pro rata.
- Following completion of a BFS, Red Rock will have six months within which to elect to pay USD1m to farm into a further 26.25% of the JVCo, bringing its interest to 52.5%

On 3 November 2017 the Company announced that the due diligence period had been extended by 30 days to allow additional time to complete the planned drilling and laboratory analysis in order to determine whether to proceed with the investment and JVCo.

On 31 January 2018 the due diligence period was further extended until 16 March 2018.

On 29 March 2018 the Company announced that its prospective joint venture partners have engaged a drilling contractor to conduct work on the three copper/cobalt tailings dams not tested so far. Drilling and sampling work scheduled by Cobalt Blue to be completed by 30 April 2018, with the objective of defining a JORC (2012) resource report and final due diligence report to be received in May 2018 following laboratory analysis of the auger and bulk samples and receipt of assays. The due diligence period was further extended to 31 May 2018 to allow sufficient time for this work to be completed.

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 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.

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 and as of 30 June 2017 USD31,841 of the USD2,000,000 has been paid to the Company. 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 was possible following any listing of CML or vend of the assets into a public vehicle. As of 05 April 2017, the Company has agreed to drop all claims of conversion in exchange for an early partial repayment of the loan note and a broadening of the definition of what production is covered by the First NSR and Second NSR. In particular both the First NSR and Second NSR will be payable on all gold production revenues of the plant at El Limon, and as such will include both ore mined locally as well as ore brought in from third party sources.

As of 12 June 2017, the early repayment of USD225,000 had been made, leaving the balance due with interest in May 2018.

On 7 June 2018 Red Rock announced that it had received the final payment of USD750,000 plus interest, on behalf of its subsidiary Colombia Milling Limited, in respect of the USD1,000,000 Promissory Note ("PN") held by Red Rock as part of the consideration for the sale of the El Limon mine in 2015 from Para Resources, Inc. (TSXV:PBR)("Para").

Red Rock has applied CAN$500,000 of the amount due to a subscription for 2,500,000 shares in the Para private placement at CAN$0.20 per Para share, representing approximately 1.57% of the enlarged issued share capital. Each Para placement share subscribed for has an attached three-year warrant exercisable at CAN$0.30 per Para share.

Gold Exploration Licences in 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 Licences 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.

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 Licences 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 2m oz 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.

On 15 June 2018 the Company announced that a revision to earlier agreements with Kansai Mining Corporation was executed, and that the effect of the revision is that Kansai exchanges its 25% carried interest in the mineral assets of Mid Migori Mining in exchange for a USD50,000 payment, leaving Red Rock with a 100% interest in the assets. In the event of a renewal or reissue of the licences Red Rock will make within three months further payments of USD2.5m in cash, a USD1.0m promissory note payable 15 months after issue, and £500,000 of warrants in Red Rock shares at a price 20% above the average closing prices three days prior to issue.

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 licences.

Shoats Creek

On 8 May 2018 the Company's partner in the field, Mayan Energy, announced its intention to relinquish its 50% working interest in Shoats Creek and as such the Company intends to write-off its interest in the project.

27 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 £17,397 (2017: £121,046), of which £14,497 represented the Company's share of the office rent and the balance is services provided (2017: £60,523). This agreement lapsed at expiration on 1 December 2017.
- The costs incurred on behalf of the Company by Regency Mines plc are invoiced at each month end and settled on a quarterly basis. 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 £45,699 (2017: £44,646). Of this, £14,096 was outstanding at 30 June 2018.
- The costs incurred by the Company on behalf of Regency Mines plc were £42,200 (2017: £15,869) in relation to shared services during the year. Of this, £13,376 was outstanding at 30 June 2018.
- Related party receivables and payables are disclosed in notes 18 and 19.
- The Company held 1,695,000 shares (0.21%) in Regency Mines plc as at 30 June 2018, at 30 June 2017 and same number of shares at 22 November 2018.
- The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2018 and at 30 June 2017 are shown in the Director's Report.
- The key management personnel are the Directors and their remuneration is disclosed within note 8.

28 Events after the reporting period

Renewal of Convertible Loan Notes

On 2 November 2018 the Company announced that owners of £575,000 of existing convertible loan notes have applied for note renewal and have agreed to extend the term of their notes a further twelve months, with a new final redemption date of 19 December 2019 on the same terms. These notes are convertible into Red Rock shares at a price of £0.008 and carry an interest rate of 10% per annum accruing monthly.

