Dear Shareholders and Colleagues,

The current year has been one where we have re-structured the balance sheet of RRR and readied it for action. In the last four months we have repaid all our external financing and completed the sale of our Colombian gold interest. This left us with two further tasks to complete before the 30 June year end: one, the re-structuring of some existing interests such as Kenya and Resource Star, and secondly, preparation for new initiatives that can help the company grow.

In relation to all these matters we have made recent announcements. What we have not done until now is draw together the threads.

In relation to the first of these we have changed the way we hold our Kenyan interests from a farm-in to a 75% held interest. This will prove to be very important if as we expect we are able to recover or confirm our gold interests held through a local partner in Kenya. These gold interests have been the subject of covetous glances from other interested parties – as valuable assets sometimes are - and we regret that we have shared in the problems of all who hold licences with resources or production in Kenya, in that these licences have been subjected to siege by the head of the Ministry. We have obtained a stay of any action and leave to institute proceedings for judicial review on behalf of ourself and our local partner. These proceedings continue and this limits the amount that we can write.

It may be instructive to look at the experience of other companies in Kenya. Cortec after investing some millions in exploration and development had its licences cancelled and instituted proceedings for judicial review that after 2 years were unsuccessful. We are aware of some special features in this case however, which differentiate it from ours. Cortec has now taken the matter to the international court of arbitration. Two other companies with production, Magadi Soda and Fluorspar, have come under attack and Fluorspar is now subject to a formal investigation. Base Titanium after investing a great deal of money and started production found some of its licences under attack as well as the tax concessions agreed as part of its mining lease. Acacia is being threatened with the loss of its licences (again held through a local partner) next year after having invested millions. The chairman of the chamber of mines at Kwale has likewise had part of the manganese licences in which he invested and from which he has been producing reportedly taken away: a decision he is challenging. It seems that anybody with a valuable asset is being attacked; the reactions especially of the foreign owned business however, may not be quite the same as officialdom anticipated, and the outcome is so far benefitting nobody, and damaging Kenya's image as an investment destination.

We remain quietly confident the issue will be resolved. When and if it does our new ownership position will put us in a far stronger position than existed previously. We have been able to use a temporary reverse to achieve a long-aspired to goal.

Another recent announcement where some explanation of the background may be helpful is that in relation to Resource Star Limited (RSL). Earlier RSL entered into an agreement with a computing business, and although this enabled the company to raise money the transaction did not proceed. RSL at that point resolved that any future agreements with potential partners would be so structured that even if they did not proceed we would be able to profit from having given others the opportunity, and when RSL entered into an agreement with Sugar Dragon Limited it was on this basis that RSL got a cheap 15% from Sugar Dragon with the option to take 45% later. Sugar Dragon has been producing and selling sweets into Greater China, and the most recent announcement by RSL refers to good progress in this, with over 30 tonnes of branded sales recently achieved. However RSL was buying into a 60% interest in Sugar Dragon which itself has a 70% interest in sales company Okmo. This structure, with partial ownership at two levels, in the current environment and particularly where business in China is involved, was not going to be seen as transparent enough to raise money on the best terms. As RSL shareholders we agreed with our colleagues it was better to assist the very capable overseas

Chinese management of Sugar Dragon, based in Hong Kong and educated in Australia, to achieve their own listing where investors would understand that they are investing directly into these individuals and the corporate structure will be simplified. As a standalone business run by their management they will be able to raise money in stages if they want, which may be more realistic an expectation than the immediate large buy-in by Resource Star. Resource Star however retains a 15% interest that it feels sure will be worth more than the amount invested and this therefore is expected to become a valuable listed asset in the balance sheet. As Resource Star continues its activities and keeps an eye open for new opportunities the company and its financially strong group of shareholders will continue to seek opportunities where they can structure a win- win, so that even if a transaction does not eventually occur the company does not lose. At this point RSL is a company with one or two mineral assets, a reasonable amount of cash, and a strong shareholder base dominated by several groups of strategic investors with the resources to follow through and the contacts to introduce deals. This is a far cry strategically from the vulnerable uranium explorer of little over a year ago.

The other aspect of what we are doing is building the foundation for growth at Red Rock. Two new Directors have come on the board; one an internal appointment and the other external, and the average age of the board has thereby been considerably reduced and we hope to have a greater diversity of ideas and inputs.

Sam Quinn has many contacts in the sector and we are happy to be working with him in seeking new deals for what we expect to be a recovering market. The board changes of today do not mean there will not be further additions to the board. But the end of a financial year was a good time to make the first changes which are a sign of our intent to take an expansionary approach. The investment in Elephant Oil that we had the opportunity to make builds on our West African focus and gives us a small exposure into the oil sector in the areas where we are already active. Through Elephant which hopes to list within the next year we expand our footprint in French speaking West Africa where we believe the best opportunities in minerals and oil in West Africa are to be found. We are also delighted to be working with Matt Lofgran and Gavin Burnell who are energetic partners and whose ability to develop Elephant will be much enhanced by our investment at this strategic moment.

Everything that has happened to date is laying foundations; another part of our foundations is our holding in Jupiter Mines. The new mine of Tshipi e Ntle is without doubt one of the premier manganese producers as well as being one of the longest lived and lowest cost in the world. Our alliances here and our enabling the use of Jupiter (where we had become th biggest shareholder) as the vehicle for this manganese investment are some of the best decisions we made, the decline in Jupiter's price that led to our decision to de-list was obviously one of the most incorrect decisions the market has made. Almost the whole of the asset value of Jupiter is now represented by the Tshipi manganese interest. After $18 million profit at Jupiter at operating level in the year we look for an early decision to pay dividends which will further underline the value of this investment. Although the growth character of Jupiter may not become apparent until after a year or two more, its defensive merits and underlying value are becoming evident as expected in the course of 2015.

The next steps for Red Rock will be important ones and it is important that we have the best advice and the widest contacts and the greatest capacity to analyse opportunities. We believe that our team is now set up to do these things and the pace should accelerate from here.

We thank investors for patience as the market shows a frustrating inability to value the company as we feel it deserves. Best wishes for the holiday season.

Yours,

Andrew Bell

Red Rock Resources Plc
Ivybridge House, 1 Adam Street, London WC2N 6LE
Tel: +44(0)207 7747 9990 / E: exploration@rrrplc.com

Regd Office: 55 Gower Street, London WC1E 6HQ
Incorporated in England and Wales Co. No. 5225394

www.rrrplc.com

Follow us on Twitter:
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