



ACN 100 796 754

ASX Announcement

ASX Code: RVR

13 November 2014

Red River Resources Outlines an Integrated Strategy for Thalanga

Highlights

- **Plan to restart production by end of calendar 2015**
 - **Studies to prioritise existing project pipeline**
 - **Exploration activities to begin in the highly prospective Mount Windsor Belt**
 - **Induced Polarisation (IP) Survey commencing December 2014**
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Zinc developer Red River Resources Ltd (“Red River” or the “Company”) is pleased to announce an integrated strategy for the Company’s Thalanga Operations, located 60km southwest of Charters Towers in Central Queensland.

In September 2014, Red River acquired the Thalanga Operations from Kagara Limited for \$5m in cash and a \$1.5m deferred payment, to be made three months after the restart of commercial production. Red River completed the \$5m cash payment and took control of the project at the end of October 2014.

The integrated strategy at Thalanga Operations has the following key objectives:

To restart production by end calendar year 2015

A production restart by end CY2015 will position Red River to benefit from any positive impact on the zinc price flowing from MMG’s Century Zinc operations ceasing production in 3Q CY2015⁽¹⁾. If Red River restarts production at the Thalanga Operations by end CY2015 the Company will be the largest ‘pure play’ zinc producer listed on the ASX.⁽²⁾

To complete option studies on the existing project pipeline

Red River currently controls five projects that contain either a defined JORC 2004 Resource (West 45, Orient, Liontown and Waterloo) or known mineralisation with historic non JORC Resources (Thalanga Remnants). Red River is currently commencing a number of detailed studies to ascertain the order in which the projects are developed following West 45 in order to maximise shareholder value.

To restart exploration activities

Red River’s ownership of the only base metal (copper, lead and zinc) processing facility (Thalanga) in the highly prospective Mount Windsor Belt has significant strategic value. Restarting exploration activities in this highly prospective Belt will give Red River the opportunity to find and define additional resources to extend the life of the Thalanga Operations and create material value for our shareholders.

(1) MMG 3rd Quarter Production and Project Update, 16 Oct 2014

(2) Red River analysis

1. Thalanga Operations Restart

Red River is seeking to restart production at the Thalanga Operations during the fourth quarter of calendar year 2015. Initial production is planned to be based on mining the West 45 deposit, where decline access (approximately ~600m in length) has been completed and the first ore level has already been developed by the previous owner.

Approximately 3,000 tonnes of ore was mined from West 45 and successfully treated through the Thalanga mill in March 2012 by the previous owner.

The proposed production from the West 45 deposit will be treated through the Thalanga mill (Figure 1) which is a nominal 600ktpa capacity polymetallic mill, capable of producing separate copper, lead and zinc concentrates. The Thalanga mill is currently on care & maintenance and is located approximately 2km from the West 45 deposit.

Red River has commenced a number of studies with the objective of completing the following by early 2015:

- Projected capital estimates to restart underground mining operations at West 45 and to restart processing operations at the Thalanga mill;
- Operating cost estimates for West 45 and Thalanga; and
- Production schedule for West 45 and Thalanga

Figure 1 Thalanga mill



Figure 2 West 45 Portal



1.1. JORC Resource Conversion

Red River has engaged Melbourne based Mining One Consultants (“Mining One”) to conduct a review of the JORC (2004) Resources at Thalanga Operations. The objective of this process is to convert all JORC (2004) Resources to current JORC (2012) Resources.

Table 1 Thalanga Operations JORC (2004) Resource⁽¹⁾

Project	Tonnes (kt) ⁽²⁾	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
West 45	591	0.6%	3.5%	8.3%	0.3	69
Orient	539	0.9%	1.8%	8.0%	0.2	44
Liontown	1,850	0.6%	2.4%	7.5%	0.5	28
Waterloo	707	1.9%	1.6%	11.0%	1.0	50
Total	3,687	0.9%	2.3%	8.4%	0.5	41

