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Red Rock Resources

Red Rock Resources Plc is an exploration and mineral property investment company focused on the discovery and development of iron ore, manganese and uranium, both through exploration for, and exploitation of, mineral deposits, through the acquisition and disposal of interests in actual or potential mineral deposits or companies holding them in exchange for cash, securities, or royalty and other deferred interests, through buy-in agreements and joint ventures with such companies, and through public offerings of securities in subsidiary or associate companies. Its operations are located in Australia and South Eastern Africa. Red Rock Resources (AIM: RRR) listed on London's AIM market in July 2005.

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Monday, March 01, 2010

Red Rock Resources Associate Jupiter In Transformational A\$490m Manganese Project Stake Acquisition



Red Rock Resources (AIM: RRR) 25.1% owned Jupiter Mines Ltd (ASX: JMS) is in the advanced stages of negotiations to acquire a 49.9% stake in the Tshipi Kalahari Manganese project in South Africa, from a group of investors including Red Rock's former associate company Pallinghurst Resources (JSE: PGL). The share-based transaction is worth approximately A\$490m and expected to transform Jupiter into a significant manganese and iron ore explorer and developer.

"This is a company transforming transaction for Jupiter. We have recently announced our intention to be a focused steel feed raw materials company, and this transaction is consistent with this strategy", Jupiter non-executive chairman Geoffrey Wedlock said. "Not only does it significantly accelerate our strategy, it positions Jupiter as a major manganese and iron ore explorer and developer, with a manganese project it can immediately develop".

Under the terms of the deal, Jupiter will issue 1.1bn new shares to the Pallinghurst co-investors at a price of A\$0.2110 per share. Upon completion of the transaction, Pallinghurst Resources founder and chairman Brian Gilbertson will join Jupiter's board as a Non-Executive director.

The Tshipi project is currently being developed through a joint venture between Ntsimbintle, a Black Economic Empowerment (BEE) consortium holding 50.1%, and the Pallinghurst investors. The project is located in the Kalahari basin, adjacent to the BHP Billiton (LSE: BLT) controlled Mamatwan mine. Tshipi will mine the contiguous Mamatwan ore body which has which has been mined for 45 years, and is currently producing 3m tonnes of manganese ore per annum.

The Tshipi joint venture carried out a comprehensive drilling campaign and completed the projects feasibility study during 2008 and 2009. Consequently a SAMREC mineral resource estimate totalling 163.23m tonnes grading 37.1%, which will be re-stated in compliance with the JORC-code in due course.

According to Jupiter, Tshipi is expected to become the next major South African high-grade manganese ore producer. The project's mine development will commence in 2010 with production targeted for no later than 2013, although fast-track development options are currently being investigated which could result in earlier production.

The transaction also delivers a number of international strategic shareholders onto Jupiter's shareholder register, who endorse Jupiter's Steel Feed Corporation strategy and have the necessary financial resources to back up that strategy.

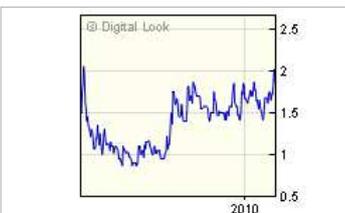
The Pallinghurst co-investors consortium includes POSCO (NYSE: PKX, TYO: 5412), the Korean corporation which is one of the largest steel producers in the world. The consortium also includes a number of large specialist investors including the international banking group Investec, Midstream & resources which is a US\$1.6bn American private equity 'family-of-funds', and the AMCI energy and resource focused private equity group.

The deal builds on previous relationship between Red Rock, Jupiter Mines and Pallinghurst, in which the respective companies collaborated to advance Jupiter's position in the steel feed market. In May 2008, Red Rock announced that it was acting in concert with Pallinghurst to acquire shares in Jupiter Mines. Subsequently the concert parties made a proposal to Jupiter whereby they would jointly vend in certain assets in Western Australia in two tranches in exchange for the issue of new Jupiter shares.

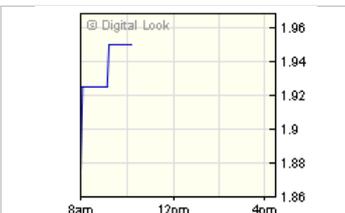
Last month Red Rock and Pallinghurst announced that their co-operation arrangements and understandings had come to an end, as they had achieved their objectives, with Jupiter now well-placed in the market.

In February Red Rock said both parties worked together harmoniously throughout the period, and they share the same strategic vision for Jupiter, and there is no reason why this would not continue.

1 YEAR CHART



1 DAY CHART



EPIC	RRR
Time:	09:11:09
Mid Price:	1.95
Change Today:	0.08 ▲
Change % Today:	4.00 ▲
Fifty Two Week High:	2.05
Fifty Two Week Low:	0.88
Market Capital:	11.21

PERIOD	PRICE
Now:	1.95
3 Months ago:	
6 Months ago:	
1 Year ago:	

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