

RED RIVER RESOURCES LIMITED

ABN: 35 100 796 754

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

The Directors of Red River Resources Limited are pleased to announce the results of the Company for the half-year ended 31 December 2014.

<i>Key information (extracted from interim financial report)</i>	Change (down) / Up %	Half-Year Ended 31 December 2014 \$
Revenue from ordinary activities	997.0	38,163
Net (loss)/profit from ordinary activities after tax attributable to members	(1,488.8)	(3,609,986)
Net (loss)/profit after tax attributable to members	(1,488.8)	(3,609,986)

On 3 July 2014, Red River Resources Limited (the 'Company' or 'Red River') entered into a binding Exclusivity Agreement (EA) with Kagara Ltd (in liquidation) (Kagara) and its wholly owned subsidiary Kagara Copper Pty Ltd (in liquidation) (Kagara Copper) under which certain assets in Queensland owned by Kagara and Kagara Copper (Southern Region Assets) would be sold to Red River.

The key terms of the EA were:

- The Southern Region Assets are sold to Red River, subject to shareholder approval
- The consideration payable were \$6.5m

On 12 September 2014, Red River entered into a Sales Agreement in respect of the Southern Region Assets on terms consistent with the EA.

On 31 October 2014, Red River completed the Southern Region Assets Transaction and took control of the day to day running of the Thalanga site. The Company had now formally changed its primary activities from exploration and evaluation, to resource definition and mine development.

DIVIDENDS

No dividends have been paid or declared during the current financial period.

NET TANGIBLE ASSETS PER SHARE

	31 December 2014	31 December 2013
Net tangible assets per share	5.50 cents	0.27 cents

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Donald Garner
Managing Director

13 March 2015

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN: 35 100 796 754

**HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2014**

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Contents

Directors' report	2
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	18
Independent auditors' review report	19

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Directors' report

Your Directors present their report together with the financial statements of the Group, being Red River Resources Limited (the Company) and its controlled entities, for the financial half-year ended 31 December 2014.

Chairman and Directors

Name	Position
Mr. Donald Garner	Managing Director (appointed 31 March 2014)
Mr. Mel Palancian	Executive Director (appointed 17 October 2014)
Mr. Paul Hart	Non-Executive Director (appointed 31 March 2014)
Mr. Cameron Bodley	Non-Executive Director & Company Secretary (appointed 24 April 2014)

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated group during the half-year were:

- Exploration and evaluation activities.
- Development of the Thalanga mine

On 3 July 2014, Red River Resources Limited (the 'Company' or 'Red River') entered into a binding Exclusivity Agreement (EA) with Kagara Ltd (in liquidation) (Kagara) and its wholly owned subsidiary Kagara Copper Pty Ltd (in liquidation) (Kagara Copper) under which certain assets in Queensland owned by Kagara and Kagara Copper (Southern Region Assets) would be sold to Red River.

The key terms of the EA were:

- The Southern Region Assets are sold to Red River, subject to shareholder approval
- The consideration payable were \$6.5m

The consideration payable was via:

- A cash payment of \$3.5m on close of the transaction; and
- Issue of a Secured Convertible Note for \$1.5m, convertible at the holders election at 10 cents per share for up to 2 years. Interest on the note is payable at 7.5% pa payable in cash or shares; and
- A deferred cash payment of \$1.5m, payable three months after the commencement of commercial production from the Southern Region Assets; and
- Net smelter royalty of 1.5% on production from the Southern Region Assets (including production subject to the existing royalties payable by Kagara and Kagara Copper to a third party).

Red River was granted exclusivity by Kagara for an initial period of one month, extendable by up to two months at Red Rivers' option. In return Red River paid Kagara \$130,000 per month exclusivity fee. The EA included a 'no shop, no talk' clause.

The EA was subject to a number of conditions, including:

- Kagara obtaining consent of Investec Bank (Australia) Limited;
- Completion of due diligence by Red River; and
- Subject to fundraising.

On 12 September 2014, Red River entered into a Sales Agreement in respect of the Southern Region Assets on terms consistent with the EA, except Red River elected to pay \$1.5m on close of the transaction instead of issuing a \$1.5m convertible note.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Directors' report (continued)

On 17 September 2014, Red River held an Extraordinary General Meeting (EGM) where shareholders voted in favour of Resolution 7 to change the scale of activities of the Company. At the EGM, shareholders also voted in favour of placing 75,000,000 new ordinary shares at a price of 10 cents per share to s708A sophisticated investors that were clients of Triple C Consulting Pty Ltd, to raise a \$7.5m (before costs) so as to complete the Southern Region Assets Transaction.