(1) Refer to Competent Persons Statement at end of release

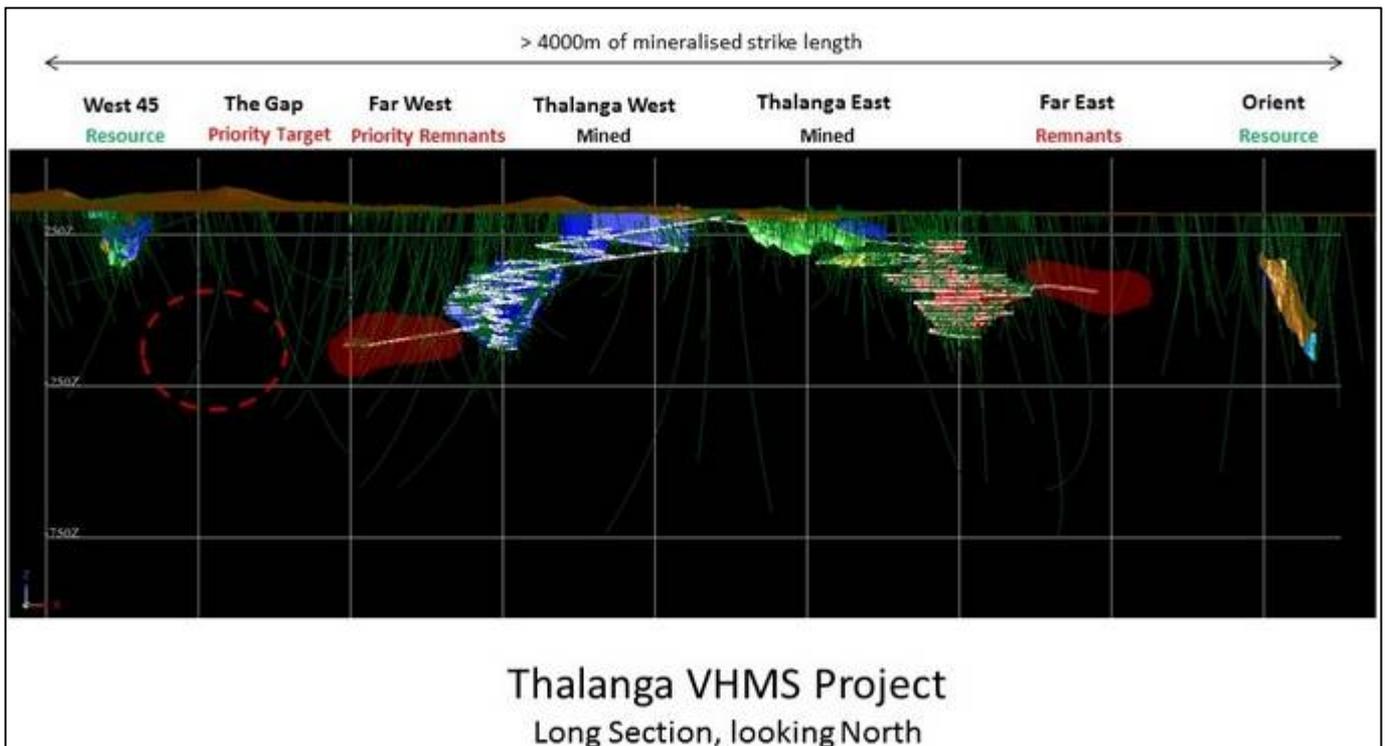
(2) Total JORC (2004) Resource (Indicated plus Inferred)

Red River currently estimates that the JORC review process should be completed by the end of 2014. The output from the resource conversion studies will form a key component of the project pipeline optimisation studies.

1.2. Review of Thalanga Remnants

Mining One has also been engaged to conduct a review of the known non JORC compliant resources remaining in the Thalanga deposit (Thalanga Remnants).

