

## **RED LEOPARD HOLDINGS PLC**

Interim Accounts for Red Leopard Holdings Plc (“Red Leopard” or the “Group”) for the six months ended 30 June 2014

Red Leopard presents the unaudited interim accounts for the six months ended 30<sup>th</sup> June 2014.

During the period, the Company worked with the U.S. Bureau of Land Management (“BLM”) in respect of its plan of operations to reopen the Idora Tunnel (the “Tunnel”) for the purposes of exploration on its mining claims in the vicinity of Shoshone County, Idaho. These plans were approved on 6 August. The Company immediately engaged Coeur d’Alene Mining Contracting LLC (“Coeur d’Alene”) who have now completed work on site. Coeur d’Alene successfully removed the rock falls and debris at the entrance to the Idora Mine portal and installed a metal culvert to permit safe exploration access to the Tunnel. From initial observations upon entering the Tunnel there do not appear to be any significant additional cave-ins beyond the portal. Oxygen levels inside the Tunnel measured 20.6 per cent., which was well ventilated with natural air flow. Going forward, the Company plans to get its geologist onsite in the Tunnel to explore the length of the drift as far as possible, undertaking any additional work needed to prepare the Tunnel for exploration activities and start a sampling program. The Company aims to have this work completed in the coming months, before the bad weather sets in. The Directors believe the Company is on track to develop a small scale mining operation over the next two years, with the aim of providing sufficient cash flow to establish a systematic programme and development of a valuable grade ore body.

The Company has also been proactive in considering other complimentary resource assets in particular in Chile and in January 2014 the Company established a wholly owned subsidiary, Minera Red Leopard Chile SpA (“MRLC”), with a view to facilitating potential transactions in the area. Through MRLC, in April 2014 the Company assisted in the facilitation of the sale by Sociedad De Asesoría Jurídica y Económica Minem S.A. (“Minem”), a private company, of two properties, TresAmantes and San Antonio, located in the Atacama Region of Chile, to TSXV listed Cougar Minerals Corp (“Cougar”). In consideration, Minem paid the Company US\$25,000 in cash and 300,000 ordinary shares (“Consideration Shares”) in Cougar representing a proportion of the consideration Minem received for the properties.

A copy of the interim results will be available on the Company’s website [www.redleopardholdings.com](http://www.redleopardholdings.com)

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## Consolidated statement of comprehensive income

	<b>(Unaudited)</b> <b>6 months to</b> <b>30 June</b> <b>2014</b> <b>£</b>	(Unaudited) 6 months to 30 June 2013 £	Audited Year to 31 December 2013 £
<b>Revenue</b>	<b>14,594</b>	-	-
<b>Gross profit</b>	<b>14,594</b>	-	-
Administrative expenses	<b>(95,185)</b>	(80,977)	(358,681)
<b>Operating loss</b>	<b>(80,591)</b>	(80,977)	(358,681)
Finance income	<b>11</b>	-	-
Finance cost	<b>(82)</b>	-	-
<b>Loss from continuing activities before taxation</b>	<b>(80,662)</b>	(80,977)	(358,681)
Tax expense	-	-	-
<b>Loss for the period attributable to the equity holders of the parent</b>	<b>(80,662)</b>	(80,977)	(358,681)
Loss per share - basic	<b>3 (0.03)</b>	(0.09)	(0.28)
Loss per share - diluted	<b>(0.03)</b>	(0.09)	(0.28)

## Consolidated statement of financial position

	Notes	(Unaudited) 30 June 2014 £	(Unaudited) 30 June 2013 £	Audited 31 December 2013 £
<b>Non-current assets</b>				
Intangible assets	4	433,333	-	433,333
		<b>433,333</b>	-	<b>433,333</b>
<b>Current assets</b>				
Trade and other receivables	5	49,462	31,383	28,758
Cash and cash equivalents		103,545	3,290	120,999
<b>Total current assets</b>		<b>153,007</b>	<b>34,673</b>	<b>149,757</b>
<b>Total assets</b>		<b>586,340</b>	<b>34,673</b>	<b>583,090</b>
<b>Equity</b>				
Share capital	8	1,535,667	1,368,334	1,500,800
Share premium account		4,017,194	3,097,263	3,862,860
Share based payment reserve		60,002	60,002	60,002
Retained earnings		(5,192,799)	(4,836,151)	(5,103,551)
<b>Total equity</b>		<b>420,064</b>	<b>(310,552)</b>	<b>320,111</b>
<b>Current liabilities</b>				
Trade and other payables	6,7	166,276	345,225	262,979
<b>Total current liabilities</b>		<b>166,276</b>	<b>345,225</b>	<b>262,979</b>
<b>Total liabilities</b>		<b>166,276</b>	<b>345,225</b>	<b>262,979</b>
<b>Total equity and liabilities</b>		<b>586,340</b>	<b>34,673</b>	<b>583,090</b>

