



31 March 2023

Red Rock Resources plc
Unaudited half-yearly results for the six months ended
31 December 2022

Red Rock Resources plc (“Red Rock” or “the Company”), the natural resources exploration and development company with interests in gold, copper, cobalt, lithium and other minerals, announces its half-yearly results for the six months ended 31 December 2022.

Chairman’s Statement

We have pleasure in presenting our financial results for the six months to 31st December 2022. The figures are not materially changed from the previous year, other than an increase in current liabilities as the Company has sought to avoid dilution while waiting for what were expected to be material positive developments in the DRC and in the listing of Elephant Oil. Both these developments have been slower than expected to eventuate.

DRC Legal Action

Much time over the last months has been spent on dealing with one important matter. In December 2019 our 50.1% owned joint venture assets in the Democratic Republic of Congo were signed away behind our backs for \$20 million to an initial buyer and then immediately sold on for several hundred million dollars to a further party, although these transactions were carefully hidden from us at the time. In our efforts to restore every dollar of this lost value to the Company, we first took advice from UK counsel as to our course of action, and then litigated in the DRC in relation to the \$20m. We obtained a final and executory judgment early in 2022 for 50.1% of \$5m, which was the part of the \$20m that had already been paid to VUP by the initial buyer, and then went to arbitration on the \$15m balance which had not yet been paid out by the initial buyer. We were awarded a further \$2m costs and damages in relation to the initial action on the \$5m. We had not been able up to now to enforce the first \$2.5m judgment against third parties that might hold VUP funds, since it was argued that the continuing appeal on costs and damages meant that the matter was not yet resolved. We believe that we are now able to do so, in relation to both the \$2.5m and the \$2m awards.

The arbitration in relation to the \$15m, of which we again claim 50.1%, finished its hearings in July 2022 and awaits formal signature of the Minutes and Acte Transactionnel, which we expect at any time.

We will vigorously pursue payment of sums due in the DRC, but as a result of the undertakings given by the buyer, a parastatal company, in the course of the arbitration process, our expectation is that payments will be made promptly. This would be so significant an event for our cash flow outlook that anticipation of it has influenced our actions to date, and so were there likely to be any delay, we would need to accelerate alternative measures, whether by fund-raising or sale of non-core assets, to strengthen our balance sheet.

Given that we have established our rights as 50.1% owners of the JV property under Congolese law, we are turning our attention to those remedies available to us in other jurisdictions or from other parties, and in connection with this will be seeking further advice from counsel.

The long and gruelling process in the DRC that appears now to be ending has required patience, perseverance, and discretion on our part, and at times great courage on the part of our coadjutors in the DRC. The Administration has evidenced, though discreetly, its concern that foreign investors’ rights should be respected and has made clear that it wishes to provide a better environment for foreign investment, particularly from the UK, than has sometimes in the past been the case.

We look forward to building on the strong relationships we have built in the DRC and to seeing many other investors follow our lead in a country that is rapidly developing. We have dealt with highly competent officials and professionals willing to work diligently and honestly to see their country progress, and those we have dealt with are not the only ones.

Other Assets

Besides copper and cobalt in the Congo, we have pursued new lithium opportunities in Zimbabwe, Africa’s largest lithium producer. Our first project at Tin Hill has seen the final stage of the permitting process begin with the submission of a full Environment Impact Assessment, and we expect to be in production within weeks. Further projects are following the same process, and our object is to have production from more than one location and so to increase both production volume and the longevity of our operations.

Elsewhere, our portfolio consists of a spread of gold activities, ranging from our joint venture company New Ballarat Gold Corporation Plc, with gold exploration assets in Victoria, to our 723,000 ounce Resource in Kenya, that is capable of being enlarged by drilling, to our royalty in Colombia at El Limon where we expect payments to resume following the conclusion of an investment programme by the operator, to drilling in Burkina Faso with strong intercepts including 20m at 3.19 g/t gold from 22m depth, to some high quality and prospective applications in Côte d’Ivoire now very near grant, and to an application to joint venture with the Government a large formerly mined gold project in Algeria.

A six hole, 988 metre, diamond drill programme has been carried out in Victoria over the Australian Summer months by New Ballarat Gold Corporation, and encountered visible gold in four of the six holes. Final sample results are awaited but it is already obvious that the programme was a technical success, intersecting structures where anticipated, confirming the presence of gold mineralisation in the target zones, and identifying one new area of mineralisation.