Democratic Republic of Congo Copper-Cobalt projects

On 30 August 2018 Red Rock announced progress in relation to the conditional agreement first announced on 26 September 2017, and supplemented by further announcements dated 29 March 2018 and 15 June 2018, to acquire an interest in a Joint Venture company to be formed for the exploitation of copper/cobalt tailings and dumps near Kolwezi in the Democratic Republic of Congo. Pursuant to the Agreement Red Rock made the initial payment of $50,000, and conducted due diligence, including drilling and testwork.

Minor adjustments have been made to the Agreement to reflect the passage of time and the opportunity cost borne by Red Rock which have the effect of slightly reducing the overall cost and simplifying the transaction. The immediate counterparty has been changed from an Isle of Man company to a Congolese company, Bring Minerals SAU ("BRO").

On 22 November 2018 the Company announced that suitable tenements list has been finalised and comprises three permits in Katanga segment of the Central African Copperbelt. These are the Musonoi PE4962 equivalent to 1.683km^2 just 3km west of Kolwezi; the Kamukongo block PE663 some 5.268km^2 in area and <20km southeast of Kolwezi, and the 3.503km^2 Kasombo South permit (PE2360) just west of Lubumbashi. Following this, Red Rock decided to proceed with the JV agreement and make the initial cash payment of $250,000, with further ~$2m payments in cash and shares linked to project milestones.

Completion Summary:

- Red Rock has made the initial cash payment of $250,000.
- Cash payments of $250,000 and £490,000, the latter payable in Red Rock shares ("Shares") at 0.7 pence a share with attached 1-for-1 three-year warrants to subscribe for new Shares at 1p, will be made upon execution of the detailed documents governing the conduct of the joint venture.

Post-Completion Obligation:

- Further payments will be made in accordance with the announcement of 30 August 2018, being $200,000 upon the earliest of (a) confirmation of economic mineralisation to the satisfaction of the parties (b) definition of a compliant Resource at Indicated or above status or of a Reserve (c) decision to mine and $1m as a post-completion obligation if and when commercial production begins.
- Formation of a joint venture company between Red Rock, BRO and local partner Vumilia Pendeza SA in the proportions 50.1:29.9:20.

Exploration Programme for Gold, Copper and Cobalt in Democratic Republic of Congo

On 17 October 2018 the Company announced commencement of a soil sampling programme on a new licence in the copperbelt in the south of the Democratic Republic of Congo ("DRC") near the Zambian border. The licence is considered prospective for copper and cobalt mineralisation, and was recently acquired from a private seller.

80% of licence PR13513 was acquired together with a nearby licence and a gold-prospective licence in the northern DRC adjacent to the licences containing Randgold's Kibali mine, at a cost of USD60,000. The balance of 20% of the licences is retained by the vendor, Congo Geologist Galaxy.

Dividends by Jupiter Mines

On 17 September 2018 Jupiter Mines Limited ("Jupiter", ASX:JMS), an Australian public company in which Red Rock holds 18,524,914 shares (0.95%), announced an interim unfranked dividend of $0.05 per share.

Further to the announcement of 17 September 2018, Red Rock announced that it has received a USD658,545.69 dividend from Jupiter Mines Limited ("Jupiter", ASX:JMS), in respect of the first half of Jupiter's financial year, which ran from 1st March 2018.

Gold Exploration Licences in Kenya

On 22 October 2018 the Company announced an update in relation to the legal proceedings instituted by Red Rock and its local partner in May 2015 against the Ministry of Mining in Kenya in order to achieve the restoration of the licences, which contain a 1.2m oz JORC gold resource, based on exploration up to 2011.

A Consent has been signed on behalf of the Attorney General and the Company and is being filed with the court. Under the terms of the Consent, the parties have agreed that the case be marked as withdrawn with no order as to costs, that the Applicants are at liberty to apply for licences under section 225(6) of the Mining Act 2016, and that previous decisions will not be prejudicial to such applications. The Company welcomes this settlement and has caused the appropriate applications to be made.

Investment in and Loan to Amulet Diamond Corporation

On 19 July 2018 the Company agreed to subscribe for 35,519 common shares in Amulet Diamond Corporation at a subscription price of USD2.76 per common share. The Company further subscribed to USD401,961 of shareholder loans. These shareholder loans are unsecured, non-interest bearing and have no fixed maturity or repayment date. These loans must be repaid by Amulet Diamond Corporation before any distributions are made to common shares, including any dividend payment or return of capital.

