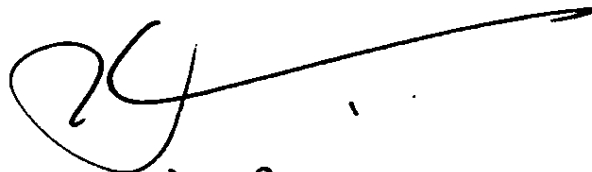


# Red Rock Resources plc

## Report & Financial Statements

for the year ended 30 June 2009

I hereby certify that these statements  
were signed by all parties on  
23 November 2009

  
DIRECTOR

THURSDAY



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## Company information

Directors	Andrew R M Bell – Chairman & chief executive Michael C Nott – Director John Watkins – Non-executive director Robert F Weicker – Non-executive director Manoli G R Yannaghas – Executive director
<i>all of</i>	115 Eastbourne Mews London W2 6LQ  020 7402 9433
Secretary and registered office	Stephen F Ronaldson 55 Gower Street London WC1E 6HQ
Website	<a href="http://www.rrrplc.com">www.rrrplc.com</a>
Auditors	Chapman Davis LLP 2 Chapel Court London SE1 1HH
Solicitors	Ronaldsons LLP 55 Gower Street London WC1E 6HQ
Nominated advisor	Blomfield Corporate Finance Limited 100 Cannon Street London EC4N 6EU
Nominated broker	Simple Investments 1 High Street Godalming Surrey GU7 1AZ
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Registrars	Share Registrars Limited Suite E, First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL 01252 821390
Registered number	5225394

## Chairman's statement

Dear Shareholders

I am pleased to present to shareholders your Company's annual report for the financial year to 30 June 2009.

The collapse in market liquidity and in commodity prices at the beginning of the year put great pressure on the Company, but we treated the difficult period that followed as an opportunity for growth rather than a threat. By the end of the financial year the improvement in our prospects was evident, and the time since has been one of extraordinary progress and activity.

The disposal of the Company's iron ore and manganese assets in Western Australia to a separate listed associate company, Jupiter Mines Limited, has been completed, and the final stages in the floating off of our uranium, specialty metal and rare earth assets through our ASX-listed associate Resource Star Limited are being completed. Both companies have excellent prospects.

A new focus on our major gold and volcanic massive sulphide ("VMS") project in the Migori greenstone belt sees us becoming an active explorer in Kenya.

### Summary

The Company reports the following developments in the financial year to 30 June 2009:

- Share price decline from 2p to 0.975p;
- £1,147,725 new cash before expenses raised from share placings;
- £1,420,823 increase in net assets;
- £3m SEDA facility put in place;
- Sale of Mt Alfred and other Western Australian iron ore assets to Jupiter Mines Limited ("Jupiter"), and establishment with Pallinghurst Resources of joint control over Jupiter;
- Grant of Oakover manganese tenements;
- Investment in Resource Gold Pty Limited and order for gravity gold plant; and
- Exploration at Mt Alfred.

Since the end of the financial year, there have been a number of further developments:

- Share price rise from 0.975p to 1.5p;
- £633,000 new cash before expenses raised from share placings;
- Sale at profit of investment in Africa China Mining Corporation;
- Cancellation of order for gravity gold plant;
- Investment in 15%, with farm-in to 60%, of Mid Migori Mining Kenyan gold project;
- Completion of sale of Oakover tenements to Jupiter, with a corresponding rise in our Jupiter shareholding to 27%;
- Option over Ngira-Migori licenses;
- 24.2% owned uranium associate Resource Star Ltd raises A\$600,000 and issues prospectus to raise up to A\$5m and relist;
- POSCO takes key stake in Jupiter;
- Acquisition of 15.78% holding in Cue Resources Limited, which has over 9m lbs Indicated/Inferred Resource of uranium;
- Announcement of December drill programme at Migori.

## Chairman's statement, continued

### Financial review

The Group made a pre-tax loss of £928,525 (2008 restated loss of £153,604) during the period; no dividends have been paid or proposed. The restatement of last year's Income Statement is to take revaluation surpluses and losses arising on available-for-sale trade investments and on associate investments direct to equity rather than through the income statement. Recognised profit in the financial period rose from £103,716 to £243,860, and net assets rose from £3,951,167 to £5,371,990.

The rise in net assets was principally because of the increase in the value of available-for-sale financial assets following the issue to the Company of 23,839,183 Jupiter shares upon the sale to Jupiter by the Red Rock-Pallinghurst joint venture of West Australian iron ore assets at the end of March 2009.

After the end of the financial year, a further 54,155,867 Jupiter shares were issued to the Company in September upon implementation of the final phase of the Jupiter transaction and sale of the Oakover manganese tenements to Jupiter; the Company now holds 93,104,165 Jupiter shares.

The Company's holding in Jupiter, that currently has a market value of approximately £11m, will be reflected in the income statement as and when the shares are sold.

### Exploration review

The Company recognised that in the year under review its fortunes would be principally affected by the successful conclusion of the Jupiter transaction, the pursuit of which involved some continuing cost, rather than exploration activity. The year was a time of financial constraint when equity fundraisings were expensive in terms of dilution because of the Company's low share price for much of the year. Exploration was therefore kept to modest levels, influenced also by our view that it would be cheaper to explore for resources on the stock market than in the ground.

New ventures were looked at and geological research performed in Mozambique and Chad, and this expenditure was written off as the investments did not proceed. Exploration including a gravity survey was completed at Mt Alfred in the period before the sale to Jupiter.

Since the June year end a full geological due diligence study and further exploration work have been carried out on the gold prospectivity of the Migori greenstone belt in Kenya, where we subsequently made an investment; at the beginning of December 2009 a reverse circulation drill programme is scheduled to start on part of the Migori licenses, which is expected to be followed shortly by the commencement of a diamond drill programme on other previously drilled targets. The current year is expected to see the Company's most active exploration and drilling schedule to date.

The Company's associates Jupiter and Resource Star have ambitious exploration programmes for the coming months; Jupiter has already begun exploration of the Oakover manganese tenements.

### Corporate review

The Company's objectives include the enhancement of shareholder value through acquisition, disposal, joint venture transactions and flotations as well as by exploration. We have made many disposals in our short corporate life, and the Pallinghurst joint venture and sale of interests to Jupiter is a successful case study for our joint venture strategy.

## Chairman's statement, continued

*Joint Venture:* Much value has been added already, but Jupiter is still a work in progress. It is our hope and belief that the strengths of the partners allied with us there, Pallinghurst and POSCO, will enable us to identify and complete accretive and value additive transactions that will create a new force in the 'steel feed' sector. Shareholders will note that to be a force in this sector it is necessary to be or to become very large, and we expect both to see the value of the Company's shareholding in Jupiter increase greatly in value.

*Relisting:* The planned 2009 relisting of Resource Star, announced after the year end, will, we expect, add value and potential to our uranium, niobium, and rare earth portfolio. Resource Star has just completed a A\$600,000 fundraising preparatory to listing, as a result of which our shareholding is now 24.2%. The relisted entity, with a strong nucleus of management, will be in a position to enter into farm in and farm out deals, joint ventures, acquisitions, and exploration, and to look for a major strategic partner.

*Acquisition:* Our acquisition since year end of a key 15.8% stake in Canadian uranium explorer Cue Resources Limited, the owner of the sandstone-hosted roll-front Yuty project in Paraguay, with an Indicated Resource of 8.3m lbs at 420ppm U<sub>3</sub>O<sub>8</sub> and Inferred Resource of 1.2m lbs at 500 ppm U<sub>3</sub>O<sub>8</sub>, complements our investment in Resource Star and we hope to develop synergies between the two companies.

