SRK Consulting (UK) Limited
5th Floor Churchill House
17 Churchill Way
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

External Memorandum

To:	Gary Hurst	**From:**	Howard Baker
Company:	Red Rock Resources PLC, NAMA Greenland Ltd	**Project Number:**	UK5298
Copied to:	Natasha Henwood, James Haythornthwaite, Colin Rawbone	**Project Title:**	Havik East MRE
File Ref:	U5298_Melville_Bugt_Memo_Final_V2.docx	**Date:**	December 14, 2012
Subject:	**Mineral Resource Estimate of the Havik East Iron Asset, Greenland**		

1 INTRODUCTION AND MINERAL RESOURCE STATEMENT

In October 2012, SRK Consulting (UK) Ltd. ("SRK") was commissioned by Red Rock Resources PLC. ("RRR"), to prepare a maiden Mineral Resource Statement for the Havik East iron asset that lies within the Melville Bugt iron ore project, located in the north-west of Greenland, 150 km south of the town of Qaanaaq. This memorandum summarises the data and parameters considered by SRK in preparing the maiden Mineral Resource Statement for Havik East with the Havik East asset being split between the Havik East and Havik Northeast iron occurrences. RRR currently operates the Melville Bugt under a Joint Venture agreement with North Atlantic Mining Associates Limited ("NAMA") under which it has earned 25% of NAMA Greenland Ltd ("NGL"), the holder of the exploration concessions in Greenland. RRR has the right to increase this percentage to 60% by funding the 2012 exploration programme and defining a JORC Mineral Resource Estimate

The Mineral Resource Estimation process was a collaborative effort between SRK and RRR staff. RRR provided to SRK an exploration database and a geological interpretation comprising a series of vertical cross sections through the areas investigated by diamond core drilling and surface geological maps. The geological model was constructed by Mr. James Haythornthwaite of SRK. The statistical, geostatistical analysis, variography, selection of resource estimation parameters and construction of the block model were completed by Mr. Colin Rawbone under the supervision of Mr. Howard Baker, MAusIMM (CP) (224239), both employees of SRK. A site visit was undertaken between 13 and 20 August, 2012, by Mr. Howard Baker, a full-time employee of SRK to validate the drilling, logging, sampling and assaying protocols and to review the results of the drilling completed at that time. The site visit was undertaken as part of a separate commission between SRK Exploration Services ("SRKES") and RRR and took place prior to the agreement between SRK and RRR.

The information in this memorandum that relates to Mineral Resources is based on information compiled by Mr Howard Baker, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy. Mr Baker is employed by SRK, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves", or the JORC code.

The maiden Mineral Resource Statement for the Havik East asset is presented in Table 1-1 and reported above a zero % Fe cut-off. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves. SRK is unaware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues that may materially affect the Mineral Resources. The effective date of the Mineral Resource Statement is 14 December, 2012.

In total, SRK has reported an Inferred Mineral Resource of 67 Million Tonnes (Mt), with mean grades of 31.4% Fe, 51.2% SiO_2, 1.01% Al_2O_3, and 0.06% P, all of which falls within an optimisation whittle pit, which has a strip ratio of 1.8 (waste tonnes : ore tonnes) and which was generated by SRK to restrict the Mineral Resource to material which has potential to be economically exploited.

Table 1-1: Mineral Resource Statement, Havik East Iron Asset, Greenland, SRK Consulting (UK) Ltd., effective date 14 December 2012. Reported above a zero % Fe cut-off and within an optimised pit shell.

AREA	CLASSIFICATION	TONNES (Mt)	Density (g/cm^3)	Fe %	SiO_2 %	Al_2O_3 %	P %
HAVIK EAST	MEASURED	-	-	-	-	-	-
	INDICATED	-	-	-	-	-	-
	MEAS + IND	-	-	-	-	-	-
	INFERRED	45	**3.07**	32.1	50.76	0.77	0.06
HAVIK NORTH EAST	MEASURED	-	-	-	-	-	-
	INDICATED	-	-	-	-	-	-
	MEAS + IND	-	-	-	-	-	-
	INFERRED	22	**3.05**	30.0	52.12	1.51	0.07
TOTAL	MEASURED	-	-	-	-	-	-
	INDICATED	-	-	-	-	-	-
	MEAS + IND	-	-	-	-	-	-
	INFERRED	**67**	**3.06**	**31.4**	**51.20**	**1.01**	**0.06**

2 MINERAL RESOURCE ESTIMATION METHODOLOGY

2.1. Resource Database

The resource database available upon which the Mineral Resource Estimate is based comprises diamond drillhole data generated by RRR from the drilling programme conducted between June and September 2012. This data has been supplemented by surface geological mapping and subsequent cross-section geological interpretations constructed on the basis of both mapping and drillhole data. The drillhole database for the Havik East asset comprises 18 diamond drillholes, all completed during the recent exploration programme. Diamond drillholes are spaced on section lines between approximately 200 m and 700 m apart. The assay database comprises 834 sample intervals assayed for a total of 13 elements.

The drillhole data was received as an Access database containing tables with collar locations, downhole survey measurements, magnetic susceptibility readings, specific gravity measurements, descriptive core information for the main geological units (including lithology, alteration, structural and geotechnical characteristics) and sampled intervals with assay results. As part of its work, SRK verified that the data provided by RRR is sufficiently robust for use in deriving a Mineral Resource Estimate. This included viewing drillholes on site in order to check the quality of logging undertaken.

For the purpose of the maiden Mineral Resource Estimate, SRK were supplied with a surface topography and collar locations of all diamond drillholes, predominantly surveyed by Handheld GPS. Specific gravity was measured on-site by RRR staff using a standard weight in water / weight in air methodology on core samples every 5 m in iron formation and every 10 m in footwall and hangingwall lithologies.

Mr. Howard Baker of SRK conducted a site visit to the Melville Bugt iron project between 13 and 20 August 2012, to inspect the property, discuss and review the exploration work undertaken by RRR, to review all protocols and data collection/storage systems and to ensure that the data being collected was fit for purpose. In addition Mr. Baker advised RRR on future exploration and testwork requirements to ensure that a maiden Mineral Resource Statement would be achieved from the maiden drilling campaign.

