PIT OPTIMISATION STUDY FOR THE MIKEI GOLD PROJECT, KENYA

Prepared For

Red Rock Resources plc

Report Prepared by

SRK Consulting (UK) Limited

UK05310

SRK Legal Entity:		SRK Consulting (UK) Limited
SRK Address:		5th Floor Churchill House 17 Churchill Way City and County of Cardiff, CF10 2HH Wales, United Kingdom.
Date:		May, 2013
Project Number:		UK05310
SRK Project Director:	Rick Skelton	Corporate Consultant (Mining Engineering)
SRK Project Manager:	Gabor Bacsfalusi	Senior Consultant (Mining Engineering)
Client Legal Entity:		Red Rock Resources plc
Client Address:		115Eastbourne Mews, London, W2 6LQ, United Kingdom.

VERSION 061313

Table of Contents

List of Tables

List of Figures

SRK Consulting (UK) Limited
5th Floor Churchill House
17 Churchill Way
City and County of Cardiff
CF10 2HH, Wales
United Kingdom
E-mail: enquiries@srk.co.uk
URL: www.srk.co.uk
Tel: + 44 (0) 2920 348 150
Fax: + 44 (0) 2920 348 199

PIT OPTIMISATION STUDY FOR THE MIKEI GOLD PROJECT, KENYA

1 EXECUTIVE SUMMARY

1.1 Introduction

SRK Consulting (UK) Limited ("SRK") is an associate company of the international group holding company, SRK Consulting (Global) Limited (the "SRK Group"). SRK has been requested by Red Rock Resources plc ("Red Rock", hereinafter also referred to as the "Company" or the "Client") to undertake a preliminary assessments on the Mineral Assets of the Company comprising the Mikei Gold Project ("MGP") located in Kenya.

1.2 Background

The Company's Migori project in Kenya comprises the MGP and the Macalder Tailings Retreatment Project ("MTRP") which lies adjacent to the abandoned Macalder mine, their relative locations are shown in Figure 1. The Migori project is located approx. 40 km north of the operating North Mara gold mine in Tanzania and immediately east of Lake Victoria in south-west Kenya.

The 5 deposits which make up the MGP fall within a 7 km long, gold-mineralised, vein and shear-hosted system within the wider Archean Migori Greenstone belt. The belt lies within the Tanzanian craton, host to the North Mara and Geita gold mines in Tanzania. Within the MGP, gold mining has historically taken place at the Nyanza prospect in the 1960s, carried out by the operators of the historic Macalder VMS copper-gold mine. The MK prospect was also historically mined for gold using a trial stamp mill and cyanide recovery circuit.