*Acquisition and farm-in:* On 14 August 2009 the Company entered into an agreement with Kansai Mining Corporation Limited ("Kansai") whereby it may acquire up to 60 per cent of Kansai's wholly owned subsidiary company Mid-Migori Mining Company Ltd ("MMM"), a company incorporated in Kenya which owns the Migori Gold Project. The Migori Gold Project has an Indicated Resource of 1,172,000 ounces gold, and our due diligence and exploration work to date indicates considerable potential.

The Company will be allotted 15 per cent of the issued share capital of MMM for a total consideration of US\$750,000, part of which has been paid, and will be able to farm in to a further 45% on completion of a bankable feasibility.

*Disposal:* After the year end the Company disposed of its interest in Africa China Mining Corporation for US\$1m.

## Personnel

I would like to thank all our staff for their considerable contribution during the year. We also report with regret, and with thanks for all his services, the resignation during the year of Ken Watson, our Managing Director and co-founder. We wish him well in developing his gold reclamation business, which has started well and in which we hold 11%.

In October 2009 we welcomed to the Board Manoli Yannaghas, who has been a key part of our group for three years.

## Auditor

We are grateful to Chapman Davis LLP for the advice and assistance given to us since the Company was incorporated and admitted to AIM in 2005. The Board has now decided that it is prudent for the Company's auditor for the future to be independent of the auditor of Regency Mines plc. Accordingly, Chapman Davis LLP has agreed to be proposed as auditor of Regency Mines plc for the coming year, but to resign as auditor to the Company. Grant Thornton UK LLP has agreed to be proposed as auditor to the Company.

## Chairman's statement, continued

### The Future

It is encouraging that in the last few months we have been able to add interests in Indicated Resources of uranium and gold to our portfolio. Through Jupiter we also have an interest in a small iron ore Inferred Resource. For all these opportunities we have, directly or indirectly, to thank the poor markets and the damage inflicted on other small listed companies by the loss of market liquidity and depth. We hope to add to all these resources in the next months, and in particular to see Jupiter move towards declared resources of magnetite and manganese as well.

Further developments at Jupiter, and we believe at Resource Star after its relisting, will we hope provide additional growth to our balance sheet this year and next.

We shall work diligently to add resource at Migori, concentrating not only on lode gold but also on the banded iron formations in the shear zone and on the base metal and gold potential of the rich VMS system at the old Macalder mine. If possible, we shall look to limited production of gold from some of the surface and near-surface deposits.

Signed by:

*Andrew Bell*

*Chairman & chief executive*

23 November 2009

## Directors' report

The Directors present their fifth annual report on the affairs of the Group and parent Company, together with the Group financial statements for the year ended 30 June 2009.

### Principal activities and business review

The Company has been established as a mineral exploration and development company focussed on iron ore, uranium and manganese in Western Australia, Tasmania, Zambia and Malawi; in addition to 100% owned and managed projects, it has indirect exploration through taking investments in other companies.

The developments during the period are given in the Chairman's statement.

### International financial reporting standards

With effect from 1 July 2006, the Company made the transition to preparing financial statements in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union. Accordingly, these financial statements reflect the policies and interpretations adopted by the Board in preparing its financial statements for the year ending 30 June 2009.

### Results and dividends

The Group's results are set out in the group income statement on page 17. The audited financial statements for the year ended 30 June 2009 are set out on pages 17 to 41.

The Group made a loss of £928,525 (2008: loss as restated £153,604).

The Directors do not recommend the payment of a dividend.

### Fundraising and share capital

During the year, the Company raised £1,244,425 of new equity by the issue of 159,362,555 new Ordinary shares; further details are given in note 14 and in the Chairman's statement.

### Principle risks and uncertainties

The management of the business and the execution of the Board's strategy are subject to a number of risks:

- Exploration is speculative in nature.
- The economic viability of a project is affected by world commodity prices.
- Commodity prices are subject to international economic trends, currency fluctuations and consumption patterns.

### Key performance indicators

Given the straightforward nature of the Group's activities, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### Directors

The Directors who served during the period to date are as follows:

Andrew R M Bell

Michael C Nott

Kenneth F Watson – resigned 29 May 2009

Robert F Weicker

John Watkins

Manoli G R Yannaghas – appointed 26 October 2009



## Directors' report, continued

### Substantial shareholdings

On 30 June 2009 and 6 November 2009 the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	30 June 2009		6 November 2009	
	Ordinary shares of £0.001 each	Percentage of issued share capital	Ordinary shares of £0.001 each	Percentage of issued share capital
Barclayshare Nominees Limited	17,650,461	3.80%	27,330,198	5.73%
City Equities (Nominees) Limited	22,832,500	4.91%	19,977,500	4.18%
HSDL Nominees Limited	23,749,485	5.11%	23,720,143	4.97%
Pershing Keen Nominees Limited	43,791,021	9.38%	37,744,165	7.91%
Regency Mines plc	135,850,000	29.22%	137,148,000	28.73%
Sunvest Corporation Limited	18,037,500	3.88%	18,037,500	3.78%
TD Waterhouse Nominees (Europe) Limited	15,132,949	3.26%	21,904,004	4.59%
Total number of shares in issue	464,843,387		477,381,702	

### Charitable and political donations

During the period there were no charitable or political contributions.

### Payment of suppliers

The Group's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 30 days of receipt of invoice. Trade creditors at the year end were equivalent to 28 days of costs.

### Post balance sheet events

The post balance sheet events are set out in Note 20 to the financial statements.

### Auditor

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 Company's auditor is aware of that information.

The auditor has confirmed in accordance with section 519(2) of the Companies Act 2006 that he considers that there are no circumstances in connection with his ceasing to hold office that need to be brought to the attention of members or creditors of the Company.

Following the resignation of Chapman Davis LLP as the Company's auditor effective at the conclusion of the 2009 annual general meeting, Grant Thornton UK LLP have indicated their willingness to accept appointment as auditors of the Company for the year ending 30 June 2010. A resolution proposing their appointment is contained in the notice of annual general meeting and will be put to shareholders at the annual general meeting.

## Directors' report, continued

### Management incentives

In the year to 30 June 2007, the Company granted options over a total of 5,000,000 Ordinary shares as set out in Note 15 to the financial statements.

In the year to 30 June 2009, the Company granted options over a total of 25,000,000 Ordinary shares as set out in Note 15 to the financial statements.

Otherwise, the Group has no bonus, share purchase, or other management incentive scheme.

### Directors' remuneration report

The remuneration of the directors paid during the year was fixed on the recommendation of the Remuneration Committee. 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 to 30 June 2009. In addition, in each case fees and expenses were paid to businesses with which the directors are associated as set out in Note 6 to the financial statements.

### Corporate governance statement

A corporate governance statement follows on page 12.

### 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 ensures that it and its subsidiaries at a minimum comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

### 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 for 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 will provide training and support to employees and set demanding standards for workplace safety.

### Going concern

The Directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the Group's accounts on a going concern basis is appropriate.

By order of the Board

Signed by:

*Andrew Bell*

*Chairman & chief executive*

23 November 2009

## Statement of directors' responsibilities

### Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report includes information required by the Alternative Investment Market of the London Stock Exchange.

The maintenance and integrity of the Company's website is the responsibility of the directors: the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the 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 Combined Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the Combined Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the Combined Code in relation to the size and the stage of development of the Company.