RRR have put in place a robust Quality Assurance/Quality Control (QAQC) programme to accompany the drilling programme. SRK has reviewed the measures in place and the associated results, and consider the data to have been collected appropriately.

SRK is satisfied that the exploration work carried out by RRR was conducted in a manner consistent with industry best practices and that the exploration data, drilling database and the geological interpretations provided are sufficiently reliable for the purpose of supporting a Mineral Resource reported in compliance with JORC Guidelines.

2.2. Geological Interpretation and Modelling

Primary iron mineralisation identified at the Havik East iron project predominantly comprises coarse grained magnetite confined to Algoma-type banded iron formation ("BIF") hosted within the c.2.7 billion year old Lauge Kock Kyst supracrustal complex. Outcrop and drillhole intercepts of the Havik East banded iron formation are characterised by massive magnetite or 1-2 mm micro bands of magnetite and quartz with localised secondary haematite alteration. Figure 2-1 shows an example of the Havik East magnetite mineralisation.

The banded iron formation is generally confined to a single marker horizon (with minor outliers), which defines multiple phases of deformation. The iron formation package and adjacent metasedimentary hangingwall and footwall lithologies are ductiley deformed into a series of broadly E-W striking, tight, moderately north dipping and shallowly east plunging folds. These are offset by an early E-W thrusting phase, followed by a series of later NW-SE normal faults, which define the dominant fault set and are tentatively interpreted to be related to the opening of the Thule Basin during the Mesoproterozoic. Currently defined iron mineralisation extends to a total of 2.7 km along strike, between 40 and 200 m across strike, and to depths of up to 225 m. True thickness of the banded iron formation horizon is in the order of 20 to 50 m, and may be high as 85 m in fold hinge zones.

Figure 2-2 and Figure 2-3 show outcropping magnetite BIF at Havik East and Havik Northeast.

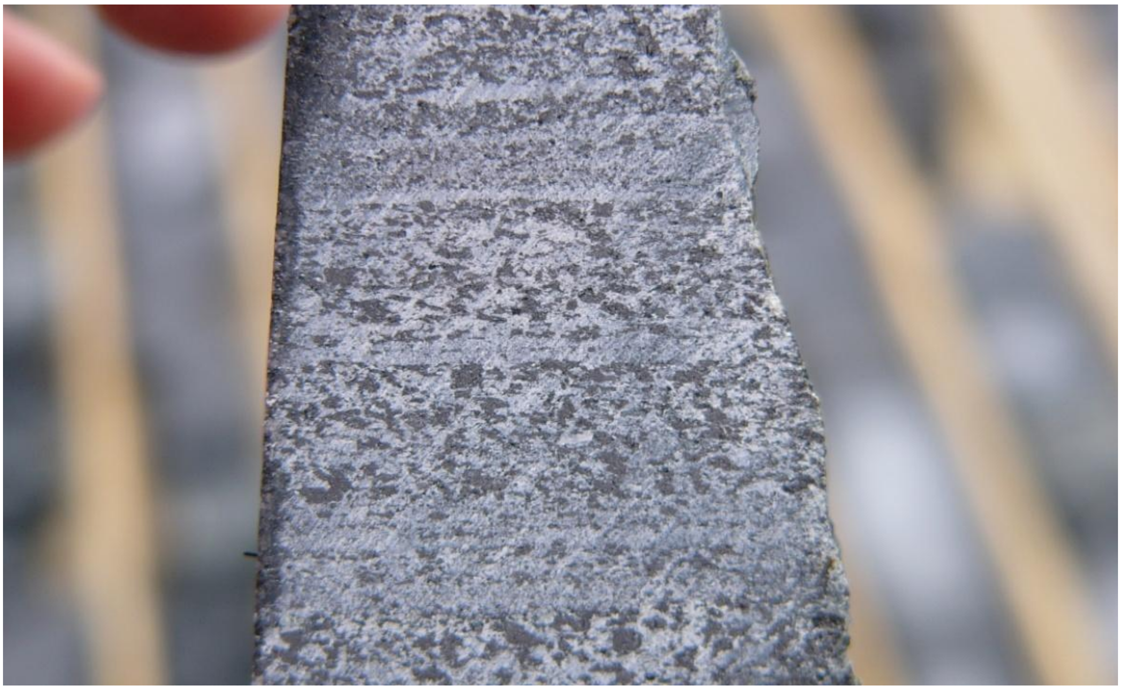


Figure 2-1: Hand specimen of Havik East coarse magnetite (Source: SRK)

Figure 2-2: Havik East outcrop (Source: SRK)

Figure 2-3: Havik Northeast outcrop (Source: SRK)

Geological modelling was conducted in Leapfrog Mining software, using logged iron formation as an explicit control on model geometry. Prior to modelling, a series of fault-bounded Leapfrog domains were generated based on mapped faults considered to have a significant offset on the iron formation horizon. Iron formation hangingwall and footwall surfaces were subsequently generated independently within each fault-bounded modelling domain, using Leapfrog polylines snapped to drillhole intercepts. Detailed geological mapping, sectional interpretations and downhole structural measurements were used to guide the orebody geometry between drillholes, both on and between sections. Modelled iron formation footwall and hangingwall surfaces were subsequently combined to define a solid 3D mesh within each fault-bounded domain.

The 3D iron formation model was visually verified with respect to downhole Fe assays and corrected to capture any high grade material at the margins of the model.

Figure 2-4 shows the geological model created for the Havik East asset with Figure 2-5 showing the SRK model and RRR field map.

