

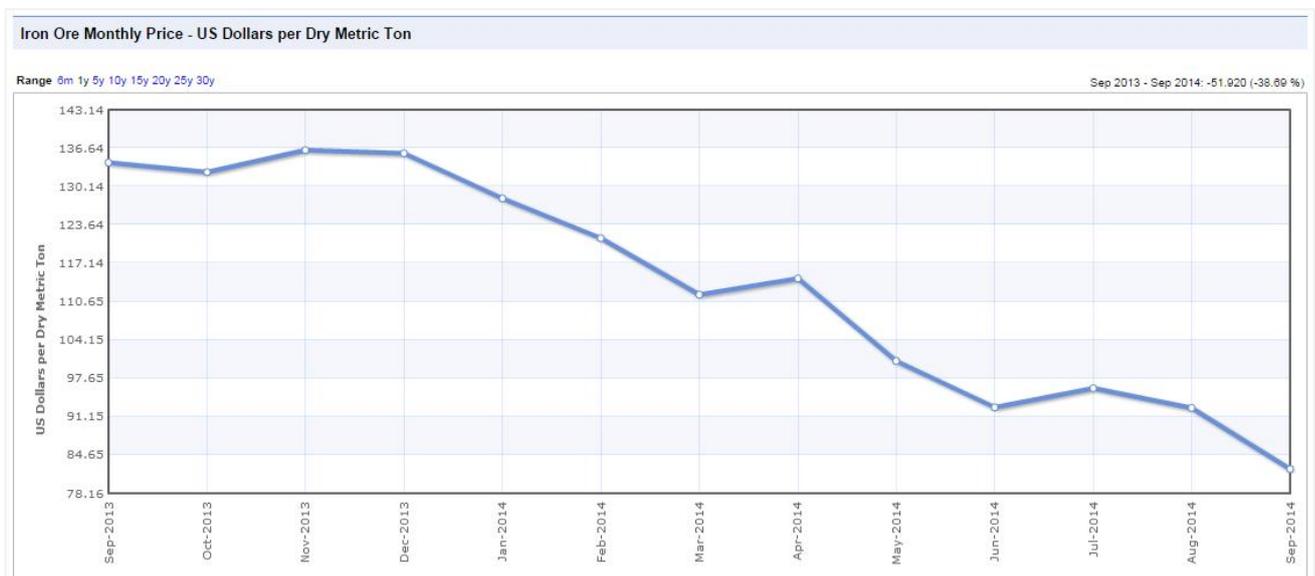
Dear Shareholders and Colleagues,

There have been various announcements recently in relation to Red Rock which might have been taken positively. There have also been some positive movements in the iron ore and gold prices. There has on the other hand been a stock market which has declined as a result of broader economic considerations and which has affected AIM and the minerals sector strongly. This means that against a positive news background, our price has continued to decline, which has naturally been disappointing.

We are aware that many of our shareholders are private investors who don't have access to a wide variety of research sources on smaller stocks and so it may be helpful if we, from time to time, try to succinctly summarise the situation and recent developments.

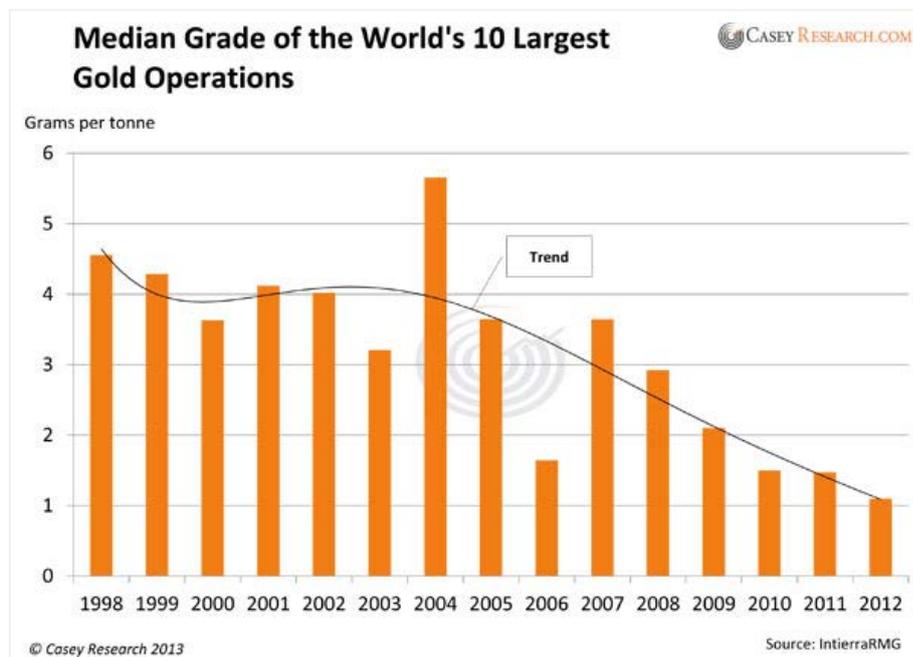
- 1.) **Iron Ore:** The iron ore price recently had its largest one-day rise for two years as a result of Chinese economic statistics that were far better than expected. The indications are that China is coming out of a lower-growth and de-stocking phase, and iron ore and steel demand are increasing. Similarly, indications from housing starts and other economic indicators in China show a managed easing of the recent restrictions. World steel and iron ore demand are expected to continue to grow this year, although at lower levels than had been forecast at the beginning of the year. What has caused the 40% decline in iron ore prices had been a growth pause and not a decline. The recent iron ore prices were not levels at which sustainable investments could be made by producers.