### **Board of directors**

The Board of Directors currently comprises two executive directors, one of whom is chairman and three non-executive directors. The directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the Combined Code have been implemented to an appropriate level. The Board, through the executive and the 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.

### **Board meetings**

The Board meets regularly throughout the year. For the period ending 30 June 2009 the Board met eighteen times in relation to normal operational matters. 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.

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.

### **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. The Audit Committee comprises two Directors, John Watkins as Chairman and, Andrew Bell. It is responsible for ensuring that the financial performance of the Group is properly monitored and reported on.

#### *Remuneration Committee*

The Remuneration Committee is responsible for making recommendations to the Board on Directors' and senior executives' remuneration. It comprises four Directors, Andrew Bell as Chairman, Michael Nott, Robert Weicker and John Watkins. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.

### **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 Company 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 Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

## Corporate Governance Statement, continued

### Risk management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are regularly reviewed.

### Risks and uncertainties

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

#### General and economic risks

- contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- movements in the equity and share markets in the United Kingdom and throughout the world;
- weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the resource industry;
- currency exchange rate fluctuations and, in particular, the relative prices of Australian Dollar, and the UK Pound;
- exposure to interest rate fluctuations; and
- adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

#### Funding risk

The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

#### Commodity risk

Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

#### Exploration and development risks

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Company operates have native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.

## Corporate Governance Statement, continued

### Exploration and development risks, continued

- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.

### Market risk

The ability of the Group, and the companies in which it invests, to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

### 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 and 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

The Board has adopted a 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 certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

### Relations with Shareholders

The Board 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. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

## Independent Auditor's report to the Shareholders of Red Rock Resources plc

We have audited the financial statements of Red Rock Resources plc for the year ended 30 June 2009 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Recognised Income and Expense, the Group and Parent Statements of Changes in Equity, and the related notes 1 to 23. 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.

This report is made solely to the Company's members, as a body, in accordance with sections 495, 496 and 497 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2009 and of the Group's and the Parent Company's loss 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 and the part of the Directors' Remuneration Report to be audited 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.

Signed by:

*Rowan J Palmer (Senior Statutory Auditor)*

for and on behalf of Chapman Davis LLP  
Chartered Accountants and Statutory Auditors  
2 Chapel Court, London SE1 1HH, United Kingdom

23 November 2009



Consolidated income statement  
for the year ended 30 June 2009

	Notes	Year to 30 June 2009 £	Year to 30 June 2008 £
<b>Revenue</b>			
Sales of investments		64,869	1,322,735
Cost of sales		(107,557)	(1,025,884)
Management services		3,285	24,393
<b>Gross (loss)/profit</b>		<b>(39,403)</b>	<b>321,244</b>
Exploration expenses		(160,087)	(167,711)
Administrative expenses		(550,563)	(402,389)
Currency loss/(gain)		(2,543)	74,521
<b>Operating (loss)</b>	3	<b>(752,596)</b>	<b>(174,335)</b>
Share of operating loss in associates		(170,545)	(82,556)
Profit on sale of subsidiary		-	89,912
Interest receivable		3,618	19,308
Interest payable		(9,002)	(5,933)
<b>Loss from continuing operations</b>		<b>(928,525)</b>	<b>(153,604)</b>
Tax on profit/(loss) on ordinary activities	4	-	-
<b>Loss for the year attributable to equity shareholders of the parent</b>		<b>(928,525)</b>	<b>(153,604)</b>
<b>(Loss) per share – basic</b>	7	<b>(0.24) pence</b>	<b>(0.06) pence</b>
<b>(Loss) per share – diluted</b>		<b>(0.24) pence</b>	<b>(0.06) pence</b>

All of the operations are considered to be continuing.

Consolidated statement of recognised income and expense  
for the year ended 30 June 2009

	Group Year to 30 June 2009 £	Group Year to 30 June 2008 £
Surplus on revaluation of available-for-sale investment	1,165,635	384,100
Loss on revaluation of associate company investment	-	(126,780)
Unrealised foreign currency gain	6,750	-
	<u>1,172,385</u>	<u>257,320</u>
(Loss) for the financial period	(928,525)	(153,604)
Total recognised profit for the financial period	<u>243,860</u>	<u>103,716</u>
Attributable to: Equity holders of the parent	<u>243,860</u>	<u>103,716</u>

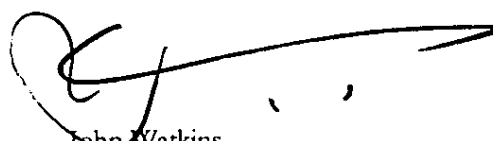
The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated balance sheet  
as at 30 June 2009

	Notes	30 June 2009	30 June 2008
		£	£
<b>Current assets</b>			
Cash and cash equivalents	16	49,439	87,599
Trade and other receivables	8	274,542	394,198
Investments in associates	10	1,044,853	958,835
Available for sale financial assets	11	3,676,909	2,355,925
Exploration properties	12	506,230	567,905
<b>Total current assets</b>		<b>5,551,973</b>	<b>4,364,462</b>
<b>Total assets</b>		<b>5,551,973</b>	<b>4,364,462</b>
<b>Current liabilities</b>			
Trade and other payables	13	(179,983)	(413,295)
<b>Total liabilities</b>		<b>(179,983)</b>	<b>(413,295)</b>
<b>Net assets</b>		<b>5,371,990</b>	<b>3,951,167</b>
<b>Equity</b>			
Called up share capital	15	464,843	305,481
Share premium account		4,853,650	3,888,736
Other reserves		1,564,973	339,901
Retained earnings		(1,511,476)	(582,951)
<b>Total equity</b>		<b>5,371,990</b>	<b>3,951,167</b>

These financial statements were approved by the Board of Directors on 23 November 2009 and signed on its behalf by:

Andrew R M Bell  
Chairman & chief executive

  
John Watkins  
Director

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

# Consolidated statement of changes in equity for the year ended 30 June 2009

The movements on reserves during the period were as follows:

	Share capital	Share premium reserve	Retained earnings	Other reserves	Total equity
	£	£	£	£	£
<b>As at 30 June 2007</b>	235,481	2,665,486	(429,347)	82,581	2,554,201
<b>Changes in equity for 2008</b>					
Issue of shares	70,000	1,280,000	-	-	1,350,000
Share issue and fundraising costs	-	(56,750)	-	-	(56,750)
Loss for the year	-	-	(153,604)	-	(153,604)
Net unrealised gains recognised directly to equity	-	-	-	257,320	257,320
<b>As at 30 June 2008</b>	305,481	3,888,736	(582,951)	339,901	3,951,167
<b>Changes in equity for 2009</b>					
Issue of shares	159,362	1,085,063	-	-	1,244,425
Share issue and fundraising costs	-	(120,149)	-	-	(120,149)
Net unrealised gains recognised directly to equity	-	-	-	1,165,635	1,165,635
Unrealised foreign currency gains	-	-	-	6,750	6,750
Loss for the year	-	-	(928,525)	-	(928,525)
Share based payments	-	-	-	52,687	52,687
<b>As at 30 June 2009</b>	464,843	4,853,650	(1,511,476)	1,564,973	5,371,990
	Available for sale trade investments reserve	Available for sale associate investments reserve	Foreign currency translation reserve	Share based payment reserve	Total other reserves
	£	£	£	£	£
<b>As at 30 June 2007</b>	-	-	-	82,581	82,581
Net unrealised gains/losses recognised directly to equity	384,100	(126,780)	-	-	257,320
<b>As at 30 June 2008</b>	384,100	(126,780)	-	82,581	339,901
Net unrealised gains recognised directly to equity	1,165,635	-	-	-	1,165,635
Unrealised foreign currency gains	-	-	6,750	-	6,750
Share based payments	-	-	-	52,687	52,687
<b>As at 30 June 2009</b>	1,549,735	(126,780)	6,750	135,268	1,564,973