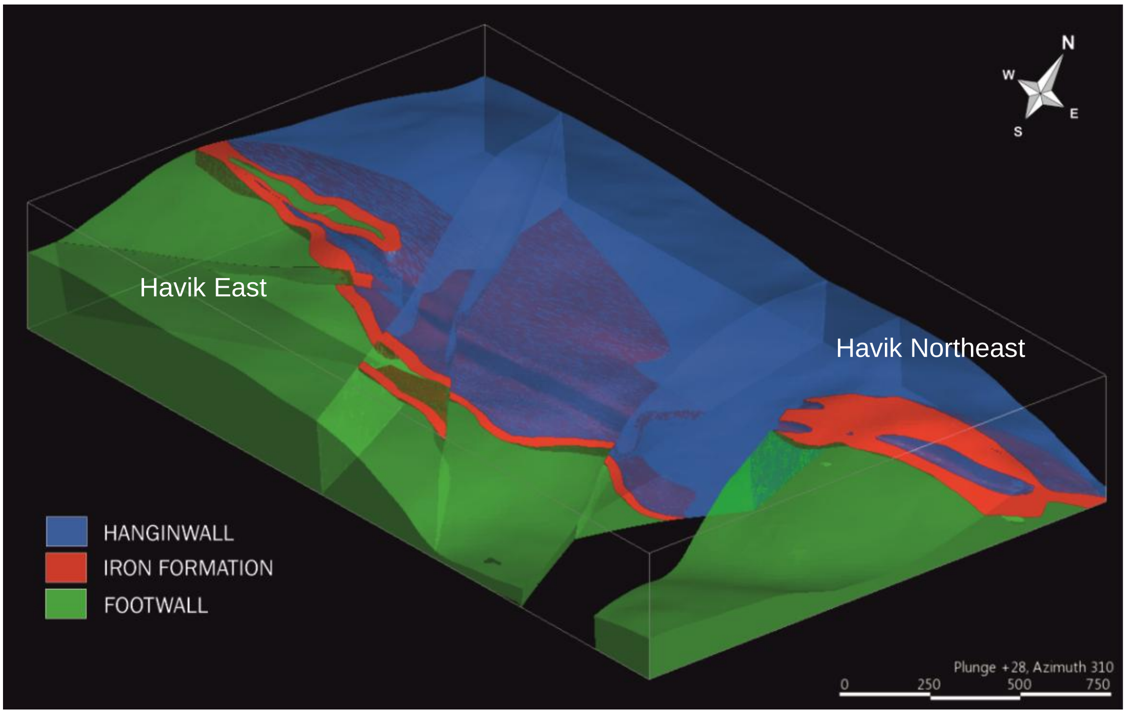


Figure 2-4: Oblique (28° towards 310°) view of the modelled iron formation horizon with adjacent hangingwall and footwall.

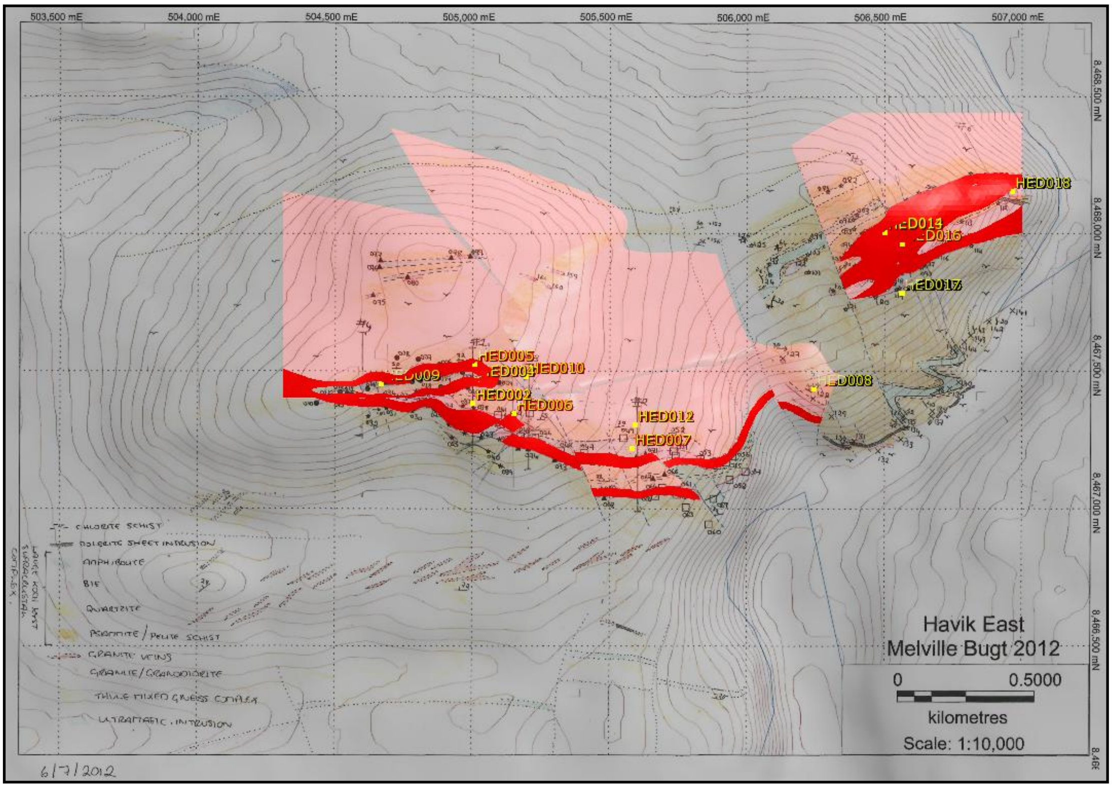


Figure 2-5: RRR Geological mapping with SRK iron formation model and collar locations.

2.3. Compositing, Capping and Statistics

Data compositing is undertaken to reduce the inherent variability that exists within the data populations and to generate samples more appropriate to the scale of the mining operation envisaged. It is also necessary for the estimation process, as all samples are assumed to be of equal weighting, and should therefore be of equal length.

Upon completion of a composite length analysis, SRK have selected a composite length that is half of the block height (10 m blocks in this instance, so 5 m composites). The estimation process assumes an equivalent weighting per composite. It is therefore necessary to discard or ignore remnant composites smaller than the defined composite length generated in the downhole compositing process to avoid a bias in the estimation. Within this Mineral Resource Estimate and after a composite length analysis, it has been determined that all samples should be included within the estimation and that disregarding samples has little effect on the statistical mean of the key element fields per domain.

