TOWER RESOURCES PLC

COMPANY REGISTRATION NUMBER 05305345

INTERIM REPORT AND FINANCIAL STATEMENTS

30 JUNE 2024

TOWER RESOURCES PLC
PERIOD ENDED 30 JUNE 2024
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TOWER RESOURCES PLC
PERIOD ENDED 30 JUNE 2024
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
		$	$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(447,757)	(330,787)
Group operating loss	4	**(447,757)**	(330,787)
Finance income		41,812	3,432
Finance expense	5	(1,344)	(203,425)
Loss for the period before taxation		**(407,289)**	(530,780)
Taxation		-	-
Loss for the period after taxation		**(407,289)**	(530,780)
Other comprehensive income		-	-
Total comprehensive expense for the period		**(407,289)**	(530,780)
Basic loss per share (USc)	3	**(0.00c)**	(0.01c)
Diluted loss per share (USc)	3	**(0.00c)**	(0.01c)

TOWER RESOURCES PLC
PERIOD ENDED 30 JUNE 2024
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2024 (unaudited)	31 December 2023 (audited)
			$
Non-current assets			
Exploration and evaluation assets	6	**35,792,753**	34,770,924
		35,792,753	34,770,924
Current assets			
Trade and other receivables	7	**55,647**	1,420,325
Cash and cash equivalents		**337,489**	20,633
		393,136	1,440,958
Total assets		**36,185,889**	**36,211,882**
Current liabilities			
Trade and other payables	8	**1,869,079**	2,832,127
Provision for liabilities and charges			
Borrowings	9	**12,761**	12,867
		1,881,840	2,844,994
Non-current liabilities			
Borrowings	9	**11,630**	18,098
		11,630	18,098
Total liabilities		**1,893,470**	**2,863,092**
Net assets		**34,292,419**	**33,348,790**
Equity			
Share capital	10	**18,462,361**	18,394,680
Share premium	10	**157,174,296**	156,166,470
Retained losses		**(141,344,238)**	(141,212,360)
Total shareholders' equity		**34,292,419**	**33,348,790**

Signed on behalf of the Board of Directors

Jeremy Asher
Chairman and Chief Executive
29 September 2024

TOWER RESOURCES PLC
PERIOD ENDED 30 JUNE 2024
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	[1] Share-based payments reserve	Retained losses	Total
	$	$	$	$	$
At 1 January 2023	**18,283,317**	**152,336,303**	**2,508,230**	**(143,764,531)**	**29,363,319**
Shares issued for cash	59,491	**3,137,600**	-	-	3,197,091
Shares issued on settlement of third-party fees	1,279	196,917	-	-	198,196
Share issue costs	-	(612,838)	-	-	(612,838)
Total comprehensive income for the period	-	-	310,850	(530,780)	(219,930)
At 30 June 2023	**18,344,087**	**155,057,982**	**2,819,080**	**(144,295,311)**	**31,925,838**
Shares issued for cash	37,969	721,430	-	-	759,399
Shares issued on settlement of third-party fees	12,624	101,676	-	-	114,300
Share issue costs	-	285,382	-	-	285,382
Total comprehensive expense for the period	-	-	187,287	76,584	263,871
At 31 December 2023	**18,394,680**	**156,166,470**	**3,006,367**	**(144,218,727)**	**33,348,790**
Shares issued for cash	**57,085**	**871,198**	**-**	**-**	**928,284**
Shares issued on settlement of third-party fees	**10,596**	**220,311**	**-**	**-**	**230,907**
Shares issue costs	**-**	**(83,683)**	**-**	**-**	**(83,683)**
Total comprehensive income for the period	**-**	**-**	**275,409**	**(407,289)**	**(131,880)**
At 30 June 2024	**18,462,361**	**157,174,296**	**3,281,776**	**(144,626,016)**	**34,292,419**

[1] The share-based payment reserve has been included within the retained loss reserve and is a non-distributable reserve.

