Registration number: 05225394

Red Rock Resources Plc
Annual Report and Accounts 2019

Strategic Report

Company Information

Directors

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

all of:
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Company Secretary
Stephen Ronaldson

Company Number
05225394

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Nominated Adviser
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Broker
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Independent Auditors
Chapman Davis LLP
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Accountants
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3rd Floor, 14 Hanover Street
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Chairman's Statement

Dear Shareholders,

Last year I began this review with the statement that it had been another exciting year. That year's successor, the year to 30th June 2019, has been by contrast most unexciting, with market conditions providing a difficult backdrop, and the Company's hopes for operational progress in Kenya and the Congo only partially fulfilled.

Market Conditions

Liquidity developments in major economies, political and geopolitical uncertainties, and the lassitude broken by occasional febrile interludes that resulted, affected both commodities and markets to an unusual degree over the period, in the absence of any strong primary trend. A short analysis of these features may help guide us to an understanding of what may now follow.

The overall FTSE index was down over the year, and even the U.S. Dow index, despite favourable developments in its economy, rose only slightly. The AIM Index performed worse than the broader indices, losing 15.1% over the year, and the resource component of that index showed further weakness. It appears that despite good economic growth, investors were not optimistic about future market conditions. One can adduce various factors; fears of slowing Chinese economic growth, political stalemate in the UK Parliament, an unwinding of the wealth effect as property prices in London and the south fell rather than rose, a bull market that had become tired, or fears of a radical socialist Government coming to power; but it is difficult to tell which of these are excuses for actions taken for other reasons, and which are reasons in themselves. Perhaps the one undeniable influence was the reversal or cessation of monetary inflows to most major economies from quantitative easing, which reduced the amount of money available for investment below that which had been expected, and will have had its greatest impact on less liquid marketplaces.

Against that backdrop the resource sector had mixed fortunes. There were a few areas of strength among the commodities: Iron ore prices rose strongly during the 12 months to June, as did Nickel, while in the first part of the period Manganese also continued its strength, and the gold price was also higher, but against a sluggish economic growth background these rises were mistrusted by markets which feared pullbacks, and so were not reflected in share price movements; in the last six months, post year end, metal price pullbacks have come, but instead of being treated as already discounted in stock prices, have led to further falls in price. Perhaps an additional factor for the sector has been that the mineral sector has been felt to have had investor attention for many years, with generally poor reward, and other sectors now attracted new interest, while the more speculative money flowed towards cannabis and, briefly, hydrocarbons, and flowed away from recently popular sectors such as those involved in electric vehicle batteries.

This then was the environment in which the Company operated. Different metals followed very different paths, every upward price movement was followed by a sharp correction, wave after wave of uncertainty affected sentiment, and the depth of the market for trading in AIM companies was affected by reductions in private client broking capacity. In such an environment it was difficult to capitalise on successes, carry failures through to recovery, or articulate an overarching theme.

The election results on 12 December 2019, and the confidence that now exists that the UK will leave the EU on 31 January 2020, remove some of the uncertainties that were beginning to weigh on investment decisions, and if expectations that money will now come back into the property market are borne out, that factor alone is likely to see liquidity improve across all London markets in 2020. The accumulation of negative factors that affected the market in 2019 will not all exist, and provided global markets see no downturn that is likely to prove positive for the AIM market. The continued regulatory push for electric vehicles to displace petrol and diesel will in time feed through to recovery in the metals used in EV batteries and coils, with greater future visibility of demand a positive investment factor. Continued infrastructure investment in the US in an election year, and a new emphasis on renewing the UK's ageing infrastructure, will both cushion any slowing of metal demand in China and herald a new willingness to borrow and expand the monetary base at today's ultra-low interest rates. In this quiet monetary revolution, where orthodox economists have turned from deprecating to urging massive new Government borrowing to take advantage of low long term interest rates, the two leading nations of the Anglosphere may prove to be opinion leaders: liquidity conditions may be about to undergo a remarkable transformation. Relatively less liquid marketplaces such as AIM would benefit from this.

Operations

During the year the Company continued to work to confirm the status of its licenses in Kenya. Two key milestones have been passed. On 22 October 2018, Red Rock was able to confirm that it had reached a settlement in its action for judicial review against the Ministry, and that its priority applications under the new Mining Act would be dealt with expeditiously. Then on 19 September 2019, the Company was able to announce that the Mineral Rights Board had approved the issue of the licenses, and that this was now recorded on the mining cadastre. The final administrative step has been slow in coming, and to Red Rock's disappointment had not occurred as expected by the time of this report going to print. The Directors have therefore taken the conservative decision not to write back in these accounts any part of the £5,280,000 impairment taken in the 30 June 2015 accounts, pending resolution of the court case. The Company would naturally revisit this decision as soon as the perfected renewal documents are in its hands.

The Company has worked hard during the year on complying with all the requirements under the new 2016 Mining Act, and has received excellent co-operation and guidance from the Ministry and its officials. Every stage in the process over the last two years has taken considerably longer than Red Rock expected, and the Company remains confident that this final step will soon be completed. At that point the hard work starts again where it was left off in 2012.

In Kenya, the Company made the conservative decision to delay the very substantial potential write backs. On the other hand, the Company has fully impaired two assets whose poor prognosis was noted in the Statement, accompanying the results for the first six months of the year, when a partial provision was made. Bosnian ferrosilicon producer Steelmin Ltd, where the Company was a minority investor, and assisted the recommissioning of the plant with commercial production beginning in July 2018, stopped production in September and did not reopen. Red Rock assisted in efforts to keep value in the plant by mothballing it, and was willing to take a significant role in management, but as the situation developed it became clear that the task was too large and the near-term value too uncertain to justify further involvement. The price of European Emission Allowances (EUAs), each allowing the purchaser to emit one ton of CO_2, under the EU's Emissions Trading System, had tripled in a year to €15.05 by the beginning of the year to 30 June 2019, and rose by a further 77% by the end of it. A significant part of these rises took place around the commissioning period of the ferrosilicon plant, when due to unpredictable output volumes, no long term take-or-pay electricity contract could be entered into. One of Bosnia's few significant exports is power, 40% of which is hydrothermally generated, and with privileged access to EU markets, Bosnia was able to reap the full benefit of exporting at the new higher prices. These prices could not be matched by a ferrosilicon producer. There is no residual value to Red Rock's interest.

A minority investment in Botswana diamond explorer Amulet Diamond Corporation failed to bear fruit as the decline in the price of run of mine diamonds meant that ROM production would not support the economics of the project, which could only succeed in the unquantifiable event of its finding large stones. London-based diamond producers such as Petra Diamonds and Firestone Diamonds have seen share price drops of over 80% in the last year, and even the more resilient Gem Diamonds has fallen 60%: these are not the conditions in which a new producer can expect to launch successfully.

In the Democratic Republic of Congo, successful exploration at the Company's Luanshimba copper/cobalt license took place, identifying significant 2km by 500m and 1400m by 300m anomalies. The focus then switched to the Company's main joint venture in the Congo, where the joint venture agreement was formally signed in March 2019. The formation of the joint venture operating company, which Red Rock considers desirable as it more closely defines rights and responsibilities, has been slow to proceed but is pending. The Company was able to carry out some preliminary studies of the historic data at the Musonoi copper-cobalt license, including some access to the old core in the Gécamines drill sheds at Likasi. These studies of old drilling and the pit shell, when mining ceased, indicated the existence of a significant and definable body of unmined mineralised material that at current economic grades and with current technologies would have been mined. A geological model of this mineral potential, which is expandable with drilling, has been produced but requires raising to the standard of the JORC 2012 Code before it can be publicly released. This requires some further access to data, or further drilling, and has been and remains a priority.

The Company expects to carry out further work at Luanshimba early in 2020.

Elsewhere, the Company's interests in the Tshipi é Ntle manganese deposit, held through its investment in ASX-listed Jupiter Mines Ltd, has been a key contributor to income, with distributions recognised as dividends rising from £243,830 in the year to 30 June 2018 to £750,430 in the year ending 30 June 2019. The strong performance continues: Jupiter has paid in November 2019 an interim dividend for its half year to 31 August 2019 of A$0.04, worth A$680,996 to Red Rock. The dividend level continues to offer a high return on Jupiter's current market price of A$0.28. This long-life open pit manganese mine is one of the cheapest producers and so resilient to price movements in the manganese market. The expansion capacity and the changing dynamics of the manganese market mean there is further potential in this investment.

Royalty revenues from the El Limon gold mine in Colombia have shown slight improvement, but have not yet achieved their full potential.

Other minor interests, in Ivory Coast, Elephant Oil in Benin, iron ore royalties in Australia, and battery metal explorer Power Metal Resources Plc, have made no significant impact during the period, though could prove material were they to see further progress.

Outlook

After a year governed by macro-economic and political factors, the Company should benefit in the coming period from an improving climate on these fronts. Greater certainty, and a new spirit of optimism, may amplify these effects in London markets.

For its real potential to be achieved, the Company requires not just a more benign environment, but achievement of the milestones that will enable Red Rock to seize the initiative in its two major projects in Kenya and the Congo. This is the focus for 2020, as well as exploration at Luanshimba and other highly prospective but earlier stage properties.

From so low a market capitalisation, it will be difficult to disappoint, and the opportunity for progress is considerable.

We thank our staff, business partners and shareholders for their support and faith in us.

Andrew Bell
Chairman and CEO

20 December 2019

Strategic Review

Overview of the Business

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

Business Strategy

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

Principal Risks and Risk Management

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

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

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

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

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

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

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

Political Risk
All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. The Company has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Company in its activities in order to help reduce possible political risk.

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

Key Performance Indicators (KPIs)

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

Corporate Responsibility

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

Governance

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

Analysis by Gender

Category	Male	Female
Directors	4	0
Other Employees	0	1

Employees and their Development

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

Diversity and Inclusion

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

Health and Safety

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

Signed by order of the Board.

Andrew Bell
Chairman and CEO

20 December 2019

Governance

Overview

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

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

Business Model and Strategy for Promotion of Long-Term Value
The Board considers that the highest medium and long-term value can be delivered to its shareholders by creating a diverse portfolio of holdings with exposure to commodities across multiple stages of the natural resource cycle, from exploration to production, and with a degree of geographical and commodity diversity. The Company's objective focusses on opportunities to add and realise value in reasonably short timeframes, and considers the generation of multiple sustainable income streams to be its prime task, as this can underpin value and underwrite the higher risk parts of its project pipeline such as 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 e-mail.

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 behavior is emphasized, both because it is important if the Company is to successfully achieve its corporate objectives that this culture is transmitted through the whole organization, and also to set a benchmark and send a signal of what it will and will not do in some of the jurisdictions in which the Company operates.

Board Activities 2019

The Board met nine times during 2019 in relation to normal operational matters.

No. of meetings held	
Andrew Bell Chairman and CEO	9/9
Michael Nott Non-Executive Director	9/9
Sam Quinn Independent Non-Executive Director	9/9
Scott Kaintz Executive Director	9/9

Board of Directors

The Board of Directors makes decisions on shareholders' behalf. Red Rock has two Executive Directors and two Non-Executive Directors.