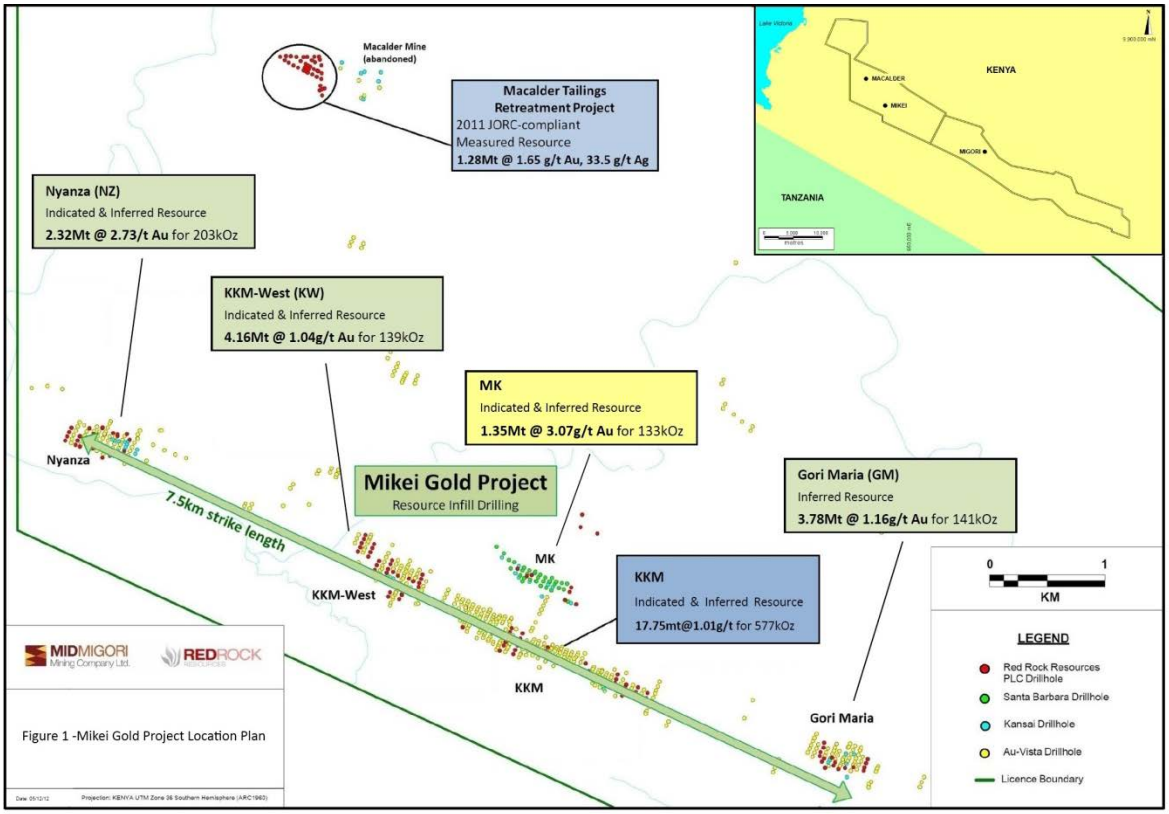


Figure 1: Mikei Gold Resources and Macalder Tailings Location

Since 2009, Red Rock has focused on resource development of the MGP deposits and the MTRP. The MGP was the focus of Red Rock's 15,000 metre infill drill program in 2011 resulting in an updated Mineral Resource Estimate ("MRE") of 29.4 Mt at 1.3 g/t Au for 1,190 koz Au, including 19.4 Mt at 1.3 g/t Au for 805 koz Au in the Indicated Mineral Resource. The Mineral Resource Estimate was prepared by CSA Global (UK) Ltd ("CSA"), SRK have not reviewed the MRE as part of this commission.

Table 1: Mikei Gold Project - CSA Reported Mineral Resource Statement*

Mikei Deposits	Indicated		Inferred		Total		
	(Mt)	(g/t Au)	(Mt)	(g/t Au)	(Mt)	(g/t Au)	(koz Au)
KKM	16.3	1	1.41	1.15	17.8	1.01	577
KKM-West ("KW")	1.13	1.07	3.03	1.02	4.16	1.04	139
Nyanza ("NZ")	1.17	3.73	1.15	1.7	2.32	2.73	203
Gori Maria ("GM")	-	-	3.78	1.16	3.78	1.16	141
MK	0.77	4.05	0.58	1.76	1.35	3.07	133
Total	**19.4**	**1.29**	**9.95**	**1.21**	**29.4**	**1.26**	**1,190**

*Mineral Resources are reported above a cut-off grade of 0.5 g/t Au. Apparent errors may occur due to rounding. The information related to the estimation of the MGP Mineral Resources was compiled by Mr Galen White of CSA (December, 2012). The MRE has been reported under the guidelines of the JORC (2004) code.

The Mineral Resource for the Macalder Tailings stands at 1.3 Mt at 1.65 g/t Au for 68 koz Au in the Measured Mineral Resource category. In addition to the MRE, Red Rock completed a scoping study on the MTRP in February 2012. Red Rock, through its local subsidiary Mining Company Ltd ("Mid Migori"), has submitted a mining lease application ("MLA") to the department of mines and geology in Kenya; the MLA remains under review. The Mineral Resource Estimate was prepared by CSA Global (UK) Ltd ("CSA"), SRK have not reviewed the MRE as part of this commission.

Table 2: Macalder Tailings – CSA Reported Mineral Resource Statement*

Deposit	Measured		
	(Mt)	(g/t Au)	(koz Au)
Macalder Tailings	1.3	1.65	68

*Mineral Resources are reported above a cut-off grade of 0 g/t Au. Apparent errors may occur due to rounding. The information related to the estimation of the Macalder Tailings Mineral Resources was compiled by Mr Malcolm Titley of CSA Global (UK) Ltd (October, 2011). The MRE has been reported under the guidelines of the JORC (2004) code.

1.3 Pit Optimisation Study

A pit optimisation study has been undertaken by SRK in order to assess the sensitivity of the MGP to metal price; to identify and quantify potential mining inventories; and to determine which deposits are likely starter pits and determine the overall potential for advancing project to higher study levels. The pit optimisation results are based on the parameters shown in ; the parameters are based on comparable benchmarks, deposit specific metallurgical test work and conceptual estimates based on the deposit geological characteristics.

The assumed long term metal price of 1,300 US$/oz Au is based on a review of peer group company reports to 30th June 2012. The pit optimisations are inclusive of all Indicated and Inferred Classified Mineral Resources contained within the geological models.

