

Red Rock Resources PLC

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Red Rock Resources soars on Greenland farm-in

Red Rock Resources' (LON:RRR) shares leapt more than 50% after its iron ore associate NAMA Greenland received an offer for a majority stake.

An unnamed industrial company has made an offer worth US\$17.8m for 51% of NAMA Greenland (NGL) through a British Virgin Islands registered vehicle, International Media Projects.

NGL owns the Melville Bugt project in Greenland, where a JORC compliant resource estimate is expected by the end of 2012.

Conditions of the offer are that the current exploration work is completed and the resource estimate be published, and that Red Rock exercises its option in NGL to take its holding up to 60%.

Dependent on acceptances from other shareholders, Red Rock will then transfer between 31% and 49% to the new investor for up to US\$16.1m in cash.

Red Rock added it had received a lawyer's letter stating the new investor has both the financial capacity and expertise to fund and develop Melville Bugt. Closure of the deal is currently scheduled to take place on 10 January 2013.

The new investor has agreed to carry the first US\$2m of next year's planned work programme at NGL, after which other shareholders can choose to finance additional work on a pro rata.

A mine mouth royalty of 2% of the value of the ore produced will also be payable to the selling shareholders pro rata to their acceptance of the offer.

Red Rock shares rose 0.53p to 1.5p.

Price: 0.55p

Market Cap: £3.72M

1 Year Share Price Graph



Share Information

Code: RRR

Listing: AIM

52 week High Low
0.94p 0.50p

Sector: Mining

Website: www.rrrplc.com

Company Synopsis:

Red Rock is a natural resource development company listed on the AIM market in London (AIM: RRR).

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