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 Power Metal Resources Plc (AIM), Chairman and Director, and Jupiter Mines Ltd (ASX), Non-Executive Director. Andrew Bell is also a former Director of various resource sector companies, including as former Chairman of Star Striker Ltd (now Intiger Group Ltd)(ASX), and a former Non-Executive Chairman of Greatland Gold Plc (AIM). Andrew Bell has considerable sector experience and his skills also include financial, business and legal analysis as well as experience of public markets.

Scott Kaintz, BS, MBA
Executive Director
Scott has extensive experience leading, funding and operating publicly traded natural resource exploration and development businesses on the London markets. He started his career as a US Air Force Officer working across Europe, the Middle East and Central Asia. He subsequently held managerial and technology roles in the defence sector in Europe before transitioning to corporate finance and investment positions focused primarily on capital raising and making debt and equity investments in small-cap listed companies. Scott has significant experience in emerging markets, with a particular emphasis on the countries of the former Soviet Union. Scott holds a BSLA in Russian language and Russian Area Studies from Georgetown University as well as MBA degrees from Columbia Business School and London Business School. He joined Red Rock Resources plc in 2011 as Corporate Finance Manager and has subsequently become an Executive Director. He is also a Director of Regency Mines Plc and Curzon Energy Plc.

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 a former Chairman and current Director of Alba Mineral Resources Plc, listed on AIM. Michael Nott has significant public markets, sector and technical experience.

Sam Quinn

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. Sam Quinn has strong legal expertise as well as experience in public markets, the resource sector and in finance.

Responsibilities of the Board

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

Focus areas for 2020

- Realization of value in Kenyan gold assets
- Advancement of DRC exploration projects
- Increasing share liquidity
- Ensuring cost-effective capital available for future projects

Directors' Report

for the year ended 30 June 2019

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 2019.

Results and Dividends

The Group's results are set out in the consolidated income statement on page 24. The audited financial statements for the year ended 30 June 2018 are set out on pages 23 to 69.

The Group made a post-tax loss of £1,723,881 (2018: profit of £78,120).

The Directors do not recommend the payment of a dividend (2018: 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 3 to 10.

Fundraising and Share Capital

During the year, the Company raised £853,089 (2018: £421,668) of new equity by the issue of 140,037 Ordinary shares (2018: 59,974,731 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 2019 were as follows:

	Ordinary shares			As percentage of issued		
	Direct	Beneficial	Total	share capital	Options	Warrants
Andrew R M Bell	31,238,520	7,828,480	39,067,000	5.78%	17,760,000	7,886,904
Michael C Nott	1,471,807	7,660,480	9,132,287	1.35%	900,000	—
Scott Kaintz	2,517,807	7,828,480	10,346,287	1.53%	15,680,000	1,785,714
Sam Quinn	2,206,766	5,911,600	8,118,366	1.20%	3,900,000	1,785,714

The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2018 were as follows:

	Ordinary shares			As percentage of issued		
	Direct	Beneficial	Total	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	1.31%	900,000	—
Scott Kaintz	2,517,807	6,328,480	8,846,287	1.39%	15,680,000	1,785,714
Sam Quinn	2,206,766	4,418,800	6,625,566	1.08%	3,900,000	1,785,714

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 2019 and 1 December 2019, the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	30 June 2019		1 December 2019	
	Ordinary shares of £0.0001 each	Percentage of issued share capital	Ordinary shares of £0.0001 each	Percentage of issued share capital
HSBC Global Custody Nominee (UK) Ltd – Designation 941346	121,994,634	18.05%	121,990,634	18.04%
1620 Capital Pty Ltd	70,000,000	10.35%	68,152,688	10.35%
Barclays Direct Investing Nominees Ltd – Designation CLIENT1	48,093,412	7.11%	43,819,531	6.48%
Peel Hunt Holdings Ltd – Designation PMPRINC	41,166,022	6.09%	40,625,788	6.01%
Interactive Investor Services Nominees Ltd – Designation SMKTNOMS	34,906,069	5.16%	36,454,095	5.39%
Lynchwood Nominees Ltd – Designation 2006420	32,584,408	4.82%	23,134,408	3.42%
Red Rock Resources Plc Share Incentive Plan	32,294,933	4.78%	32,294,933	4.78%
Hargreaves Lansdown (Nominees) Ltd – Designation 15942	25,078,637	3.71%	20,804,569	3.08%
Alliance Trust Savings Nominees Ltd – Designation GRO	24,709,969	3.66%	24,708,179	3.65%
Interactive Investor Services Nominees Ltd – Designation SMKTISAS	23,964,897	3.54%	24,706,533	3.65%
HSDL Nominees Ltd	23,718,992	3.51%	26,712,396	3.95%
Total number of shares in issue	**676,049,662**		**676,049,662**	

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 2019, the Company has not granted any options over its Ordinary shares (2018: no option were granted). As at 30 June 2019, 48,320,000 of these options were outstanding (2018: 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 the Share Incentive Plan Trustees and such shares cannot be released to participants until five years after the date of award, except in specific circumstances.

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

In January 2016, the Directors approved an EMI (enterprise management incentive) Scheme, and all options granted by the Company in the year to 30 June 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 2019. In addition, certain fees and expenses were paid to businesses with which the Directors are associated as set out in note 9 to the financial statements.

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

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

The Company is closely associated with Regency Mines Plc, which had a 0.85% interest in the Company as at 30 June 2019 (2018: 1.91%). The Company had a 2.31% interest in Regency Mines Plc as at 30 June 2019 (2018: 0.29%). Two Directors, Andrew Bell and Scott Kaintz, were also Directors of and are paid by Regency Mines plc at 30 June 2019. On 12 September 2019, Andrew Bell resigned as a Director of the Regency Mines Plc. The amount of their remuneration is not required to be disclosed in the Company financial statements, but is fully disclosed in the financial statements of Regency Mines Plc.

Corporate Governance Statement
A corporate governance statement follows on pages 16 to 18.

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

Environmental Responsibility
The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company policy is 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 loss of £1,723,881 for the year ended 30 June 2019 (2018: profit of £78,120). At that date there were net current liabilities of £1,753,687 (2018: net current assets of £607,396). The loss resulted mainly from the impairment of financial assets of £1,592,815. Cash and cash equivalents were £63,828 (2018: £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. Payments of up to US$2.0m are to be paid in the form of a 3% net smelter royalty payable quarterly on gold production and these payments continued in 2018-19 and totalled US$124,922 to 30 June 2019. The Company estimates that approximately US$250k will be paid out towards the US$2m royalty during the next four quarters based on the most recent projections from the operator in Colombia. A final royalty stream of up to US$1.0m will be paid following the payment in full of the initial net smelter royalty in the form of a 0.5% net smelter royalty.

On 19 February 2019, Jupiter Mines, a company in which Red Rock owns 17,024,914 shares, approximately 0.87% of Jupiter, announced that it would pay an unfranked dividend of A$0.025 per share. Jupiter further indicated that this would constitute a dividend yield of approximately 24% for the current fiscal year, and that the business had paid out approximately 50% of Jupiter's market cap, or over A$300m over the past three years. On 31 October 2019, the Company announced that Jupiter Mines would pay a dividend equivalent to A$0.04 per Jupiter share, and that Red Rock would receive approximately £363,447. This dividend amount represented a six-month yield of 12.3%. At present the value of the Company's holdings in Jupiter Mines are £2.42m, equating to a large proportion of the market capitalization of the business.

On 17 December 2019, the Company announced that holders of £830,000 of principal value of Convertible Loan Notes, first announced on 10 November 2017 and again on 2 January 2019, had applied to renew the Notes with a new final redemption date of 19 December 2020. These renewed Notes would carry an interest rate of 12% and a conversion price of £0.006 per share.

On 23 April 2019, the Company announced that it had raised £323,750 by way of a placing of 63,480,391 shares at a price of £0.0051 per share.

The Group retains a lean operating structure, with three employees and both accounting and geological services outsourced. The Company has continued to control operating costs through the use of part-time consultants and a minimal permanent footprint and cost basis in London.

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, with the last twelve months seeing a total of US$784,000 paid out to the Company. This dividend stream is expected to 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 licenses in Kenya, which are expected to be restored in the near-term. Beyond this, the Company expects to receive an ongoing royalty stream from Colombia, as the operator of the gold assets there continues to work to increase production on site.

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 The Directors further believe that they will be able to largely fund the business internally and will be able to access external capital as required during 2019-20.

By order of the Board
Signed by:

Andrew Bell
Chairman and CEO
20 December 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

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

The Directors confirm that:

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

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

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

Corporate Governance Statement

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

Strategy and Risks

Role of the Board

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

Responsibilities of the Board

The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day-to-day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters.

Board of Directors

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

The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the UK Corporate Governance Code have been implemented to an appropriate level. The Board, through the Chairman and the Executive and Non-Executive Directors, maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

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

Executive Chairman

The Board acknowledges that, in having an Chairman who is also the Chief Executive Officer, best practice, as stated in the listing rules of the Financial Services Authority applicable to the main market, is not being followed. However, it is the opinion of the Board as a whole that the current arrangements are appropriate to the Company and Group at this stage of development.

Board meetings

The Board meets regularly throughout the year. During the year ended 30 June 2019 the Board met nine times in relation to normal operational matters. Attendance at these Board meetings was as follows:

Andrew Bell	9/9
Scott Kaintz	9/9
Michael Nott	9/9
Sam Quinn	9/9

Board committees

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

Audit Committee

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

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

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

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

Board Evaluation
The internal evaluation of the Board, the Committees and individual Directors, including any succession planning, is undertaken on an annual basis, to determine the effectiveness of their performance and suitability to the changing business requirements. There is also a continuous and ongoing process of evaluation, which historically has resulted in an increase and then reduction in the 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.

Ethical Decision Making

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

Bribery
In accordance with the provisions of the Bribery Act, all Directors and staff have been informed and have acknowledged that it is an offence under the act to engage in any form of bribery. The Company has an Anti-Bribery and Whistleblowing Policy in force.

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

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

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

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

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

Relations with Shareholders

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

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

Financial Statements

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 2019, 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 2019 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 £5,233,542 as at 30 June 2019.

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.

How the Matter was 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 Ltd, 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 sales 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.