On 24 October 2014, Red River announced to the ASX that it had completed a capital raising of \$3.6m (before costs) by issuing 20,000,000 new ordinary shares at 18 cents per share to s708A sophisticated investors of Triple C Consulting Pty Ltd and Foster Stockbroking Pty Ltd for working capital and development purposes.

On 31 October 2014, Red River completed the Southern Region Assets Transaction and took control of the day to day running of the Thalanga site. The Company had now formally changed its primary activities from exploration and evaluation, to resource defining and mine development.

On 13 November 2014, Red River released its integration strategy for Thalanga to commence production in quarter 4 2015.

Other than the above, there are no other significant changes in the nature of the principal activities during the half-year.

Review of Operations and Financial Results

Operating Results

The consolidated loss of the Group after providing for income tax is \$3,609,986 (2013: loss of \$259,934).

Financial Position

The net assets of the consolidated Group have increased from \$428,669 at 30 June 2014 to \$9,655,358 during the half-year ended 31 December 2014.

Significant Changes in State of Affairs

During the course of the half-year ended 31 December 2014, Red River reduced activities related to exploration and evaluation of its tenements in Western Australia in the Stella Range and concentrated on the negotiation, acquisition and settlement of near term producing assets, previously referred to as the Southern Region Assets Transaction.

The Company undertook multiple rounds of capital raising bringing in cash to settle the Southern Region Asset Transaction and provide for working capital and development of the Thalanga site. Over the course of the half-year, the Company more than doubled its issued capital on hand from 70m to 175m ordinary shares on issue.

Dividends Paid or Declared

No dividends were paid or declared during the half-year.

Events Occurring After Balance Date

On 27 January 2015 the Company released its maiden JORC 2012 resource of 1.2Mt @ 14.3% Zinc equivalent for Thalanga Far West.

On 11 February 2015 the Company announced an updated JORC 2012 mineral resource for part of the Thalanga project of 2.3Mt @ 14.3 Zinc Equivalent.

On 13 March 2015 the Board of Directors signed the Half-Year Financial Report for the period ended 31 December 2014.

Other than the above, not other events have occurred after balance date.

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754**

Directors' report (continued)

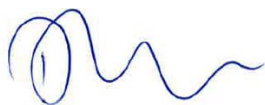
Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page for the half-year ended 31 December 2014.

This declaration is made in accordance with a resolution of the Board of Directors:

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Donald Garner

Managing Director

13 March 2015

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754**

Auditor's independence declaration



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
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Phone (08) 9486 7094 · www.rothsayresources.com.au

The Directors
Red River Resources Ltd
Level 6, 350 Collins St
Melbourne VIC 3000

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2014 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'G Swan'.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 13th March 2015



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1996 (NSW).

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014

	Note	Consolidated 31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations			
Interest revenue		33,531	3,379
Other income		4,632	100
Total revenue and other income		38,163	3,479
Expenses			
Employment costs	4.	(2,443,133)	(125,989)
Occupancy costs		(13,535)	(14,322)
Corporate costs		(208,726)	(102,683)
Acquisition costs	18.	(943,618)	-
General and administration costs		(31,317)	(3,230)
Exploration costs written off		(7,820)	(17,189)
Total expenses		(3,648,149)	(263,413)
Loss before income tax		(3,609,986)	(259,934)
Income tax (expense) / benefit		-	-
Loss after income tax		(3,609,986)	(259,934)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(3,609,986)	(259,934)

Earnings per share

From continuing operations:

Basic (Loss) / earnings per share (cents)	(2.85)	(0.37)
Diluted (Loss) / earnings per share (cents)	(2.85)	(0.37)

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes on pages 10 to 17.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Consolidated statement of financial position
For the half-year ended 31 December 2014