• [Marubeni expects iron ore prices to climb in 2015](#) – Sydney Morning Herald 14.10.14 



Source: IndexMundi.com

- 2.) **Manganese:** If iron ore rises, manganese, 95% of which is used in steel manufacture, is also likely to rise. Prices of manganese have been more resilient than iron ore because of the secular trend to greater imports in China and lower domestic production. Increasing manganese prices will be extremely positive for Jupiter Mines Ltd, in which we still have a significant stake.
- 3.) **Gold:** The gold price has recently shown signs of recovery. It is still too early to say that the bottom has been seen, but we are in a bottoming area and it is possible that we may have seen the lows.



Source: CaseyResearch.com



Source: BullionVault.com

- 4.) **Colombia:** The shareholders agreement at Four Points Mining meant that to control the operation fully, you needed to control 60% of the shares, rather than 50%. The buyer decided that they needed to have that 60% and so we gave them extensions in order that they should negotiate with other shareholders. It was very pleasing that they were able to agree to buy an 11% shareholding from another shareholder, because this financial commitment by them increases our confidence that the transaction will now conclude and removes what had been a delaying factor. The buyer is now, it appears, utilising a Canadian listed shell company in order to raise additional funding towards the works it intends to carry out once it controls the company. The buyer has the capacity to transact with us without recourse to external funding, and as we have indicated, we do not believe the transaction to be dependent on the listed shell raising funds from other parties.
- 5.) **Resource Star:** RSL is proceeding with its exciting transaction with a cloud services provider. Cloud Lands, the company that it intends to buy, has signed two of its key agreements with Fujitsu. The agreements it has signed and will be signing with Fujitsu and other parties are agreements that would be signed with *any* party, but are intended to reflect a relationship that will be close and special. The Resource Star transaction involves raising funds in Australia to implement the Cloud Lands vision. We await confirmation that these funds have been raised, but the indications so far are good. The value of this holding to Red Rock is becoming considerable at 1.1c and has the potential to become greater still.
- 6.) **Kenya:** We are working to advance the Kenyan position significantly and we will make announcements as soon as we can.
- 7.) **Ivory Coast:** With Ivory Coast, where we recently increased our acreage position with the addition of granted licences, we are planning our first field trip to the area shortly.
- 8.) **Debt:** Since the June 2013 balance sheet date, we have reduced our outstanding loans by £1.8m, even in the absence of completing a sale transaction. As shareholders will know, we had high expectations of completing at least one and probably two transactions in Greenland and Colombia, so to have achieved this result in de-gearing and restructuring our balance sheet, without such a sale, and in a market where prices sometimes seem to be declining like a falling knife, has been a very considerable achievement.

It is very hard for investors, looking at our price, and looking at the prices of similar stocks, to feel anything other than depressed as they contemplate what in many cases are substantial losses. It is darkest always before the dawn and the strength we have is in both the variety and in some cases the quality of our assets. These assets will be of increasing liquidity, as we shall demonstrate either through sale, through share trading volumes, or through operating profit-performance.

We thank all shareholders for their support through these difficult times. Just as periods like this test the mettle of the management, they also test that of the shareholders, and we are lucky to have a tough, long-term and resilient shareholder base.

If you do not currently receive these newsletters via email, please send us a message at exploration@rrrplc.com with your email address and we'll add you to the list. Likewise, if you use Twitter, follow us @RRR_RedRock for regular comments from myself and the team.

Yours sincerely,

Andrew Bell
Chairman & CEO

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