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 £120,000, less than 1% of Total Group Assets with a lower materiality set at £100,000 for Non-current receivables, less than 2% of the carrying value 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
20 December 2019

Consolidated Statement of Financial Position

as at 30 June 2019

	Notes	**30 June 2019 £**	30 June 2018 £
ASSETS			
Non-current assets			
Investments in associates and joint ventures	12	**1,583,634**	1,000,374
Exploration assets	13	**234,600**	—
Financial instruments - fair value through other comprehensive income (FVTOCI)	14	**4,210,101**	4,705,386
Non-current receivables	17	**5,233,542**	4,901,196
Total non-current assets		**11,261,877**	**10,606,956**
Current assets			
Cash and cash equivalents	16	**63,828**	2,265,636
Financial instruments with fair value through profit and loss (FVTPL)	15	**60,345**	60,345
Other receivables	18	**975,341**	935,407
Total current assets		**1,099,514**	3,261,388
TOTAL ASSETS		**12,361,391**	**13,868,344**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Called up share capital	20	**2,780,861**	2,766,857
Share premium account		**26,853,337**	26,016,000
Other reserves		**2,563,093**	3,392,060
Retained earnings		**(22,668,592)**	(20,941,477)
Total equity attributable to owners of the Parent		**9,528,699**	**11,233,440**
Non-controlling interest		**(20,508)**	(19,088)
Total equity		**9,508,191**	**11,214,352**
LIABILITIES			
Current liabilities			
Trade and other payables	19	**1,731,808**	1,645,167
Short-term borrowings	19	**1,121,392**	1,008,825
Total current liabilities		**2,853,200**	2,653,992
TOTAL EQUITY AND LIABILITIES		**12,361,391**	**13,868,344**

These financial statements on pages 23 to 69 were approved by the Board of Directors and authorised for issue on 20 December 2019 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 2019

	Notes	**Year to 30 June 2019 £**	Year to 30 June 2018 £
Gain on sales of investments before IFRS 9 adoption		—	1,200,050
Exploration expenses		(6,289)	(14,218)
Impairment of exploration assets		—	(280,460)
Administrative expenses	4	(591,777)	(849,518)
Business development	6	(302,597)	(82,413)
Other project costs	6	(158,689)	(306,666)
Impairment of financial assets carried at amortised cost	1.5	(1,592,815)	(217,226)
Currency gains		50,908	61,918
Share of profits/(losses) of associates	12	511	(23)
Other income		25,000	10,007
Finance income, net	5	851,867	556,669
(Loss / profit for the year before taxation		(1,723,881)	78,120
Tax	7	—	—
(Loss) / profit for the year		(1,723,881)	78,120
(Loss) / profit for the year attributable to:			
Equity holders of the Parent		**(1,722,461)**	80,755
Non-controlling interest		**(1,420)**	(2,635)
		(1,723,881)	78,120
(Loss) / profit per share attributable to owners of the Parent:			
Basic loss per share		**(0.29) pence**	0.02 pence
Diluted loss per share		**(0.29) pence**	0.02 pence

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	**30 June 2019 £**	30 June 2018 £
(Loss) / profit for the year		**(1,723,881)**	78,120
Other comprehensive loss			
Decrease in FVTOCI reserve in relation to disposals		**9,428**	(1,346,648)
(Deficit) / surplus on revaluation of FVTOCI financial assets	14	**(861,602)**	(62,282)
Losses on sale of FVTOCI taken directly to reserves after IFRS 9 adoption		**(273,492)**	—
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations		**23,207**	(58,332)
Total other comprehensive (loss) / income net of tax for the year		**(1,102,459)**	(1,467,262)
Total comprehensive (loss) net of tax for the year		**(2,826,340)**	**(1,389,142)**
Total comprehensive (loss) net of tax attributable to:			
Owners of the Parent		**(2,824,920)**	(1,386,507)
Non-controlling interest		**(1,420)**	(2,635)
		(2,826,340)	**(1,389,142)**

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 1 July 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 2017							
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**
Changes in equity for 2019							
Loss for the year	—	—	(1,722,461)	—	(1,722,461)	(1,420)	(1,723,881)
Other comprehensive income for the year							
Decrease in FVTOCI reserve in relation to disposals	—	—	—	9,428	9,428	—	9,428
(Deficit) / surplus on revaluation of FVTOCI financial assets	—	—	—	(861,602)	(861,602)	—	(861,602)
Losses on sale of FVTOCI taken directly to reserves after IFRS 9 adoption	—	—	(4,654)	—	(4,654)	—	(4,654)
Unrealised foreign currency (loss) / gain arising upon retranslation of foreign operations	—	—	—	23,207	23,207	—	23,207
Total Other comprehensive income for the year	—	—	(4,654)	(828,967)	(833,621)	—	(833,621)
Transactions with owners							
Issue of shares	13,348	800,402	—	—	813,750	—	813,750
Share issue costs	—	(1,750)	—	—	(1,750)	—	(1,750)
Share issue in relation to SIP	656	38,685	—	—	39,341	—	39,341
Total transactions with owners	**14,004**	**837,337**	—	—	**851,341**	—	**851,341**
As at 30 June 2019	**2,780,861**	**26,853,337**	**(22,668,592)**	**2,563,093**	**9,528,699**	**(20,508)**	**9,508,191**

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

	FVTOCI financial instruments revaluation reserve £	Foreign currency translation reserve £	Share-based payment reserve £	Total other reserves £
As at 1 July 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**
Changes in equity for 2019				
Other comprehensive income for the year				
Decrease in FVTOCI investments reserve in relation to disposals	9,428	—	—	9,428
Change in reserve related to revaluation	(861,602)	—	—	(861,602)
Unrealised foreign currency gains on translation of foreign operations	—	23,207	—	23,207
Total Other comprehensive income / (expense) for the year	**(852,174)**	**23,207**	—	**(828,967)**
As at 30 June 2019	**2,255,746**	**143,035**	**164,312**	**2,563,093**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2019

	Notes	**Year to 30 June 2019 £**	Year to 30 June 2018 £
Cash flows from operating activities			
(Loss) / profit before tax		**(1,723,881)**	**78,120**
(Increase)/decrease in receivables		(73,566)	95,296
Increase in payables		96,312	209,797
Share of (profit)/losses in associates		(511)	23
Interest receivable and finance income, including income from MFP	5	(272,445)	(852,886)
Dividend income	5	(750,430)	(234,830)
Interest expense	5	183,809	531,046
Other income settled in shares		(25,000)	—
Share-based payments		32,227	35,669
Foreign exchange gain/loss		(50,908)	(61,918)
Impairment of loans and other receivables	1.5	1,592,815	217,226
Gain on sale of available for sale investments before IFRS 9 adoption		—	(1,200,050)
Depreciation		—	15,600
Impairment of exploration properties		—	280,460
Net cash outflow from operations		(991,578)	(886,447)
Corporation tax reclaimed/(paid)		—	—
Net cash used in operations		**(991,578)**	**(886,447)**
Cash flows from investing activities			
Interest received		—	315,194
Proceeds from sale of FVTOCI financial assets		10,345	1,399,601
Dividends received		750,430	234,830
Loans granted		(1,587,751)	(892,722)
Loans re-paid by the borrower		—	3,513,843
Payments to acquire FVTOCI financial assets		(391,860)	—
Payments to acquire exploration asset		(234,600)	—
Payments to set up new joint ventures		(55,567)	
Payments to increase interest in the assets of an associate		—	(37,317)
Net cash (outflow) / inflow from investing activities		**(1,509,003)**	**4,533,429**
Cash flows from financing activities			
Proceeds from issue of shares		39,550	299,265
Transaction costs of issue of shares		(1,750)	(5,000)
Interest paid		(121,012)	(243,283)
Proceeds from new borrowings		699,483	967,000
Repayments of borrowings		(365,000)	(3,398,562)
Net cash inflow / (outflow) from financing activities		**251,271**	**(2,380,580)**
Net (decrease)/increase in cash and cash equivalents		**(2,249,310)**	**1,266,402**
Cash and cash equivalents at the beginning of period		2,265,636	909,094
Exchange (losses)/gains on cash and cash equivalents		47,502	90,140
Cash and cash equivalents at end of period	16	**63,828**	**2,265,636**

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

Company Statement of Financial Position

as at 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
ASSETS			
Non-current assets			
Investments in subsidiaries	11	19,395	942
Investments in associates and joint ventures	12	1,664,833	1,082,083
Financial instruments - fair value through other comprehensive income (FVTOCI)	14	3,162,597	4,705,386
Exploration assets		234,600	—
Non-current receivables	17	5,233,542	4,901,196
Total non-current assets		10,314,967	10,689,607
Current assets			
Cash and cash equivalents	16	43,243	2,263,288
Financial assets – warrants in AFS	15	60,345	60,345
Other receivables	18	1,114,790	1,083,552
Total current assets		1,218,378	3,407,184
TOTAL ASSETS		**11,533,345**	**14,096,791**
EQUITY AND LIABILITIES			
Called up share capital	20	2,780,861	2,766,857
Share premium account		26,853,337	26,016,000
Other reserves		1,641,393	3,272,232
Retained earnings		(22,590,323)	(20,608,820)
Total equity		**8,685,268**	**11,446,269**
LIABILITIES			
Current liabilities			
Trade and other payables	19	1,726,684	1,641,697
Intra-group borrowings	19	122,413	—
Short-term external borrowings	19	998,980	1,008,825
Total current liabilities		2,848,077	2,650,522
TOTAL EQUITY AND LIABILITIES		**11,533,345**	**14,096,791**

These financial statements on pages 23 to 69 were approved by the Board of Directors and authorised for issue on 20 December 2019 and are signed on its behalf by:

Andrew Bell
Chairman and CEO

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

Company Statement of Changes in Equity

for the year ended 30 June 2019

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 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**
Changes in equity for 2019					
Loss for the year	—	—	(1,708,012)	—	(1,708,012)
Other comprehensive income for the year					
Decrease in FVTOCI investments reserve in relation to disposals	—	—	—	(485,189)	(485,189)
Change in reserve related to revaluation	—	—	—	(1,145,650)	(1,145,650)
Losses on sale of FVTOCI taken directly to reserves	—	—	(273,491)	—	(273,491)
Total Other comprehensive income for the year	**—**	**—**	**(273,491)**	**(1,630,839)**	**(1,904,329)**
Transactions with owners					
Issue of shares	13,348	800,402	—	—	813,750
Share issue costs	—	(1,750)	—	—	(1,750)
Share issues in relation to SIP	656	38,685	—	—	39,341
Total transactions with owners	**14,004**	**837,737**	—	—	**851,341**
As at 30 June 2019	**2,780,861**	**26,853,337**	**(22,590,323)**	**1,641,393**	**8,685,268**

Company Statement of Changes in Equity
for the year ended 30 June 2019

	FVTOCI financial assets revaluation reserve £	Share-based payment reserve £	Total other reserves £
As at 1 July 2017	**4,518,200**	**160,870**	**4,679,174**
Changes in equity for 2018			
Other comprehensive income for the year	4,217,753	—	4,217,753
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**
Changes in equity for 2019			
Other comprehensive income for the year			
Decrease in FVTOCI investments reserve in relation to disposals	(485,189)	—	(485,189)
Change in reserve related to revaluation	(1,145,650)	—	(1,145,650)
Total Other comprehensive income	**(1,630,839)**	—	**(1,630,839)**
As at 30 June 2019	**1,477,081**	**164,312**	**1,641,393**

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

Company Statement of Cash Flows

for the year ended 30 June 2019

	30 June 2019 £	30 June 2018 £
Cash flows from operating activities		
(Loss) /profit before taxation	(1,708,012)	115,457
(Increase)/decrease in receivables	(46,494)	70,045
Increase in payables	95,357	209,797
Dividend income	(750,430)	(234,830)
Interest income and other finance income	(285,779)	(852,886)
Interest expense	183,912	530,637
Share-based payments	32,227	35,669
Other income settled in shares	(25,000)	—
(Gain) on sale of investments before IRS 9 adoption	—	(1,200,050)
Impairment of loans and receivables	1,592,815	217,226
Foreign exchange loss / (gain)	(50,909)	17,770
Impairment of exploration assets	—	280,460
Depreciation	—	15,600
Net cash outflow from operations	**(962,313)**	**(795,105)**
Corporation tax	—	—
Net cash used in operations	**(962,313)**	**(795,105)**
Cash flows from investing activities		
Interest received	—	315,194
Dividends received	750,430	234,830
Loans granted	(1,587,751)	(892,722)
Loans re-paid by the borrower	—	3,513,843
Payments to increase interest in assets of an associate	—	(37,317)
Proceeds from sale of FVTOCI financial assets	10,345	1,399,601
Payments to acquire exploration asset	(234,600)	—
Payments to set up new joint ventures	(55,567)	
Payments to acquire FVTOCI financial assets	(391,860)	—
Net cash outflow from investing activities	**(1,509,003)**	**4,533,429**
Cash flows from financing activities		
Proceeds from issue of shares	39,550	299,265
Transaction costs of issue of shares	(1,750)	(5,000)
Interest paid	(121,012)	(242,874)
Proceeds from new borrowings	699,483	967,000
Re-payments of borrowings	(365,000)	(3,398,562)
Net cash inflow from financing activities	**251,271**	**(2,380,171)**
Net increase/(decrease) in cash and cash equivalents	**(2,220,045)**	**1,358,153**
Cash and cash equivalents at the beginning of period	2,263,288	905,135
Cash and cash equivalents at end of period	**43,243**	**2,263,288**

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

Notes to the 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 2019 were authorised for issue by the Board on 20 December 2019 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.