		Consolidated	
		31 December 2014	30 June 2014
	Note	\$	\$
Current assets			
Cash and cash equivalents	5.	3,698,850	425,984
Trade and other receivables	6.	640,458	12,856
Other assets	7.	1,520	-
Total current assets		4,340,828	438,840
Non-current assets			
Contingent assets	8.	9,067,135	-
Property, plant and equipment	9.	6,901,264	1,680
Intangibles	10.	1,870	663
Exploration assets	11.	289,791	50,361
Total non-current assets		16,260,060	52,704
Total assets		20,600,888	491,544
Current liabilities			
Trade and other payables	12.	360,603	60,991
Provisions	13.	15,922	1,884
Total current liabilities		376,525	62,875
Non-current liabilities			
Deferred purchase consideration	14.	1,500,000	-
Contingent liabilities	15.	9,067,135	-
Total non-current liabilities		10,567,135	-
Total liabilities		10,943,660	62,875
Net assets		9,657,228	428,669
Equity			
Issue capital	16.	17,210,847	8,418,169
Reserves	17.	4,127,020	81,153
Accumulated losses		(11,680,639)	(8,070,653)
Total equity		9,657,228	428,669

The above Consolidated statement of financial position should be read in conjunction with the notes on pages 10 to 17.

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754**

**Consolidated statement of changes in equity
For the half-year ended 31 December 2014**

31 December 2014	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014		8,418,169	81,153	(8,070,653)	428,669
Losses for the half-year		-	-	(3,609,986)	(3,609,986)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		-	-	(3,609,986)	(3,609,986)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares	16.	11,219,611	-	-	11,219,611
- Cost of issue of shares	16.	(2,426,933)	-	-	(2,426,933)
- Issue of options	17.	-	4,045,867	-	4,045,867
<i>Total transactions with shareholders in their capacities as shareholders</i>		8,792,678	4,045,867	-	12,838,545
Balance at 31 December 2014		17,210,847	4,127,020	(11,680,639)	9,657,228

31 December 2013		Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013		8,022,549	50,502	(7,626,001)	447,050
Losses for the half-year		-	-	(259,934)	(259,934)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		-	-	(259,934)	(259,934)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		-	-	-	-
- Cost of issue of shares		-	-	-	-
- Issue of options		-	-	-	-
<i>Total transactions with shareholders in their capacities as shareholders</i>		-	-	-	-
Balance at 31 December 2013		8,022,549	50,502	(7,885,935)	187,116

The above Consolidated statement of changes in equity should be read in conjunction with the notes on pages 10 to 17.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Consolidated statement of cash flows

For the half-year ended 31 December 2014

	Note	Consolidated 31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities			
Cash receipts in the course of operations		4,632	-
Cash payments in the course of operations		(1,625,082)	(267,021)
Interest received		33,531	3,724
Payments for exploration and evaluation		-	(17,234)
Net cash (used) in operating activities		(1,586,919)	(280,531)
Cash flows from investing activities			
Payment for property, plant and equipment		(2,381)	-
Payment for intangibles		(1,207)	-
Payment for mine assets	18.	(5,000,000)	-
Payment for mine expenses (capitalised)		(398,046)	-
Payment for exploration expenses (capitalised)		(239,430)	-
Net cash (used in) investing activities		(5,641,064)	-
Cash flows from financing activities			
Proceeds from issue of shares		11,100,000	-
Proceeds from exercise of options		119,611	-
Capital raising costs		(718,762)	-
Drawdown on borrowings		120,000	-
Repayment of loans		(120,000)	(10,590)
Net cash flows from financing activities		10,500,849	(10,590)
Net increase / (decrease) in cash and cash equivalents		3,272,866	(291,121)
Cash, deposits and cash equivalents at the beginning of the period		425,984	43,779
Cash and cash equivalents at the end of the period	5.	3,698,850	(247,342)

The above Consolidated statement of cash flows should be read in conjunction with the notes on pages 10 to 17.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

1. Reporting entity

Red River Resources Limited (the 'Company') is a Company domiciled in Australia and a for-profit purpose of preparing financial statements. The consolidated half-year financial statements and notes represent those of Red River Resources Limited and controlled entities (the 'consolidated Group' or 'Group').

The separate half-year financial statements of the parent entity, Red River Resources Limited, have not been presented within this half-year financial report as permitted by the Corporations Act 2001.

2. Statement of Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

3. Going Concern

The Group made a net loss of \$3.6m for the half-year ended 31 December 2014 and, as of that date, the Group's assets exceeded its liabilities by \$9.7m .

The Directors believe that the Company will be able to pay its debts as and when they fall due, and as such is a still a going concern. The Company has \$3.7m in cash on hand at 31 December 2014 and a further \$0.55m in receivables and only \$0.37m in current liabilities.

