



ACN 100 796 754

ASX Announcement

ASX Code: RVR

29 January 2015

Quarterly activities and Cash flow report for the period ending 31 December 2014

HIGHLIGHTS

Australian zinc developer Red River Resources Limited (ASX: RVR) (Red River or the Company) is pleased to report its activities and corporate developments for the December 2014 Quarter.

Thalanga Operations

- Acquisition of Thalanga Operations completed. Red River now has control of the site and has engaged Mining One to commence work on the conversion of the historic resources disclosed under the JORC 2004 Code to comply with the JORC 2012 Code;
- Work has commenced on an optimised mine design and schedule for the West 45 deposit; and
- A review of the historical drilling has been initiated with the objective of identifying additional resources at the Thalanga deposit (mined from 1989 to 1998).

Exploration & Project Development

- A review of the historical exploration database commenced with the objective of analysing existing targets and seeking to identify new targets; and
- An induced polarisation (IP) survey was commenced during December, starting on the Liontown-Waterloo Project area. The survey was completed at the end of December, and the survey team relocated to the Thalanga Project ready to commence work in 2015.

Corporate

- Placement of 20,000,000 shares at A\$0.18/share was completed during the Quarter to raise A\$3.6m before costs;
- Director 1 Series Options were exercised on 31 December 2014 raising a further A\$112,500; and
- Red River has a current cash balance of A\$ 3.7m at 31 December 2014.

Address: Level 6, 350 Collins Street, Melbourne, VIC, 3000

T: +61 3 9095 7775 **F:** +61 3 9670 5942 **E:** info@redriverresources.com.au

www.redriverresources.com.au

1. Safety & Environmental Performance

Red River took over management responsibility for Thalanga Operations as at 31 Oct 2014. A total of 4,498 manhours were worked for the period 1 October to 31 of December 2014, and there were no reportable accidents or incidents during that period.

A Hazardous Dam Safety inspection and report for the tailings storage facility was completed and a third party compliance audit was also completed. The wet weather preparation was audited and ensured everything was in place before the wet season commenced.