Going Concern

The Group has recorded a loss of £1,723,881 for the year ended 30 June 2019 (2018: profit of £78,120). At that date there were net current liabilities of £1,753,687 (2018: net current assets of £607,396). The loss resulted mainly from the impairment of financial assets of £1,592,815. Cash and cash equivalents were £63,828 (2018: £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. Payments of up to US$2.0m are to be paid in the form of a 3% net smelter royalty payable quarterly on gold production and these payments continued in 2018-19 and totalled US$124,922 to 30 June 2019. The Company estimates that approximately US$250k will be paid out towards the US$2m royalty during the next four quarters based on the most recent projections from the operator in Colombia. A final royalty stream of up to US$1.0m will be paid following the payment in full of the initial net smelter royalty in the form of a 0.5% net smelter royalty.

On 19 February 2019, Jupiter Mines, a company in which Red Rock owns 17,024,914 shares, approximately 0.87% of Jupiter, announced that it would pay an unfranked dividend of A$0.025 per share. Jupiter further indicated that this would constitute a dividend yield of approximately 24% for the current fiscal year, and that the business had paid out approximately 50% of Jupiter's market cap, or over A$300m over the past three years. On 31 October 2019, the Company announced that Jupiter Mines would pay a dividend equivalent to A$0.04 per Jupiter share, and that Red Rock would receive approximately £363,447. This dividend amount represented a six-month yield of 12.3%. At present the value of the Company's holdings in Jupiter Mines are £2.42m, equating to a large proportion of the market capitalization of the business.

On 17 December 2019, the Company announced that holders of £830,000 of principal value of convertible loan notes, first announced on 10 November 2017 and again on 2 January 2019, had applied to renew the notes with a new final redemption date of 19 December 2020. These renewed notes would carry an interest rate of 12% and a conversion price of £0.006 per share.

On 23 April 2019 the Company announced that it had raised £323,750 by way of a placing of 63,480,391 shares at a price of £0.0051 per share.

The Group retains a lean operating structure, with three employees and both accounting and geological services outsourced. The Company has continued to control operating costs through the use of part-time consultants and a minimal permanent footprint and cost basis in London.

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, with the last twelve months seeing a total of US$784,000 paid out to the Company. This dividend stream is expected to 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 licenses in Kenya, which are expected to be restored in the near-term. Beyond this, the Company expects to receive an ongoing royalty stream from Colombia, as the operator of the gold assets there continues to work to increase production on site.

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 The Directors further believe that they will be able to largely fund the business internally and will be able to access external capital as required during 2019-20.

Company Statement of Comprehensive Income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income. The Company's loss for the financial year was £1,708,012 (2018: profit £115,457). The Company's other comprehensive loss for the financial year was £3,612,342 (2018: £1,410,280 loss).

Amendments to Published Standards Effective for the year Ended 30 June 2019

New Standards, Amendments and Interpretations Effective for the Periods from 1 July 2018

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:

IFRS 9 “Financial Instruments” impact both the measurement and disclosures of financial instruments. The Group has not retrospectively re-stated prior period. All investments into equity instruments, that were held by the Group at 30 June 2018, which were included into Available for sale financial assets line in the Statement of financial position at 30 June 2018, are held by the Group with a long-term view and are not held for trading. The Group has analysed its investments into equity instruments on investment-by-investment basis and took a decision to designate all of its Available for sale investments held at the date of IFRS 9 adoption as fair value through other comprehensive income financial assets (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. More details are disclosed in the note 12.

IFRS 15 “Revenue from Contracts with Customers” – the Group is pre-revenue hence the adoption had no impact on the reported results or opening reserves.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 July 2018 that had a significant effect on the Group’s financial statements.

Notes to the Financial Statements (continued)

for the year ended 30 June 2019

1. Principal Accounting Policies Continued

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 16 Leases	13-Jan-16	01-Jan-19
IFRIC 23 Uncertainty over Income Tax Treatments	07-Jun-17	01-Jan-19
IFRS 17 Insurance contracts*	18-May-17	01-Jan-21
Amendments to Existing Standards		
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
Amendment to IFRS 3 Business Combinations*	22-Oct-2018	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.

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.

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. Due to the fact that the Group currently only has short term (less than 12 months) operating leases, IFRS 16 will not have a material impact on the results or balance sheet of the Group. All the exploration areas land lease agreements that the Company has for its areas of interest are outside of IFRS16 scope.

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 of 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. Principal Accounting Policies Continued

1.3 Basis of Consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and subsidiaries controlled by the Company made up to 30 June each year.

Subsidiaries

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

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

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

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

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

At 30 June 2019, the consolidated financial statements combine those of the Company with those of its subsidiaries, Red Rock Australasia Pty Ltd, RRR Coal Ltd, Red Rock Resources Congo S.A.U., RedRock Kenya Ltd and Red Rock Resources (HK) Ltd.

The Group's dormant subsidiary Intrepid Resources Ltd, Red Rock Resources Inc., RRR Kenya Ltd., 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.

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

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.

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. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

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 (A$) and Kenyan Shillings.

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

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

1.4.6 Share-Based Payments

Share Options

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

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

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

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

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

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

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

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

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

Share Incentive Plan

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

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

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 Exploration Assets

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

Recoverability of exploration and development costs is dependent upon successful development and commercial exploitation of each area of interest and will be amortised over the expected commercial life of each area once production commences. The Group and the Company currently have no exploration assets where production has commenced.

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

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

1.4.9 Impairment of Non-Financial Assets

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

An impairment loss is recognised immediately in the consolidated statement of comprehensive income.

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

1.4.10 Finance Income/Expense

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

1.4.11 Financial Instruments

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

Fair Value through Profit or Loss (FVTPL)

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

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

1.4.11 Financial Instruments Continued

Amortised Cost

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

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

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

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

Fair Value through Other Comprehensive Income (FVTOCI)

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

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

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

Financial Liabilities

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

Fair Value through Profit or Loss (FVTPL)

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

1. Principal Accounting Policies Continued

1.4 Summary of Significant Accounting Policies Continued

1.4.11 Financial Instruments Continued

Other Financial Liabilities

Other financial liabilities include

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

1.4.12 Investments in the Company Accounts

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

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

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

1.4.13 Dividend Income

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

1.4.14 Share Capital

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

1.4.15 Convertible Debt

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

1.4.16 Warrants

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

1. Principal Accounting Policies Continued

1.5 Significant Accounting Judgements, Estimates and Assumptions

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

Significant Judgements in Applying the Accounting Policies

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

Recognition of Holdings less than 20% as an Associate

The Company owns 15% of the issued share capital of Mid Migori Mining Company Ltd ("MMM"). Andrew Bell is a member of the board of MMM. In accordance with IAS 28, the Directors of the Company consider 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 2019 and 30 June 2018.

The effect of recognising MMM as an FVTOCI financial asset would be to decrease the profit by £511 (2018: increase the profit by £23).

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.

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.

1. Principal Accounting Policies Continued

1.5 Significant Accounting Judgements, Estimates and Assumptions Continued

Impairment of Financial Assets

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

In the case of equity investments classified as 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.

The Company conducted a review of the loans made to Steelmin Ltd in order to facilitate the restarting of ferrosilicon production in Bosnia, totalling £1.01m, and determined that due to the UK business going into administration and the Bosnian assets being sold off to a third party, that these loans would not likely be recovered and should be impaired in full.

The Company further reviewed shareholder loans totalling £306,106 made as part of an investment into Amulet Diamond Corporation in 2018. The board of Amulet reported that following activities onsite in 2018 their updated financial models have indicated that under most scenarios, the BK11 asset is not an economically viable mine. As a consequence, various options have been considered, mostly with a focus to repaying a portion of an outstanding loan Amulet Diamond Corporation owes secured on the processing plant located in Botswana. In the Company's view none of the options considered were likely to provide any value to unsecured creditors and lenders or equity holders, and as such the Board believes that a full impairment of the Company's shareholder loans is the most appropriate course of action.

The Company also reviewed an outstanding loan of £267,983 made to Legacy Hill Resources Inc, a US based operator of metallurgical coal assets. Following discussions with Legacy Hill Resources, the view was taken that the Omega metallurgical coal mine, the sole asset of Legacy Hill Resources Inc, had ceased coal production and was unlikely to have residual value sufficient to pay off the loan, and so the decision was made to impair this loan in full.

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.

1. Principal Accounting Policies Continued

1.5 Significant Accounting Judgements, Estimates and Assumptions Continued

Amounts Due from Associates

The Company conducted a review of the carrying value of the amount receivable from Mid Migori Mining Company Ltd in relation to its Kenya assets. 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. On 22 October 2018, the Company announced that outstanding litigation concerning these assets had been settled and that the administrative process for restoration of the licenses was underway. On 19 September 2019 the Company announced that the Kenyan mining cadastre showed the license renewal application under S225(6) pf the Mining Act 2016 as “Approved by the Mineral Rights Board”.

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 2019	Jupiter Mines Limited £	Other investments £	Australian exploration £	Kenyan exploration £	Democratic Republic of Congo Exploration £	Corporate and unallocated £	Total £
Exploration expenses	—	—	—	(6,289)	—	—	(6,289)
Administration expenses*	—	—	(2,502)	(4,202)	(2,954)	(581,119)	(591,777)
Project development	—	—	—	—	(302,597)	—	(302,597)
Other project costs	—	—	—	(20,665)	—	(138,024)	(158,689)
Currency gain	—	—	—	—	—	50,908	50,908
Other income	—	—	—	—	—	25,000	25,000
Impairment of loans and other receivables	—	—	—	—	—	(1,592,815)	(1,592,815)
Share of profit in associates	—	—	—	—	—	511	511
Finance income, net	750,430	—	—	—	(430)	101,867	851,867
Net profit before tax from continuing operations	750,430	—	(2,502)	(31,156)	(305,981)	(2,134,672)	(1,723,881)

	Investment		Exploration			Other	
Year to 30 June 2018	Jupiter Mines Limited £	Other investments £	Australian exploration £	Kenyan exploration £	Democratic Republic of Congo 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)
Project 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 before tax from continuing operations	1,431,610	3,270	(12,558)	(24,758)	(82,413)	(1,237,031)	78,120

* Included in administration expenses is a depreciation charge of £nil (2018: £15,600).