Basic composite statistics for Fe, Al_2O_3, SiO_2, P and LOI are summarised in Table 2-1. The composited fresh magnetite BIF domain has a mean Fe grade of 31.6% across the Havik deposit.

A review of statistical outliers for the variables per domain suggests that grade capping is not necessary, and therefore no modifications have been made to the grade data.

Table 2-1: Havik East Composites Summary Statistics (domained BIF only)

FIELD	SAMPLES	MINIMUM (%)	MAXIMUM (%)	MEAN (%)	STD. DEV	CoV
Fe	180	17.5	38.5	31.6	4.1	0.130
SiO_2	180	43.4	68.9	51.3	4.4	0.086
Al_2O_3	180	0.04	8.53	0.81	1.3	1.648
P	180	0.005	0.106	0.053	0.01	0.353
LOI	180	-1.5	2.6	-0.7	0.5	-0.734

2.4. Block Model Definition

An empty block model was created in CAE Datamine Studio 3 within the solid wireframes of the fresh magnetite BIF (domain 100) and coded using the drillhole file accordingly. In addition, a waste block model was generated below the topography and outside of all mineralisation domains.

Criteria considered in the selection of block size included drillhole spacing, the thickness of the modelled resource domain and the geometry of the iron mineralisation. The block model dimensions of 50mY by 50mX by 10mZ and its specifications are displayed in Table 2-2.

Table 2-2: Havik East block model specifications.

ORIGIN		NUMBER OF BLOCKS		BLOCK SIZE (m)	
X	504000	X	64	X	50
Y	507200	Y	30	Y	50
Z	868500	Z	55	Z	10

2.5. Variography and Grade Interpolation

For the purpose of variography, all composite samples within the mineralised BIF were utilised and variography was undertaken using Isatis 2012 software. Both downhole and omni-directional semi-variograms were generated in order to determine suitable nugget and sill/range values respectively. However, due to the limited data and the relatively wide section spacing, variograms with poor structures were generated with ranges far less than the drill spacing. That said, SRK utilised the variograms produced to estimate grade using Ordinary Kriging (OK). Table 2-3 shows the results of the variography for Fe, Al_2O_3, SiO_2, P and LOI.

Table 2-3: Variography results for major elements and LOI.

ASSAY	DIP	STRIKE	NUGGET	STRUCTURE 1 - RANGE			VARIANCE	STRUCTURE 2 - RANGE			VARIANCE
			NORMALISED NUGGET	DOWN DIP	ALONG STRIKE	DOWN HOLE		DOWN DIP	ALONG STRIKE	DOWN HOLE	
Fe	0	0	4.11379	12	12	12	5.404	29	29	29	7.496
Al_2O_3	0	0	4.11379	10	10	10	5.682	28	28	28	9.648
SiO_2	0	0	0.44	10	10	10	0.937	56	56	56	0.409
P	0	0	0.000089	19	19	19	0.000029	99	99	99	0.00024
LOI1000	0	0	0.0726	11	11	11	0.155724	39	39	39	0.063343

To better define the ideal search parameters used in the grade interpolation, Quantitative Kriging Neighbourhood Analysis ("QKNA") was applied to the Fe assay data. Parameters altered in specific scenarios include search ellipse radius, the minimum and maximum number of samples and the maximum number of samples used per drillhole. Due to the wide average diamond drillhole spacing currently employed at the Havik East asset, a search ellipse radius defined by range, outlined in Table 2-3, will not always allow data from more than one section to be incorporated into a block estimate. On the basis of the QKNA neighbourhood scenarios, run 1 (Table 2-4) was deemed to produce the most favourable combined mean slope of regression and percentage block fill statistics whilst limiting, as much as practically possible, the degree of estimation smoothing.

Table 2-4: QKNA search parameters

RUN	SEARCH ELLIPSE RADIUS (X)	SEARCH ELLIPSE RADIUS (Y)	SEARCH ELLIPSE RADIUS (Z)	MIN NO OF SAMPLES	MAX NO OF SAMPLES	MAX SAMPLES PER DRILLHOLE
1	400 m	400 m	50 m	9	27	3

Two additional estimation runs were undertaken to ensure that all blocks were assigned a grade. Search volumes for the second estimation pass were expanded by 100% from the initial estimation pass. For the third estimation pass, ranges were inflated in excess of 10 times the first pass. All blocks not assigned a grade after the third estimation run were assigned the average domain grades (run 4).

Table 2-5 shows the number of blocks filled during each estimation pass for the mineralised domain. As shown, approximately 66% of blocks have been estimated after the second search, with only 15% being estimated after the first pass, this being a function of the limited data available.

Table 2-5: Summary of blocks estimated during each estimation pass

ZONE	SEARCH VOLUME NUMBER	MASS OF ESTIMATED BLOCKS (Mt)	NUMBER OF SAMPLES (1 sig figure)	BLOCK FILL (%)
100	1	11.3	16	15.0%
	2	38.3	15	50.8%
	3	25.8	25	34.2%
	4*	0.01	27	0.0%

*average domain grades applied to unestimated blocks

SRK has used the Dynamic Anisotropy function within CAE Datamine Studio 3 during the estimation. This involves each block being estimated a true dip and true dip direction based on the geological wireframes, in order to ensure, as much as is practically possible given the limited data, appropriately orientated search volumes that follow the geometry of the deposit. These true dip and true dip direction block estimates then control the search volume orientation for each block estimate independently and results in grade estimates that better honour the geology and grade continuity.

To validate the estimation process, SRK undertook a check Inverse Distance Squared Estimate (IDW) and conducted visual and statistical checks. Table 2-6 shows the results of OK versus the IDW estimate with minimal differences in grade being observed on a global scale. Figure 2-6 shows a cross section through the magnetite BIF. The block model and drillholes are colour coded by Fe% with the interpolated grade showing a reasonable representation of the input drillhole sample data.