TOWER RESOURCES PLC
PERIOD ENDED 30 JUNE 2024
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June 2024 (unaudited) $	Six months ended 30 June 2023 (unaudited) $
Cash outflow from operating activities			
Group operating loss for the period		(447,755)	(520,416)
Share-based payments	11	275,409	238,374
Finance costs		40,468	(1,201)
Operating cash flow before changes in working capital		**(131,878)**	(283,243)
Increase in receivables and prepayments		1,364,678	(2,727)
Decrease in trade and other payables		(963,048)	(706,585)
Decrease in provisions		-	-
Cash used in operating activities		**269,752**	(992,555)
Investing activities			
Exploration and evaluation costs	6	(1,021,829)	(786,143)
Net cash used in investing activities		**(1,021,829)**	(786,143)
Financing activities			
Cash proceeds from issue of ordinary share capital net of issue costs	10	1,075,507	1,876,430
Repayment of borrowing facilities		(6,317)	(6,431)
Repayment of interest on borrowing facilities		(87)	(676)
Effects of foreign currency movements on borrowing facilities		(171)	(5,769)
Net cash from financing activities		**1,068,933**	1,863,553
Increase in cash and cash equivalents		316,856	84,855
Cash and cash equivalents at beginning of period		20,633	10,227
Cash and cash equivalents at end of period		**337,489**	95,082

1. Accounting policies

a) Basis of preparation

This interim financial report, which includes a condensed set of financial statements of the Company and its subsidiary undertakings ("the Group"), has been prepared using the historical cost convention and based on International Financial Reporting Standards ("IFRS") including IAS 34 'Interim Financial Reporting' and IFRS 6 'Exploration for and Evaluation of Mineral Reserves', as adopted by the United Kingdom ("UK").

The condensed set of financial statements for the six months ended 30 June 2024 is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. They have been prepared using accounting bases and policies consistent with those used in the preparation of the audited financial statements of the Company and the Group for the year ended 31 December 2023 and those to be used for the year ending 31 December 2024. The comparative figures for the half year ended 30 June 2023 are unaudited. The comparative figures for the year ended 31 December 2023 are not the Company's full statutory accounts but have been extracted from the financial statements for the year ended 31 December 2023 which have been delivered to the Registrar of Companies and the auditors' report thereon was unqualified and did not contain a statement under sections 498(2) and 498(3) of the Companies Act 2006.

This half-yearly financial report was approved by the Board of Directors on 29 September 2024.

b) Going concern

The Group will need to complete a farm-out and/or another asset-level transaction within the coming months, or otherwise raise further funds, in order to meet its liabilities as they fall due, particularly with respect to the forthcoming drilling programme in Cameroon. The Directors believe that there are a number of options available to them through either, or a combination of, capital markets, farm-outs or asset disposals with respect to raising these funds. There can, however, be no guarantee that the required funds may be raised, or transactions completed within the necessary timeframes, which raises uncertainty as to the application of going concern in these accounts. Having assessed the risks attached to these uncertainties on a probabilistic basis, the Directors are confident that they can raise sufficient finance in a timely manner and therefore believe that the application of going concern is both appropriate and correct.

2. Operating segments

The Group has two reportable operating segments: Africa and Head Office. Non-current assets and operating liabilities are located in Africa, whilst the majority of current assets are carried at Head Office. The Group has not yet commenced production and therefore has no revenue. Each reportable segment adopts the same accounting policies. In compliance with IAS 34 'Interim Financial Reporting' the following table reconciles the operational loss and the assets and liabilities of each reportable segment with the consolidated figures presented in these Financial Statements, together with comparative figures for the period-ended 30 June 2023.

	Africa		Head Office		Total	
	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023
	$	$	$	$	$	$
Profit / (loss) by reportable segment	542,095	11,767	(134,806)	519,013	407,289	530,780
Total assets by reportable segment [1]	35,253,064	33,068,508	932,825	880,969	36,185,889	33,949,477
Total liabilities by reportable segment [2]	(1,753,871)	(244,749)	(139,599)	(1,778,890)	(1,893,470)	(2,023,639)

[1] Carrying amounts of segment assets exclude investments in subsidiaries.

[2] Carrying amounts of segment liabilities exclude intra-group financing.

3. Loss per ordinary share

	Basic & Diluted		
	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023 (audited)
	$	$	$
Loss for the period	(407,289)	(530,780)	(454,196)
Weighted average number of ordinary shares in issue during the period	15,856,465,652	4,542,559,293	6,405,097,403
Dilutive effect of share options outstanding	-	-	-
Fully diluted average number of ordinary shares during the period	15,856,465,652	4,542,559,293	6,405,097,403
(Loss) / profit per share (USc)	0.00c	(0.01c)	(0.01c)

4. Group operating loss

Loss from operations is stated after charging:

	30 June 2024 (unaudited)	30 June 2023 (unaudited)
	$	$
Share-based payment charges	(212,306)	(294,125)

5. Finance costs

	30 June 2024 (unaudited)	30 June 2023 (unaudited)
	$	$
Finance costs	(1,344)	(203,425)

Finance costs include $nil (2023: $201k) with respect to fees incurred on the Energy Exploration Capital Partners LLC prepaid placement facility (see note 8).