Figure 3 Thalanga VHMS Project Long Section



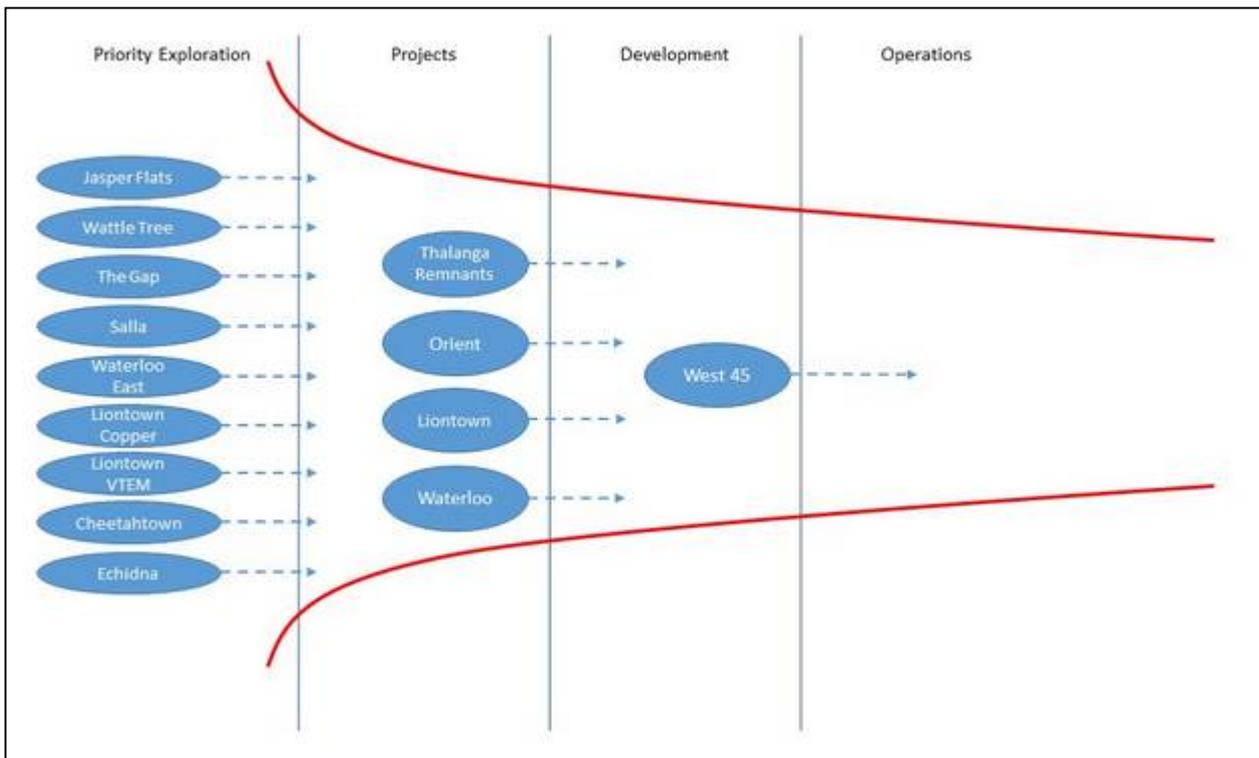
Red River's initial focus will be on the Far West zone and evaluating the potential of developing an access drive from the base of West 45 to Far West (approximately 900m horizontal distance). A 1 in 7 gradient access drive from the base of the proposed West 45 development to the Far West zone would approximately 2,000m in length. The proposed access drive would also give Red River a number of drill platforms to test the highly prospective area known as 'The Gap' between West 45 and Far West and also test for down plunge extensions of the Thalanga deposit.

Red River is also planning to execute an Induced Polarisation survey over a number of targets including West 45, The Gap, Far West, Thalanga West and Orient in December 2014 (refer to Section 3.1 in this release).

2. Project Pipeline Optimisation

Red River has commenced work on a number of studies in order to optimise project pipeline with the objective of extending the mine life of the Thalanga mill once West 45 has been mined.