Table 2-6: Ordinary Kriged block grades versus IDW block grades

FIELD	MEAN % (OK)	MEAN % (IDW2)
Fe	32.0	32.1
SiO_2	50.8	50.9
Al_2O_3	0.72	0.65
P	0.053	0.052
LOI	-0.76	-0.78

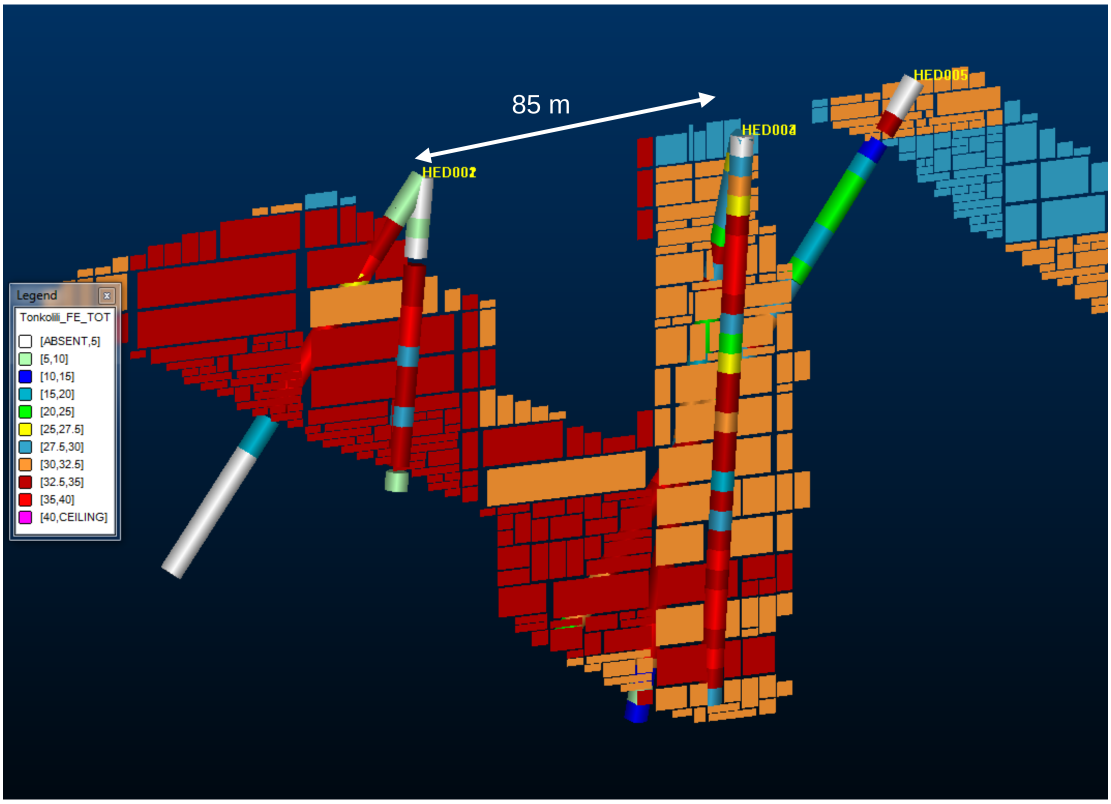


Figure 2-6: Cross section showing visual validation of block grades and sample grades at 504983E (west facing section). (Source: SRK)

Table 2-7 shows the global block model grades against the input composite sample grades for Fe, Al_2O_3, SiO_2 and P. Minimal discrepancies are observed and SRK is confident that the global block model grades are a reasonable representation of the input composite grades.

Table 2-7: Block model versus composite statistics

FIELD	COMPOSITE MEAN GRADE (%)	BLOCK MEAN GRADE (%)	DIFFERENCE	ABSOLUTE % DIFFERENCE
FE	31.6	32.0	0.427	0.427
SiO_2	51.3	50.8	-0.503	0.503
Al_2O_3	0.81	0.72	-0.083	0.083
P	0.053	0.053	0.000	0.000
LOI	-0.73	-0.76	-0.022	0.022

3 MINERAL RESOURCE CLASSIFICATION

The definitions given in the following section are taken from the 2004 version of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, also known as the JORC Code.

3.1. JORC Code Definitions

A ‘Mineral Resource’ is 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.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource. If the judgement as to ‘eventual economic extraction’ relies on untested practices or assumptions, this is a material matter which must be disclosed in a public report.

The term ‘reasonable prospects for eventual economic extraction’ implies a judgement (albeit preliminary) by the Competent Person in respect of the technical and economic factors likely to influence the prospect of economic extraction, including the approximate mining parameters. In other words, a Mineral Resource is not an inventory of all mineralisation drilled or sampled, regardless of cut-off grade, likely mining dimensions, location or continuity. It is a realistic inventory of mineralisation which, under assumed and justifiable technical and economic conditions, might, in whole or in part, become economically extractable.

3.2. Inferred Mineral Resources

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.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource.

The Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur.

3.3. Indicated Mineral Resources

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.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource, but has a higher level of confidence than that applying to an Inferred Mineral Resource.

Mineralisation may be classified as an Indicated Mineral Resource when the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralisation.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters, and to enable an evaluation of economic viability.

3.4. Measured Mineral Resources

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.

Mineralisation may be classified as a Measured Mineral Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the Competent Person determining the Mineral Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits, and that any variation from the estimate would be unlikely to significantly affect potential economic viability.

This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability that has a greater degree of certainty than an evaluation based on an Indicated Mineral Resource.

3.5. SRK Classification

Mineral Resource classification is typically a subjective concept, and industry best practices suggest that resource classification should consider the confidence in the geological continuity of the modelled mineralisation, the quality and quantity of exploration data supporting the estimates, and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at a similar resource classification.

SRK is satisfied that the geological model for the Havik East asset honours the current geological information and knowledge. The location of the samples, mapping and the assaying data are sufficiently reliable to support resource evaluation and do not present a risk that should be taken into consideration for resource classification.