In the months ahead, we expect to make progress towards listing of New Ballarat, and will be entering the process of licence renewal in Kenya.

Our longstanding investment in Elephant Oil Corporation, which has filed a form S-1/A with the SEC with the intention of listing on the U.S. markets, takes us into what has become one of the most interesting oil exploration provinces, in Namibia, as well as onshore Benin on the Nigerian border. The listing has been delayed beyond our expectation, but we are still anticipating this proceeding this year and after the six-month lock-in we will have the opportunity of realizing our investment.

Although the market environment may not be strong currently, gold has investment attractions as an alternative and safe currency, battery metal demand continues strong, and our projects are we believe good ones so we do not see why we should be held back from achieving a higher valuation, more reflective of the Company's exceptional potential. From DRC we expect a return of capital, and from Zimbabwe we expect some positive cash flows from sales of lithium, which will be a significant alteration to our prospects. Longer term we look for liquidity events in Australia and at Elephant Oil, as well as potentially in Kenya, to improve the balance sheet further, but in the short term the Company's financial projections are highly dependent on assumptions of progress in the DRC:

Working Capital Requirements

As noted above, whilst the Company remains confident that it will receive funds pursuant to the judgments and arbitration in the DRC, it is appropriate to consider how the immediate cashflow needs of the Company can be met in the short-term were these funds not to be forthcoming. The Company has received indications of equity and loan-note funding which it is confident will meet these short-term needs. If the anticipated funds from the DRC remain outstanding beyond that period, then there will clearly be a longer-term funding gap and the Company will seek to realize assets, a process which has already started with a number of parties who have made approaches to the Company in this regard. The Company has always worked on the basis that every asset is for sale at a price, and no serious approach is rejected out of hand.

Andrew Bell
Chairman

31 March 2023

**Consolidated statement of financial position
as at 31 December 2022**

	Notes	31 December 2022 Unaudited, £'000	31 December 2021 Unaudited, £'000	30 June 2022 Audited, £'000
ASSETS				
Non-current assets				
Investments in associates and joint ventures		1,030	1,699	1,030
Financial instruments	8	736	748	736
Exploration assets	9	13,287	13,653	13,265
Mineral tenements		525	180	511
Property, Plant & Equipment		2	-	-
Non-current receivables		2,320	1,344	2,320
Total non-current assets		<u>17,900</u>	<u>17,624</u>	<u>17,862</u>
Current assets				
Cash and cash equivalents		242	182	66
Financial assets – investment in derivatives		-	-	-
Loans and other receivables		770	508	824
Total current assets		<u>1,012</u>	<u>690</u>	<u>890</u>
TOTAL ASSETS		<u>18,912</u>	<u>18,314</u>	<u>18,752</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	10	2,847	2,835	2,839
Share premium account		31,270	30,924	31,077
Other reserves		1,565	652	1,434
Retained earnings		(20,984)	(18,314)	(19,812)
Total equity attributable to owners of the parent		<u>14,698</u>	<u>16,097</u>	<u>15,538</u>
Non-controlling interest		(537)	(319)	(420)
Total equity		<u>14,161</u>	<u>15,778</u>	<u>15,118</u>
LIABILITIES				
Non-current liabilities				
Trade and other payables		540	316	415
Borrowings		822	-	822
Total non-current liabilities		<u>1,362</u>	<u>316</u>	<u>1,237</u>
Current liabilities				
Trade and other payables		1,461	1,231	1,355
Short term borrowings	11	1,928	989	1,042
Total current liabilities		<u>3,389</u>	<u>2,220</u>	<u>2,397</u>
TOTAL EQUITY AND LIABILITIES		<u>18,912</u>	<u>18,314</u>	<u>18,752</u>

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

Consolidated statement of income
for the period ended 31 December 2022

	Notes	6 months to 31 December 2022 Unaudited, £'000	6 months to 31 December 2021 Unaudited, £'000
Administrative expenses	4	(633)	(620)
Project development costs	5	(261)	(411)
Exploration expenses		(204)	(271)
Other income		-	44
Share of losses of associates and joint ventures		-	-
Foreign exchange gain/(loss)		55	(4)
Finance income/(expenses), net	6	(267)	(206)
(Loss)/profit for the period		(1,310)	(1,468)
Tax credit		-	-
(Loss)/profit for the period	7	(1,310)	(1,468)
(Loss)/profit for the period attributable to:			
Equity holders of the parent		(1,172)	(1,348)
Non-controlling interest		(138)	(120)
		(1,310)	(1,468)
(Loss)/profit per share			
(Loss)/profit per share – basic, pence	3	(0.10)	(0.111)
(Loss)/profit per share – diluted, pence	3	(0.10)	(0.111)