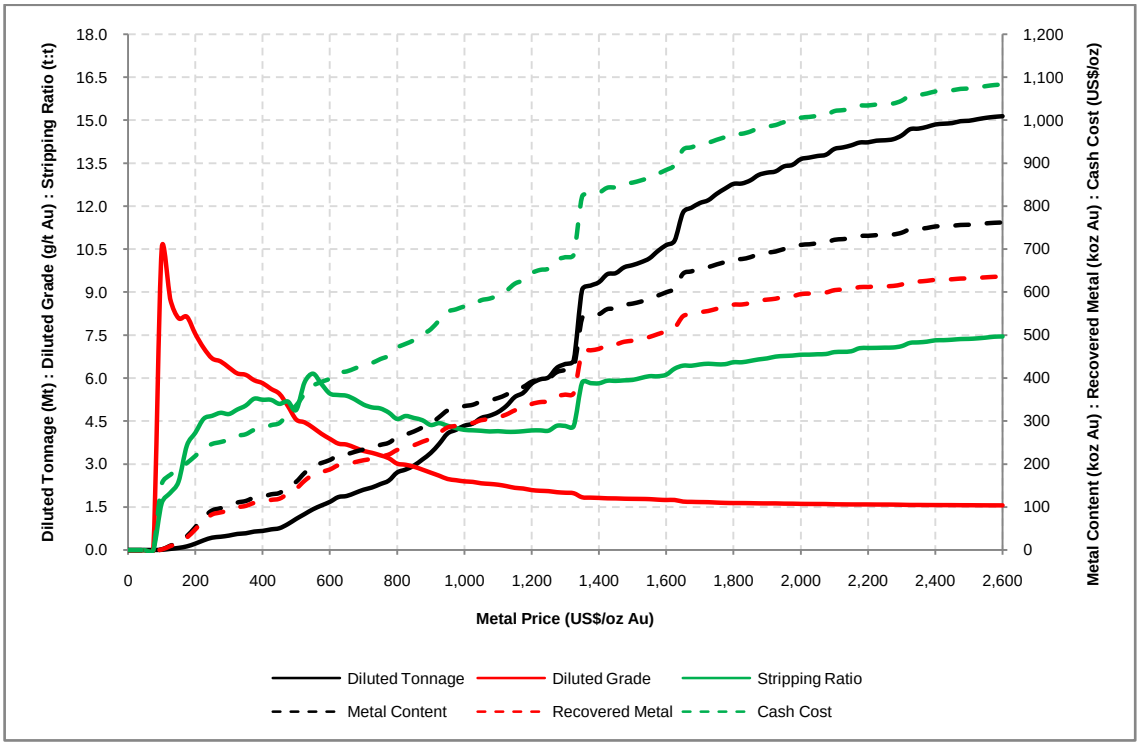
Table 3: Pit Optimisation Parameters

Parameter	Basis for Parameter	Units	GM	KKM	KW	MK	NZ
Overall Slope Angle							
Oxide	Conceptual Estimated	(deg)	35	35	35	35	35
Transition	Based on Deposit	(deg)	40	40	40	40	40
Fresh	Geological Characteristics	(deg)	50	50	50	50	50
Operating Expenditures							
Mining	Benchmark Cost	(US$/$t_{mined}$)	2.7	2.7	2.7	2.7	2.7
Processing + G&A	Benchmark Cost	(US$/$t_{ore}$)	20	20	20	20	20
Au Selling Cost[1]	Local Royalty	(US$/oz)	65	65	65	65	65
Modifying Factors							
Dilution	Conceptual Estimate	(%)	10	5	10	10	10
Mining Ore Recovery	Conceptual Estimate	(%)	95	95	95	95	95
Metallurgical Parameters							
Au Recovery - Oxide	Test Work	(%)	91	91	91	91	91
Au Recovery - Trans/Fresh	Test Work	(%)	55	80	80	90	90
Metal Price							
Gold		(US$/oz)	1,300	1,300	1,300	1,300	1,300
Cut-Off Grade - Marginal							
Oxide		(g/t Au)	0.55	0.55	0.55	0.55	0.55
Transition/Fresh		(g/t Au)	0.92	0.63	0.63	0.56	0.56

[1]5% Royalty

The sensitivity of the MGP to changes in metal price is shown in . This figure represents the aggregated optimised pit shell totals of the 5 deposits. This figure presents the cumulative diluted tonnages, grades and metal content, stripping ratio and recovered metal as reported from each incremental optimised pit shell. Each of the pit shells is evaluated using a base case reference metal price of 1,300 US$/oz Au.