Figure 4 Thalanga Operations Project Pipeline



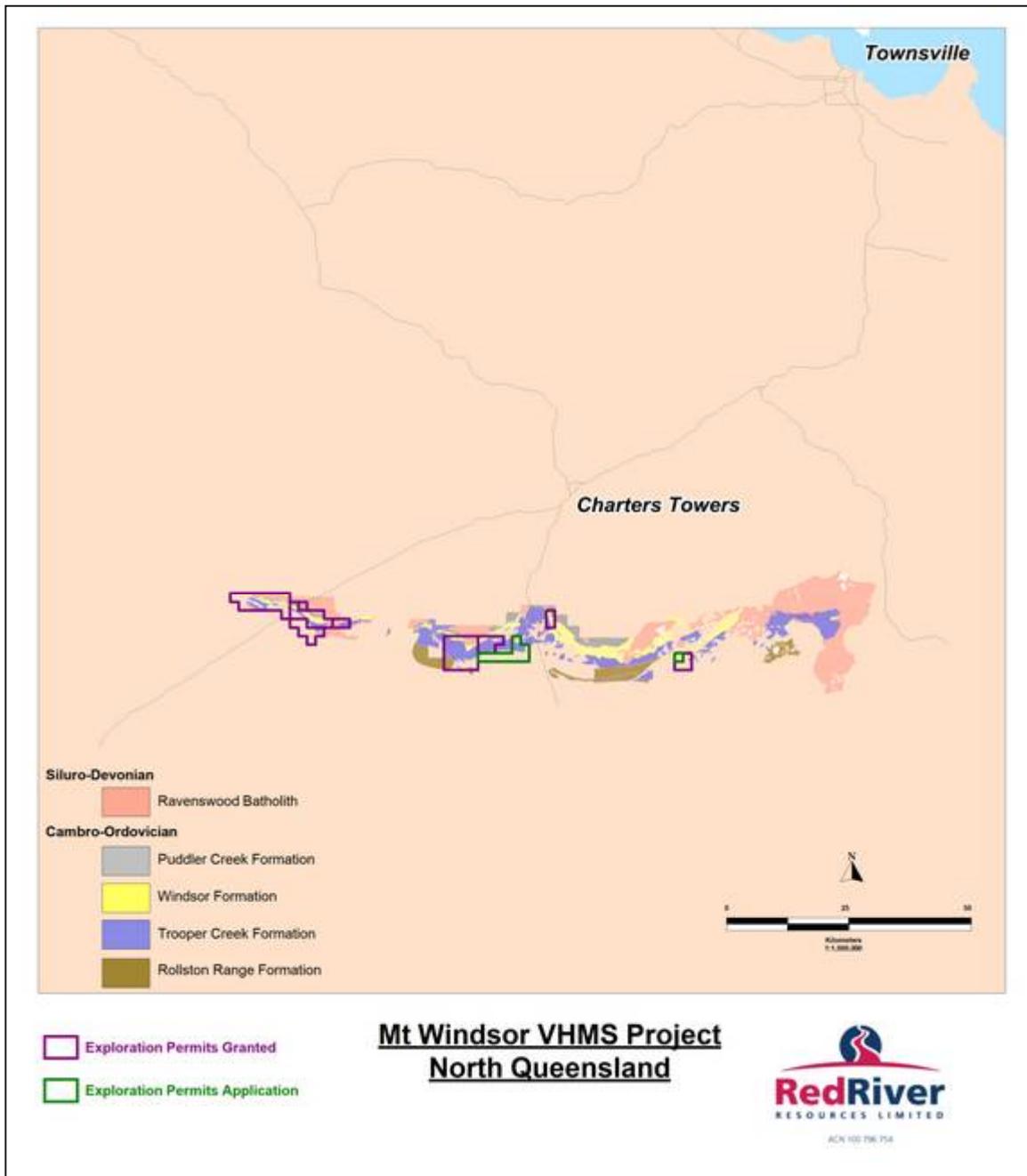
The project optimisation study will focus on Orient, Liontown, Waterloo and the Thalanga Remnants with the objective being to identify the order in which the projects will be brought into production.

3. Exploration

The restart of exploration activities at the Thalanga Project is driven by the requirement the operational life of the Thalanga Operations.

The highly prospective and under explored Mt Windsor Belt comprises a Cambrian to early Ordovician volcano-sedimentary terrane forming an east-west belt which extends for 165km. Multiple VHMS (volcanic hosted massive sulphide) deposits have been discovered in the Belt, with the most recent discovery being Waterloo in 1987.