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

Consolidated statement of comprehensive income
for the period ended 31 December 2022

	6 months to 31 December 2022	6 months to 31 December 2021
	Unaudited, £'000	Unaudited, £'000

(Loss) /profit for the period	(1,310)	(1,468)
Transfer to revaluation reserve in relation to revaluation of FVTOCI investments	-	183
Gain on transfer of FVTOCI financial assets on disposal	-	1,005
Unrealised foreign currency loss arising upon retranslation of foreign operations	38	(85)
Total comprehensive income/(loss) for the period	(1,272)	(365)
Total comprehensive income/(loss) for the period attributable to:		
Equity holders of the parent	(1,133)	(245)
Non-controlling interest	(138)	(120)
	(1,271)	(365)

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

Consolidated statement of changes in equity
for the period ended 31 December 2022

The movements in equity during the period were as follows:

Unaudited	Share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves £'000	Total attributable to owners of the Parent £'000	Non- controlling interest £'000	Total equity £'000
As at 30 June 2022 (audited)	2,839	31,077	(19,812)	1,434	15,538	(420)	15,118
Changes in equity for the six-month period ending 31 December 2021							
Loss for the period	-	-	(1,172)	-	(1,172)	(138)	(1,310)
Unrealised foreign currency gains on translation of foreign operations	-	-	-	38	38	21	59
Total comprehensive income/(loss) for the period	-	-	(1,172)	38	(1,134)	(117)	(1,251)
Transactions with shareholders							
Issue of shares	8	193	-	-	201	-	201
Grant of warrants	-	-	-	93	93	-	93
Total transactions with shareholders	8	193	-	93	294	-	294
As at 31 December 2022 (unaudited)	2,847	31,270	(20,984)	1,565	14,698	(537)	14,161
As at 30 June 2021 (audited)	2,835	30,924	(18,741)	1,627	16,645	(199)	16,446
Changes in equity for the six- month period ending 31 December 2020							
Loss for the period	-	-	(1,348)	-	(1,348)	(120)	(1,468)
Transfer of FVTOCI relating to disposals	-	-	-	(1,073)	(1,073)	-	(1,073)
Transfer of FVTOCI relating to revaluations	-	-	-	183	183	-	183
Gains on disposal of FVTOCI taken directly to reserves	-	-	1,775	-	1,775	-	1,775
Unrealised foreign currency gains on translation of foreign operations	-	-	-	(85)	(85)	-	(85)
Total comprehensive income/(loss) for the period	2,835	30,924	(18,314)	652	16,097	(319)	15,778
As at 31 December 2021 (unaudited)	2,835	30,924	(18,314)	652	16,097	(319)	15,778

Consolidated statement of changes in equity
for the period ended 31 December 2022, continued

Unaudited	FVTOCI financial assets reserve £'000	Foreign currency translation reserve £'000	Share- based payment reserve £'000	Warrants reserve £'000	Total other reserves £'000
As at 30 June 2022 (audited)	402	(19)	230	821	1,434
Changes in equity for six months ended 31 December 2021					
Unrealised foreign currency loss on translation of foreign operations	-	38	-	-	38
Total other comprehensive income for the period	-	38	-	-	38
Transactions with shareholders					
Grant of warrants	-	-	-	93	93
Total transactions with shareholders	-	-	-	93	93
As at 31 December 2022 (unaudited)	402	19	230	914	1,565
As at 30 June 2021 (audited)	426	158	230	813	1,627
Changes in equity for six months ended 31 December 2021					
Transfer of FVTOCI reserve in relation to revaluation of FVTOCI investments	183	-	-	-	183
Decrease in FVTOCI reserve in relation to disposals	(1,073)	-	-	-	(1,073)
Unrealised foreign currency loss on translation of foreign operations	-	(85)	-	-	(85)
Total other comprehensive income for the period	(890)	(85)	-	-	(975)
Transactions with shareholders					
Total transactions with shareholders	-	-	-	-	-
As at 31 December 2021 (unaudited)	(464)	73	230	813	652