Consolidated cash flow statement  
for the year ended 30 June 2009

	Group Year to 30 June 2009	Group Year to 30 June 2008
	£	£
<b>Cash flows from operating activities</b>		
Operating loss	(752,596)	(174,335)
Decrease/(increase) in receivables	119,656	685,815
(Decrease)/increase in payables	(233,312)	119,686
Impairment of exploration properties	24,154	11,034
Exploration property costs	(184,445)	(112,485)
Exploration properties disposed of	221,964	-
Share based payments	52,687	-
Currency adjustments	8,637	-
<b>Net cash outflow from operations</b>	<b>(743,255)</b>	<b>529,715</b>
<b>Cash flows from investing activities</b>		
Interest received	3,618	19,309
Interest paid	(9,002)	(5,933)
Proceeds from sale of subsidiary	482	602,045
Available for sale investments disposed of	107,557	1,025,885
Payments to acquire associate company investments	(198,762)	(1,142,533)
Payments to acquire available for sale investments	(309,079)	(2,411,251)
<b>Net cash flows from investing activities</b>	<b>(405,186)</b>	<b>(1,944,470)</b>
<b>Acquisitions and disposals</b>		
Cash disposed of on sale of subsidiary	(2,169)	(11,243)
<b>Net cash flow from acquisitions and disposals</b>	<b>(2,169)</b>	<b>(11,243)</b>
<b>Cash inflows from financing activities</b>		
Proceeds from issue of shares	1,147,725	1,350,000
Transaction costs of issue of shares	(35,275)	(56,750)
<b>Net cash flows from financing activities</b>	<b>1,112,450</b>	<b>1,293,250</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(38,160)</b>	<b>(132,748)</b>
Cash and cash equivalents at the beginning of period	87,599	220,347
<b>Cash and cash equivalents at end of period</b>	<b>49,439</b>	<b>87,599</b>

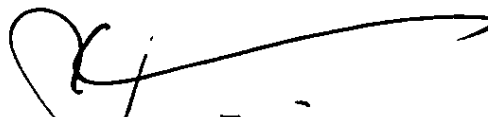
The accompanying notes and accounting policies form an integral part of these financial statements.

Company balance sheet  
as at 30 June 2009

		30 June 2009	30 June 2008
	Note	£	£
<b>Current assets</b>			
Cash and cash equivalents	16	46,983	83,260
Trade and other receivables	8	314,786	561,819
Investments in subsidiaries	9	482	964
Investments in associates	10	1,044,853	958,835
Available for sale financial assets	11	3,676,909	2,355,925
Exploration properties	12	485,015	413,793
<b>Total current assets</b>		<b>5,569,028</b>	<b>4,374,596</b>
<b>Total assets</b>		<b>5,569,028</b>	<b>4,374,596</b>
<b>Current liabilities</b>			
Trade and other payables	13	(177,692)	(413,295)
<b>Total liabilities</b>		<b>(177,692)</b>	<b>(413,295)</b>
<b>Net assets</b>		<b>5,391,336</b>	<b>3,961,301</b>
<b>Equity</b>			
Called-up share capital	14	464,843	305,481
Share premium account		4,853,650	3,888,736
Other reserves		1,558,224	466,681
Retained earnings		(1,485,381)	(699,597)
<b>Total equity</b>		<b>5,391,336</b>	<b>3,961,301</b>

These financial statements were approved by the Board of Directors on 23 November 2009 and signed on its behalf by:

Andrew R M Bell  
Chairman & chief executive

  
John Watkins  
Director

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

## Company statement of changes to equity for the year ended 30 June 2009

The movements on reserves during the period were as follows:

	Share capital	Share premium reserve	Retained earnings	Other reserves	Total equity
	£	£	£	£	£
<b>As at 30 June 2007</b>	235,481	2,665,486	(258,069)	82,581	2,725,479
<b>Changes in equity for 2008</b>					
Issue of shares	70,000	1,280,000	-	-	1,350,000
Share issue and fundraising costs	-	(56,750)	-	-	(56,750)
Loss for the year (as restated)	-	-	(314,748)	-	(314,748)
Net unrealised gains recognised directly to equity				257,320	257,320
<b>As at 30 June 2008</b>	305,481	3,888,736	(572,817)	339,901	3,961,301
<b>Changes in equity for 2009</b>					
Issue of shares	159,362	1,085,063	-	-	1,244,425
Share issue and fundraising costs	-	(120,149)	-	-	(120,149)
Loss for the year	-	-	(912,563)	-	(912,563)
Net unrealised gains recognised directly to equity	-	-	-	1,165,635	1,165,635
Share based payments	-	-	-	52,687	52,687
<b>As at 30 June 2009</b>	464,843	4,853,650	(1,485,380)	1,558,223	5,391,336

	Available for sale associate investments reserve	Available for sale trade investments reserve	Share based payment reserve	Total other reserves
	£	£	£	£
<b>As at 30 June 2007</b>	-	-	82,581	82,581
Net unrealised gains recognised directly to equity	384,100	(126,780)	-	257,320
<b>As at 30 June 2008</b>	384,100	(126,780)	82,581	339,901
Net unrealised gains recognised directly to equity	1,165,635	-	-	1,165,635
Share based payments	-	-	52,687	52,687
<b>As at 30 June 2009</b>	1,549,735	(126,780)	135,268	1,558,223

Company cash flow statement  
for the year ended 30 June 2009

	Company Year to 30 June 2009	Company Year to 30 June 2008
	£	£
<b>Cash flows from operating activities</b>		
Operating loss	(736,635)	(164,201)
Decrease/(increase) in receivables	247,033	1,169,614
(Decrease)/increase in payables	(235,603)	119,686
Impairment of exploration properties	24,155	11,034
Proceeds of exploration properties disposed of	79,197	142,486
Exploration property costs	(174,574)	(100,858)
Share based payments	52,687	-
Currency adjustment	199	-
<b>Net cash outflow from operations</b>	<b>(743,541)</b>	<b>1,177,761</b>
<b>Cash flows from investing activities</b>		
Interest received	3,618	19,309
Interest paid	(9,002)	(5,933)
Proceeds from sale of subsidiary	482	602,045
Payments to acquire subsidiaries	-	(964)
Payments to acquire associate company investments	(198,762)	(1,142,533)
Payments to acquire available for sale investments	(309,079)	(2,411,251)
Subsidiary sold during the year	-	(683,412)
Available for sale investments disposed of	107,557	1,025,885
<b>Net cash flows from investing activities</b>	<b>(405,186)</b>	<b>(2,596,854)</b>
<b>Cash inflows from financing activities</b>		
Proceeds from issue of shares	1,147,725	1,350,000
Transaction costs of issue of shares	(35,275)	(56,750)
<b>Net cash flows from financing activities</b>	<b>1,112,450</b>	<b>1,293,250</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(36,277)</b>	<b>(125,843)</b>
Cash and cash equivalents at the beginning of period	83,260	209,103
<b>Cash and cash equivalents at end of period</b>	<b>46,983</b>	<b>83,260</b>

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



## Notes to financial statements for the year ended 30 June 2009

### 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 2009 were authorised for issue by the board on 23 November 2009 and the balance sheets signed on the board's behalf by Mr Andrew Bell and Mr John Watkins. 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.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted by the group are set out below.