## Consolidated statement of changes in equity

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
Unaudited	£	£	£	£	£
At 1 January 2014	1,500,800	3,862,860	60,002	(5,103,551)	320,111
Loss for the period	-	-	-	(80,662)	(80,662)
<b>Total comprehensive income</b>	-	-	-	(80,662)	(80,662)
<b>Transactions with owners:</b>					
Equity component of compound instrument	-	-	-	(8,586)	(8,586)
Issue of share capital	34,867	154,334	-	-	189,201
<b>Total transactions with owners</b>	34,867	154,334	-	(8,586)	180,615
<b>Balance at 30 June 2014</b>	<b>1,535,667</b>	<b>4,017,194</b>	<b>60,002</b>	<b>(5,192,799)</b>	<b>420,064</b>

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
Unaudited	£	£	£	£	£
At 1 January 2013	1,368,334	3,097,263	60,002	(4,755,174)	(229,575)
Loss for the period	-	-	-	(80,977)	(80,977)
<b>Total comprehensive income</b>	-	-	-	(80,977)	(80,977)
<b>Transactions with owners:</b>					
Issue of share capital	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>1,368,334</b>	<b>3,097,263</b>	<b>60,002</b>	<b>(4,836,151)</b>	<b>(310,552)</b>

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
Audited	£	£	£	£	£
At 1 January 2013	1,368,334	3,097,263	60,002	(4,755,174)	(229,575)
Loss for the period	-	-	-	(358,681)	(358,681)
<b>Total comprehensive income</b>	1,368,334	3,097,263	60,002	(5,113,855)	(588,256)
<b>Transactions with owners:</b>					
Equity component of compound instrument	-	-	-	10,304	10,304
Issue of share capital	132,466	765,597	-	-	898,063
<b>Total transactions with owners</b>	132,466	765,597	-	10,304	908,367
<b>Balance at 31 December 2013</b>	<b>1,500,800</b>	<b>3,862,860</b>	<b>60,002</b>	<b>(5,103,551)</b>	<b>320,111</b>

## Consolidated statement of cash flows

	<b>(Unaudited)</b> <b>6 months</b> <b>to 30 June</b> <b>2014</b> <b>£</b>	(Unaudited) 6 months to 30 June 2013 £	Audited Year to 31 December 2013 £
<b>Cash flows used in operating activities</b>			
<b>Operating loss</b>	<b>(80,591)</b>	(80,977)	(357,681)
Adjustments for:			
Liabilities extinguished via issue of loan notes and equity shares	<b>43,750</b>	-	153,637
(Increase)/Decrease in trade and other receivables	<b>(20,704)</b>	(10,027)	(7,402)
Increase/(Decrease) in trade payables	<b>(5,288)</b>	88,738	6,493
<b>Net cash flows from operating activities</b>	<b>(62,833)</b>	(2,265)	(205,953)
<b>Investing activities</b>			
Interest received	<b>11</b>	-	-
Interest paid	<b>(82)</b>	-	-
<b>Cash flows used in investing activities</b>	<b>(71)</b>	-	-
<b>Financing activities</b>			
Issue of share capital	<b>45,450</b>	-	321,397
<b>Cash flows used in financing activities</b>	<b>45,450</b>	-	321,397
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(17,454)</b>	(2,265)	115,444
<b>Cash and cash equivalents brought forward</b>	<b>120,999</b>	5,555	5,555
<b>Cash and cash equivalents carried forward</b>	<b>103,545</b>	3,290	120,999

# Notes to the consolidated financial statements

## 1 Nature of operations and general information

### PRINCIPAL ACTIVITY

Red Leopard Holdings plc is focussed on the natural resources sector (both exploration and production), with a particular emphasis on precious mining assets and interests.

### BUSINESS REVIEW

#### **Financial overview and performance**

Loss for the group before tax for the period was £80,662 (2013: £80,977).

#### **Strategy**

The Company's strategy is to adhere to its investing policy focussed on natural resources.

#### **Investing Policy**

The investing policy is to pursue investments in the natural resources sector, and in particular, precious metals.

The Directors are initially focussed on North and South America, where the Directors believe that a number of opportunities exist to acquire interests in suitable projects. Investments may be made in exploration, development and/or producing assets.