Consolidated statement of cash flows
for the period ended 31 December 2022

	6 months to 31 December 2022	6 months to 31 December 2021
	Unaudited, £'000	Unaudited, £'000
Cash flows from operating activities		
(Loss)/profit before tax	(1,288)	(1,468)
Decrease/(Increase) in receivables	55	51
Increase/(Decrease) in payables	103	354
Share-based payments	94	-
Depreciation	-	-
Finance income, net	173	205
Currency adjustments	-	4
Net cash outflow from operations	(863)	(854)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2)	-
Proceeds from sale of investments	-	1,808
Payments for capitalised exploration costs	(22)	(138)
Payments to increase interest in tenements	(14)	(56)
Payments to increase interest in associate	-	(114)
Net cash (outflow)/inflow from investing activities	(38)	1,500
Cash flows from financing activities		
Proceeds from issue of shares	201	-
Interest paid	(173)	(205)
Proceeds from new borrowings	1,011	100
Repayments of borrowings	-	(811)
Net cash inflow/(outflow) from financing activities	1,039	(916)
Net increase in cash and cash equivalents	138	(270)
Cash and cash equivalents at the beginning of period	66	457
Exchange losses on cash and cash equivalents	38	(5)
Cash and cash equivalents at end of period	242	182

Half-yearly report notes
for the period ended 31 December 2022

1 Company and group

As at 31 December 2022, 30 June 2022 and 31 December 2021 the Company had one or more operating subsidiaries and has therefore prepared full and interim consolidated financial statements respectively.

The Company will report again for the year ending 30 June 2023.

The financial information contained in this half yearly report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the year ended 30 June 2022 has been extracted from the statutory accounts for the Group for that year. Statutory accounts for the year ended 30 June 2022, upon which the auditors gave an unqualified audit report which did not contain a statement under Section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

2 Accounting policies

Basis of preparation

The consolidated interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting.' The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2022, which have been prepared in accordance with IFRS.

3 Earnings per share

The following reflects the loss and number of shares data used in the basic and diluted loss per share computations:

	6 months to 31 December 2022 Unaudited	6 months to 31 December 2021 Unaudited
Profit/(loss) attributable to equity holders of the parent company, Thousand pounds Sterling	(1,310)	(1,348)
Weighted average number of Ordinary shares of £0.0001 in issue, used for basic EPS	1,279,734,195	1,216,708,801
Effect of all dilutive potential ordinary shares 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	-	-
Weighted average number of Ordinary shares of £0.0001 in issue, including potential ordinary shares, used for diluted EPS	1,279,734,195	1,216,708,801
Profit/(loss) per share – basic, pence	(0.10)	(0.111)
Profit/(loss) per share – diluted, pence	(0.10)	(0.111)

Half-yearly report notes
for the period ended 31 December 2022, continued

At 31 December 2022 and 31 December 2021, the effect of the following the instruments is anti-dilutive, therefore they were not included into the diluted earnings per share calculation.

	6 months to 31 December 2022 Unaudited	6 months to 31 December 2021 Unaudited
Share options granted to employees – not vested and/or out of the money	50,000,000	62,820,000
Number of warrants given to shareholders as a part of placing equity instruments – out of the money	426,892,441	380,197,618
Total number of contingently issuable shares that could potentially dilute basic earnings per share in future	<u>476,892,441</u>	<u>443,017,618</u>
Number of warrants – vested and in the money at year end but not included into diluted EPS calculation due to their effect being anti-dilutive	-	-
Number of share options granted to employees – vested and in the money at year end but not included into diluted EPS calculation due to their effect being anti-dilutive	-	-
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	<u>476,892,441</u>	<u>443,017,618</u>

There were no ordinary share transactions after 31 December 2022, that that could have changed the EPS calculations significantly if those transactions had occurred before the end of the reporting period.

4 Administrative expenses

	6 months to 31 December 2022 Unaudited £'000	6 months to 31 December 2021 Unaudited £'000
Staff Costs:		
Payroll	329	273
Pension	28	22
Consultants	8	8
HMRC / PAYE	20	21
Professional Services:		
Accounting	49	36
Legal	8	15
Marketing	10	25
Other	1	-
Regulatory Compliance	46	58
Travel	11	47
Office and Admin:		
General	19	43
IT costs	35	6
Rent	44	46
Insurance	25	20
Total administrative expenses	<u>633</u>	<u>620</u>

Included in the above admin costs for the year are £230,000 (2021: £174,000) in costs related to the administration of subsidiary project undertakings.