##### **Adoption of standards and interpretations**

As at the date of authorisation of these financial statements, there were Standards and Interpretations that were in issue but are not yet effective and have not been applied in these financial statements. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group or company, except for additional disclosures when the relevant Standards come into effect.

##### **Restatement of prior year**

Revaluation surpluses and losses arising on available for sale trade investments and on associate investments were credited to/charged to the income statement for 2008. This treatment has been reclassified with the credits and charges now made direct to equity.

#### 1.2 Significant accounting judgments, estimates and assumptions

##### *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 are:

##### *Impairment of goodwill and intangibles with indefinite useful lives*

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

##### *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 is determined using a Black-Scholes model.

##### *Going concern*

The directors have complete confidence in their ability to raise further capital and that their efforts will generate sufficient ongoing cash to meet the company's outgoings for the foreseeable future. On this basis the directors believe it is appropriate to prepare these financial statements on a going concern basis.

#### 1.3 Basis of preparation

The consolidated financial statements of Red Rock Resources plc and its subsidiaries have been prepared in accordance with International Reporting Standards (IFRS) as adopted for use in the European Union and on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

Notes to financial statements  
for the year ended 30 June 2009, continued

**1.4 Basis of consolidation**

The consolidated accounts combine the accounts of the Company and its subsidiary, Red Rock Australasia Pty Ltd, using the purchase method of accounting.

**1.5 Goodwill**

Where applicable, goodwill on acquisition is capitalised and shown within fixed assets. Positive goodwill is subject to annual impairment review with movements charged in the income statement.

Where applicable, negative goodwill is reassessed by the Directors and attributed to the relevant assets to which it relates.

**1.6 Current asset investments**

Investments in subsidiary companies are classified as current assets and included in the balance sheet of the Company at cost at the date of acquisition irrespective of the application of merger relief under the Companies Act.

Investments in associate companies are classified as current assets and included in the balance sheet of the Company at cost at the date of the balance sheet less amounts reflecting the Company's share of trading losses incurred.

**1.7 Financial assets available for sale**

Equity investments intended to be held for an indefinite period of time are classified as available-for-sale investments. They are carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in the available-for-sale reserve. Where the fair value cannot be reliably measured, the investment is carried at cost.

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

Income from available for sale investments is accounted for in the income statement on a accruals basis.

**1.8 Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**1.9 Income tax and deferred taxation**

Corporation tax payable is provided on taxable profits at the current rate.

Current tax assets and liabilities for the current and prior periods are measured as the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Full provision is made for deferred taxation resulting from timing differences which have arisen but not reversed at the balance sheet date.

Notes to financial statements  
for the year ended 30 June 2009, continued

**1.10 Tangible fixed assets**

The Group has no tangible fixed assets.

**1.11 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 subsidiary is Australian Dollars (AUD).

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

On consolidation of a foreign operation, assets and liabilities are translated at the balance sheet rates, income and expenses are translated at rates ruling at the transaction date. Exchange differences on consolidation are taken to the income statement.

**1.12 Revenue**

The Group's revenue during the year ended 30 June 2009 consisted of management fees charged to third parties and the proceeds from the sale of available for sale financial assets.

**1.13 Exploration and development costs**

Exploration and development costs include expenditure 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 balance sheet as current assets.

Recoupment of exploration and development costs is dependent upon successful development and commercial exploitation of each area of interest and are amortised over the expected commercial life of each area once production commences.

The Company 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 debtor.

**1.14 Share based payments**

The fair value of options granted to directors and others in respect of services provided is recognised as an expense in the profit and loss account with a corresponding increase in equity reserves – the share based payment reserve.

On exercise or cancellation of share options, the proportion of the share based payment reserve relevant to those options is transferred to the profit and loss account reserve. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date charged in the accounting 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. Vesting conditions are non-market and there are no market vesting conditions. The exercise price is fixed at the date of grant and no compensation is due at the date of grant.

Notes to financial statements  
for the year ended 30 June 2009, continued

**1.15 Finance costs/revenue**

Borrowing costs are recognised as an expense when incurred.

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

**1.16 Trade and other receivables**

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

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

**1.17 Financial instruments**

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has overseas subsidiaries in Australia whose expenses are denominated in Australian Dollars. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

**1.18 Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

**1.19 Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to financial statements  
for the year ended 30 June 2009, continued

2 Segmental analysis

The Group's prime business segment is mineral exploration.

The Group operates within two prime geographical segments, the United Kingdom and Australia. In addition, there are limited operations in Zambia. The UK sector consists of the parent company which provides administrative and management services to the subsidiary undertakings based in Australia.

The following tables present revenue and loss information and certain asset and liability information by geographical segments:

	UK	Australia	Africa	Total
	£	£	£	£
<b>Year ended 30 June 2009</b>				
<b>Revenue</b>	3,285	64,869		
Total segment revenue			-	68,155
Total consolidated revenue				68,155
<b>Result</b>				
Segment results	(667,250)	(231,737)	(24,154)	(923,141)
Loss before tax and finance costs				(913,141)
Interest receivable				3,618
Interest payable				(9,002)
Loss before taxation				(928,525)
Taxation expense				
Net loss for the year				(928,525)
	UK	Australia	Africa	Total
	£	£	£	£
<b>Year ended 30 June 2009</b>				
<b>Assets and liabilities</b>				
Segment assets	321,525	5,175,630	54,818	5,551,973
Total assets				5,551,973
Segment liabilities	(177,692)	(2,291)	-	179,983
Total liabilities				179,983
<b>Other segment information</b>				
Capital expenditure	-	105,242	79,203	184,445
				184,445

Notes to financial statements  
for the year ended 30 June 2009, continued

2 Segmental analysis, continued  
cont

	UK	Australia	Africa	Total
	£	£	£	£
<b>Year ended 30 June 2008 as restated</b>				
<b>Revenue</b>				
Total segment revenue	22,954	1,322,735	-	
Total consolidated revenue				1,345,689
<b>Result</b>				
Segment results	(160,119)	(6,861)		
Loss before tax and finance costs				(166,980)
Interest receivable				19,309
Interest payable				(5,933)
Loss before taxation				(153,604)
Taxation expense				-
<b>Net loss for the year</b>				<b>(153,604)</b>

	UK	Australia	Africa	Total
	£	£	£	£
<b>Year ended 30 June 2008</b>				
<b>Assets and liabilities</b>				
Segment assets	473,870	3,644,330	246,261	
Total assets				4,364,461
Segment liabilities	413,295	-	-	413,295
<b>Total liabilities</b>				<b>413,295</b>

3	<b>Operating loss on ordinary activities before taxation</b>	2009	2008
		£	£
	Operating loss on ordinary activities before taxation is stated after charging:		
	Auditor's remuneration – audit	10,500	10,000
	Auditor's remuneration – for non audit services	-	-
	Directors' emoluments	124,526	106,409
	Share based payments – directors	51,292	-
	Share based payments – staff	1,395	-
	Exchange differences – gain	2,543	74,521

Notes to financial statements  
for the year ended 30 June 2009, continued

4	Taxation	2009 £	2008 £
	<b>Current period taxation on Group</b>		
	UK corporation tax at 28% on profits for the period	-	-
	<b>Factors affecting the tax charge for the year</b>		
	(Loss) on ordinary activities before taxation	(928,525)	(153,604)
	(Loss) on ordinary activities at the average UK standard rate of 28% (2008: 29.5%)	(259,987)	(45,313)
	Impact of subsidiaries and associates	52,222	24,519
	Effects of tax benefit of losses carried forward	205,518	18,697
	Effect of expenses not deductible	2,247	2,097

5 **Staff costs**

The Group had no employees during the year other than the directors each of whom provide professional services as required on a part time basis. Regency Mines plc, an associate company, provides the services of its staff as necessary at cost plus a service charge of 15%.