6. Intangible Exploration and Evaluation (E&E) assets

	Exploration and evaluation assets	Goodwill	Total
Period-ended 30 June 2024	**$**	**$**	**$**
Cost			
At 1 January 2023	106,779,386	8,023,292	114,802,678
Additions during the period	**1,021,829**	**-**	**1,021,829**
At 30 June 2024	**107,801,215**	**8,023,292**	**115,824,507**
Amortisation and impairment			
At 1 January 2023	(72,008,462)	(8,023,292)	(80,031,754)
At 1 January and 30 June 2024	**(72,008,462)**	**(8,023,292)**	**(80,031,754)**
Net book value			
At 30 June 2024	**35,792,753**	**-**	**35,792,753**
At 31 December 2023	34,770,924	-	34,770,924

In accordance with the Group's accounting policies and IFRS 6 the Directors' have reviewed each of the exploration license areas for indications of impairment, and have concluded that no further impairment provisions are required at this time.

The additions to E&E assets during the period comprise $743k in Cameroon (2023: $955), $63k in South Africa (2023: $69k) and $215k in Namibia (2023: $80k). The focus of the Group's activities during this period has been on preparing for and acquiring and maintaining inventory and services with respect to the anticipated drilling of the Njonji-3 appraisal well, alongside ongoing subsurface evaluation in Namibia. The Directors anticipate a significant step-up in E&E asset additions during the second half of 2024.

7. Trade and other receivables

	30 June 2024 (unaudited)	31 December 2023 (audited)
	$	2
Trade and other receivables	**55,647**	1,420,325

Trade and other receivables comprise prepaid expenditures.

8. Trade and other payables

	30 June 2024 (unaudited)	31 December 2023 (audited)
	$	$
Trade and other payables	227,524	1,049,366
Work programme-related accruals	1,553,132	1,499,529
Other accruals	88,423	283,232
	1,869,079	2,832,127

The future ability of the Group to recover UK VAT had been confirmed by the Upper Tier Tribunal in its judgement in favour of the Company on 20 May 2021 and is no longer the subject of a dispute with HMRC.

Trade and other payables include $nil million (2023: $1.0) payable to Energy Exploration Capital Partners LLC (“EECP”) with respect to amounts received against future share placements.

On 15 February 2024, the Company reached an agreement for the repayment of the outstanding balance owed to Energy EECP, in accordance with the terms of the investment deed announced to the market on 16 January 2023. At the date of repayment, $485k was owed to EECP (including charges of $35k), all of which was settled in cash.

9. Borrowings

	Group	
	30 June 2024 (unaudited)	31 December 2023 (audited)
	$	$
Principal balance at beginning of period	**30,728**	**41,088**
Amounts drawn down during the period	-	-
Amounts repaid during the period	(6,317)	(12,465)
Currency revaluations at year end	(169)	2,105
Principal balance at end of period	**24,242**	**30,728**
Financing costs at beginning of year	**237**	**442**
Changes to financing costs during the year	-	-
Interest expense	262	696
Interest paid	(349)	(921)
Currency revaluations at year end	(1)	20
Financing costs at the end of the year	**150**	**237**
Carrying amount at end of period	**24,390**	**30,965**
Current	12,761	12,867
Non-current	11,630	18,098

Repayment dates	Group	
	30 June 2024 (unaudited)	31 December 2023 (audited)
	$	$
Due within 1 year	12,761	12,867
Due within years 2-5	11,630	18,098
Due in more than 5 years	-	-
	24,390	**30,965**

Borrowings represent a £50k Barclays Bounceback Loan drawn in May 2020 and repayable in installments over a 5-year period. During the period, the Group and Company entered into no new facilities (2023: $nil).