Notes to the Financial Statements (continued)

for the year ended 30 June 2019

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 2019	UK £	Africa £	Canada £	Bosnia £	Total £
Revenue	—	—	—	—	—
Total segment revenue and other gains	—	—	—	—	—
Non-current assets					
Investments in associates and joint ventures	—	1,583,634	—	—	1,583,634
FVTOCI financial assets	296,017	3,659,415	254,669	—	4,210,101
Exploration assets	—	234,600	—	—	234,600
Non-current receivables	1,346,108	3,887,434	—	—	5,233,542
Total segment non-current assets	**1,642,125**	**9,365,083**	**254,669**	—	**11,261,877**

Year ended 30 June 2018	UK £	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					
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	—	—	—	—	—
Non-current receivables	1,301,757	3,599,439	—	—	4,901,196
Total segment non-current assets	**1,586,679**	**8,650,700**	**259,284**	**110,894**	**10,606,956**

3. Loss for the Year Before Taxation

Loss for the year before taxation is stated after charging:

	2019 £	2018 £
Auditor's remuneration:		
- fees payable to the Company's auditor for the audit of consolidated and Company financial statements	21,000	21,600
Directors' emoluments (note 9)	259,273	330,047
- Share-based payments – Directors	28,627	31,184
- Share-based payments – staff	3,600	4,485
Depreciation	—	15,600
Currency gain	50,908	61,918

4. Administrative Expenses

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Staff costs				
Payroll	**248,132**	321,169	**248,132**	321,169
Pension	**16,087**	15,443	**16,087**	15,443
Consultants	**15,000**	15,000	**15,000**	15,000
HMRC / PAYE	**16,712**	17,654	**16,712**	17,654
Professional services				
Accounting	**67,210**	75,714	**63,389**	69,548
Legal	**17,594**	97,824	14,652	97,824
Marketing	**17,542**	28,300	**17,542**	28,300
Other	**12,952**	28,336	**12,952**	28,336
Regulatory compliance	**71,342**	57,842	**71,342**	57,842
Travel	**23,876**	37,885	**23,876**	37,885
Office and Admin				
General	**10,249**	61,823	**7,698**	55,973
IT related costs	**4,796**	8,423	**4,796**	8,423
Rent	**61,241**	75,914	**60,896**	75,696
Insurance	**9,044**	8,191	**9,044**	8,191
Total administrative expenses	**591,777**	849,518	**582,118**	837,284

5. Finance Income/(Costs), Net

Group	**2019 £**	2018 £
Interest income (other than MFP finance income)	**323,279**	863,411
Dividend income	**750,430**	234,830
Interest expense	**(183,912)**	(529,612)
Total finance income (other than MFP finance income)	**889,797**	568,629
MFP finance expense / (income)	**(37,930)**	(11,960)
Total finance income	**851,867**	556,669

Interest income (other than MFP finance income) comes from non-current receivables from an associate. 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 (2018: holding in Jupiter Mines of 1.2%).

6. Project Development and Other Project Expenses

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

	Group and Company	
	2019 £	**2018 £**
Project development expenses		
VUP (Congo)	**256,134**	82,413
Galaxy (Congo)	**46,463**	—
Total project development expenses	**302,597**	82,413
Other project costs		
Mid Midori Mines (Kenya)	**20,655**	—
Greenland	**136,998**	306,666
Others	**1,036**	—
Total other project expenses	**158,689**	306,666

7. Taxation

	2019 £	2018 £
Current period taxation on the Group		
UK corporation tax at 19.00% (2018: 19.00%) on profits for the period	**—**	—
	—	—
Deferred tax		
Origination and reversal of temporary differences	**—**	—
Deferred tax assets not recognised	**—**	—
Tax credit	**—**	—
Factors affecting the tax charge for the year		
(Loss) / profit on ordinary activities before taxation	**(1,723,881)**	78,120
(Loss) / profit on ordinary activities at the average UK standard rate of 19.00% (2018: 19.00%)	**(327,537)**	14,843
Income not taxable	**(151,607)**	(44,618)
Effect of expenditure not deductible	**14,958**	10,013
Indexation allowance on gains	**—**	(575)
Tax losses carried forward	**464,186**	20,337
Tax charge	**—**	—

No deferred tax asset relating to the Group's investments was recognised in the statement of comprehensive income (2018: £nil). No deferred tax charge has been made due to the availability of trading losses. Unutilised tax losses arising in the UK amount to £461,171 (2018 £13,247).

8. Staff Costs

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

	2019 £	2018 £
Wages and salaries	**214,957**	285,500
Pension	**16,087**	15,443
Social security costs	**16,712**	29,853
Employee share-based payment charge	**32,227**	35,669
Total staff costs	**279,983**	366,465

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

	2019 Number	2018 Number
Executives	**4**	**4**
Administration	**1**	**1**
Exploration	**—**	**—**
	5	**5**

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

600,000 (2018: 576,000) free shares were issued to each employee, including Directors, making a total of 3,000,000 (2018: 2,880,000) free shares issued during the year.

1,185,600 partnership and 2,371,200 matching shares, making the total of 3,556,800, were issued in the year ended 30 June 2019 (2018: 1,185,600 partnership, 3,808,000 matching, 4,993,600 total).

9. Directors' Emoluments

2019	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	—	15,000	7,200	—	6,518	8,688	119,406
S Kaintz	65,000	—	—	7,200	—	4,883	6,813	83,896
Other Directors								
M C Nott	18,000	—	—	7,056	—	1,294	1,048	27,398
S Quinn	18,000	—	—	7,171	—	1,190	2,211	28,572
	183,000	—	**15,000**	**28,627**	**—**	**13,885**	**18,760**	**259,272**

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**

The number of Directors who exercised share options in the year was nil (2018: nil). During the year, the Company contributed to a Share Incentive Plan more fully described in the Directors' Report on page 12.

10. Earnings Per Share

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

	2019 £	2018 £
(Loss) / profit attributable to equity holders of the parent company	**(1,722,461)**	80,755
Adjusted for interest accrued on the convertible notes	—	60,030
Adjusted (loss) / profit attributable to equity holders of the parent company used for diluted EPS calculation	**(1,722,461)**	140,785
Weighted average number of Ordinary shares of £0.0001 in issue, used for basic EPS	**586,325,688**	498,552,731
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

10. Earnings Per Share Continued

	2019 £	2018 £
(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	**586,325,688**	580,184,901
(Loss) / earnings per share – basic	**(0.29) pence**	0.02 pence
(Loss) / earnings per share – fully diluted	**(0.29) pence**	0.02 pence

At 30 June 2019, the effect of all the instruments (fully vested and in the money) is anti-dilutive as it would lead to a further reduction of loss per share, therefore they were not included into the diluted loss per share calculation

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

	2019 £	2018 £
Share options granted to employees – not vested and/or out of the money	41,660,000	24,160,000
Number of warrants given to shareholders as a part of placing equity instruments – out of the money	109,552,695	214,432,432
Share options granted to employees – vested and in the money but not included into diluted EPS calculation due to their effect being anti-dilutive	6,660,000	—
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	**157,872,695**	**238,592,432**

There were no ordinary share transactions after 30 June 2019, that that could have changed the EPS calculations significantly if those transactions had occurred before the end of the reporting period.

11. Investments in Subsidiaries

Company	**2019 £**	2018 £
Cost		
At 1 July	**1,424**	1,423
Investment in subsidiary	**18,453**	1
At 30 June	**19,877**	1,424
Impairment		
At 1 July	**(482)**	(482)
Charge in the year	—	—
At 30 June	**(482)**	(482)
Net book value	**19,395**	942

As at 30 June 2019 and 30 June 2018, the Company held interests in the following subsidiary companies:

Company	Country of registration	Class	Proportion Held At 30 June 2019	Proportion Held At 30 June 2018	Nature of business
Red Rock Australasia Pty Ltd	Australia	Ordinary	100%	100%	Mineral exploration
RedRock Kenya Ltd	Kenya	Ordinary	87%	87%	Mineral exploration
RRR Kenya Ltd	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%	100%	Holding company
Red Rock Resources Congo S.A.U.	DRC	Ordinary	100%	—	Holding company
RRR Coal Ltd	UK	Ordinary	100%	—	Holding company

12. Investments in Associates and Joint Ventures

	Group		Company	
	2019 £	2018 £	**2019** £	2018 £
Cost				
At 1 July	1,222,679	7,398,569	1,085,533	7,241,725
Additions during the year	582,750	37,317	582,750	37,317
Disposals during the year	—	(6,213,207)	—	(6,193,509)
At 30 June	**1,805,429**	**1,222,679**	**1,668,283**	**1,085,533**
Impairment				
At 1 July	(222,305)	(6,435,489)	(3,450)	(6,193,509)
Profit/ (loss) during the year	511	(23)	—	—
Disposals during the year	—	6,213,207	—	6,190,059
Impairment in the year	—	—	—	—
At 30 June	(221,795)	(222,305)	(3,450)	(3,450)
Net book amount at 30 June	**1,583,634**	**1,000,374**	**1,664,833**	**1,082,083**

The Company, at 30 June 2019 and at 30 June 2018, had significant influence by virtue other than shareholding over 20% over Mid Migori Mining Company Ltd. During the year ended 30 June 2018, 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.

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 2018

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

For the year as at 30 June 2019:

Company	Revenue £	Profit £	Assets £	Liabilities £
Mid Migori Mining Company Limited	—	3,404	2,540,093	(2,613,847)

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)

Mid Migori Mining Company Ltd

The Company owns 15% of the issued share capital of Mid Migori Mining Company Ltd ("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 US$50,000, 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).

VUP Musonoi Mining SA

On 2 March 2019, Vumilia Pendeza S.A. ("VUP") and Bring Minerals S.A.U. ("B.Min"), the joint venture partners, Red Rock Resources Congo S.A.U. ("RRRC"), a wholly owned local subsidiary of the Company, signed the "Statutes of VUP Musonoi Mining SA" ("VMM S.A."), the joint venture company through which the JV Project will be pursued. RRRC owns 50.1% of VMM S.A.

12. Investments in Associates and Joint Ventures *Continued*

	Mid Migori Mining Company Limited £	VUP Musonoi Mining SA £	Total £
Cost			
At 1 July 2018	1,082,083	—	1,082,083
Additions during the year	—	582,750	582,750
At 30 June 2019	**1,082,083**	**582,750**	**1,664,833**
Impairment and losses during the year			
At 1 July 2018	(81,709)	—	(81,709)
The Group's share of profit during the year	511	—	511
At 30 June 2019	**(81,198)**	—	**(81,198)**
Carrying amount			
At 30 June 2019	**1,000,885**	**582,750**	**1,583,635**
At 30 June 2018	**1,000,374**	—	**1,000,374**

13. Exploration Assets

Group and company	**2019 £**	2018 £
At 1 July	**—**	280,460
Additions	**234,600**	—
Impairment	**—**	(280,460)
Disposals	**—**	—
At 30 June	**234,600**	—

Exploration assets were capitalised
- for the Galaxy (DRC) project since 17 October 2018, when exploration commenced at the project license in the DRC;
- for the VUP (DRC) project since 22 November 2018, when the joint venture agreement was finalised.

