



Company Profile

Red Rock Resources Plc. (RRR) manages a diverse and international portfolio of early stage projects to producing asset investments across the resource sector. Currently RRR have a strong focus on Gold, with early stage exploration in Australia and Kenya, in addition to its copper-cobalt in DRC, manganese in S.Africa, oil & gas investments in Benin and shares in battery metal focused company, Power Metals Plc..



www.rrrplc.com

Stock Data

Listing	LON
52-week range	0.54 (0.11-0.55)
Market Cap	£3.75m
No. Shares	697m

Top 5 Major Shareholders

HSBC Global Custody	17.51%
Nominee (UK) Limited	
Red Rock Resources	6.75%
Plc Share Incentive Plan	
Peel Hunt Holdings Limited	6.43%
Andrew Bell	6.14%
Pershing Nominees Limited	6.06%

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Red Rock Resources (AIM: RRR)

Red Rock Resources (RRR) are believed to be in the process of having the Kenyan gold licence (Migori) restored, having resolved a lengthy legal dispute with the Kenyan government. The dispute has held up the development of the 1.2Moz Mikei shear zone and the near-term production at the Macalder gold-silver tailing project. In addition to the highly anticipated Migori Au licence, RRR have created a joint-venture with Power Metals, to explore for gold within the Victoria Goldfields. Having moved quickly and with the use of local geologists, the team have acquired a substantial footprint, which hold a range of projects, leading from early-stage soil geochemical anomalies, up-to historically producing operations. With the addition of the companies diversified portfolio of base, battery and bulk metals, as well as exposure to oil and gas plays, the company is able to take advantage of commodity breakouts during this highly turbulent period.

Key Points

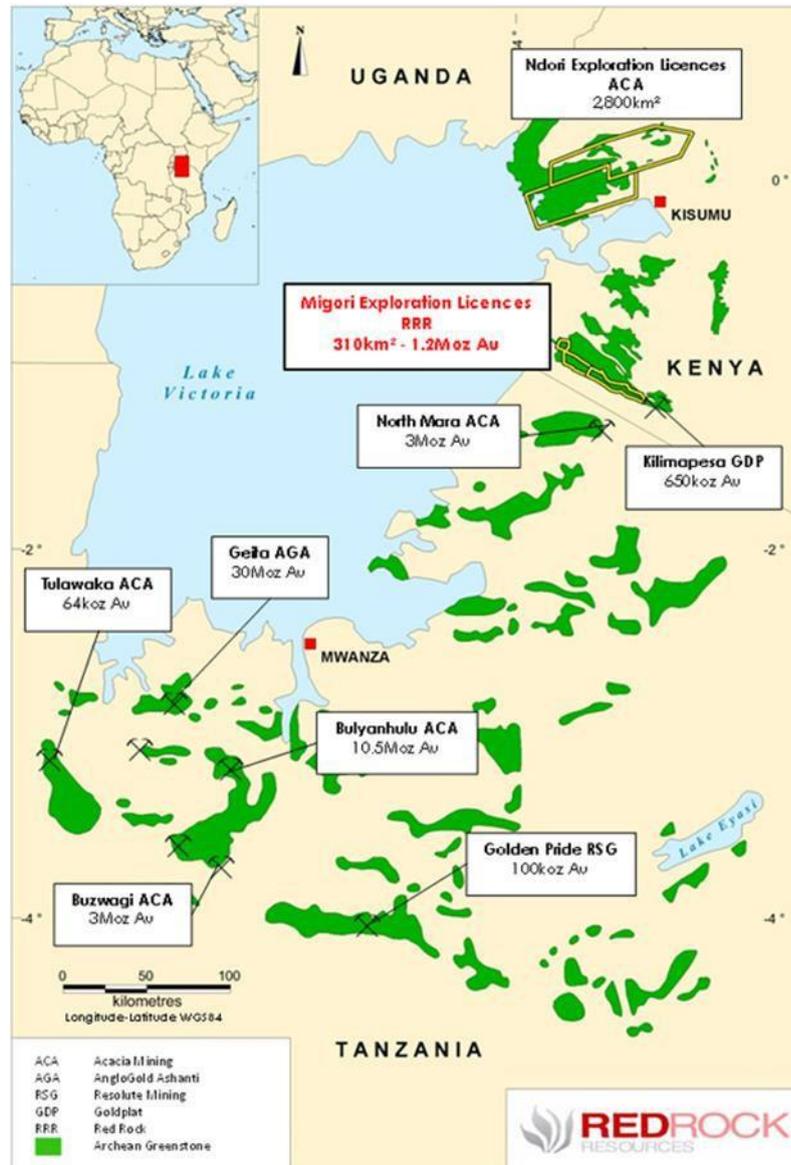
- **Near term re-acquisition of Migori gold licence after resolving a legal dispute with the Kenyan government.**
- **Migori gold licence holds the Macalder tailing project, which contains 68koz of gold in the measured resource category, in addition to the highly prospective, exploration extension to the Mikei shear zone which holds a combined JORC resource of 1.2Moz @ 1.3g/t gold.**
- **Significant exploration footprint in the Australian Victoria goldfields, with a pipeline of projects.**
- **Data compilation of the Victoria gold fields licences have indicated a range of projects at varying stages of development, from historically operating assets to early stage geochemical anomalies.**

