



Red Rock Resources

Dec 27th 2010

Company Q&A: Red Rock and Regency boss Bell prepares for another busy and exciting year

Andrew Bell is chairman of Red Rock Resources (LON:RRR) and Regency Mines (LON:RGM).

Both have done exceptionally well in the last 12 months with Red Rock up 866 per cent with Regency ahead 255 per cent.

The pair hold an eclectic mix of assets spanning gold, iron, manganese, uranium, nickel and coal, while the portfolios of the two firms are geographically very diverse.

When following both Red Rock and Regency closely you certainly get a hint of how Bells mind works. The typical Red Rock or Regency deal is rarely plain vanilla.

It tends to have several moving parts. However, after a lot of head scratching, investors often get a pleasant surprise.

Here we give Bell a grilling about the year just gone and the outlook for both companies as we head into 2011.

Proactive Investors: What was your highlight of 2010?

Bell: There were several. For Regency Mines, we got to the next, exciting, stage of our joint venture with Direct Nickel.

For Red Rock, we concluded the Tshipi deal at Jupiter Mines. Red Rock also acquired interests in the Colombian gold mines and has seen the first mine come into production.

Resource Star in Australia was also relisted. So they were three good moments.

Proactive: Which of your companies has progressed furthest over the last year?

Bell: They have all made progress. There is a difference between making progress, and progress becoming visible; between preparatory work and execution.

Proactive: In your opinion what was the standout project or event in 2010?

Bell: I think when Jupiter Mines made its transformational deals, and when it said for the first time that it expected Mt Ida would be a major project, people could see that we were delivering.

It showed we were not just delivering on deals but that we had within our portfolio some assets of the highest quality. For Mt Ida came from Red Rock, and selling it gave us our initial stake in Jupiter. And we retain a 1.55 per cent gross production royalty on what is set, we believe, to become a very large project.

Price: 14.5p

Market Cap: £98.34M

1 Year Share Price Graph



Share Information

Code: RRR

Listing: AIM

Sector: General Mining - Gold

Website: www.rrrplc.com

Company Synopsis:

Red Rock Resources Plc is a mineral exploration company focused on the discovery and development of gold, uranium and other minerals. The Company through its sale of assets to Jupiter Mines Ltd on the ASX, of which it remains a significant shareholder, is also committed to the pursuit through Jupiter of an active 'steel feed' strategy for consolidating large scale interests in iron ore, manganese, and prospectively coal.

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So that happening at Red Rock gave us the credibility. It also gave us directly in Red Rock some bullets, and we immediately took aim in Colombia and bought into the gold mines there. These events at Jupiter were the fulcrum around which the year turned.

Proactive: What were the big external themes and influences across your businesses in 2010?

Bell: The recovery we had believed would happen did happen. The strength in gold we believed would happen did happen. Had we been wrong about either of these things, but particularly the first, the story of the year would have been very different for us.

Proactive: Across your businesses what are you looking forward to most in 2011?

Bell: Declaring a JORC resource at Botue-Mambare for Regency and getting Regencys investment in Oracle Coalfields switched from PLUS to AIM are two.

But theres a lot to look forward to. The gold pour at full production at both gold mines in Colombia for Red Rock will be very exciting as will getting Red Rocks investment in Ascot Mining switched from PLUS to AIM.

We are also moving towards tailings gold production in Kenya for Red Rock, and uprating the indicated resource of gold at Migori from 1.2 million ounces.

We may even do a transformational deal (or two) at Resource Star and theres the prospect of a JORC magnetite resource at Mt Ida. Moving towards manganese production at Jupiters Tshipi project will be interesting and of course hopefully we will announce significant gold and metal discoveries from our exploration programmes. Just one of these might be enough for most companies. But we are looking for other investment opportunities.

Proactive: Tell us, how do you see 2011 unfolding on a macro-economic level?

Bell: The euro in its present form is unsustainable. The sooner a stake is buried in its heart, the better for all. There will be pain for some countries, but the world economy will weather it. So better that everyone bites the bullet and balance is restored.

Chinese and Indian economic developments will be key to watch. I am unreservedly positive about India. I also believe strongly in the American economys strength and resilience, despite policy errors.

But these, you understand, are personal musings. I do not speak for the companies. For them, we are positive as we expect commodities to continue to be in strong demand. Setbacks, if any, will be soon overcome.

Our thanks to Andrew Bell for taking the time to talk to us. We wish him a successful and prosperous 2011.

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