The geological continuity of the Havik East asset is reasonably well defined, although a degree of uncertainty exists regarding how ductile structures, defined on drillhole sections, interact between sections in 3D. A number of drillhole sections comprise only one or two drillholes, with the geological continuity between sections being governed by field mapping and the associated magnetic anomaly data. In these areas, the current geological model honours drillhole and geological mapping data, whilst being consistent with the structural model throughout the rest of the project area. However, it is noted that further drilling is required to achieve a more robust basis for the modelling of the geometry of the iron mineralisation in these areas. At the current level of data available, the geological model represents one of a number of possible geometries.

The Geostatistical analysis shows variogram ranges for all elements being lower than the current drillhole section spacing, resulting in a low confidence in the definition of grade continuity between drillhole sections.

As a result of the above, SRK is of the opinion that it is appropriate to classify those blocks defined by the drilling extents and through the known continuation of the deposit through surface field mapping in the Inferred category.

4 SUMMARY OF METALLURGICAL TESTWORK

RRR have undertaken XRF analysis on 25 magnetic concentrate samples recovered from Davis Tube Testwork (DTT). The samples for DTT were selected by SRK after a statistical review of the Fe assay data with the 25 samples representing the histogram of grades within the BIF domain. The results show that a high grade concentrate can be produced through conventional magnetic separation processes and at a laboratory scale grind size of P80 passing 75 µm. On average, the samples within the BIF domain show a mass recovery of approximately 42% for a concentrate grading at approximately 70% Fe, 2.0% SiO_2, 0.3% Al_2O_3 and 0.01% P.

5 PREPARATION OF MINERAL RESOURCE STATEMENT

5.1. SRK Classification

SRK considers that the Inferred Mineral Resources delineated by drilling at the Havik East asset is amenable to open pit extraction. To assist with determining which portions of the Inferred Mineral Resources delineated by SRK show "reasonable prospect for economic extraction" from an open pit, and to assist with selecting reasonable reporting assumptions, SRK used an open pit optimisation software package to develop conceptual open pit shells.

Table 5-1 summarises the optimisation parameters used in the resource optimisation carried out on the Havik East iron asset.

Table 5-1: Optimisation parameters for the Havik East resource optimisation

	Units	Value
Overall Slope Angle	°	53
Mining Recovery	%	95
Mining Dilution	%	5
Mining Cost	USD/t	2.50
Processing Cost	USD/t ore	9.15
Transport, Infrastructure, Port Cost	USD/t ore	2.50
General & Administrative Cost	USD/t ore	1.17
Processing Recovery	%	90
Selling Price	USD/dmtu	1.72

The pit slope angles applied in the optimisation has been set to 53° and the mining dilution and ore loss have been set at 5% each. The mining and processing costs have been based on similar projects and are estimated at 2.50 USD/t and 9.15 USD/t respectively. The processing recovery has been set at 90%.

The selling price has been set at 1.72 USD/dmtu using SRK's internal consensus market forecast data and using Brazilian Fines as a comparable product.

Pit optimisation was carried out solely for the purpose of testing the "reasonable prospects for economic extraction," and does not represent an attempt to estimate Mineral Reserves.

After review, SRK considered that the iron mineralisation located within the conceptual open pit shell satisfied the definition of a Mineral Resource and was therefore reported as such.

Mineral Resource reporting was completed in CAE Datamine Studio 3 using the conceptual pit envelope. Quantities and major element grade estimates for each resource domain are reported separately.

The Mineral Resource Statement for the Havik East iron asset is presented in Table 5-2 and reported at a zero Fe cut-off grade. The effective date of the Mineral Resource Statement is 14 December, 2012.

Table 5-2: Mineral Resource Statement, Havik East Iron Asset, Greenland, SRK Consulting (UK) Ltd., effective date 14 December 2012. Reported above a zero % Fe cut-off and within an optimised pit shell.

AREA	CLASSIFICATION	TONNES (Mt)	Density (g/cm^3)	Fe %	SiO_2 %	Al_2O_3 %	P %
HAVIK EAST	MEASURED	-	**-**	-	-	-	-
	INDICATED	-	**-**	-	-	-	-
	MEAS + IND	-	**-**	-	-	-	-
	INFERRED	45	**3.07**	32.1	50.76	0.77	0.06
HAVIK NORTH EAST	MEASURED	-	**-**	-	-	-	-
	INDICATED	-	**-**	-	-	-	-
	MEAS + IND	-	**-**	-	-	-	-
	INFERRED	22	**3.05**	30.0	52.12	1.51	0.07
TOTAL	MEASURED	-	**-**	-	-	-	-
	INDICATED	-	**-**	-	-	-	-
	MEAS + IND	-	**-**	-	-	-	-
	INFERRED	**67**	**3.06**	**31.4**	**51.20**	**1.01**	**0.06**

In total, SRK has reported an Inferred Mineral Resource of 67 Million Tonnes (Mt), with mean grades of 31.4% Fe, 51.2% SiO_2, 1.01% Al_2O_3, and 0.06% P, all of which falls within an optimisation whittle pit, which has a strip ratio of 1.8 (waste tonnes : ore tonnes) and which was generated by SRK to restrict the Mineral Resource to material which has potential to be economically exploited.

Figure 5-1 shows the classified resource model within the Whittle Pit shell.