Opportunity

The Migori Gold project located in Western Kenya has been locked up in political and legal disputes since 2012 with the government. Having completed a lengthy legal procedure, RRR are on the brink of being re-granted their exploration permits. As such they will be able to complete their highly anticipated exploration programs. The first of these programs was the near-term production of the Macalder Tailings. The tailings formed from the historically mined Macalder Copper-Gold mine, VMS deposit located in the north-west of the RRR licence. The second of the projects, is the step-out drilling, expanding the hard-rock, orogenic gold resource. RRR inherited a substantial amount of historic data, which RRR had updated by CSA to

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produce a 1.2Moz JORC resource, that covers four relatively small tonnage, high grade orogenic deposits, with substantial exploration upside, along strike to the south-east.



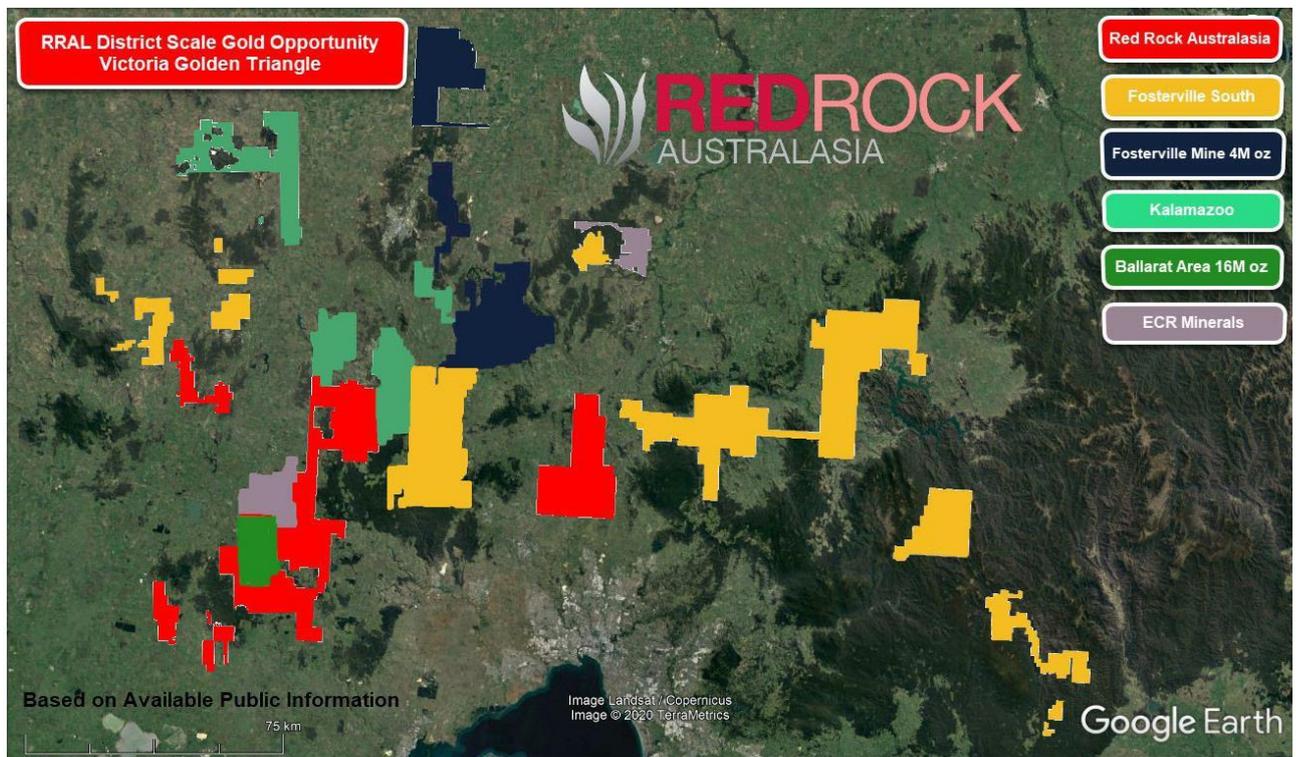
Map of Red Rock Resources Migeri Exploration licence, part of the Migori-Kendu Greenstone Belt, Lake Victoria Gold Fields.

