

Redhill Provides Operational and Financial Update

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 22, 2014) - [Redhill Resources Corp.](#), (TSX VENTURE:RHR), ("**Redhill**" or the "**Company**") hereby announces a financial and operational update, including the final mineral assay results from the SAT property conducted in 2014.

Oil and gas operations

Redhill currently has three oil and gas focused initiatives; the Chinook prospect, the Montney license and a gross overriding royalty ("GORR").

From September to early December, extensive land work was performed on the Chinook prospect to evaluate lease acquisition and farm-in opportunities. Redhill has not yet entered into any mineral leases, farm-in commitments or other obligations regarding Chinook and therefore has no current financial burdens associated with this prospect.

In the Alberta Girouxville Montney, Redhill has an 8 section crown license and a 2.5% GORR on 7 sections of additional land. Redhill's crown license has a four year term and requires annual lease rentals of approximately \$7,000. Accordingly, the cost of holding this asset is low.

On the GORR lands, [High North Resources Ltd.](#) ("High North") has completed drilling and has cased their first well on these lands. We do not anticipate any news on this well from High North until 2015 after the well is completed and tested. Should this well be economic, numerous other drilling locations on the GORR lands are anticipated.

2014 Mineral exploration update - SAT Property

The SAT property covers 4,620 hectares in 10 contiguous road accessible mineral claims approximately 50 kilometers northeast of Smithers, southwest of Babine Lake and west of the town of Granisle. It is located within the prospective Stikine Terrane which hosts known copper porphyry deposits including the historical Granisle and Bell mines as well as the Big Onion and Morrison deposits.

In early 2014 Redhill completed an 18 kilometer IP survey over the SAT property. Based on the positive results obtained from this survey, Redhill initiated a drilling program in June of 2014 to further test a high chargeability IP anomaly approximately 900 by 1300 meters in area.

As part of the drilling program Redhill completed 4 HQ to NQ diamond drill holes in June through July 2014, for a total of 1,263 metres. All drill holes intersected variable amounts of pyrite +/- chalcopyrite. High amounts of disseminated pyrite in interbedded volcanics and sediments were determined to be the main source of the chargeability anomaly, where copper mineralization was related to intrusive dykes of variable widths crosscutting these units.

The best intersections are highlighted in the Table below. Drill holes SAT14-1 and 2 failed to intersect any significant mineralization.

Drill Hole	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Mo (%)
SAT14-3	23	116	93	.11	.023	.0039
Including	23	44	21	.18	.041	.0039

and	67.7	86	18.3	.19	.035	.0046
SAT14-4	59	152	93	.13	.015	.0014
Including	59	93.5	34.5	.19	.019	.0004

As previously disclosed in the second quarter financials and Management's Discussion and Analysis released on October 31, 2014, based on the initial results from the exploration program, the Company has given notice to the mineral property optionors that it will not be continuing forward with both the SAT and Aspen property programs and has relinquished all rights to those properties. The SAT and Aspen properties constituted the remaining mineral properties for Redhill and the Company is now focused exclusively on its oil and gas activities.

In respect to prior expenditures on these properties, the Company has recently received a mining tax credit from the Canada Revenue Agency in the amount of \$382,404 for mineral exploration work completed in 2013. This credit will be applied as a recovery to the impairment charge taken at August 31, 2014 of approximately \$2.1 million in respect to the relinquishment of these properties. An additional mining tax credit will be applied for related to additional work done in 2014 on these properties.

Financial Update

The Company's financial resources include working capital and investments in High North totalling approximately \$3.1 million. Redhill has no debt.

The High North investments consist of an \$850,000 debenture maturing April 4, 2015 paying 12% interest, 6 million common shares and 1.5 million warrants exercisable at \$0.50 expiring in October 2015. These investments are currently valued at approximately \$1.75 million.

Given the current economic conditions, Redhill has undertaken a review of its financial resources, capital and administrative expenditures. Near term capital expenditures will be limited to geologic work on our Montney assets and any non-critical consulting and investor relations work has been suspended. Working capital will be closely monitored as will our investments in High North.

2015 Outlook

As 2014 nears an end, Redhill hopes that 2015 will bring a rebound in commodity prices and investment activity in the oil patch. Redhill is aware that the markets in general during the last quarter of 2014 have not been kind to many investors and their numerous energy based investments. We thank those investors who have continued to hold shares in Redhill.

REDHILL RESOURCES CORP.

Paul McDougall, CEO & Director

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This document may contain forward-looking information including but not limited to: the Chinook prospect, High North drilling results, the prospectivity of the Company's lands and the valuation of the Company's investments. Such forward-looking information is based on management's expectations and assumptions regarding business development initiatives, contractual negotiations, regulatory approvals, business prospects and opportunities.

By its nature, such forward-looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: risks associated with the oil and gas industry (e.g. operational risks and delays

in the development, exploration or production associated with Redhill's projects; negotiations with third parties; and regulatory approval processes). Although Redhill believes that the assumptions used in such forward-looking information are reasonable, there can be no assurance that such assumptions will be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive.

The forward-looking information included in this document is expressly qualified in its entirety by the foregoing cautionary statements. Unless otherwise stated, the forward-looking information included in this document is made as of the date of this document and the Company assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

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