Share capital

	30 June 2024 (unaudited)	31 December 2023 (audited)
	$	$
Authorised, called up, allotted and fully paid		
17,833,837,424 (2023: 8,443,981,022) ordinary shares of 0.001p	**18,462,361**	18,394,680

The share capital issues during the period are summarised below:

	Number of shares	Share capital at nominal value	Share premium
Ordinary shares		$	$
At 1 January 2024	12,467,459,075	18,394,680	156,166,470
Shares issued for cash	4,528,985,507	57,085	871,198
Shares issued on settlement of third party fees	837,392,842	10,596	220,311
Shares issued on settlement of staff remuneration	-	-	-
Share issue costs	-	-	(83,683)
At 30 June 2024	17,833,837,424	18,462,361	157,174,296

10. Share-based payments

Options

Details of share options outstanding at 30 June 2024 are as follows:

	Number in issue
At 1 January 2024	688,000,000
Awarded during the period	1,182,000,000
Lapsed during the period	(70,000,000)
At 30 June 2024	**1,800,000,000**

Date of grant	Number in issue	Option price (p)	Latest exercise date
18 Dec 20	86,000,000	0.450	18 Dec 25
01 Apr 21	88,000,000	0.450	01 Apr 26
16 Aug 22	148,000,000	0.300	16 Aug 27
16 May 23	296,000,000	0.100	15 May 28
15 Feb 24	1,182,000,000	0.018	14 Feb 29
	1,800,000,000		

These options vest in the beneficiaries in equal tranches on the first, second and third anniversaries of grant.

Warrants

Details of warrants outstanding at 30 June 2024 are as follows:

	Number in issue
At 1 January 2022	983,333,174
Awarded during the period	935,739,345
Lapsed during the period	(177,589,566)
At 30 June 2022	**1,741,482,953**

Date of grant	Number in issue	Warrant price (p)	Latest exercise date
30 Jul 19	**3,000,000**	1.000	28 Jul 24
15 Oct 19	**10,990,933**	0.500	13 Oct 24
31 Mar 20	**49,816,850**	0.200	30 Mar 25
29 Jun 20	**19,719,338**	0.350	28 Jun 25
01 Oct 20	**10,960,907**	0.390	30 Sep 25
01 Dec 20	**4,930,083**	0.375	30 Nov 25
31 Dec 20	**12,116,316**	0.450	30 Dec 25
01 Apr 21	**16,998,267**	0.450	31 Mar 26
01 Jul 21	**24,736,149**	0.250	30 Jun 26
01 Oct 21	**16,233,765**	0.425	30 Sep 26
01 Jan 22	**17,329,020**	0.425	01 Jan 27
01 Apr 22	**19,851,774**	0.263	01 Apr 27
01 Jul 22	**16,831,240**	0.295	01 Jul 27
03 Oct 22	**26,114,205**	0.250	03 Oct 27
01 Aug 22	**10,588,228**	0.425	31 Jul 24
15 Feb 23	**29,114,906**	0.175	15 Feb 28
02 May 23	**43,053,960**	0.143	01 May 28
16 May 23	**112,500,000**	0.100	16 May 26
03 Jul 23	**128,571,426**	0.050	02 Jul 28
18 Dec 23	**65,000,000**	0.040	18 Dec 26
02 Oct 23	**167,286,241**	0.050	01 Oct 28
04 Jan 24	**438,596,490**	0.030	03 Jan 27
15 Feb 24	**140,000,000**	0.018	15 Feb 27
01 Jul 24	**357,142,855**	0.018	01 Jul 27
	1,741,482,953		

11. Subsequent events

July 2024:

Issue of 357.1 million warrants in lieu of £30,000 (in aggregate) of Directors fees in respect of the period July-September 2024, to conserve the Company's working capital. The warrants are exercisable at a strike price of 0.018 pence per share. The warrants are exercisable for a period of five years from the date of issue.

August 2024:

Namibia technical update in respect of the Company's PEL 96 license, offshore Nambia:

- Tower has been notified by the Namibian Ministry of Mines and Energy ("MME") of its agreement to the extension of the Initial Exploration Period of PEL 96 to October 31, 2024 and has invited the Company to apply to enter the First Renewal Period of PEL 96, for a period of 2-3 further years.

- The remaining work commitment for the Initial Exploration Period is already substantially complete, and the MME has also agreed to defer the Company's commitment to acquire 1,000 square kilometres of new 3D seismic data to the First Renewal Period.

- The Company is continuing to work on the evaluation of large stratigraphic and structural leads and prospects and plans to reprocess the previously acquired 2D seismic data over large areas of the license both in the remainder of the Initial Exploration Period and in the First Renewal Period.

13 August 2024:

Issue of 71.4 million warrants in lieu of Directors fees to Ms Stacey Kivel in respect of the period July-September 2024, to conserve the Company's working capital. The warrants are exercisable at a strike price of 0.018 pence per share. The warrants are exercisable for a period of five years from the date of issue.