6 **Directors' emoluments:**

Directors' remuneration	Directors' fees	Consultancy fees	Shares based payments	Total
2009	£	£	£	£
Executive directors				
A R M Bell	41,000	15,000	48,501	104,501
K F Watson	-	26,526	1,395	27,921
Other directors				
M C Nott	3,000	12,000	698	15,698
J Watkins	3,000	12,000	465	15,465
R F Weicker	-	12,000	233	12,233
	47,000	77,526	51,292	175,818
2008				
Executive directors				
A R M Bell	14,790	20,414	-	35,204
K F Watson	-	28,205	-	28,205
Non-executive directors				
M C Nott	-	13,500	-	13,500
J Watkins	-	16,500	-	16,500
R F Weicker	-	13,000	-	13,000
	14,790	91,619	-	106,409

Notes to financial statements  
for the year ended 30 June 2009, continued

<b>7</b>	<b>Earnings/(loss) per share</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	The basic earnings/(loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders by the weighted average number of shares in issue.		
	Profit/(loss) for the period after taxation	(928,525)	(153,604)
	Weighted average number of Ordinary shares of £0.001 in issue	389,691,824	261,191,216
	Earnings/(loss) per share – basic	(0.24) pence	(0.06) pence
	Weighted average number of Ordinary shares of £0.001 in issue inclusive of outstanding options	401,678,125	266,191,216
	Earnings/loss per share fully diluted	(0.24) pence	(0.06) pence
<b>8</b>	<b>Trade and other receivables</b>	<b>Group</b>	<b>Company</b>
		<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	<b>Current trade and other receivables:</b>		
	Amounts due from subsidiaries	-	40,244
	Prepayments	24,622	24,622
	Associate company receivables	151,330	151,330
	Other receivables	98,590	98,590
	<b>Total</b>	<b>274,542</b>	<b>314,786</b>
<b>9</b>	<b>Current asset investments in subsidiaries</b>	<b>Company</b>	<b>Company</b>
		<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	<b>Cost</b>		
	At 30 June 2008	964	-
	Additions during the year	-	32,956
	Disposals during the year	(482)	(31,992)
	At 30 June 2009	482	964
	<b>Impairment</b>		
	At 30 June 2008	-	-
	Charge for the year	-	-
	At 30 June 2009	-	-
	<b>Net book amount</b>		
	At 30 June 2009	482	964
	At 30 June 2008	964	-
	During the year, Red Rock Uranium Pty Limited was disposed of at cost to the Company's associate, Regency Mines plc.		



Notes to financial statements  
for the year ended 30 June 2009, continued

9 Current asset investments in subsidiaries continued

cont As at 30 June 2009, the Company held interests in the following subsidiary companies:

Company	Country of registration	Class	Proportion held	Nature of business
Intrepid Resources Limited	Zambia	Ordinary	100%	Dormant
Red Rock Australasia Pty Limited	Australia	Ordinary	100%	Mineral exploration

10 Current asset investments in associates

	Group and Company 2009 £	Group and Company 2008 £
<b>Cost</b>		
At 30 June 2008	1,042,003	26,250
Additions during the year	198,762	1,142,533
Transfers from available for sale financial assets	57,801	-
Amounts written off during the year	-	(126,780)
<b>At 30 June 2009</b>	<b>1,298,566</b>	<b>1,042,003</b>
<b>Impairment</b>		
At 30 June 2008	(83,168)	(612)
Losses during the year	(170,545)	(82,556)
<b>At 30 June 2009</b>	<b>(253,713)</b>	<b>(83,168)</b>
<b>Net book amount</b>		
At 30 June 2009	1,044,853	958,835
At 30 June 2008	958,835	25,638
<b>Market value of investments</b>		
Unquoted investments at cost or lower valuation	1,044,853	958,835

The Company has holdings amounting to 20% or more of the issued share capital of the following companies:

Name	Country of incorporation	Class of shares held	Percentage of issued capital	Profit/(loss) for the last financial year	Capital and reserves at last balance sheet date	Accounting year end
Africa China Mining Corporation	Bahamas	Common	20%	See note 1	See note 1	See note 1
Range Mines Limited	England & Wales	Ordinary	41.5%	£(28)	£12,595	30 June 2009
Red Rock Zambia Limited	Zambia	Ordinary	28.4%	See note 19	See note 19	30 June 2009
Resource Star Limited	Australia	Ordinary	24.2%	£(720,835)	£1,245,793	30 June 2009

Note 1: The acquisition of the interest in Africa China Mining Corporation was completed on 24 July 2008. The company did not provide any financial statements. On 5 August 2009 the Company agreed to dispose of the interest for US\$1m.

Notes to financial statements  
for the year ended 30 June 2009, continued

11 Available for sale financial assets

As required under IAS 32 and 39, the Directors have carried out an impairment review and confirmed that no revaluation adjustment is required.

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
At 30 June 2008	2,355,925	586,459	2,355,925	586,459
Additions	320,706	2,411,251	320,706	2,411,251
Disposals	(107,557)	(1,025,885)	(107,557)	(1,025,885)
Revaluations	1,165,636	384,100	1,165,636	384,100
Transfer to investments in associates	(57,801)	-	(57,801)	-
<b>At 30 June 2009</b>	<b>3,676,909</b>	<b>2,355,925</b>	<b>3,676,909</b>	<b>2,355,925</b>

**Market value of investments**

The market value of these investments as at 30 June 2009 was:

Quoted on AIM	21,750	-
Quoted on the Australian Stock Exchange	3,613,078	2,288,079
Unquoted investments at cost or lower valuation	42,081	67,846
	<b>3,676,909</b>	<b>2,355,925</b>

12 Exploration properties

As required under IFRS 6, the Directors have carried out an impairment review resulting in a charge as shown below. The benefit of these assets may not be fully realised within twelve months.

Exploration properties	Group		Company	
	2009 £	2008 £	2009 £	2008 £
<b>Net book amount</b>				
At 30 June 2008	567,905	935,353	413,793	466,455
Additions during the year	184,445	112,483	174,574	100,858
Disposals during the year	(221,965)	(468,897)	(79,197)	(142,486)
<b>At 30 June 2009</b>	<b>530,385</b>	<b>578,939</b>	<b>509,170</b>	<b>424,827</b>
<b>Impairment</b>				
Charge for the year	(24,155)	(11,034)	(24,155)	(11,034)
<b>At 30 June 2009</b>	<b>(24,155)</b>	<b>(11,034)</b>	<b>(24,155)</b>	<b>(11,034)</b>
<b>Net book amount</b>				
<b>At 30 June 2009</b>	<b>506,230</b>	<b>567,905</b>	<b>485,015</b>	<b>413,793</b>
<b>At 30 June 2008</b>	<b>567,905</b>	<b>935,353</b>	<b>413,793</b>	<b>466,455</b>