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

	Group		Company	
	2019 £	**2018 £**	**2019 £**	**2018 £**
Opening balance	**4,705,386**	6,080,146	**4,705,386**	6,080,146
Additions	**391,860**	287,236	**391,860**	287,236
Disposals	**(25,543)**	(1,599,714)	**(788,999)**	(1,599,714)
Change in fair value	**(861,602)**	(62,282)	**(1,145,650)**	(62,282)
		—		—
At 30 June	**4,210,101**	4,705,386	**3,162,597**	4,705,386

Market Value of Investments

The market value as at 30 June 2019 of the Company's available for sale listed and unlisted investments was as follows:

	Group		Company	
	2019 £	**2018 £**	**2019 £**	**2018 £**
Quoted on London AIM	**152,267**	9,323	**152,267**	9,323
Quoted on other foreign stock exchanges	**3,782,834**	4,310,170	**2,735,331**	4,310,170
Unquoted investments at fair value	**275,000**	385,893	**275,000**	385,893
	4,210,101	4,705,386	**3,162,598**	4,705,386

Jupiter Mines

During the reporting year Jupiter has made distributions recognised as dividends and included into the Dividend line in the Consolidated Income Statement in the amount of £750,430 (2018: £243,830).

At 30 June 2019, Red Rock retains a 0.95% stake in the post IPO share capital of Jupiter.

Para Resources, Inc.

On 4 June 2018, the Company paid C$500,000 to subscribe for 2,500,000 shares in Para Resources, Inc.("Para") a private placement at C$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 C$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 the note 15 below.

Steelmin Ltd

After failing to secure the funding to restart ferrosilicon production in 2018, Steelmin Ltd went into administration and its assets were subsequently sold by the administrator. As such, the decision was made to impair the investment in Steelmin in full.

15. Financial Instruments with Fair Value Through Profit and Loss

Group	**30 June 2019 £**	30 June 2018 £
Warrants in Para Resources, Inc. ordinary shares	60,345	60,345
	60,345	60,345

At 30 June 2019, the Company was holding 2,500,000 warrants in Para Resources, Inc. (2018: 2,500,000).

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 the 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 2019 £**	30 June 2018 £
Cash in hand and at bank	**63,828**	2,265,636
	63,828	2,265,636

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

Company	**30 June 2019 £**	30 June 2018 £
Cash in hand and at bank	**43,243**	2,263,288
	43,243	2,263,288

17. Non-Current Receivables

	Group and Company	
	2019	2018
	£	£
Amounts due from associates	**3,887,434**	3,599,439
MFP sale proceeds	**1,346,108**	1,301,757
	5,233,542	4,901,196

Non-current related party receivables of £3,887,434 (2018: £3,599,439) are recoverable from Mid Migori Mining Company Ltd 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, and it was accrued in the reporting year the amount of £287,995 (2018: £359,539). Management have considered the recoverability of this debt and have considered the recent announcement regarding approval for the grant of licenses by the Mining Rights Board (MRB) of Kenya on the mining cadastre website. Upon receipt of official confirmation of the intended grant, the Company will be invited to fulfil fee payment and registration requirements. The grant of the licences then remains subject to the approval of the Cabinet. 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	
	2019	2018	**2019**	2018
	£	£	**£**	£
Current trade and other receivables				
Prepayments	**21,574**	56,353	**21,574**	56,353
Related party receivables:				
– due from subsidiaries	—	—	**270,906**	236,136
– due from associates	**225**	225	**225**	225
– due from Regency Mines plc	**134,434**	203,498	**134,434**	203,498
– due from key management	**4,100**	3,096	**4,100**	3,096
Short-term loan to related party:				
– due from a Director of a JV partner	**37,397**	37,397	**37,397**	37,397
Other receivables	**777,611**	634,838	**646,154**	546,847
Total	**975,341**	935,407	**1,114,790**	1,083,552

19. Trade and Other Payables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
Trade and other payables	**1,440,924**	1,237,089	**1,435,800**	1,233,619
Accruals	**290,885**	408,078	**290,885**	408,078
Total trade and other payables	**1,731,808**	1,645,167	**1,726,685**	1,641,697
Intra-group borrowings	—	—	**122,413**	—
Short-term borrowings	**1,121,392**	1,008,825	**998,980**	1,008,825
Total	**2,853,200**	2,653,992	**2,848,078**	2,650,522

19. Trade and Other Payables Continued

During the year ended 30 June 2018, 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 £0.008 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 £0.014 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 £0.014 per Share and a life to 30 April 2019.

During the 2018, 50 CLNs for the total value of £50,000 and accumulated interest of £1,205 have been converted by the holders and in consequence, the Company issued 6,400,624 new ordinary shares of £0.0001 each in the Company at a price of £0.008 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.

On 2 January 2019, the Company announced that a holder of a further £10,000 of Convertible Loan Notes had elected to renew on the same terms, and that subscriptions for £325,000 of new Series 2 Notes had been issued on the same terms and to a maximum principal value of £500,000. £50,000 of the Series 1 Notes were exercised during the year and £365,000 had been redeemed. Therefore £585,000 of the original Series 1 Notes and £325,000 of Series 2 Notes were therefore outstanding and due 19 December 2019.

On 17 December 2019, the Company announced that holders of £830,000 of principal value of Convertible Loan Notes, first announced on 10 November 2017 and again on 2 January 2019, had applied to renew the notes with a new final redemption date of 19 December 2020. These renewed Notes would carry an interest rate of 12% and a conversion price of £0.006 per share.

On 11 April 2019, The Company's 100% owned subsidiary, RRR Coal Ltd, agreed a loan facility of up to US$1,000,000 with Riverfort Global Opportunities PCC Ltd and YA II PN Ltd. The terms of the loan call for US$400,000 to be transferred to the borrower, with additional tranches available to the lenders at their absolute discretion. The notes are secured by 5,500,000 shares in Jupiter Mines Ltd, which were transferred from the Company to the borrowers as well as by a corporate guarantee executed by Red Rock Resources Plc. The Notes carry an interest rate of 10% and come with a 7.5% implementation fee and are repayable over a period ending in April 2020. A total of US$200,000 has been drawn down on the facility to date.

20. Share Capital of the Company

The share capital of the Company is as follows:

Issued and fully paid	2019 £	2018 £
676,049,662 (2018: 536,012,471) ordinary shares of £0.0001 each	67,605	53,601
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	**2,780,861**	**2,766,857**

20. Share Capital of the Company Continued

Movement in ordinary shares	Number	Nominal £
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 (non-cash, SIP shares)	2,880,000	288
Issued 30 October 2017 at 0.6 pence per share (cash)	4,500,000	450
Issued 21 December 2017 at 0.8 pence per share (cash)	15,625,000	1,563
Issued 20 February 2018 at 0.65 pence per share (non-cash, liability settlement)	4,615,384	461
Issued 9 March 2018 at 0.8 pence per share (non-cash, loan conversion)	6,400,624	640
Issued 3 April 2018 at 0.6 pence per share (non-cash, SIP shares)	3,556,800	356
Issued 13 April 2018 at 0.66 pence per share (cash, warrants exercised)	21,315,971	2,132
Issued 20 April 2018 at 0.84 pence per share (cash, warrants exercised)	1,080,952	108
As at 30 June 2018 – ordinary shares of £0.0001 each	**536,012,471**	**53,601**
Issued 19 December 2018 at 0.7 pence per share (non-cash, settlement of investment in a JV in Congo)	70,000,000	7,000
Issued 9 April 2019 at 0.6 pence per share (non-cash, SIP shares)	6,556,800	656
Issued 23 April 2019 at 0.51 pence per share (£275,000 non-cash, loan liabilities settlement; the rest in cash)	63,480,391	6,348
As at 30 June 2019 – ordinary shares of £0.0001 each	**676,049,662**	**67,605**

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 2019, the Company had 109,552,695 warrants in issue (2018: 289,432,432) with a weighted average exercise price of £0.0118 (2018: £0.0110). Out of those, 3,125,000 (2018: 123,599,099) have market performance conditions that accelerate the expiry date. Weighted average remaining life of the warrants at 30 June 2019 was 433 days (2018: 186 days). All the warrants were issued by the Group to its shareholders in the capacity of shareholders and therefore are outside of IFRS 2 scope.

Group and Company	2019 number of warrants	2018 number of warrants
Outstanding at the beginning of the period	289,432,432	240,778,371
Granted during the period	101,740,195	90,156,250
Exercised during the period	—	(22,396,923)
Lapsed during the period	(281,619,932)	(19,105,266)
Outstanding at the end of the period	**109,552,695**	**289,432,432**

During the year ended 30 June 2019 the Company had the following warrants to subscribe for shares in issue:

Grant date	Expiry date	Warrant exercise price, £	Number of warrants
21 Dec 2017	20 Dec 2019	0.016	7,812,500
30 Oct 2018	30 Apr 2020	0.014	36,562,500
3 Dec 2018	30 Apr 2020	0.014	17,187,500
18 Dec 2018	30 Apr 2020	0.014	3,125,000
4 Apr 2019	30 Apr 2020	0.014	625,000
19 Feb 2019	21 Feb 2021	0.010	12,500,000
23 Apr 2019	23 Apr 2012	0.075	31,740,195
Total warrants in issue at 30 June 2019			**109,552,695**

20. Share Capital of the Company Continued

The aggregate fair value related to the share warrants granted during the reporting period was £nil (2018: £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 Investment Reserve

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

Share-Based Payment Reserve

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

22. Share-Based Payments

Employee Share Options

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

At 30 June 2019 and June 2018, 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			
	2019		2018	
	Number of options	**Weighted average exercise price pence**	**Number of options**	**Weighted average exercise price pence**
Outstanding at the beginning and the end of the year	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 (2018: none). The weighted average fair value of each option granted during the year was nil pence (2018: nil). The exercise price of options outstanding at 30 June 2019 ranged between £0.0045 and £0.008 (2018: £0.0045 and £0.008). Their weighted average contractual life was 3.28 years (2018: 4.28 years).

Share-based remuneration expense related to the share options grant is included in the administration expenses line in the consolidated income statement in the amount of £nil (2018: £3,442).

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 Share Incentive Plan Trustees and the Ordinary shares cannot be released to participants until five years after the date of the award.