RRR have also taken on highly prospective ground in the Victoria Gold fields. Having agreed a 51.1% interest in Red Rock Australasia Pty Ltd (RRAL) with London listed, Power Metals. RRAL have utilised the experience of local Victoria Geologists to apply for highly prospective land, as explorers rush back into the district, following the high-grade discoveries at the Fosterville mine in 2016. The Victoria gold fields have been world renowned since the 1850's, where weathered, free-gold zones and alluvial gold deposits were mined. However, by the 1900's the complex metallurgy and simpler opportunities being discovered in West Australia led many miners to leave the gold fields. It was not until the 1980's, did Victoria saw a small uptick in production from shallow opencast operations, as technology allowed for oxide-gold extraction. These

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oxide-gold projects are the result of the epizonal refractory gold deposit being exposed at or near surface, allowing the pyrite and arsenopyrite to ‘rust’ and release the trapped gold within. Again, metallurgical processing restricted the miners progressing below 30 to 60m where the epizonal oxidised zone transitioned into the sulphide-refractory zone. Following further technological developments in the 2000’s, deposits such as Fosterville began to be once again mined, with underground operations reaching as deep as 800m. In 2016, exploration drilling at Fosterville led to the discovery of the Phenix zone, where coarse, visible gold in quartz-carbonate veins were consistently intercepted: **15.15m @ 1,429g/t Au**, **12.5m @ 500.7 g/t Au** and **19.0m @ 112.2 g/t Au**. With the high-grade gold zone being defined, an updated mineral resource of an additional 66% was developed, with further exploration upside still to go.

Since the Fosterville discovery, experienced explorers have flooded into Victoria to replicate the Fosterville story. The un-sediment covered regions of the Victoria gold fields have been lightly explored with soil sampling, shallow drilling and even historic oxide mining operations. This gives experienced geologists the opportunity to undertake detailed desktop studies, where the new ‘Fosterville-like’ exploration model can be applied. This means unique geochemical signatures can be re-evaluated, and many of the shallow drilling that was conducted, re-interrogated to develop well refined drill targets.



Map of Red Rock Australasia Pty Ltd tenements in the Victoria Gold fields, with surrounding exploration tenements of: Fosterville South (MCap:C\$225m); Kalamazoo (MCap: A\$88m); ECR Minerals (MCap: £13m).

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Assets

Migori, Kenya (75%)

The Migori gold project is located in West Kenya, along the northern extension of the gold-enriched Archaean Tanzanian craton. The tenement holds two projects: the near-term producing asset Macalder gold-silver tailings project, and the hard-rock, orogenic gold Mikei Shear Zone project. Both hold JORC resources, with drilling having been conducted by RRR over the Macalder Tailings, and infill drilling at targets along the Mikei Shear Zone. Further exploration targets lie on strike to the operating (currently on care and maintenance) Kilimapesa Project, which holds a mineral resource 671,000oz @ 2.40 g/t Au.

The Macalder tailing deposit formed from the production of the mining at the poly metallic Macalder VMS deposit from the 1930's to 1970's. Close spaced drilling by RRR produced, from 450m of shallow drilling, a JORC measured Mineral Resource Estimation. With historic metallurgical work indicating 90% recovery from cyanide leach extraction, the RRR team were able to produce a scoping study and put the company in a position to submit a mining licence application to the Kenyan authorities.

Macalder Tailings – Measured

- **68koz Au @ 1.7g/t (+1.4Moz Ag @33g/t)**

RRR inherited much of the drilling data from the drilling campaigns conducted in the 80's and 90's. Having secured the property in 2009, RRR conducted a number of exploration programs including 15,000m of DD and RC infill drilling over the known orebodies, 8,000m of AC exploration drilling and an additional 1,500m of DD scout drilling. This indicated that the mineralising system continues to the south-east, with surface indicators identifying several additional drill targets to be tested. An initial non-JORC resources was completed, however this was later updated by CSA who indicated that additional exploration drilling could lead to a 2Moz resource. The political and legal disruption has led to a hiatus in this work, leaving this low risk-high return exploration campaign, incomplete.