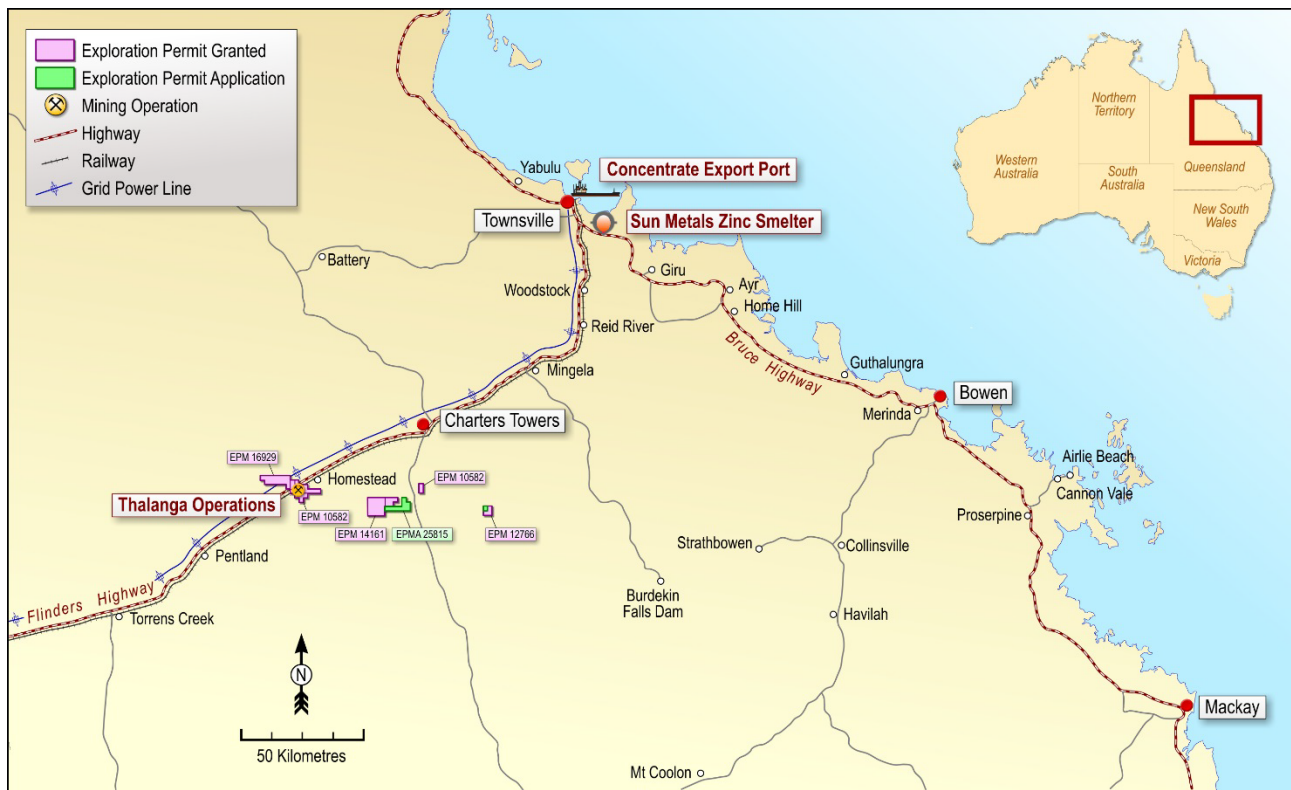
2. Thalanga Operations

The Thalanga Operations are located 60km SW of Charters Towers in Central Queensland (Figure 1) and consists of the following key assets:

- 600ktpa capacity polymetallic processing facility capable of producing separate copper, lead and zinc concentrates;
- Tailings storage facility; and
- Site offices, workshops and change facilities.

Site access is by sealed road, and historically, Thalanga was run as a residential operation, with the workforce predominately living in Charters Towers. The site has been kept on active care & maintenance since it was last operated in early 2012.

Figure 1 Thalanga Operations Location



In November the Company released an integrated strategy for Thalanga Operations with 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.

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, Lione town 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 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.

The Company has engaged Melbourne based independent mining consultants Mining One to assist our technical team in the restart of Thalanga Operations. Red River and Mining One commenced work on the following studies during the December quarter.

2.1. JORC 2004 Resource Conversion

Work commenced on the conversion of the historical resources at West 45, Orient, Lione town and Waterloo, which were previously calculated and reported under the 2004 Edition of the JORC Code (the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) to the current JORC 2012 Standard. This work is anticipated to be completed in Q1 2015.

2.2. West 45 Mining Study

Work commenced on the West 45 Mining study, with the focus on seeking to redesign the proposed UG development to (a) maximise extraction of ore and (b) minimise development and reduce capital cost. The West 45 Mining Study is anticipated to be completed in Q2 2015.

2.3. Review of Historical Resources

Work commenced on the review of the historical drilling database at Thalanga to seek to identify any historical resources remaining at Thalanga. Open pit mining at Thalanga commenced in 1989, and underground production started in 1991 and continued to 1998. Total recorded production from Thalanga exceeded 4 million tonnes at 1.6% Cu, 3.0% Pb, 9.3% Zn, 0.4g/t Au and 77g/t Ag⁽¹⁾.

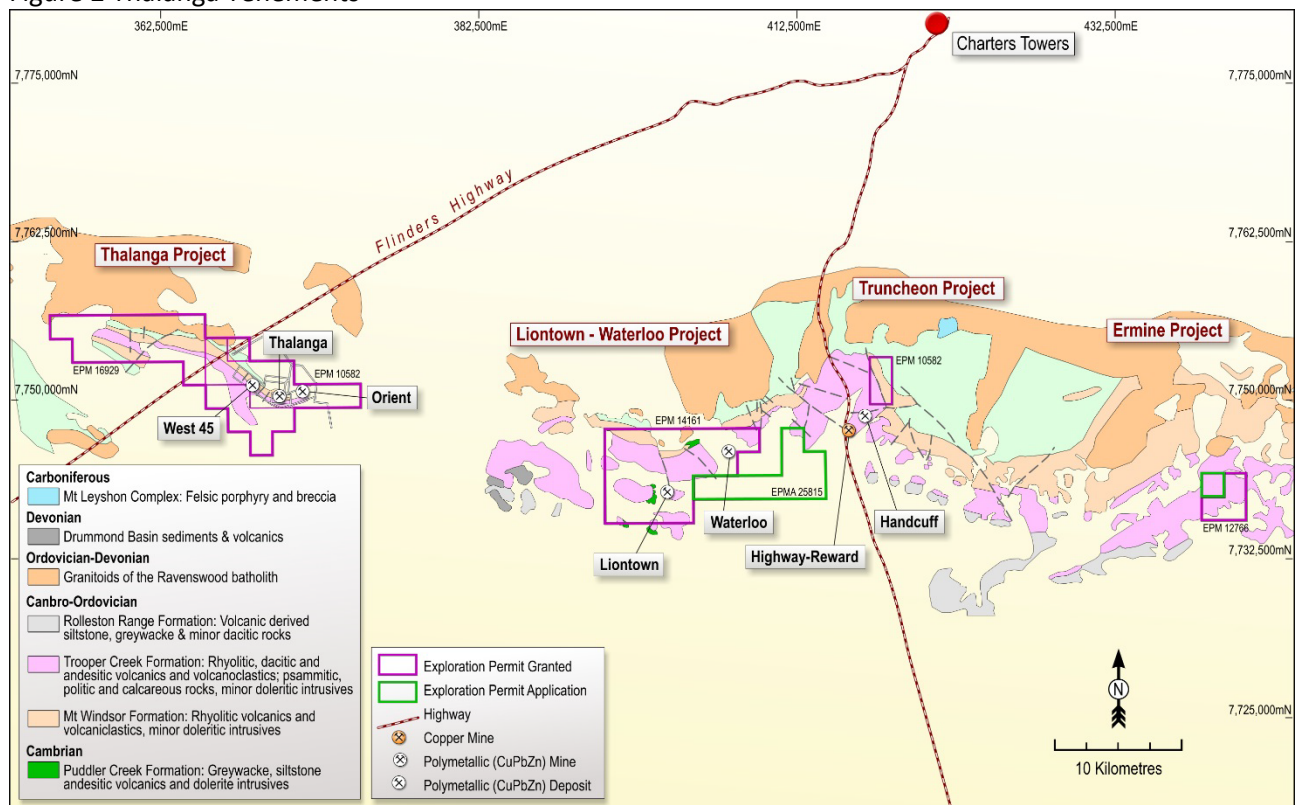
(1) Otterman (2006) Independent Consulting Geologist's Report, Lione town Resources.