During the financial year, a total of 6,556,800 free, matching and partnership shares were awarded (2018: 6,436,800) with a fair value of £0.006 (2018: £0.006 – £0.00625), resulting in a share-based payment charge of £32,227 (2018: £32,227), 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 2019 £**	Group 2018 £	**Company 2019 £**	Company 2018 £
Financial assets				
Available for sale financial assets at fair value through OCI				
Unquoted equity shares	**275,000**	385,894	**275,000**	385,894
Quoted equity shares	**3,935,101**	4,319,492	**2,887,597**	4,319,492
Total available for sale financial assets at fair value through OCI	**4,210,101**	4,705,386	**3,162,597**	4,705,386
Financial assets FVTPL (Para warrants)	**60,345**	60,345	**60,345**	60,345
Total financial assets carried at fair value through profit and loss	**60,345**	60,345	**60,345**	60,345
Cash and cash equivalents	**63,828**	2,265,636	**43,243**	2,263,288
Loans and receivables				
Non-current receivables	**5,233,542**	4,901,196	**5,233,542**	4,901,196
Other receivables – current	**975,341**	935,407	**1,114,790**	1,083,553
Total loans and receivables carried at amortised cost	**6,208,883**	5,836,603	**6,348,332**	5,984,748
Total financial assets	**10,543,157**	12,867,970	**9,614,518**	13,013,767
Total current financial assets	**1,099,514**	3,261,388	**1,218,378**	3,407,185
Total non-current financial assets	**9,443,643**	9,606,582	**8,396,140**	9,606,582
Financial liabilities				
Short-term borrowings, including intra-group	**1,121,392**	1,008,825	**1,121,392**	1,008,825
Trae and other payables, excluding accruals	**1,440,924**	1,237,089	**1,435,800**	1,233,618
Total current financial liabilities	**2,562,316**	2,245,914	**2,557,192**	2,242,444

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 **30 June 2019**	Level 1 £	Level 2 £	Level 3 £	**Total** **£**
FVTOCI financial assets				
– Unquoted equity shares	—	—	275,000	275,000
– Quoted equity shares	3,935,101	—	—	3,935,101
FVTPL (Para warrants)	—	—	60,345	60,345

Company **30 June 2019**	Level 1 £	Level 2 £	Level 3 £	**Total** **£**
FVTOCI financial assets				
– Unquoted equity shares	—	—	275,000	275,000
– Quoted equity shares	2,887,597	—	—	2,887,597
FVTPL (Para warrants)	—	—	60,345	60,345

Group and Company **30 June 2018**	Level 1 £	Level 2 £	Level 3 £	**Total** **£**
FVTOCI financial assets				
– Unquoted equity shares	—	—	385,894	385,894
– Quoted equity shares	4,319,492	—	—	4,319,492
FVTPL (Para warrants)	—	—	60,345	60,345

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 risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

Credit Risk

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

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

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

23.3 Financial Risk Management Policies Continued

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

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

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

These assets are denominated in the following currencies:

Group **30 June 2019**	GBP £	AUD £	USD £	EUR £	CAD £	Other £	**Total** **£**
Cash and cash equivalents	20,977	268	37,628	—	—	4,955	63,828
Amortised cost financial assets - Other receivables	665,353	—	199,936	—	—	110,051	975,341
FVTOCI financial assets	152,267	3,528,166	275,000	—	254,669	—	4,210,101
FVTPL financial assets - warrants	—	—	—	—	60,345	—	60,245
Amortised costs financial assets - Non-current receivables	3,887,434	—	1,346,108	—	—	—	5,233,542
Trade and other payables, excluding accruals	372,282	3,993	76,583	437	964,440	23,189	1,440,924
Short-term borrowings	998,980	—	122,412	—	—	—	1,121,392

23.3 Financial Risk Management Policies Continued

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
Amortised cost financial assets - Other receivables	578,421	—	255,630	—	—	101,355	935,407
FVTOCI financial assets	9,323	4,050,886	275,000	110,894	259,284	—	4,705,386
FVTPL financial assets - warrants	—	—	—	—	60,345	—	60,345
Amortised costs financial assets - 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

Company **30 June 2019**	GBP £	AUD £	USD £	EUR £	CAD £	Other £	**Total** **£**
Cash and cash equivalents	20,977	—	22,130	—	—	135	43,243
Amortised cost financial assets - Other receivables	665,353	—	199,936	—	—	249,501	1,114,790
FVTOCI financial assets	152,267	2,480,662	275,000	—	254,669	—	3,162,597
FVTPL financial assets - warrants	—	—	—	—	60,345	—	60,345
Amortised costs financial assets - Non-current receivables	3,887,434	—	1,346,108	—	—	—	5,233,542
Trade and other payables, excluding accruals	372,282	3,295	76,583	437	964,440	18,763	1,435,800
Short-term borrowings, including intra-group	998,980	—	122,412	—	—	—	1,121,392

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
Amortised cost financial assets - Other receivables	578,421	—	255,631	—	—	249,501	1,083,553
FVTOCI financial assets	9,322	4,050,886	275,000	110,894	259,284	—	4,705,386
FVTPL financial assets - warrants	—	—	—	—	60,345	—	60,345
Amortised costs financial assets - 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

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 2018	**Cash flow loans received**	**Cash flow loans re-payment**	**Cash flow Interest paid**	**Non-cash flow Forex movement**	**Non-cash flow Conversion**	**Non-cash flow Interest and arrangement fee accreted**	**Non-cash flow Introducers fee settled in shares**	**Non-cash flow Introducers fee accrued**	**30 June 2019**
Loan from institutional investors	—	114,483	—	—	3,936	—	3,995	—	—	**122,414**
Convertible notes	1,008,825	585,000	(365,000)	(121,012)	—	(275,000)	130,405	(13,750)	49,513	**998,980**
Total	**1,008,825**	**699,483**	**(365,000)**	**(121,012)**	**3,936**	**(275,000)**	**143,400**	**(13,750)**	**49,513**	**1,121,394**

25. Operating Lease Commitments

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 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Not later than one year	**7,560**	30,114	**7,560**	30,114
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	**7,560**	37,674	**7,560**	37,674

26. Significant Agreements and Transactions

The following are the significant agreements and transactions recently undertaken having an impact in the year under review. For the sake of completeness and of clarity, some events after the reporting period are included here and in note 28.

Financing

On 2 November 2018, the Company announced that holders of £575,000 of principal value of convertible loan notes, out of £950,000 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. Further, the warrants outstanding to these noteholders have similarly been extended on the same terms to 30 April 2020.

On 2 January 2019, the Company announced that a holder of a further £10,000 of Convertible Loan Notes had elected to renew on the same terms, and that subscriptions for £325,000 of new Series 2 Notes had been issued on the same terms and to a maximum principal value of £500,000. £50,000 of the Series 1 Notes were exercised during the year and £365,000 had been redeemed. Therefore £585,000 of the original Series 1 Notes and £325,000 of Series 2 Notes were therefore outstanding and due 19 December 2019.

On 23 April 2019, the Company announced that it had raised £323,750 by way of a placing of 64,480,391 new ordinary shares at a price of £0.0051 per share with 1 for 2 warrants exerciseable at a price of £0.0075 per share for a period of twenty-four months.

On 17 December 2019, the Company announced that holders of £830,000 of principal value of convertible loan notes, first announced on 10 November 2017 and again on 2 January 2019, had applied to renew the notes with a new final redemption date of 19 December 2020. These renewed notes would carry an interest rate of 12% and a conversion price of £0.006 per share. The warrants associated with renewing note holders were extended and will not expire on 19 December 2022 and carry a strike price of £0.009 per share.

Power Metal Resources (AIM:POW) (Ex African Battery Metals)

The Company announced on 30 January 2019 that it had been able to assist with the refinancing and planned resumption of trading at African Battery Metals, a holder of exploration licenses in Ivory Coast, Cameroon, and Congo. ABM made a loss of £3.945m in the year to 30 September 2017 and was suspended from trading on 11 December 2018, pending clarification of its financial position.

Red Rock sees common interests to be developed, and possible synergies to be unlocked, through a relationship with ABM, and welcomes the opportunity to broaden its network of contacts in the promising and strategic African mineral and battery metal markets.

Should ABM shareholders approve the refinance at their general meeting on 15 February 2019, and trading resume in ABM's securities on AIM, Red Rock will receive 20,000,000 ABM shares at a price of £0.005 per ABM share and a total cost of £100,000, and will receive 5,000,000 fee shares for its services in connection with the refinancing proposals, giving it a 6.89% holding in the capital of ABM post-transaction.

26. Significant Agreements and Transactions Continued

Andrew Bell, a director of the Company, will participate in the £1,000,000 conditional placing announced by ABM and will upon fulfilment of all conditions including resumption of trading join the board of ABM as Chairman. Any remuneration received by him in relation to this role will be published on the ABM website and will be performance-based.

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 2018, the plant was operating at 24MW and had achieved commercial production.

On 28 September 2019, the Company announced that the ferrosilicon plant in Jajce, Bosnia recommissioned and brought back into production earlier this year by Steelmin Ltd, in which Red Rock has a 22% stake, was closed in September for some work to increase capacity of the cooling system. This was initially planned as a short suspension of production as part of the commissioning process, but the management have now decided, in the light of exceptionally high spot electricity prices offered to Steelmin, to extend the shutdown. 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. Various sale options also were believed to exist, and these were being investigated.

Jupiter Mines

On 17 September 2018, the Company announced that Jupiter Mines Ltd, a company in which Red Rock held 18,524,914 shares had released an announcement in which it indicated that it would issue an interim unfranked dividend of A$0.05 per share. This equated to a near 100% payout ratio post South African withholding tax and Jupiter's own income tax payment. The dividend record date is 24 September 2018 and will be paid on 10 October 2018.

On 12 October 2018, further to the announcement of 17 September 2018, the Company announced that it had received a US$658,545.69 dividend from Jupiter Mines Ltd, in respect of the first half of Jupiter's financial year, which ran from 1st March 2018.

On 19 February 2019, the Company announced, based on an announcement made on 19 February 2019 by Jupiter Mines Ltd, a company in which Red Rock holds 18,524,914 shares (0.95%), that it would receive A$462,122.85 or approximately US$329,140, as a final dividend from its holding in Jupiter Mines in May 2019. This followed on a US$658,545.69 interim payment in October 2018.

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 US$2.76 per common share. The Company further subscribed to US$401,961 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 license 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.

Democratic Republic of Congo Copper-Cobalt VUP JV

On the 27th of September 2017, the Company announced that it has entered into a conditional agreement with Cobalt Blue Ltd, 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 US$700,000
- £490,000 payable in Red Rock shares ("Shares") at £0.0065 a share, with attached 5 for 3 three-year warrants to subscribe for new Shares at 1p ("Warrants")
- Commitment by Red Rock to fund US$1.2m 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 US$1m to farm into a further 26.25% of the JVCo bringing its interest to 52.5%

26. Significant Agreements and Transactions Continued

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

On 30 August 2018, Red Rock announced progress in relation to the conditional agreement first announced on 27 September 2017, and supplemented most recently 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 US$50,000, and conducted due diligence, including drilling and testwork.

In accordance with the terms of the Agreement, an adjustment is being made by our local partner, Vumilia Pendenza S.A.("VUP") to ensure that the areas comprising the Project have acceptable quantities and grades of mineralisation. This may involve, as noted in the announcement of 26 September 2017, adding areas; it may also involve dropping certain of the areas and substituting others. 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").