The Directors have reached the conclusion that based on all available facts and information currently available, there are reasonable grounds to believe that the Group will be able to pay its debts and is a going concern.

In reaching this conclusion the Directors have had regard to, amongst other things, the following:

- The Company's ability to raise further capital, if and when required;
- The cash proceeds from the exercise of outstanding options into ordinary shares;
- Trade payables, which include amounts payable to Directors and their related entities, are able to be managed to assist with the timing of cash payments; and
- The recommencement of mining from the Company's current known resources and the processing and sale of ore via the Thalanga mill.

The half-year financial report does not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

4. Employment costs

	Note	Consolidated	
		31 December 2014 \$	31 December 2013 \$
Cash salary and fees (Note 4 (a))		86,050	118,785
Retirement benefits		19,387	7,092
Share based payments - Options	17.	2,337,696	-
Other employment costs		-	112
		2,443,133	125,989

(a) Cash salary and fees

During the course of the half-year, a further \$132,064 in salary was incurred and capitalised to Exploration and Evaluation costs on the balance sheet.

5. Cash and cash equivalents

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
Current		
Cash at bank and on hand	168,290	24,810
Cash at call	3,530,560	401,174
	3,698,850	425,984

6. Trade and other receivables

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
Current		
GST receivable	547,678	2,402
Other debtors	-	316
Prepayments	92,780	10,138
	640,458	12,856

7. Other assets

	Note	Consolidated	
		31 December 2014 \$	30 June 2014 \$
Current			
Security deposits (Note 7 (a))		1,520	-
		1,520	-

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

7. Other assets (continued)

(a) Security deposits

The Company has leased a residential property in Charters Towers as part of the Thalanga mine site redevelopment.

8. Contingent assets

		Consolidated	
		31 December 2014	30 June 2014
		\$	\$
Non-current			
Security deposits (Note 8 (a))	18.	9,067,135	-
		9,067,135	-

(a) Security deposits

In accordance with the Exclusivity Agreement executed with Kagara Limited (in liquidation) on 3 July 2014 and the subsequent Sale Agreement executed on 12 September 2014, as part of the purchase consideration for the Southern Region Assets, Red River will acquire the cash deposits which are being used as security against the rehabilitation liabilities associated with the tenements acquired. As at the period end, the security deposits have not been transferred to Red River.

9. Property, plant and equipment

		Consolidated	
		31 December 2014	30 June 2014
		\$	\$
Plant and equipment at cost		4,128	1,895
Accumulated depreciation		(910)	(215)
		3,218	1,680
Mine properties at cost (Note 9 (a))		6,898,046	-
Accumulated depreciation		-	-
		6,898,046	-
Total property, plant and equipment		6,901,264	1,680

(a) Mine properties at cost

At beginning of period		-	-
Acquisitions	18.	6,500,000	-
Capitalised costs		398,046	-
Depreciation		-	-
		6,898,046	-

10. Intangibles

		Consolidated	
		31 December 2014	30 June 2014
		\$	\$
Formation costs		2,040	686
Accumulated amortisation		(170)	(23)
		1,870	663

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754**

Notes to the financial statements

For the half-year ended 31 December 2014

11. Exploration and evaluation assets

	Note	Consolidated	
		31 December 2014 \$	30 June 2014 \$
Exploration and evaluation assets at cost		289,791	50,361
Accumulated amortisation		-	-
		289,791	50,361

12. Trade and other payables

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
Current		
Trade and other payables	180,491	43,491
Accruals	164,950	17,500
PAYG withholding	15,162	-
	360,603	60,991

13. Provisions

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
Current		
Employee entitlements	15,922	1,884
	15,922	1,884

14. Deferred purchase consideration

		Consolidated	
		31 December 2014 \$	30 June 2014 \$
Non-current			
Deferred purchase consideration (Note 14 (a))	18.	1,500,000	-
		1,500,000	-

(a) Deferred purchase consideration

In accordance with the Exclusivity Agreement executed with Kagara Limited (in liquidation) on 3 July 2014 and the subsequent Sale Agreement executed on 12 September 2014, as part of the purchase consideration for the Southern Region Assets, Red River must pay a deferred cash payment of \$1.5m, payable three months after the commencement of commercial production from the Southern Region Assets.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

15. Contingent liabilities

	Note	Consolidated	
		31 December 2014 \$	30 June 2014 \$
Non-current			
Rehabilitation liability (Note 15 (a))	18.	9,067,135	-
		9,067,135	-

(a) Rehabilitation liability

In accordance with the Exclusivity Agreement executed with Kagara Limited (in liquidation) on 3 July 2014 and the subsequent Sale Agreement executed on 12 September 2014, as part of the purchase consideration for the Southern Region Assets, Red River assumes the rehabilitation liabilities associated with the various tenements acquired. As at 31 December 2014 the tenements had yet to be transferred into the name of Cromarty Resources Pty Ltd, a 100% owned subsidiary of Red River.