Mikei Shear Zone Resource – Indicated and Inferred

- **1.2Moz Au @ 1.3g/t**

Summary of CSA Reported Mineral Resource Estimate Statement (JORC-compliant @ 0.5 g/t Au cut-off)

	Inferred		Indicated		Total		
	mt	g/t Au	mt	g/t Au	mt	g/t Au	Metal MOz
KKM	1.4	1.15	16.3	1	17.8	1.01	0.58
KKM-West	3	1.02	1.1	1.07	4.2	1.04	0.14
Nyanza	1.2	1.7	1.2	3.73	2.3	2.72	0.2
Gori Maria	3.8	1.16	0	0	3.8	1.16	0.14
MK	0.6	1.76	0.8	4.05	1.4	3.07	0.13
Total	10	1.21	19.4	1.29	29.4	1.26	1.19

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Additional Assets

VUP Copper/Cobalt JV (50.1%)

The copper-cobalt JV, holds three licences in the Democratic Republic of Congo (DRC), in the world renowned Central African Copper belt, in the Katanga region. The tenements held by the JV include part of the historic Musonoi super deposit, as well as other highly prospective trends and historic data compiled by the company during a detailed desktop study.

El Limon Gold

Sold by RRR to TSX.v listed Soma Gold Corp. for \$5m in 2015, of which \$3m is payable by a production royalty. Having stopped production to focus on resource expansion, Soma are intend to deliver an initial exploration target of 746,000oz Au @ 5.9g/t for a plant throughput of 25,000oz/yr.

Jupiter mines (~1%)

RRR hold a ~1% (14m shares) interest in the re-listed (ASX) Jupiter mines (JMS) since 2007. Jupiter hold 49.9% in the manganese Tshipi mine, South Africa, in addition to West Australian based direct Shipping Ore iron project at Mount Mason and a Magnetite project at Mt Ida, of which RRR holds a royalty interest.

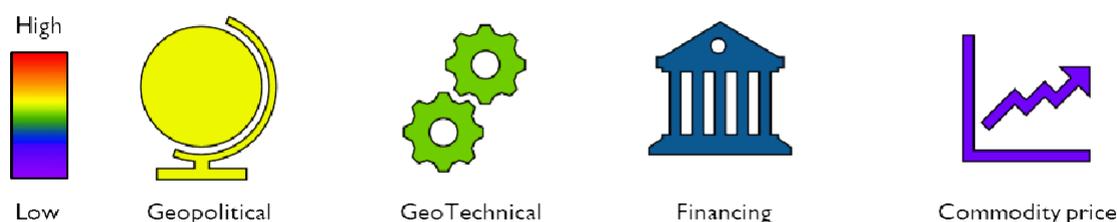
Elephant Oil Ltd. (4.64%)

Red Rock entered into an agreement with Elephant Oil limited a privately held oil exploration company exploring onshore Benin, West Africa. Elephant has acquired a high-resolution aero gravity gradiometry survey, covering the entirety of Block B, performed by CGG (Fugro). Fieldwork and geophysical interpretation has also been completed, resulting in the identification of subsurface leads. Acquisition of further 2D seismic data has been undertaken. This will be used to further define the drill target, for the first exploration wells onshore in Benin. There are no well obligations during the first phase.

Power Metals (3.2%)

RRR hold 25m shares in POW and 25m POW Ip warrants. At today's value, that equates to a value of around £315k. Power is a diversified exploration and investor company, holding numberus assets including Cu-Co in the DRC, early stage Ni-Cu-PGE projects in Tanzania and Botswana as well as a Rair Earth Element project in Botswana. Not to mention the position POW holds within Red Rock Australasia with RRR as a JV partner.

Analyst Risk Profile Opinion



Analyst Risk Profile: A schematic of risk exposure any investor should consider regarding the company. Based on the authors opinion incorporating company comparisons, experience and data available at time of writing.

Risks

Kenyan political risk continues to be key in progressing the Migori project. With the licence being re-granted and expected imminently, progressing the project is reliant on the Kenyan authorities.

Regarding the Victoria assets of RRAL, the high geologically complex nature of the deposits will give the project a challenge in translating technically exciting developments to understandable terminology that will appeal to the generalist investors.

Current conversations about a second corona wave spreading across Europe, and lockdowns in Australia could cause issues in progressing the early stage exploration projects. Both projects require the flexibility of mobilising technical personnel to site, as well as equipment if drilling is to take place in the near future. The RRAL team has used local Victorian contractors, and local drilling companies should be exempt from many of the restrictions, especially as local contractors can be used to prevent cross-border issues. However, the same can not be said for Kenya, and with more severe restrictions and in-country risks, we could be seeing even more delays to the project's development.

Investment Synopsis

The Migori project is located in a highly productive gold-producing area of Africa, however since the disruptions in Tanzania, production and exploration has dropped sharply. This western section of Kenya taps into this rich greenstone belt, and with the current resources and exploration upside, the Migori project has substantial blue-sky potential. This doesn't even include the possibility of near-term production at the small Macalder Gold-Silver tailings project.

RRAL also gives Red Rock Resources a second string to their bow, as like their neighbour Fosterville South, the team have secured a vast, attractive land position, that holds historic workings and limited exploration work, allowing the team to be drill-target ready in a practically short space of time.

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