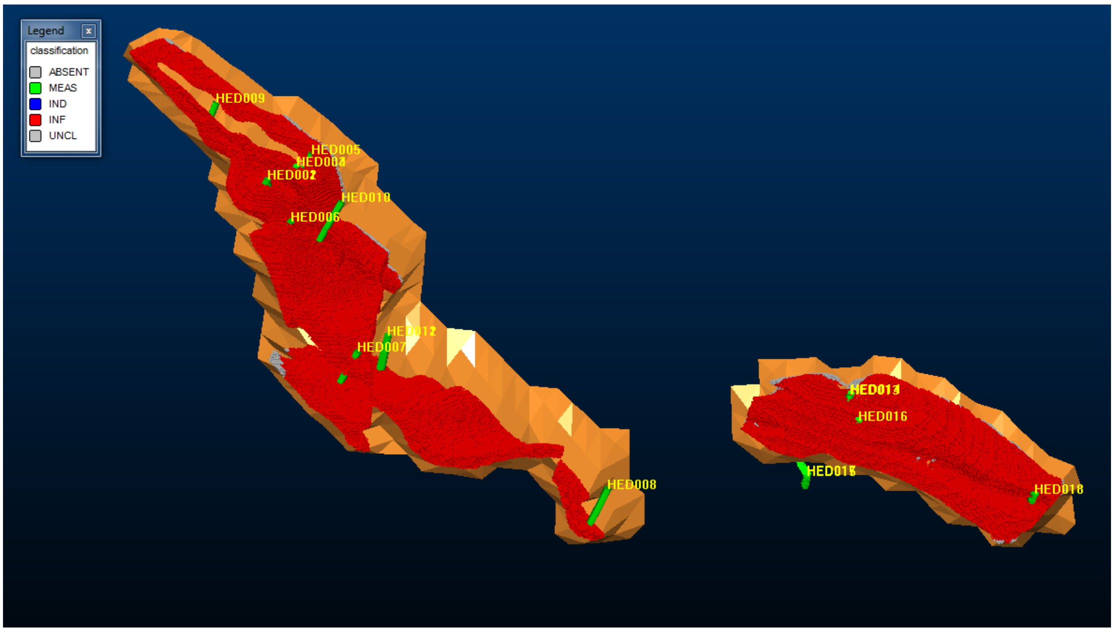


Figure 5-1: Classified Mineral Resource within Whittle Pit Shell

6 SENSITIVITY ANALYSIS

The Mineral Resource reported here is insensitive to the selection of a reporting cut-off grade below a cut-off of 25% Fe. Above a cut-off grade of 25% Fe, there is a steep drop in available tonnage with grade increasing from 31% Fe to 34% Fe. To illustrate the grade cut-off sensitivity, resource model quantities and grade estimates are presented in Table 6-1 and summarised in a grade tonnage curve in Figure 6-1. The reader is cautioned that the figures presented in this table do not comprise, and should not be misconstrued as, a Mineral Resource Statement. The figures are only presented to show the sensitivity of the Mineral Resource to cut-off grade.

Table 6-1: Global Quantities and Grade Estimates* at Various Cut-Off Grades

Fe (%) CUT-OFF	Tonnage (Mt)	Fe %	SiO_2 %	Al_2O_3 %	P %
20	67	31.4	51.2	1.01	0.06
25	67	31.4	51.2	1.01	0.06
30	53	32.0	50.6	0.86	0.06
32	27	33.0	49.9	0.59	0.06
34	1	34.2	48.6	0.39	0.06

* The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The reported quantities and grades are only presented as a sensitivity of the deposit model to the selection of cut-off grade.

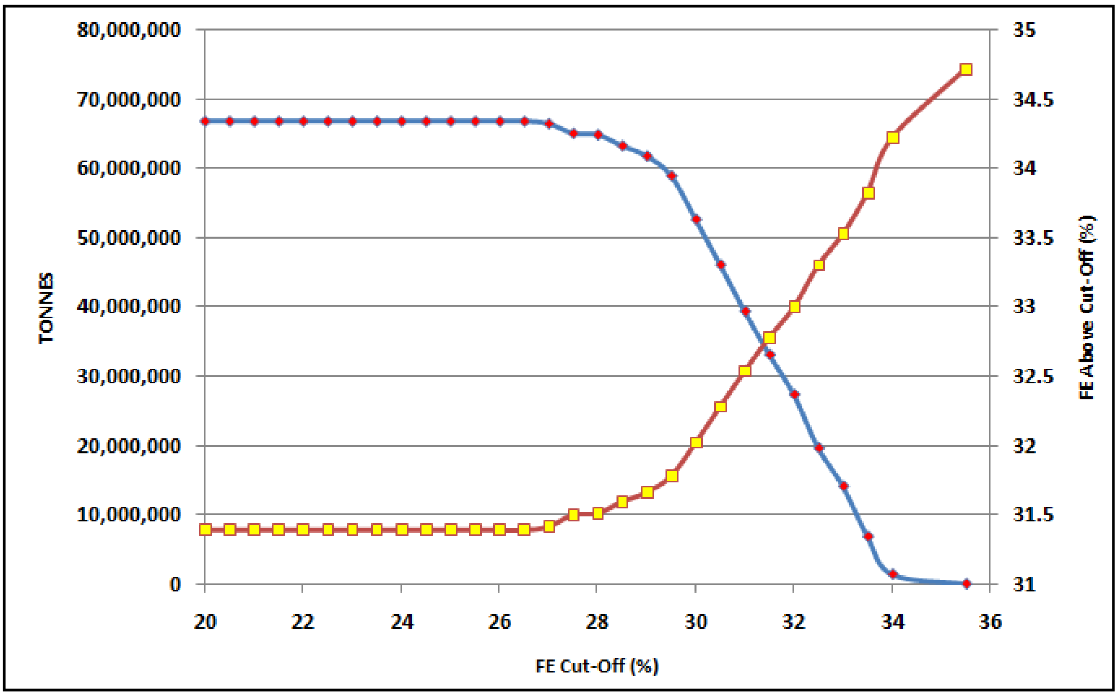


Figure 6-1: Grade Tonnage Curve for the Havik East iron asset

7 MELVILLE BUGT EXPLORATION TARGETS

In addition to the Mineral Resource Estimation undertaken for the Havik East asset, SRK were requested to evaluate the resource potential of a number of additional Exploration Targets that lie within RRR exploration tenement.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In accordance with Clause 18.1 of the JORC Code however, SRK notes that such information relating to Exploration Targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves. Furthermore, SRK recognises that the terms Mineral Resource(s) or Ore Reserve(s) must not be used in this context; and that any statement referring to potential quantity and grade of the target must be expressed as ranges and must include (1) a detailed explanation of the basis for the statement, and (2) a proximate statement.