Amulet Diamond Corporation holds an option to acquire 100% of a kimberlite mining operation and licence in Botswana. An existing processing plant is in place with 100tph capacity and a bulk sampling programme is planned for H2 2018. The resource is an open pit of up to 9MT of kimberlite and Amulet aims to produce 100kcpa with minimal further investment.

Investment in Steelmin

On 23 July 2018 the Company announced that commissioning of the ferrosilicon smelter in Bosnia had progressed and was building to full power while ongoing checks on material were being conducted. As of July the plant was operating at 24MW and had achieved commercial production.

On 28 September 2018 the Company further announced that the plant was being closed in September to allow for works to be completed to upgrade the cooling system to allow it to operate during warmer periods at full power. An assessment of other ways in which the plant and product can be optimised was also underway, and various sale options were also under consideration.

Annual General Meeting

The Company intends to issue a notice of Annual General Meeting of shareholders to be held on 19 December 2018 for the purpose of dealing with the usual business applicable at such a meeting.

29 Commitments

As at 30 June 2018, 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. 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 operations of the Group.
- On 26 June 2015 the Company announced an agreement with Kansai Mining Corporation Ltd pursuant to which Red Rock's farm in agreement was replaced by agreements under which any interest in the Migori Gold Project or the other assets of Mid Migori Mines that may be retained or granted to Mid Migori Mines or Red Rock shall be shared 75% to Red Rock and 25% to Kansai. Kansai's interest is to be carried up the point of an Indicated Mineral Resouce of 2m oz of gold. Red Rock committed to having full management rights of the operations and of the conduct of legal proceedings on behalf of both Mid Migori Mines and itself.
- 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. The Company let the lease expire on 1 December 2017 moved into new offices.
- On 21 August 2017, the Company entered into a new lease agreement for office space with WeWork Aldwych House. The initial lease runs from 1 October 2017 through 30 September 2019 and is non-cancellable during this period. Thereafter the lease can be terminated by giving one full calendar month's notice. More details are disclosed in note 25.

30 Assets pledged as collateral

As announced on 23 June 2017 the Company has borrowed USD4,400,000 in order to make a loan to Steelmin Ltd to fund refurbishment of its ferrosilicon smelter in Jacje, Bosnia. As part of this loan the Company has given security over 100% of its holding in the shares of Jupiter Mines, being 25,684,913 shares of an unlisted public company in Australia, as well as over the Company's own €3,848,000 loan note to Steelmin secured with a fixed and floating charge over all the assets of Steelmin Ltd, which includes the shares of Steelmin limited in that of its Bosnian subsidiary, Steelmin BH, the 100% owner of the Jajce ferrosilicon smelter.

On 21 February 2018 Steelmin repaid in full €4,314,688 outstanding to Red Rock and thereafter Red Rock repaid USD3,000,899 in full settlement of its obligations its own institutional lenders. The associated assets that had been pledged as collateral were subsequently released.

31 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 WeWork Waterhouse Square, 138 Holborn, London EC1N 2SW, Room 4A on 19 December 2018 at 9.00 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 2018.

2. To re-elect Sam Quinn 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 £40,000 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 Dompany 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 £7,000; 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 £33,000 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:
Salisbury House
London Wall
London EC2M 5PS
Registered in England and Wales Number: 5225394

By order of the Board
Stephen Ronaldson
Company Secretary
22 November 2018

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 1 November 2018, the Company's issued share capital comprised 536,012,471 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 1 November 2017 is 536,012,471.

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
Chairman and CEO

Scott Kaintz
Executive Director and COO

Michael Nott
Non-executive Director

Sam Quinn
Independent Non-executive Director

all of:
Red Rock Resources (We Work)
71-91 Aldwych House
London, WC2B 4HN
020 7747 9990

Secretary and Registered Office
Stephen Ronaldson
Salisbury House
London Wall
London
WC1E 6HQ

Website
www.rrrplc.com

Auditor
Chapman Davis LLP
2 Chapel Court
London SE1 1HH

Solicitors
Druces LLP
Salisbury House
London Wall
London WC1E 6HQ

Nominated adviser
Beaumont Cornish Limited
10th Floor
30 Crown Place
London EC2A 4EB

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

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

Broker
First Equity Ltd
Salisbury House
156 London Wall
London EC2M 5QQ

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