It is anticipated that the final transfer of tenements will take place in early quarter 2, 2015.

16. Issued capital

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
Issued capital	17,210,847	8,418,169
	17,210,847	8,418,169

Movements in ordinary issued capital

		31 December 2014 \$	31 December 2014 No.	30 June 2014 \$	30 June 2014 No.
		At the beginning of the reporting period		8,418,169	78,229,505
Shares issued - Placement	05-Jun-14	-	-	400,478	8,899,500
Shares issued - Placement	20-Sep-14	7,500,000	75,000,000	-	-
Shares issued - Exercise of options	06-Oct-14	6,000	120,000	-	-
Shares issued - Exercise of options	10-Oct-14	1,111	11,111	-	-
Shares issued - Placment	30-Oct-14	3,600,000	20,000,000	-	-
Shares issued - Exercise of options	31-Dec-14	112,500	2,250,000	-	-
Cost of capital		(2,426,933)	-	(4,858)	-
At the end of the reporting period		17,210,847	175,610,616	8,418,169	78,229,505

On 20 September 2014, Red River issued 75,000,000 ordinary shares at \$0.10 per share to raise \$7.5m (before costs).

On 30 October 2014 Red River issued 20,000,000 ordinary shares at \$0.18 per share to raise \$3.6m (before costs).

During the half-year, several option holders elected to exercise their options and convert into ordinary shares.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

17. Reserve

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Option reserve	4,127,020	81,153
	4,127,020	81,153

Movements in options reserve

	31 December 2014	31 December 2014	30 June 2014	30 June 2014
	\$	No.	\$	No.
At the beginning of the reporting period	81,153	3,500,000	50,502	2,000,000
Options issued - Consultant 05-Jun-14	-	-	30,651	1,500,000
Options issued - Director S1 17-Sep-14	480,247	2,250,000	-	-
Options issued - Director S2 17-Sep-14	505,897	2,250,000	-	-
Options issued - Director S3 17-Sep-14	1,068,176	4,500,000	-	-
Options issued - Triple C 17-Sep-14	1,708,171	7,500,000	-	-
Options issued - Placement 17-Sep-14	-	4,449,750	-	-
Options issued - GM Operations 17-Oct-14	191,674	1,000,000	-	-
Options issued - Director S4 10-Dec-14	91,702	1,000,000	-	-
	4,045,867	22,949,750	30,651	1,500,000
Options converted - Consultant 06-Oct-14	-	(120,000)	-	-
Options converted - Placement 10-Oct-14	-	(11,111)	-	-
Options converted - Director S1 31-Dec-14	-	(2,250,000)	-	-
	-	(2,381,111)	-	-
At the end of the reporting period	4,127,020	24,068,639	81,153	3,500,000

On 17 September 2014, Red River held an EGM where shareholders voted in favour of a series of resolutions, including Resolutions 4, 5 and 6 to issue options to directors. Also considered and passed by shareholders was Resolution 9 which granted options to Triple C Consulting Pty Ltd as lead manager of the capital raising and resolution 3 to issue options to those shareholders that participated in the capital raising on 5 June 2014.

Shareholders voted in favour of granting an issue of options to Mr. Mel Palancian at the Annual General Meeting held on 10 December 2014 as well as ratified the issue of options to Mr. Karl Spaleck which were granted on 17 October

During the half-year, 120,000 consultant options were exercised, 11,111 placement options were exercised and all directors exercised their Series 1 options.