3. Thalanga Exploration & Project Development

As part of the acquisition of Thalanga Operations, Red River acquired approx. 190km² of exploration ground in the highly prospective Mt Windsor Belt (Figure 2). Red River assumed management control over and responsibility for the ground holding as at 31 October 2014.

Red River is currently working with the Department of Natural Resources and Mines in Queensland to complete the legal transfer of ownership. This is expected to occur in early 2015.

Figure 2 Thalanga Tenements



A review of the historical exploration database has commenced with the objective of analysing existing targets and seeking to identify new targets.

3.1. Induced Polarisation (IP) Survey

Red River commenced an IP survey in December 2014 on the Liontown-Waterloo project area. The objective was to determine if:

- The high powered IP survey could 'see through' the previously impenetrable conductive cover formation (Campaspe Formation), which can be up to 120m thick; and
- To identify the response signature of known mineralisation to enable identification of new mineralisation targets.

Phase 1 of survey was completed at the end of December and the survey crew was moved onto the Thalanga Project area. The data from the survey is currently being processed and initial results are expected to be disclosed in Q1 2015.

3.2. Applications

Red River lodged an application (EPMA 25815) for an area of ground that is contiguous with the Liontown-Waterloo project area (Figure 2). The application area consists of the prospective Trooper Creek formation covered by the Campaspe Formation, and as such is highly prospective for base metal (copper lead zinc) mineralisation.

4. Other Exploration & Project Development

4.1. Stella Range

No material fieldwork was carried out on the Stella Range licences during the quarter.

4.2. Miaree Joint Venture

The Miaree Project is comprised of exploration licences E08/1350, E47/1309 and E47/1707 (approximately 150km²). The project tenements are currently held under a joint venture between Red River and Iron Mountain Mining Ltd (Iron Mountain)(ASX:IRM). As at 30 September 2014, Red River held a 39.75% interest in the Miaree Project, and Iron Mountain held a 60.25% interest and was the joint venture manager.

As previously reported by Iron Mountain, the Miaree Project contains an independently estimated JORC Inferred Resource of 286Mt magnetite at an overall grade of 31.36% Fe⁽¹⁾.

No material fieldwork was carried out on the Miaree Project licences during the quarter.

(1) Refer to Iron Mountain Quarterly Report for period ending 30 June 2014

Red River is examining options for both the Stella Range project and Miaree Joint Venture, as these projects are seen as non core.

5. Corporate

5.1. Placement

In October Red River Resources completed a A\$3.6 million capital raising before costs. 20,000,000 shares were placed at A\$0.18 each to institutional, professional and sophisticated investors as defined under Section 708 of the Corporations Act (Placement). Triple C Consulting Pty Ltd and Foster Stockbroking Pty Ltd acted as Joint Lead Managers to the Placement.

Proceeds of the Placement will be used for working capital purposes as well as for ongoing project development activities at the Company's Thalanga asset, including the Thalanga restart study, a mining option/evaluation study on the current project pipeline.

5.2. Options Exercised

Red River issued and allotted 2,250,000 ordinary shares from the exercising of Director Series 1 Options on 31 Dec 2014 to raise A\$112,500.