Half-yearly report notes
for the period ended 31 December 2022, continued

5 Project development 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.

	6 months to 31 December 2022 Unaudited £'000	6 months to 31 December 2021 Unaudited £'000
Project development expenses		
VUP (Congo)	15	35
Zlata Bana (Slovakia)	-	-
Galaxy (Congo)	-	31
Luanshimba (Congo)	47	106
Kinsevere (Congo)	-	3
Mid Migori Mines (Kenya)	-	10
Zimbabwe Lithium	15	-
Greenland	80	69
Others	104	157
Total project development expenses	261	411

6 Finance income/(expenses), net

	6 months to 31 December 2022 Unaudited £'000	6 months to 31 December 2021 Unaudited £'000
Interest income	-	-
Share based payments	(94)	-
Interest expense	(173)	(206)
Total Finance income/(expenses), net	(267)	206

7 Segmental analysis

	Kenyan exploration £'000	Australian exploration £'000	DRC exploration £'000	Other explora tion £'000	Corporate and unallocated £'000	Total £'000
For the six-month period to 31 December 2022						
Revenue						
Total segment external revenue	—	—	—	—	—	—
Result						
Segment results	(258)	(146)	(64)	(201)	(374)	(1,043)
Loss before tax and finance costs						-
Interest income						-
Interest expense						(267)
Loss before tax						(1,310)
Tax						-
Loss for the period						(1,310)

Half-yearly report notes
for the period ended 31 December 2022, continued

	Kenyanexploration	Australian exploration	DRC exploration	Jupiter Mines Limited	Corporate and unallocated	Total
For the six-month period to 31 December 2021	£'000	£'000	£'000	£'000	£'000	£'000
Revenue						
Total segment external revenue	—	—	—	—	—	—
Result						
Segment results	(271)	(163)	(174)	(241)	(413)	(1,262)
Loss before tax and finance costs						(1,262)
Interest income						-
Interest expense						(206)
Loss before tax						(1,468)
Tax						-
Profit for the period						(1,468)

A measure of total assets and liabilities for each segment is not readily available and so this information has not been presented.

8 Financial instruments – Fair value through other comprehensive income

	31 December 2022 Unaudited £'000	31 December 2021 Unaudited £'000	30 June 2022 Audited £'000
At the beginning of the period	736	1,755	1,755
Additions	-	223	223
Disposals	-	(1,413)	(1,693)
Change in fair value	-	183	451
At the end of the period	736	748	736

9 Exploration assets

	31 December 2022 Unaudited £'000	31 December 2021 Unaudited £'000	30 June 2022 Audited £'000
At the beginning of the period	13,265	13,515	13,515
Additions	22	138	150
Reclassification from non-current financial assets	-	-	(400)
At the end of the period	13,287	13,653	13,265

10 Share Capital of the company

	Number	Nominal, £'000
Deferred shares of £0.0009 each	2,371,116,172	2,134
A deferred shares of £0.000096 each	6,033,861,125	579
Ordinary shares of £0.0001 each	1,341,147,238	134
As at 31 December 2022		2,847

Half-yearly report notes
for the period ended 31 December 2022, continued

11 Short-term borrowings

Reconciliation of Liabilities Arising from Financing Activities

Group	30 June 2022	Cash flow loans received	Non - cash flow Conversions	Non - cash flow Interest accrued	Non-cash flow Reclassification	Non-cash flow Forex movement	31 Dec 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Loan from institutional investors	577	410	(577)	40	-	5	455
Convertible notes	317	47	577	3	-	-	944
Other loans	100	384	-	45	-	-	529
Total	994	841	-	88	-	5	1,928

12 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. 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 period.

13 Subsequent Events

On 24 February 2023, the Company announced that it had issued 26,753,616 new ordinary shares to an investor at a price of £0.0025 per share, under the funding agreement originally announced on 15 December 2022. The Company further announced that the Company had agreed with this investor that the investor may elect that up to \$274,000 of the initial subscription amount could now be subscribed at this same price of £0.0025 per share. In addition, the Company agreed to pay the investor a variation fee of \$78,000 within the next thirty days, or at its election, this amount would be added to the outstanding subscription amount.

On 15 March 2023, the Company announced that it had issued 56,487,601 new ordinary shares to an investor at a price of £0.0018 per share, under the funding agreement originally announced on 15 December 2022 and later amended on 24 February 2023.