Details of the calculation for each of the options are as follows:

Option series	Director S1	Director S2	Director S3	Director S4	GM Operations	Triple C
Exercise price	\$0.05	\$0.10	\$0.15	\$0.30	\$0.30	\$0.10
Expiry	31-Dec-14	31-Dec-15	31-Dec-16	10-Dec-16	17-Oct-16	10-Oct-16
Share price at grant	\$0.26	\$0.26	\$0.26	\$0.12	\$0.23	\$0.25
Expected volatility	199.37%	199.37%	199.37%	199.20%	202.92%	202.92%
Risk free interest rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

18. Business combination

On 3 July 2014, Red River Resources Limited (the 'Company' or 'Red River') entered into a binding Exclusivity Agreement (EA) with Kagara Ltd (in liquidation) (Kagara) and its wholly owned subsidiary Kagara Copper Pty Ltd (in liquidation) (Kagara Copper) under which certain assets in Queensland owned by Kagara and Kagara Copper

The key terms of the EA were:

- The Southern Region Assets are sold to Red River, subject to shareholder approval
- The consideration payable were \$6.5m

The consideration payable was via:

- A cash payment of \$3.5m on close of the transaction; and
- Issue of a Secured Convertible Note for \$1.5m, convertible at the holders election at 10 cents per share for up to 2 years. Interest on the note is payable at 7.5% pa payable in cash or shares; and
- A deferred cash payment of \$1.5m, payable three months after the commencement of commercial production from the Southern Region Assets; and
- Net smelter royalty of 1.5% on production from the Southern Region Assets (including production subject to the existing royalties payable by Kagara and Kagara Copper to a third party).

Red River was granted exclusivity by Kagara for an initial period of one month, extendable by up to two months at Red Rivers' option. In return Red River paid Kagara \$130,000 per month exclusivity fee. The EA included a 'no shop, no

The EA was subject to a number of conditions, including:

- Kagara obtaining consent of Investec Bank (Australia) Limited;
- Completion of due diligence by Red River; and
- Subject to fundraising.

On 12 September 2014, Red River entered into a Sales Agreement in respect of the Southern Region Assets on terms consistent with the EA, except Red River elected to pay \$1.5m on close of the transaction instead of issuing a \$1.5m convertible note.

On 31 October 2014, Red River completed the Southern Region Assets Transaction and took control of the day to day running of the Thalanga site.

As of the date of this report, various transfers of assets and liabilities assumed under the Sale Agreement are incomplete. As such the Company has provisionally accounted for the combination in its financial statements.

	Note	31 December 2014 \$
Cash paid		5,000,000
Deferred consideration	14.	1,500,000
Total consideration paid		6,500,000
Security deposit	8.	9,067,135
Mine properties	9.	6,500,000
Rehabilitation liability	15.	(9,067,135)
Net assets and liabilities assumed		6,500,000

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754

Notes to the financial statements

For the half-year ended 31 December 2014

18. Business combination (continued)

Costs associated with the acquisition have been expensed to the profit and loss in accordance with accounting standards AASB 3, Business Combinations. These are one off costs that are not expected to be occurred in subsequent periods.

Acquisition costs include:

	31 December 2014 \$
Stamp duty on transaction	354,275
Exclusivity payments	390,000
Holding payment	130,000
Legal costs	69,343
	<hr/> 943,618

19. Events subsequent to balance date

On 27 January 2015 the Company released its maiden JORC 2012 resource of 1.2Mt @ 14.3% Zinc equivalent for Thalanga Far West.

On 11 February 2015 the Company announced an updated JORC 2012 mineral resource for part of the Thalanga project of 2.3Mt @ 14.3 Zinc Equivalent.

On 13 March 2015 the Board of Directors signed the Half-Year Financial Report for the period ended 31 December 2014.

Other than the above, not other events have occurred after balance date.

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754**

Directors' declaration

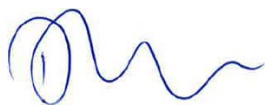
The directors of Red River Resources Limited ('the Company') declare that:

1. the financial statements and notes set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:
 - a) complying with the Accounting Standards AASB 134 Interim Financial Reporting, and
 - b) giving a true and fair view of the consolidated entity's financial position at 31 December 2014 and of its performance for the half year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Donald Garner
Managing Director

13 March 2015

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN: 35 100 796 754**

Independent auditors' review report



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Red River Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Red River Resources Limited for the half-year ended 31 December 2014.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2014 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Red River Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Red River Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2014 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'Rothsay'.

Rothsay

A handwritten signature in blue ink that reads 'Graham Swan'.

Graham Swan
Partner

Dated 13th March 2015



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).