Exploration Targets are reported in accordance with Section 18 of the JORC Code and for the avoidance of doubt, SRK notes:

- The potential quantity and grade as reported in respect of the Exploration Targets are conceptual in nature;
- There has been insufficient exploration to define a Mineral Resource; and
- It is uncertain if further exploration (as planned by the Company) will result in the determination of a Mineral Resource.

7.1. Exploration Target – Tonnage Range

Tonnage ranges of the Exploration Targets identified during RRR exploration campaign are outlined in Table 7-1. This is based on the field mapping undertaken by RRR and on the extent of magnetic anomalies in the regional total magnetic intensity survey provided to SRK by RRR, and uses the BIF modelled at Havik East as a proxy for thickness and density.

Down-dip extent is limited to 100 m, being the approximate average depth of the Havik East mineralisation and except in areas where mineralisation depth can be extended on the basis of diamond drilling. A minimum and maximum tonnage range is reported on the basis of 50% and 150% of the calculated tonnage.

Table 7-1: Tonnage estimate of Melville Exploration Targets

TARGET	DOMINANT ORE TYPE	LENGTH (m)	THICKNESS (m)	DOWNDIP (m)	DENSITY (g/cm^3)	TONNES (Mt)	MIMIMUM TONNES (Mt)	MAXIMUM TONNES (Mt)
Havik Central*	MAGNETITE	3,000	40	100	3.06	37	18.5	55.5
Havik West*	MAGNETITE	3,500	40	100	3.06	43	21.5	64.5
De Dødes West*	HAEMATITE	900	55	200	3.06	30	15	45
Hans Nielsen Field*	MAGNETITE	2,800	40	100	3.06	34	17	51
Tuukkaq**	MAGNETITE	6,000	40	100	3.06	73	36.5	109.5
Glet**	MAGNETITE	1,500	40	100	3.06	18	9	27
Nags**	MAGNETITE	1,400	40	100	3.06	17	8.5	25.5
Nunatak**	MAGNETITE	500	40	100	3.06	6	3	9
Puiss**	MAGNETITE	600	40	100	3.06	7	3.5	10.5
York**	MAGNETITE	600	40	100	3.06	7	3.5	10.5
Haematite Nunatak*	HAEMATITE	1,600	30	200	3.06	29	14.5	43.5
De Dødes East Haematite*	HAEMATITE	1,200	40	100	3.06	15	7.5	22.5
TOTAL						**316**	**158**	**474**

*delineated by magnetic anomaly and / or grab samples and drilling data

**delineated by magnetic anomaly data only

7.2. Exploration Target – Grade Range

Table 7-2 displays Grade ranges for the Exploration Targets tested by drilling or grab sampling. In areas intersected by diamond drillholes, the mean Fe grade is given as a length weighted average of all downhole assayed iron formation. For those targets where only grab samples are currently available, the mean Fe grade represents the mean of all grab sample assays greater than 20% Fe.

Table 7-2: Grade range for Exploration Targets tested by drilling or grab sampling

TARGET	Fe MEAN %	No. Of Samples	Sample Type	Fe MINUS 10%	Fe PLUS 10%
Havik Central	44.0	9	Grab	40	48
Havik West	43.0	8	Grab	39	47
Haematite Nunatak	35.8	18	Drillhole Interval	32	39
De Dødes West	30.0	200	Drillhole Interval	27	33
De Dødes East Haematite	38.5	12	Grab	35	42
Hans Nielsen Field	42.5	2	Grab	38	47

7.3. Exploration Target – Summary

In summary, and based on a statistical review of the available data relating to the 12 separate Exploration Targets currently identified within the Melville Bugt exploration tenement, SRK considers the current Melville Exploration Targets to be in the range of 158 Mt to 474 Mt with a grade of between 27 and 47% Fe. Of this, 94 Mt to 282 Mt is estimated on the basis of both geophysical and grab samples / drilling data, whilst 64 to 192 Mt is estimated solely on the basis of geophysical anomalies.

SRK also notes that a number of high grade assay results have been received from the grab sampling and drilling programme with grades in excess of 60% Fe being recorded. As such, SRK recognises the potential for high grade Direct Shipping Ore to be delineated in the Melville Bugt tenement and SRK advises that future exploration activities should maintain a focus on identifying potential Direct Shipping Ore in conjunction with developing the BIF resource base.

SRK notes that for the Exploration Targets described herein, that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

8 CONCLUSIONS AND RECOMMENDATIONS

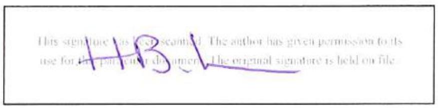
The primary aim of the work undertaken by SRK was to generate a maiden Mineral Resource Estimate for the Havik East iron asset operated by Red Rock Resources PLC., using all available and valid data. Competent Person Howard Baker (MAusIMM(CP)) believes the aim has been achieved and that the project has met the original objectives.

In total, SRK has reported an Inferred Mineral Resource of 67 Million Tonnes (Mt), with mean grades of 31.4% Fe, 51.2% SiO_2, 1.01% Al_2O_3, and 0.06% P, all of which falls within an optimisation whittle pit which has a strip ratio of 1.8 (waste tonnes : ore tonnes) and which was generated by SRK to restrict the Mineral Resource to material which has potential to be economically exploited.

In addition, SRK has identified an Exploration Target of between 93 Mt and 269 Mt with a grade of between 27 and 47% Fe. The Exploration targets have been identified through magnetic geophysical data, field mapping, grab samples and drilling.

SRK also notes that a number of high grade assay results have been received from the grab sampling and drilling programme with grades in excess of 60% Fe being recorded. As such, SRK recognises the potential for high grade Direct Shipping Ore to be delineated in the Melville Bugt tenement and SRK advises that future exploration activities should maintain a focus on identifying potential Direct Shipping Ore in conjunction with developing the BIF resource base.

For and on behalf of SRK Consulting (UK) Limited



Howard Baker,

Principal Consultant (Mining Geology),

SRK Consulting (UK) Limited