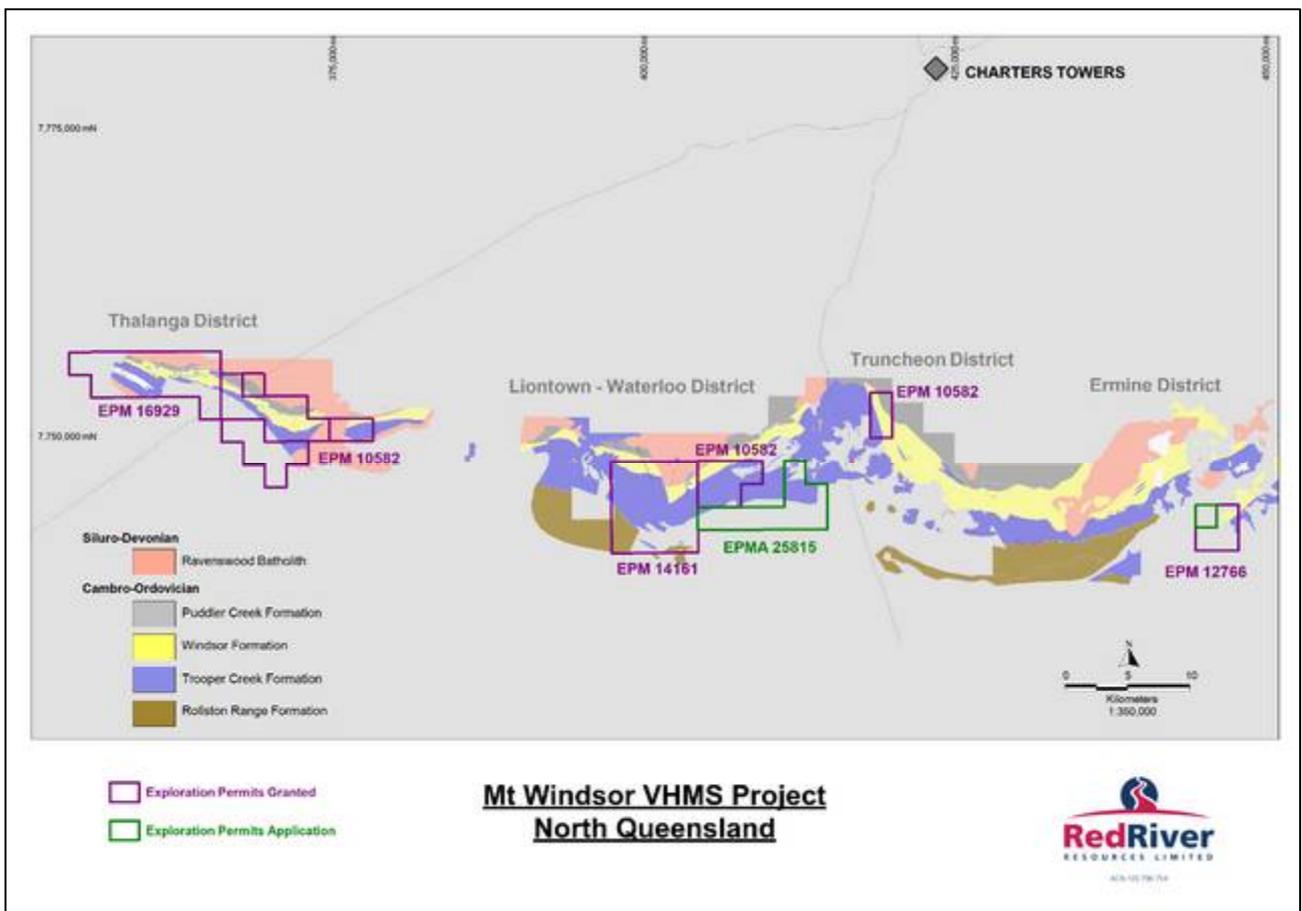
Figure 5 Mount Windsor Belt



Red River controls the only base metal processing facility in the Mount Windsor Belt and this places the Company in a strong position to monetise economic base metal discoveries made on 100%-owned tenements or on those owned by third parties which are within trucking distance of the mill.

A review has commenced of all historical exploration data (drilling, geochemical and geophysical data). To date this review process has confirmed a number of existing targets as well as defined a number of new targets.