Notes to financial statements  
for the year ended 30 June 2009, continued

13	Trade and other current payables	Group		Company	
		2009	2008	2009	2008
		£	£	£	£
	Trade payables	119,409	195,698	117,118	195,698
	Accruals	60,574	217,597	60,574	217,597
	Total	179,983	413,295	177,692	413,295

14 Share capital of the Company

The authorised share capital and the called up and fully paid amounts were as follows:

<i>Authorised</i>	Number	Nominal £
At incorporation on 8 September 2004 and as at 30 June 2009, Ordinary shares of £0.001 each	10,000,000,000	10,000,000
<i>Called up, allotted, issued for cash and in lieu of fees and fully paid during the year</i>		
As at 30 June 2007	235,480,832	235,481
Issued during the year to 30 June 2008	70,000,000	70,000
As at 30 June 2008	305,480,832	305,481
Issued 28 August 2008 at 1 pence per share **	32,000,000	32,000
Issued 31 October 2008 at 0.5 pence per share **	68,000,000	68,000
Issued 18 March 2009 at 0.95 pence per share	11,150,000	11,150
Issued 24 March 2009 at 0.95 pence per share **	12,500,000	12,500
Issued 6 April 2009 at 0.95 pence per share	12,500,000	12,500
Issued 30 April 2009 at 1.2214 pence per share **	2,374,324	2,374
Issued 11 May 2009 at 1 pence per share **	15,000,000	15,000
Issued 11 May 2009 at 1.041 pence per share **	5,571,565	5,571
Issued 11 May 2009 at 1.5 pence per share **	266,666	267
As at 30 June 2009	464,843,387	464,843

Note: items marked \*\* were issued either in whole or in part against invoices for services rendered rather than for cash.

15 Share based payments

During the year ended 30 June 2009, the Company established an employee share option plan 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 the plan, the options were granted for no consideration; they were granted for the periods specified and vested immediately. Options granted under the plan carry no dividend or voting rights.

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 income statement with a corresponding increase in equity. The expense was charged in full during the year ended 30 June 2009.

Notes to financial statements  
for the year ended 30 June 2009, continued

**15 Share based payments, continued**

cont

The Company has issued options to subscribe for ordinary shares as follows:

	Options issued 11 May 2007 exercisable at 3.5 pence per share expiring 11 May 2012 Number	Options issued 29 January 2009 exercisable at 1 pence per share expiring 31 May 2010 Number	Options issued 29 January 2009 exercisable at 1.25 pence per share expiring 31 May 2011 Number	Options issued 3 June 2009 exercisable at 1.1 pence per share expiring 3 June 2014 Number
A R M Bell	750,000	3,000,000	3,000,000	10,000,000
K F Watson	750,000	1,500,000	1,500,000	-
M C Nott	1,000,000	750,000	750,000	-
J Watkins	750,000	500,000	500,000	-
R Weicker	750,000	250,000	250,000	-
Employees of Regency Mines plc	1,000,000	1,500,000	1,500,000	-
Total	5,000,000	7,500,000	7,500,000	10,000,000

The fair value of the above share options as expensed in 2009 is £52,687.

The volatility is set by reference to the historic volatility of the share prices of the Company. The Black-Scholes model assumes that an option is only capable of exercise at expiry.

During the year, no options were lapsed or were cancelled.

**16 Cash and cash equivalents - Group**

	30 June 2009	Cash flow	30 June 2008
	£	£	£
Cash in hand and at bank	49,439	(38,160)	87,599

**Cash and cash equivalents - Company**

	30 June 2009	Cash flow	30 June 2008
	£	£	£
Cash in hand and at bank	46,983	(36,277)	83,260

## Notes to financial statements for the year ended 30 June 2009, continued

### 17 Financial instruments – Group

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations.

The Group's exposure to currency and liquidity risk is not considered significant. The Group's cash balances are held in pound Sterling and in Australian dollars, the latter being the currency in which the significant operating expenses are incurred.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation, but controls over expenditure are carefully managed.

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency of the financial assets is as follows:

Cash and short term deposits	30 June 2009	30 June 2008
	£	£
Sterling	46,983	83,260
Australian Dollars	2,456	4,339
At 30 June 2008	49,439	87,599

The financial assets comprise interest earning bank deposits.

### 18 Commitments

As at 30 June 2009, the Company had entered into the following commitments:

- Exploration commitments: Ongoing exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.
- On 27 June 2006, the Company entered into sub-licence agreements with Regency Mines plc under which, together with Greatland Gold plc, it agreed to share the rental, service costs and other outgoings of the office at 115 Eastbourne Mews London W2 6LQ. Since 1 January 2008, the Company's agreed share of the total costs is 40%. The costs likely to be incurred during the notice period of two months are estimated at £14,000.

### 19 Related party transactions

- Condorex Limited, a company of which Andrew Bell is a director, has executed a consulting agreement under which it provides the services of Andrew Bell.
- On 1 July 2006, the Company agreed with Regency Mines plc, a company of which the directors Andrew Bell and John Watkins are also directors, to enter into a sub licence agreement and share the rental, service costs and other outgoings of an office including administrative staff at 115 Eastbourne Mews London W2 6LQ with Regency Mines plc and Greatland Gold plc, companies of which Andrew Bell and John Watkins are also directors. This agreement has been effective throughout the year; a 15% service charge is payable in addition to a share of the costs. The total cost to the Company during the year was £81,951 (2008: £45,393).
- In addition, professional staff employed by Regency Mines plc are sub-contracted to the Company to work on specific assignments as necessary. During the year, the total inclusive of a 15% service charge but before the addition of VAT were £181,888, (2008 £157,197).

Notes to financial statements  
for the year ended 30 June 2009, continued

19 Related party transactions, continued

cont

- The costs incurred on behalf of the Company by Regency Mines plc are invoiced at each month end and settled as soon as may be possible. By agreement, the Company pays interest at the rate of 0.5% per month on all balances outstanding at each month end until they are settled. The total charge for the year was £7,292 (2008 at 1% per month: £5,933).
- During the year, the Company paid liabilities amounting to £95 (2008: £8,432) on behalf of Range Mines Limited, a company of which Andrew Bell is a director and in which the Company holds 41.5% of the equity.
- Previously, the Company had a 5% equity interest in Red Rock Zambia Limited ("RRZ") which itself has a 100% interest in a tailings project in Zambia. In previous years, the Company provided exploration and administration services to Goliath Resources Inc and indirectly to RRZ. During the year, the resultant debt has been satisfied by the issue to the Company by Goliath Resources Inc of 1,170,000 shares in Red Rock Zambia Limited thus increasing the Company's interest to 28.4%. RRZ is now an associate.

20 Post balance sheet events

**Appointment of new director**

On 26 October 2009, Mr Manoli George Richard Yannaghas was appointed an executive director of the Company.

**Issues of new shares for cash**

- On 16 September 2009, the Company issued 3,505,661 new Ordinary shares at 1.3793 pence per share for a total consideration of £48,354
- On 5 October 2009, the Company issued 7,787,867 new Ordinary shares at 1.5409 pence per share for a total consideration of £120,000.
- On 5 October 2009, the Company issued 1,244,787 new Ordinary shares at 1.6067 pence per share for a total consideration of £20,000.
- On 16 November 2009, the Company issued 30,592,592 new Ordinary shares at 1.35 pence per share for a total consideration of £413,000.
- On 19 November 2009, the Company issued 7,376,177 new Ordinary shares at 1.36 pence per share for a total consideration of £100,000.

As a consequence of these share issues, at 6 November 2009, the Company had 515,350,471 shares in issue.