The Directors may consider it appropriate to purchase companies or interests in assets which may result in an equity interest in any proposed investment ranging from a minority position to 100 per cent ownership. Proposed investments may be made in either quoted or unquoted companies and structured as a direct acquisition, joint venture or a direct interest in a project.

Where necessary, the Company may seek participation in the management or with the board of directors of an entity in which the Company invests; or in the event that it is acquired then in the on-going enlarged entity.

New investments will be held for the medium to longer term; although shorter term disposal of any investments cannot be ruled out should such an opportunity present itself.

There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or just one, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate.

The Directors undertake initial project assessments themselves with additional independent technical advice as required. The Company does not have a separate investment manager.

The Directors may offer new Ordinary Shares by way of consideration as well as cash subject to its availability to the Company. The Company may in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares.

## **Corporate Information**

Red Leopard Holdings plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Red Leopard Holdings plc's registered office is 50 Jermyn Street, London, SW1Y 6LX. Red Leopard Holdings plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

### **2 Basis of preparation**

The financial information presented in this half-yearly report constitutes the condensed consolidated financial statements (the interim financial statements) of Red Leopard Holdings plc for the six months ended 30 June 2014.

The interim financial statements should be read in conjunction with the Financial Statements for the year ended 31 December 2013 which have been prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. The financial information in this half yearly report, which has been approved by the Board and authorised for issue is unaudited. The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 (3) of the Companies Act 2006. The comparative financial information presented herein for the year ended 31 December 2013 has been extracted from the Group's Financial Statements for the year ended 31 December 2013 which have been delivered to the Registrar of Companies.

These financial statements have been prepared under the historical cost convention.

These consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2013.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated interim financial statements. The consolidated financial information includes the accounts of the Company and its subsidiaries, after the elimination of inter-company transactions and balances.

### 3 Earnings per share

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted loss per share is based on the basic loss per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the loss and weighted average number of shares used in the calculations are set out below.

	<b>Loss</b>	<b>Weighted average number of shares</b>	<b>Per share amount Pence</b>
	<b>£</b>		
<b>6 months to 30 June 2014</b>			
Loss attributable to ordinary shareholders	80,662		
Weighted average number of shares (used for basic earnings per share)		232,241,380	
Basic loss per share			<u>0.03</u>
<b>6 months to 30 June 2013</b>			
Loss attributable to ordinary shareholders	80,977		
Weighted average number of shares (used for basic earnings per share)		92,487,529	
Basic loss per share			<u>0.09</u>
<b>Year to 31 December 2013</b>			
Loss attributable to ordinary shareholders	358,681		
Weighted average number of shares (used for basic earnings per share)		127,690,964	
Basic loss per share			<u>0.28</u>

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares. Items to be included in the calculation are:

- Options for ordinary shares
- Convertible loan notes for ordinary shares

The effect of conversion of all potential dilutive ordinary shares would have an anti-dilutive effect on loss per share and therefore they have not been incorporated in the diluted loss per share calculation.

#### 4 Intangible assets

	Mining Exploration and development claims	Mining Total
	£	£
Cost:		
At 1 January 2013	-	-
Additions	-	-
At 30 June 2013	-	-
Additions	433,333	433,333
At 31 December 2013	433,333	433,333
Additions	-	-
At 30 June 2014	433,333	433,333
Net book value:		
<b>At 30 June 2014</b>	<b>433,333</b>	<b>433,333</b>
At 31 December 2013	433,333	433,333
At 30 June 2013	-	-

On 24 September 2013, the Company acquired the entire issued share capital of Red Leopard Mining Inc (“RLM”) for £600,000. The consideration was satisfied by the issue of 33,333,333 new ordinary shares at a price of 1.8p per share. The Directors considered that the acquisition of RLM did not constitute the acquisition of a business as defined in IFRS 3, and as the fair value of the intangible assets acquired could not readily be determined by reference to the value of the mining claims in the evaluation phase, the fair value was determined by reference to the fair value of equity instruments issued as consideration. The fair value price of £600,000 was initially calculated with reference to the anticipated market value of the share price at the time of the drafting of the acquisition agreement. This was subsequently adjusted for movements in the share price and the calculation of the fair value of the consideration was adjusted to reflect the actual open market price of the shares on AIM at the date of acquisition of 1.3p. The overall impact resulted in a restatement to the valuation of £166,667. There was no Income Statement impact of this adjustment. In addition the Company paid £17,938 (\$28,700) in respect of the annual rental fees of \$140 per claim to keep the claims in good standing for the following year, which has been recognised within current assets.

There were no assets or liabilities in RLM at the acquisition date other than the mining claims, which have been recognised as separately identifiable intangible assets in respect of exploration and development rights.

