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RED ROCK RESOURCES

Red Rock at listing in July 2005 was focused on high grade manganese and iron ore: the 695 sq km Oakover tenements in the East Pilbara Manganese Province in Western Australia (WA), and 619 sq km of haematite and magnetite prospective ground in WA and Tasmania. RRR later acquired additional 2,227 sq km of tenements in the Northern Territory (NT) of Australia. These contained further iron ore mineralization and manganese targets, but also significant uranium and gold occurrences on which previous exploration had been carried out. RRR in December 2005 extended its uranium portfolio to include two significant licenses totalling 459 sq km in Malawi, with a further license under application. RRR in May 2006 acquired a license covering a significant high grade manganese deposit in Zambia. The company's focus therefore is now on manganese, uranium, iron ore, and gold. The company is exploring the possibility of enlarging and separately funding its uranium/energy and gold portfolios, in order to concentrate its funds on moving to early bulk production and sales of manganese.

[CLICK HERE FOR FULL ANALYSIS OF RED ROCK RESOURCES](#)

Thursday, June 10, 2010

Red Rock Resources Agrees Low-risk Entry Into Two Producing Columbian Gold Mines

Red Rock Resources (LON:RRR) has entered into a 'Funding and Co-operation' agreement with Mineras Four Points SA (MFP) and its general director, Juan Camilo Florez Ramirez (JCF). The agreement will allow MFP to invest in production and mining equipment at two gold mines in the province of Antioquia, Colombia.

Red Rock told investors that it considers the assets of MFP to be attractive mining projects, with potential for high grade mining and for resource expansion.

"The ability of Red Rock to provide funding and technical input to MFP will be of significant value to a capable management team. The provision of the Loan represents a low-risk entry to an established mining country with other likely opportunities", Red Rock stated.

Under the terms of the deal, Red Rock will arrange for MFP a staged US\$2 million loan with US\$1m lent immediately to be followed by two equal instalments which are expected to be drawn-down within the three months.

The loan will carry interest at 5% per annum and it will be repayable on 30 June 2013. Red Rock said it will guarantee the loan via a separate back-to-back loan which is expected to be formalised shortly. In respect of Red Rock's obligations under the guarantee, the company has been granted charges over the gold production of MFP and over the existing issued share capital of MFP.

Also under the agreement, Red Rock will provide, for a minimum of 20-days per month, consultancy and technical support for MFP. The company will receive consultancy fees totaling US\$2.96m, paid in quarterly incremental instalments over approximately 3 years. The fees will be paid in arrears, initially starting at US\$200,000 and rising to US\$350,000.

Red Rock has been granted two options over MFP's share capital. Firstly, the company is entitled to acquire 50% of MFP's issued share capital for US\$6.5m, this option is exercisable for two-years. Additionally, through the second option, Red Rock can acquire 1% of MFP for US\$1m, exercisable for three years.

The privately-held Columbian mining group is controlled by Juan Camilo Florez Ramirez, with a directly-owned 80% stake and the control of the remaining 20% by power of attorney. MFP owns exploration and mining rights over the El Limón gold and the La Aurora gold mine.

The El Limón mine, with over 60 years of mining behind it, has been producing an average of 15.3kg of gold per month in the period between January-May 2010. With 108 tons of ore being mined per month from two levels (6 and 7), a third level (8) is currently undergoing development 420m below the surface. Red Rock also noted that MFP is considering a new level between levels 6 and 7.

Furthermore, Red Rock noted that when El Limón's current operator took over the project, the surface plant was in disuse and as such the current production is limited to high-grade ore, which is selectively mined and treated by cyanidation.

The company said that MFP has already installed new safety equipment at El Limón, and the loan will enable it to upgrade the surface plant. Subsequently, the mine's production capacity is expected to rise to 150 tons per day, and a further plant expansion could increase capacity to 250 tons per day.

At the La Aurora mine, MFP has acquired a transformer and pump, which will be used in a sunken shaft at 180m. Red Rock note that pumping of the shaft and mine development is expected to proceed shortly, and the mine's production will initially be transported 30km for treatment at El Limón.

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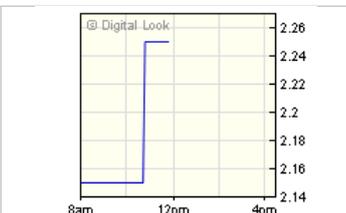
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- 18/05/10 Red Rock Resources updates on exploration at Migori gold project, Kenya
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1 YEAR CHART



1 DAY CHART



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The project in Russia's Magadan region has an estimated gold resource of 344,000oz based on historic data, and a current drilling campaign may potentially expand this.

[FULL ARTICLE ►](#)

Today on Proactive AU ▼

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ENVIROGOLD READY TO PUT ENVIRONMENTALLY FRIENDLY GOLD RECOVERY TECHNOLOGY TO WORK




The company currently owns 92.5% of the Las Lagunas tailings project and has secured financing of \$37.5 million and placed 7.88% of its shares with Macquarie Bank.

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