**SEDA backed loan**

On 30 April 2009, the Company entered into a standby equity distribution agreement with YA Global Master SPV Limited advised by Yorkville Advisors LLC under which has the right to draw down £3m at market related prices and in share turnover related amounts over 32 months against issues of the Company's new shares.

On 26 October 2009, the Company exercised an option to take a loan of £400,000 from Yorkville Advisors LLC for a period of 78 days at an interest rate of 12% per annum secured on the Company's investment in Jupiter Mines Limited.

Notes to financial statements  
for the year 30 June 2009, continued

20 Post balance sheet events, continued

cont

**Cancellation of contract with Resource Gold Proprietary Limited**

On 17 April 2009, the Company entered into a contract with Resource Gold Proprietary Limited for the acquisition of a mobile gold treatment plant with an option to purchase a second. By mutual agreement, the contract was cancelled on 16 July 2009 with the initial payment due to be returned in two equal instalments on 16 October and 16 November 2009. At 23 November 2009, the Company is in discussion with the directors of Resource Gold Pty Limited concerning the recovery of these amounts. The company has an 11% interest in the issued share capital of Resource Gold Proprietary Limited.

**Disposal of interest in Africa China Mining Corporation**

On 5 August 2009, the Company agreed to dispose of its 20% interest in Africa China Mining Corporation for a consideration of US\$ 1,000,000.

**Disposal of Oakover tenements to Jupiter Mines Limited**

On 24 August 2009, in compliance with the provisions of AIM rule 15, a General Meeting of Members approved the sale of the Oakover tenements to Jupiter Mines Limited for a total consideration of 54,155,579 new ordinary shares. As a consequence of this approval, the Company holds 93,104,165 shares in Jupiter Mines Limited, amounting to 28.87% at the time, subsequently reduced by a further issue of shares to 25.21%. This approval marks the conclusion of the Company's disposal of steel feed related assets in accordance with its joint venture agreement of 6 November 2008 with Pallinghurst Resources Australia Limited, more fully described in Note 21 below, Significant agreements.

**Acquisition of mineral exploration interests in Kenya – Ngira-Migori**

On 27 August 2009, the Company paid an option fee of USD 20,000 to enter into an option to acquire a 70% interest in Special Licenses 236 and 236 Phase 3 at Ngira-Migori in southern Kenya from Gold Rim Explorations Inc., a 100% subsidiary of Africa West Minerals Corporation. The option is exercisable for a period of three years subject to the Company incurring exploration costs of USD 60,000 in year one and USD 120,000 in year two inclusive of 1200m of drilling, and 2400m of drilling in year three.

**Acquisition of mineral exploration interests in Kenya – Mid-Migori Mining Company Limited**

On 14 August 2009, the Company entered into a conditional agreement with Kansai Mining Corporation Limited for the acquisition of up to 60% of the issued share capital of its wholly owned subsidiary company Mid-Migori Mining Company Limited with gold exploration interests in Kenya for which it paid a non-refundable cash deposit of US\$ 25,000.

On 16 September 2009, the Company concluded a sale and purchase agreement with Kansai Mining Corporation Limited under which it acquired an initial 15% equity interest in Mid Migori Mining Company Limited for the sum of US\$725,000 payable in cash as to US\$ 350,000 and by the issue of new shares in the Company as to US\$ 375,000. The consideration is payable in three tranches as follows:

	Cash	Shares	
Tranche 1	US\$ 75,000	US\$ 80,000	payable by 30 September 2009 (satisfied by the payment of US\$ 75,000 and the issue of 3,505,661 new Ordinary shares in the Company)
Tranche 2	US\$ 125,000	US\$ 135,000	payable by 30 December 2009
Tranche 3	US\$ 150,000	US\$ 160,000	payable by 30 March 2010

Notes to financial statements  
for the year 30 June 2009, continued

**20 Post balance sheet events, continued**

cont

**Acquisition of mineral exploration interests in Kenya – Mid-Migori Mining Company Limited, continued**

From completion, the Company manages the mining tenements and will acquire a further 45% upon completion of a bankable feasibility study within six years.

The agreement was completed on 16 September 2009 when the Tranche 1 consideration was paid.

**Acquisition of uranium tenements from Jupiter Mines Limited and other parties**

On 9 October 2009, the Company purchased rights to eight exploration tenements located in the Northern Territory of Australia from Jupiter Mines Limited and other parties for a total consideration of USD 6,000.

**Resource Star Limited**

On 14 October 2009, the Company's 27% owned associate Resource Star Limited announced the strengthening of its portfolio and a plan to re-list on the Sydney Stock Exchange.

**Disposal of Tasmanian interests to Walkabout Minerals**

On 19 October 2009, the Company signed heads of agreement with Walkabout Minerals Pty Limited for the granting of a 65% interest in the Company's Savage River tenement in Tasmania, E11/2005. The consideration of the sale is the issue to the Company of 1,500,000 shares priced at AUD 0.20 in Walkabout Minerals Limited at its proposed initial public offering.

**Acquisition of mineral exploration interests in Paraguay – Cue Resources Limited**

On 30 October 2009, the Company purchased 9,898,000 units in Cue Resources Limited, a company with extensive mineral exploration interests in Paraguay, at a cost of CA\$ 989,000, approximately £565,000; each unit consists of one common share and on warrant entitling the holder to subscribe for one additional share at CA\$ 0.15 for two years from 1 November 2009. The warrants contain a provision which provides for mandatory exercise or lapse of the warrants in the event that the share price trades above CA\$ 0/30 for a period of 20 trading days. The Company's immediate interest amounts to 15.78% of the shares in issue.

**General Meeting of Members**

On 26 October 2009, the Company held a general meeting of Members to approve a resolution to give the Board authority under Section 551 of the Companies Act 2006 to allot shares and for the dis-application of the pre-emptive rights under Section 570 of the Act. The resolution was approved.



**21 Significant agreements**

On 6 November 2008, the Company entered into an agreement with Pallinghurst Resources Australia Limited and Jupiter Mines Limited under which it agreed to enter a joint venture with a view to disposing of certain tenement rights and equity investments.

- Phase I of the agreement was completed on 30 March 2009 when the Company sold the following assets to Jupiter Mines Limited: the Mount Alfred iron ore project in Western Australia; 1,512,404 shares in Mindax Limited. The consideration was the issue to the Company of 23,839,183 shares in Jupiter Mines Limited having an approximate value on 6 November 2008 of A\$ 3.2m. This acquisition took the Company's holding in Jupiter Mines Limited to 38,743,586 shares approximately 15.2% of the shares then in issue. In the event that by 6 November 2010 the JORC compliant indicated or measured resource at Mount Alfred exceeds 10m tonnes of ore, additional shares are to be issued to the Company and to Pallinghurst Resources Australia Limited.
- Phase II of the agreement was completed following the General Meeting of Members held on 24 August 2009 as described in Note 20 Post balance sheet events above. The sale of the Oakover tenements to Jupiter Mines Limited was completed for a total consideration of 54,155,579 new ordinary shares.

**22 Control**

There is considered to be no controlling related party. Whereas Regency Mines plc originally held a controlling interest, this was reduced to below 50% during the year to 30 June 2007, since when it has been progressively reduced to 29.22% as at 30 June 2009.

**23 Profit and loss account of the parent Company**

As permitted by the Companies Act 2006, the profit and loss account of the parent Company has not been separately presented in these accounts. The parent Company result for the year was a loss of £912,563 (2008: loss as restated £314,748).