Figure 6 Red River Exploration Tenements in the Mount Windsor Belt



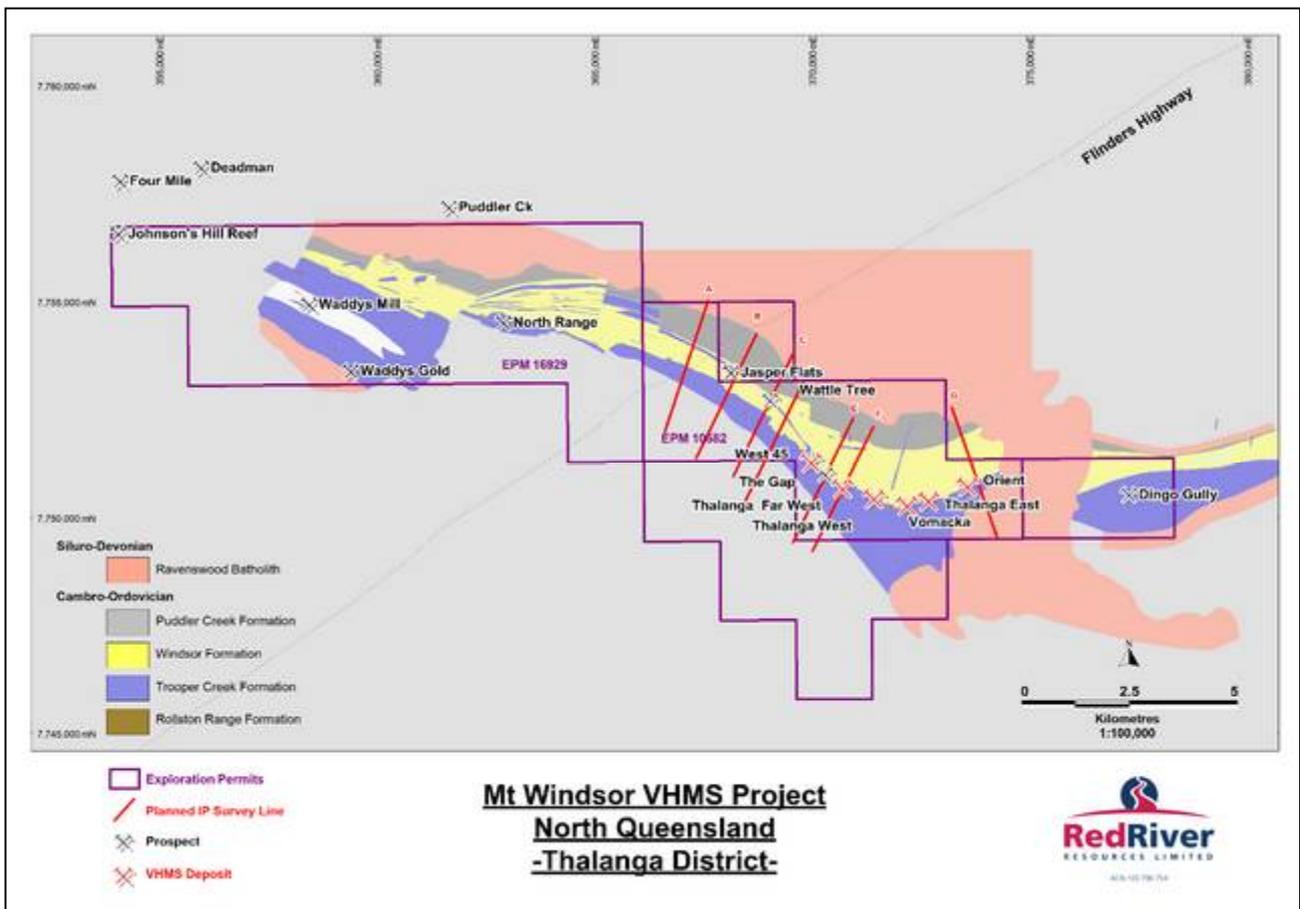
Red River has recently lodged an application for EPM25815 consisting of 9 sub blocks to the east of Waterloo (EPM10582) and also a sub block contiguous with the Ermine project (EPM12766) for a total application area of approximately 30km².

3.1. Planned Induced Polarisation (IP) Survey

Red River is currently planning an initial IP survey over targets at Thalanga, Liontown and Waterloo (refer to Figure 7 and Figure 8). The initial survey has been designed to test the response of known mineralisation under varying depths of cover, to better define previously identified but poorly drill tested IP anomalies and test highly prospective areas with no historical IP. Based on the results of this survey further regional exploration surveys may be commissioned.