The Directors assess the asset at each reporting date for indications of impairment. The mining claims acquired have not yet been developed, therefore there are only inferred resources to form a basis for the impairment review. The directors commissioned a report from an independent expert which formed part of the basis for determining that no impairment is required.

5 Trade and other receivables

	<b>(Unaudited)</b> <b>6 months</b> <b>to 30 June</b> <b>2014</b> <b>£</b>	(Unaudited) 6 months to 30 June 2013 £	Audited Year to 31 December 2013 £
Other receivables	49,462	31,383	28,758
	<b>49,462</b>	<b>31,383</b>	<b>28,758</b>

6 Trade and other payables

	<b>(Unaudited)</b> <b>6 months</b> <b>to 30 June</b> <b>2014</b> <b>£</b>	(Unaudited) 6 months to 30 June 2013 £	Audited Year to 31 December 2013 £
Trade payables	15,450	182,544	14,364
Loans (Note 7)	127,328	109,046	218,742
Accruals and deferred income	23,498	53,635	29,873
	<b>166,276</b>	<b>345,225</b>	<b>262,979</b>

7 Borrowings

	<b>(Unaudited)</b> <b>6 months</b> <b>to 30 June</b> <b>2014</b> <b>£</b>	(Unaudited) 6 months to 30 June 2013 £	Audited Year to 31 December 2013 £
Short term loans	109,046	109,046	109,046
Convertible loan note	18,282	-	109,696
Loans	<b>127,328</b>	<b>109,046</b>	<b>218,742</b>

The Company has short term loans outstanding amounting to £109,046 repayable on demand. The holders have agreed not to call upon any loan notes until sufficient new funds are received that allow the Company to finance itself going forward and waived the right to the receipt of the 6% interest above base rate as provided for under the loan agreement. This support is for a period of at least 18 months following the re-admission of Red leopard Holdings Plc on AIM which took place on 25 September 2013. These loans do not carry any conversion options.

On 5 September 2013, the Company issued convertible loan notes to the value of £120,000 for outstanding fees for professional services relating to the re-admission of the company on AIM. The notes are interest free and unsecured. They are fully transferrable by the noteholder and the conversion price is 0.5 pence. On 18 June 2014, the company received a Notice of Conversion from Northland Capital Partners Limited to convert all £100,000 of its convertible loan notes in issue into 20,000,000 new ordinary shares (Note 8).

The convertible loan notes contain both a financial liability and an equity component. These components have been accounted for and presented separately according to their substance. The equity component has been assigned the residual value having deducted the fair value of the liability component from the fair value of the instrument as a whole.

The fair value of the liability has been determined by applying a 6% discount rate, which equates to the interest rate for other comparable unsecured loans issued by the Group. This represents a level 3 fair value assessment in the IFRS 13 hierarchy as the inputs are not based on observable market data. The Directors have assessed that there is no material difference between the discount rate applied and a commercial rate of interest that could be obtained in an arm's length transaction.

No subsequent adjustment is made to the split of equity and liability components for any changes in market interest rates, share price or other events that change the likelihood that the conversion option will be exercised. The Directors believe that there is no material difference between the fair value of financial instruments and their carrying value at the balance sheet date.

## 8 Share Capital

Shares issued for the period to 30 June 2014 are summarised as follows:

### 6 months to 30 June 2014

	Number	£
Ordinary shares 0.001 pence	259,820,728	259,821
Deferred shares 0.001 pence	1,275,846,391	1,275,847
At 30 June 2013		<u>1,535,668</u>

In April 2014, the Company raised US\$75,000 before expenses via a private subscription for 7,575,000 new Ordinary Shares of 0.1p per share at a price of 0.6p per share. At the same time, the Board deemed it appropriate to satisfy the directors' accrued aggregate gross salaries and fees from the previous seven months to 31 March 2014 amounting to £43,750. The directors agreed to capitalize the amounts outstanding at an equivalent of 0.6 pence per share. Accordingly, the Company issued 7,291,666 Ordinary Shares. On 18 June 2014, the company converted £100,000 of convertible loan notes in issue into 20,000,000 new ordinary shares (Note 7).

### 6 months to 30 June 2013

	Number	£
Ordinary shares 1 pence	92,487,529	924,875
Ordinary shares 0.01 pence	443,458,630	443,459
At 30 June 2013		<u>1,368,334</u>

### Year to 31 December 2013

	Number	£
Ordinary shares 0.001 pence	224,954,062	224,953
Deferred shares 0.001 pence	1,275,846,391	1,275,847
At 31 December 2013		<u>1,500,800</u>