Highlighted changes:

- Red Rock now acquires 50.1% on completion instead of 26.25% of JVCo for:
    - Cash payment of US$700,000 (unchanged) upon BRO providing proof of it Rights over the VUP Project
    - £490,000 payable in Red Rock shares at £0.007 a share (revised from £0.0065), with attached 1-for-1 (revised from 5-for-3) three year warrants to subscribe for new Shares at £0.01

- The obligation by Red Rock to fund US$1.2m of exploration expenditure over 18 months to produce a bankable feasibility study disappears

- Instead of Red Rock having six months within which to elect to pay US$1m to farm in to a further 26.25% of JVCo, bringing its interest to 52.5%, after a BFS is completed, Red Rock holds 50.1% immediately on completion and US$1m will be paid as a post-completion obligation if and when commercial production begins.

- Whereas before a 0.4% royalty was due to a partner but could be bought out, the buyout provision has been deleted but Red Rock will also enjoy a 0.4% royalty.

On 28 September 2018, the Company announced that it has received indications that make it prudent to qualify the guidance in the announcement of 30 August 2018 that it expected to receive a part of the Luilu tailings as a part of the asset package in its agreement to form a joint venture company for the exploitation of copper/cobalt tailings and dumps. This asset cannot, it is believed, any longer be relied on. Red Rock draws attention to its statement in that announcement that the precise details of the assets the Company will be buying into will only be clarified in the definitive agreements.

On 22 November 2018, the Company announced that it considers that key conditions precedent noted as remaining in the announcement of 30 August 2018, being defining and outlining the final areas comprising the JV as well as remaining legal and technical due diligence, have now been fulfilled, and it was therefore proceeding to completion with Bring Minerals SAU, its counterparty under the terms of the agreement. Under these terms Red Rock has made the initial cash payment of US$250,000. Cash payments of a further US$250,000 and £490,000, the latter payable in Red Rock shares at a price of £0.007 per share with attached 1 for 1 three year warrants to subscribe for new shares at £0.01 will be made upon execution of certain detailed documents governing the conduct of the joint venture.

Post Completion Obligations:

26. Significant Agreements and Transactions Continued

Further payments will be made in accordance with the announcement of 30 August 2018, being US$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 US$1m as a post-completion obligation if and when commercial production begins. Formation of a joint venture company between Red Rock, Bring Minerals, and local partner Vumilia Pendeza SA in the proportions 50.1/29.9/20 percent.

On 19 December 2019, the Company announced that payment of the £490,000 tranche of consideration for the copper-cobalt joint venture had been made. The joint venture parties have organised a local company, Musonoi Mining SA, to be owned 50.1% by Red Rock and to hold the joint venture interests of the parties. The vendors have been issued 70,000,000 Red Rock shares at £0.007 per share with attached 1 for 1 three-year warrants to subscribe for new shares at an exercise price of £0.01 per share, as settlement of the £490,000 tranche of consideration. A further US$250,000 payment will be made upon completion of the remaining documentation, which is expected early in 2019. A report and plan is scheduled to be submitted to local partner La Générale des Carrières et des Mines ("Gécamines") by the end of the year, and the Company has been preparing this, collating a large quantity of historic data and working with its consultant geologists Minex Consulting SA to ensure timely submission.

On 6 March 2019, the Company announced that at a meeting with representatives of Vumilia Pendeza S.A. and Bring Minerals S.A.U. the joint venture partners, Red Rock Resources Congo S.A.U, a wholly owned local subsidiary of the Company, signed on Friday 2 March 2019, the joint venture contract formalising the relationship of the parties, and the statutes of VUP Musonoi Mining SA, the joint venture company through which the JV project will be pursued. Red Rock Resources Congo owns 50.1% of Vumilia Pendeza S.A. Red Rock Resources Congo, Vumilia Pendeza S.A. and Bring Minerals executed a joint venture contract relating to the exploitation of the PEs no. 4962 (2 carrés), no. 2360 (4 carrés) and no. 663 (6 carrés) in the Provinces of Haut-Katanga and Lualaba, which formalises the relationship of the parties. With the execution, notarisation, and registration of these documents the joint venture would become fully effective.

On 26 June 2019, the Company announced that it had carried out work identifying and assessing the old drill core from previous exploration activities at its Musonoi joint venture asset. This work was part of a process of validating the results from historic drilling in order to bring the historic non-compliant resource to the modern disclosure standard so that the Company can announce a JORC Resource (a Resource compliant with the standards established by the Australasian Joint Ore Reserves Committee under the JORC Code 2012). These works are expected to continue in the coming quarter. Of the US$250,000 final payment to the project vendors upon completion of documentation, stated in the announcement of 19 December 2018 as expected to be payable early in 2019, US$150,000 has been paid to date reflecting the degree of accomplishment.

Democratic Republic of Congo – Congo Galaxy JV

On 17 October 2018, the Company announced commencement of a soil sampling programme on a new license in the Copperbelt in the south of the Democratic Republic of Congo ("DRC") near the Zambian border. The license is considered prospective for copper and cobalt mineralisation, and was recently acquired from a private seller. 80% of license PR13513 was acquired together with a nearby license and a gold-prospective license in the northern DRC adjacent to the licenses containing Randgold's Kibali mine, at a cost of US$60,000. The balance of 20% of the licenses is retained by the vendor, Congo Geologist Galaxy.

Gold Exploration Licenses 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 Licenses numbers 122 and 202 ("the SLs"). MMM intends to challenge this purported termination. MMM also continues to have an application for a Mining License over a part of the SLs, submitted in 2012 pending at the Ministry.

On 26 June 2015, the Company announced that it has been granted leave to institute judicial review proceedings and a stay in relation to the purported termination of the Special Licenses covering the Migori Gold Project of its partner Mid Migori Mining Ltd ("MMM"). Red Rock has now executed an agreement with Kansai Mining Corporation Ltd ("Kansai"), the other shareholder in MMM, pursuant to which Red Rock's farm-in agreement is replaced by arrangements under which any interest in the Migori Gold Project or the other assets of MMM that may be retained by or granted to MMM or Red Rock shall be shared in the ratio 75% to Red Rock and 25% to Kansai. Kansai's interest will be carried up to the point of an Indicated Mineral Resource of 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 US$50,000 payment, leaving Red Rock with a 100% interest in the assets. In the event of a renewal or reissue of the licenses Red Rock will make within three months further payments of US$2.5m in cash, a US$1.0m 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.

26. Significant Agreements and Transactions Continued

On 28 September 2018, the Company announced that it was in discussion with the Kenyan Government regarding the terms on which the Company would settle the judicial review proceedings it instituted in 2015 in order to achieve the restoration of its licenses, which contain a 1.2m oz JORC gold resource, based on exploration through 2011.

On 22 October 2018, the Company announced that a consent had been signed on behalf of the attorney general and the Company and was to be filed with the court. Under the terms of the consent the parties agreed that the case by marked as withdrawn with no order as to costs and that the Company would be at liberty to apply for licenses under section 225(6) of the Mining Act 2016, and that pervious decisions will not be prejudicial to such applications.

27. Related Party Transactions

- 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 £58,329 (2017: £45,699). Of this, £2,342 was outstanding at 30 June 2019 (2018: £14,096).
- The costs incurred by the Company on behalf of Regency Mines Plc were £49,135 (2018: £42,200) in relation to shared services during the year. Of this, £31,372 was outstanding at 30 June 2019 (2018: £13,376).
- Related party receivables and payables are disclosed in notes 18 and 19.
- The Company held 1,695,000 shares (2.31%) in Regency Mines Plc as at 30 June 2019 (2018: 1,695,000 (1.26%)).
- The direct and beneficial interests of the Board in the shares of the Company as at 30 June 2019 and at 30 June 2018 are shown in the Director's Report.
- The key management personnel are the Directors and their remuneration is disclosed within note 9.

28. Events After the Reporting Period

On 19 of September 2019, the Company announced that following the termination in October 2018 by a Consent Order between the parties of the legal proceedings instituted by Red Rock and its local partner, the Company caused the appropriate applications under section 225(6) of the Mining Act 2016 to be made. Red Rock is pleased to note the approval for the grant of licenses by the Mining Rights Board on the mining cadastre website. Upon receipt of official confirmation of intended grant, the Company will be invited to fulfil fee payment and registration requirements. The grant of the licences remains subject to the approval of the Cabinet Secretary and a further announcement will be made as and when the licences are confirmed.

On 30 October 2019, the Company announced that it had appointed Pello Capital Ltd as joint broker to the Company with immediate effect.

On 31 October 2019, the Company announced that Jupiter Mines Ltd, an Australian public company in which Red Rock holds 17,024,914 shares (0.87%) and which owns 49.9% of the Tshipi Borwa manganese mine in South Africa, has released its interim results for the six months to 31 August 2019, and declared a A$78,359,641.32 interim dividend. This dividend is equivalent to A$0.04 per Jupiter share and will be paid on 21 November. Red Rock will receive A$680,996 (approximately US$467,980 or £363,447). The trading price for Jupiter shares in the market is A$0.325 per share, and the dividend represents a six-month yield of 12.3%.

On 5 December 2019, Regency Mines Plc ("Regency") announced that, subject to the passage of relevant resolutions at a general meeting to be held on 23 December 2019, it had agreed to issue 530,030,036 subscription shares in Regency, representing obligations of £145,758.30, in full extinguishment of such obligations.

On 17 December 2019, the Company announced that holders of £830,000 of principal value of Convertible Loan Notes, first announced on 10 November 2017 and again on 2 January 2019, had applied to renew the notes with a new final redemption date of 19 December 2020. These renewed Notes would carry an interest rate of 12% and a conversion price of £0.006 per share. The warrants associated with renewing Note holders were extended and will not expire on 19 December 2022 and carry a strike price of £0.009 per share.

Annual General Meeting

The Company intends to issue a notice of Annual General Meeting of shareholders to be held on 29 January 2020 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: no ongoing exploration expenditure is required to maintain title to the Group mineral exploration permits in Kenya pending regrant/renewal. 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 would be shared 75% to Red Rock and 25% to Kansai. Kansai's interest was to be carried up the point of an Indicated Mineral Resource of 2m oz of gold. Red Rock was to have full management rights of the operations and of the conduct of legal proceedings on behalf of both Mid Migori Mines and itself. On 15 June 2018, Red Rock announced a revision to this agreement. The effect of the revision is that Kansai exchanged its 25% carried interest under the 2015 agreement for a US$50,000 payment, leaving Red Rock with a 100% interest. In the event of a renewal or reissue of licenses covering the relevant assets the Company will within three months make further payments, subject to such renewal or resissue not being on unduly onerous terms, as follows: (1) US$2.5m payable in cash, (2) a US$1m promissory note payable 15 months after issue, and (3) £500,000 of warrants into Red Rock shares at a price 20% above their average closing price on the three trading days prior to issue.

- On 21 September 2019, the Company entered into a new lease agreement for office space with WeWork Aldwych House. The initial lease runs from 1 October 2019 through 30 October 2019. 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

On 11 April 2019, RRR Coal Ltd, a company 100% owned by Red Rock Resources Plc, agreed to a standby Loan Facility of up to US$1,000,000. The maximum amount drawn down under this facility has been US$200,000. As security for any funds drawn down, RRR Coal Ltd has agreed to maintaining a value of shares in Jupiter Mines Ltd equal to three times the amount outstanding on the loan facility as calculated by the value weighted average price for the proceeding five days prior. At the time of completion 5,500,000 shares of Jupiter Mines were pledged to the noteholders and a Corporate Guarantee was also executed.

31. Control

There is considered to be no controlling party.