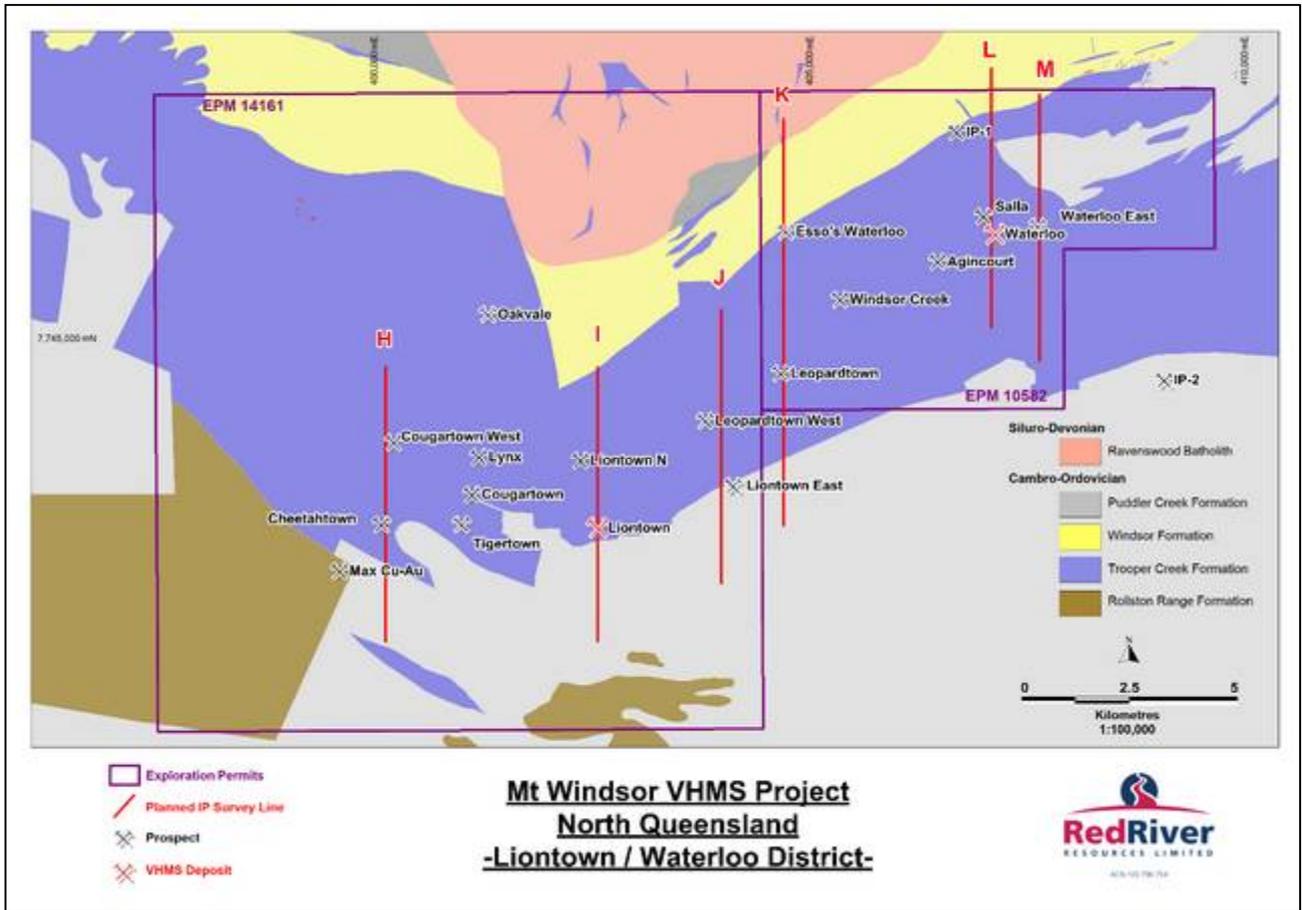
The initial dipole-dipole, IP survey is currently planned to start at the beginning of December 2014. The survey is designed to be carried using a high powered, deep seeking 50Kva transmitter and 32 channel receiver. The 50Kva transmitter is currently one of the most powerful transmitters available in the world and it should enable survey testing for chargeable bodies and conductors up to depths of up to 500m.

Figure 7 IP survey design over the Thalanga Area



Initial reprocessing of the historical IP data over the Thalanga area has confirmed the existence of a number of anomalies at Jasper Flats and Wattle Tree. Both the Jasper Flats and Wattle Tree anomalies have not been tested by drilling and are in the same package of rocks which host the Thalanga and West 45 deposits.

Figure 8 IP survey design over the Liontown/Waterloo Area





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On behalf of the Board

A handwritten signature in blue ink, appearing to read "D. Garner", with a stylized flourish at the end.

Donald Garner
Managing Director
Red River Resources Limited

End.

For further information please visit Red River's website www.redriverresources.com.au or contact us:

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Competent Person's Statement:

The information in this report to which this statement is attached that relates to Mineral Resources is based on information reviewed by Mr Stuart Hutchin, who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Hutchin has sufficient experience in the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hutchin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information pertaining to the West 45, Orient, Liontown and Waterloo Mineral Resources were extracted from the Kagara Limited Annual Report 2011. This report is available to view at www.asx.com.au. The information for all four Mineral Resources was first disclosed by Kagara Limited under the JORC Code 2004. The estimates were conducted by Kagara.

All Mineral Resource estimates were prepared and first disclosed under the JORC Code 2004. This information has not been update since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Work is currently being undertaken by the Company to bring each of the Mineral Resources into line with the JORC Code 2012.