Figure 2: Pit Optimisation Metal Price Sensitivity



The pit shell results for the 1,300 US$/oz pit shell is shown in Table 4, representative of a potential mining target. The pit shells contain a diluted tonnage of 6.5 Mt at 2.0 g/t Au for 419 koz Au at a stripping ratio of 4.3 twaste:tore. Projected Cash Costs reported from the pit shell are 681 US$/oz. The results indicate a conversion from Mineral Resource metal content to pit shell metal content in the order of 35%. NZ and MK have the best potential as low Cash Cost, high grade starter pits.

Table 4: Pit Optimisation Results – Reported from a 1,300 US$/oz Pit Shell

1,300 US$/oz Pit Shell	Units	Total	GM	KKM	KW	MK	NZ
Mineral Resources							
Indicated and Inferred Total[1]	(kt)	29,360	3,780	17,750	4,160	1,350	2,320
	(g/t Au)	1.3	1.2	1	1	3.1	2.7
	(koz Au)	1,193	141	576	139	133	203
Pit Shell Diluted Inventories							
Rock	(kt)	34,531	1,477	14,377	1,603	6,404	10,670
Stripping Ratio	(t:t)	4.3	2.8	2.7	2.9	12.7	7.2
Waste	(kt)	28,040	1,093	10,454	1,191	5,936	9,365
Diluted Inventory	(kt)	6,491	384	3,923	411	468	1,305
	(g/t Au)	2	1.8	1.3	1.2	4.4	3.7
	(koz Au)	419	22	159	16	65	155
Resource to Pit Shell Conversion							
Tonnage Conversion	(%)	22.1	10.2	22.1	9.9	34.6	56.3
Metal Conversion	(%)	35.1	15.8	27.6	11.8	49.1	76.5
Pit Shell Economic Summary							
Cash Cost	(US$/$t_{ore}$)	37.82	33	32.12	32.66	65.16	49.03
	(US$/oz)	681	820	939	993	517	458
Product							
Recovered Au	(koz)	362	15	134	14	59	140
Revenue	(US$/oz)	1,300	1,300	1,300	1,300	1,300	1,300
Cut-Off Grade - Oxide							
Breakeven Cut-Off	(g/t Au)		0.84	0.83	0.84	1.58	1.16
Marginal Cut-Off	(g/t Au)		0.55	0.55	0.55	0.55	0.55
Cut-Off Grade - Trans/Fresh							
Breakeven Cut-Off	(g/t Au)		1.39	0.94	0.96	1.59	1.18
Marginal Cut-Off	(g/t Au)		0.92	0.63	0.63	0.56	0.56

[1] 0.5 g/t Au Cut-Off

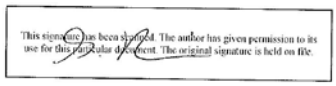
The pit shell results for the 1,700 US$/oz pit shell, representing a 30% premium on the 1,300 US$/oz contain an undiluted inventory of 11.4 Mt at 1.9 g/t Au for 689 koz Au, 58% of the Mineral Resource metal content. This premium is reflective of an approach used to constrain

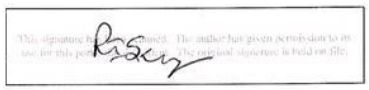
a Mineral Resource to open pit potential.

SRK notes that the pit optimisation study is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them and there is no certainty that the pit shell economic assessments will be realised.

Based on the technical work that has been undertaken and the assumptions underlying this pit optimisation, SRK concludes that further technical work is warranted. SRK however notes that the project is sensitive to gold price across the entire range of pit shells assessed.

For and on behalf of SRK Consulting (UK) Limited





Gabor Bacsfalusi,
Senior Consultant (Mining Engineering),
SRK Consulting (UK) Limited

Rick Skelton,
Corporate Consultant (Mining Engineering),
SRK Consulting (UK) Limited

Glossary

Cut-Off Grade	The lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
Cash Cost	The combined operating costs reported for a given pit shell inventory per ounce of gold recovered.
Gold price reference case (x,xxx US$/oz pit shell)	The pit shell which reflects an optimum pit at a specific metal price.
deg	Degrees
g/t	grams per tonne
Grade	The proportion of a mineral within a rock or other material. For gold mineralisation this is usually reported as grams of gold per tonne of rock (g/t)
Indicated Mineral Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
Inferred Mineral Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.
JORC code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Measured Mineral Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
Mineral Resource	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Open Pit Mining	A method of extracting minerals from the earth by excavating downwards from the surface such that the ore is extracted in the open air (as opposed to underground mining)
oz	Troy ounce, equivalent to 31.103477 grams
Diluted	Inclusive of mining modifying factors (mining recovery and mining dilution)
US$	United States Dollar