5.3. Options Granted

Red River issued and allotted 7,500,000 options to Triple C Consulting Pty Ltd (or nominees) pursuant with the resolutions approved by shareholders at the Extraordinary General Meeting held on 17 September 2014.

Red River issued and allotted 1,000,000 options to Mr. Mel Palancian (or his nominees) pursuant with the resolutions approved by shareholders at the Annual General Meeting held on 10 Dec 2014.

Red River issued and allotted 1,000,000 options to Mr. Karl Spaleck (or his nominees) which were ratified by shareholders at the Annual General Meeting held on 10 Dec 2014.

6. Financials – Appendix 5B

The Company's 5B highlights the quarters cash activities and other relevant financial information.

On behalf of the board



CAMERON BODLEY

Director and Company Secretary

Red River Resources Limited

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

Donald Garner

Managing Director

dgarner@redriverresources.com.au

M: +61 438 338 496

Paul Hart

Non-Executive Director

phart@redriverresources.com.au

M: +61 421 051 474



ACN 100 796 754

Nathan Ryan

NWR Communications

nathan.ryan@nwrcommunications.com.au

M: +61 420 582 887

Appendix A – Tenement Interests

As at 31 December 2014, Red River had an interest in the following tenements and projects

Project	Location	Licence	Status	Beneficial Interest
Stella Range	Western Australia	E39/1685	Granted	100%
Stella Range	Western Australia	E39/1686	Granted	100%
Stella Range	Western Australia	E38/2937	Granted	100%
Stella Range	Western Australia	E39/1805	Granted	100%
Stella Range	Western Australia	E39/1806	Granted	100%
Stella Range	Western Australia	E39/1807	Granted	100%
Stella Range	Western Australia	E39/1808	Granted	100%
Stella Range	Western Australia	E39/1809	Granted	100%
Stella Range	Western Australia	P38/4128	Granted	100%
Stella Range	Western Australia	P38/4129	Granted	100%
Miaree	Western Australia	E08/1350	Granted	39.75%
Miaree	Western Australia	E47/1309	Granted	39.75%
Miaree	Western Australia	E47/1707	Granted	39.75%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Red River Resources Limited

ABN

35 100 796 754

Quarter ended ("current quarter")

December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 Months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(47)	(121)
	(b) development	(342)	(342)
	(c) production		
	(d) administration	(224)	(421)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	27	33
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Stamp Duty, GST on Mine Assets Acquisition & Exclusivity payments)	(854)	(1,374)
		(1,440)	(2,225)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects/mine	(5,000)	(5,000)
	(b) equity investments		
	(c) other fixed assets	(2)	(3)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
		(5,002)	(5,003)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(6,442)	(7,228)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(6,442)	(7,228)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,720	11,220
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		120
1.17	Repayment of borrowings		(120)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Payments for raising capital	(256)	(719)
	Net financing cash flows	3,464	7,037
	Net increase (decrease) in cash held	(2,978)	3,273
1.20	Cash at beginning of quarter/year to date	6,677	426
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,699	3,699

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	81
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions 1.23 Directors fees and salaries paid to directors	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	327
4.2 Development	726
4.3 Production	-
4.4 Administration	300
Total	1,353

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,699	6,677
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,699	6,677

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Kalgoorlie E38/2937 E39/1805 E39/1806 E39/1807 E39/1808 E39/1809 Laverton P38/4128 P38/4129 Minigwal E39/1685 E39/1686	Granted Granted Granted Granted Granted Granted Granted Granted Granted Granted	- - - - - - - -	100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>	NIL			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3	+Ordinary securities	175,610,616	175,610,616		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,000,000 2,370,000 11,111	20,000,000 2,370,000 11,111	\$0.18 \$0.05 \$0.10	\$0.18 \$0.05 \$0.10

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities (description)	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL			
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		2,000,000	NIL	\$0.10	28/11/2017
		1,380,000	NIL	\$0.05	30/06/2015
		4,438,639	NIL	\$0.10	31/12/2015
		2,250,000	NIL	\$0.10	31/12/2015
		4,500,000	NIL	\$0.15	31/12/2016
		7,500,000	NIL	\$0.10	10/10/2016
		1,000,000	NIL	\$0.30	17/10/2016
		1,000,000	NIL	\$0.30	10/10/2016
7.8	Issued during quarter	7,500,000 1,000,000 1,000,000	NIL NIL NIL	\$0.10 \$0.30 \$0.30	10/10/2016 17/10/2016 10/10/2016
7.9	Exercised during quarter	NIL			
7.10	Expired during quarter	NIL			
7.11	Debentures (totals only)	NIL			
7.12	Unsecured notes (totals only)	NIL			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29 January 2015

+ See chapter 19 for defined terms.

Print name: Cameron Bodley

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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