



ACN 100 796 754

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN: 35 100 796 754

**ANNUAL FINANCIAL REPORT
30 JUNE 2015**

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

Contents

Corporate Directory	2
Chairmans' Message	3
Message from the CEO	5
Directors' Report	6
Auditor's Independence Declaration	27
Consolidated Statement of Profit or Loss and Other Comprehensive Income	28
Consolidated Statement of Financial Position	29
Consolidated Statement of Changes in Equity	30
Consolidated Statement of Cash Flows	31
Notes to the Financial Statements	32
Directors' Declaration	67
Independent Auditors' Review Report	68
Corporate Governance Statement	70
Shareholder Information	76
Interest in Mining Tenements	78

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

Corporate Directory

Directors

Mr. Brett Fletcher - Non-executive Chairman
Mr. Melkon Palancian - Managing Director
Mr. Donald Garner - Executive Director
Mr. Paul Hart - Non-executive Director
Mr. Cameron Bodley - Non-executive Director
Mr. James Black - Non-executive Director

Company Secretary

Mr. Cameron Bodley

Registered Office

Level 6, 350 Collins Street
MELBOURNE VICTORIA 3000

Head Office

Level 6, 350 Collins Street
MELBOURNE VICTORIA 3000

Website Address

www.redriverresources.com.au

Country of Incorporation

Red River Resources Limited is domiciled and incorporated in Australia

Stock Exchange Listing

Red River Resources Limited is listed on the Australian Securities Exchange

Ordinary Shares: RVR

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

Legal Advisors

Piper Alderman
Level 16
70 Franklin Street
ADELAIDE SA 5000

Share Registry

Computershare Investor Services Pty Ltd
2/45 St Georges Terrace
PERTH WA 6000

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

Chairmans' Message

Dear Fellow Shareholder,

It is my pleasure to welcome you to Red River Resources' Annual Report for the year ended 30 June 2015.

This past year has witnessed the start of the transformation of Red River Resources ('Red River' or 'the Company') into a mid-tier mining company.

The year commenced with our announcement that Red River had signed a binding exclusivity agreement with the liquidators of Kagara Ltd to acquire the Thalanga Zinc Project, located 60km east of Charters Towers in Central Queensland. This acquisition marked the start of the delivery of our previously announced strategy to acquire and develop a portfolio of operational assets which will generate superior financial returns within a 3-5 year timeline.

After taking control of the Thalanga Zinc Project ('the Project') in October 2014, we have completed a number of major steps on the road to restarting production, and we are working to deliver a high quality Project Restart Study, highlighting the exceptional technical and financial viability of the Project, and also the relatively short timeline required to bring the Project back into production.

We have now embarked on discussions with a number of potential sources of financing for the Project, including a number of concentrate offtake partners. We look forward to advancing these discussions and putting in place the financing required to restart production at the Project.

Throughout the year, the Company has also focused its attention in creating a dynamic new management team and reinvigorating the Board to support the transition to operational mining while continuing to explore and advance future development opportunities. Direct communication and support from our shareholder base has been critical in delivering these outcomes.

Subsequent to the year's end, Donald Garner resigned as Managing Director. Donald was the driving force behind the transformation of Red River, and was a key member of the investor group which took control of Red River in March 2014. Under Donald's leadership, Red River implemented a new strategy, the outcome of which was the identification and acquisition of the Project, raised the funds to complete the acquisition and recapitalise Red River post acquisition. He was instrumental in bringing a new management team into Red River and he also completed the consolidation of Red River's exploration holdings in the Thalanga region. His efforts were recognised when the Company was awarded the Asian Exploration Deal of the Year Award at Mines and Money Hong Kong 2015 conference.

While he has now transitioned to an Executive Director role, the work of Donald over the past 12 months cannot be underestimated. We expect that he will continue to be a valuable Board member going forward.

We have been fortunate to be able to replace Donald with one of the most experienced base metal development and managers in Australia.

Mel Palancian was initially appointed as Chief Operating Officer, and subsequent to year-end has taken over as our Managing Director. With a background in mining engineering, Mel has more than 20 years' experience in the mining industry and was previously Deputy General Manager at Newcrest's Gosowong operations in Indonesia. He has also held senior positions at MMG and Zinifex/OZ Minerals, which have given him ideal experience to lead Red River into its next phase as a producer.

To further support the restart of Thalanga, Cameron Bodley, an original Non-Executive Director and Company Secretary of Red River, will be stepping down from the Board to assume the executive position of Chief Financial Officer. Mr Bodley will retain his responsibilities of Company Secretary of Red River. The Board would like to acknowledge and thank Mr Bodley for his contributions since joining the Board and fully supports his transition to an executive position.

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

Chairmans' Letter (continued)

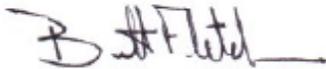
In relation to the Board, Jim Black and I are relative newcomers. I have been working in the base metal mining and smelting industry all over Australia for more than 25 years, and I am looking forward to using this knowledge to lead Red River as it continues its transformation into a mid-tier mining company.

Jim has more than 40 years' of experience in project management and procurement, a large part of it with BP but also with Zinifex/OZ Minerals, where we previously worked together. His recent experience in leadership coaching, supply chain and procurement management will be valuable to Red River as we move forward.

The outlook for zinc is very positive as supply is continuing to diminish, with mines including MMG's Century mine in Queensland scheduled to close imminently. We are keen to take advantage of this opportunity by bringing Thalanga back into production as soon as possible, whilst working hard to add further to our resource base through the exploration of high priority targets and drilling our known deposits.

We have commenced this high impact exploration program, recently completing a 1,200m+ campaign at Wattle Tree, and results to date have indicated the presence of feeder zones known to be associated with massive sulphide mineralisation in the region, so this is very encouraging. I look forward to providing more information and results to shareholders as they come to hand.

I thank our staff and management as well as my fellow Board members for their contributions over the past 12 months. I believe 2016 will be a very formative and exciting year for Red River and I hope to share the journey with you.



Mr. Brett Fletcher
Non-executive Chairman

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

Message from the CEO

In the past financial year, Red River has focused on its key objective of preparing the restart study for the Thalanga Zinc Project with a view to commence mining operations and position the Company as the next zinc producer on the ASX.

Red River seamlessly took control of site operations on 31 December 2014. Care and maintenance activities by a small dedicated team lead by Karl Spaleck (Site General Manager) have been ongoing so that the site is sufficiently maintained and that Red River's safety culture is implemented and followed. Monitoring and reporting programs relating to environmental aspects have also been undertaken to ensure the site remains in compliance.

The initial scope of the restart study was to refurbish the plant and infrastructure and bring the West 45 deposit back into production. The initial scope was expanded, when a review of the historical Thalanga geological database revealed the potential to define a new resource at Thalanga Far West which independent technical consultant Mining One subsequently estimated to be 1.2Mt @ 14.4% ZnEq.

To date, all of our expectations of Thalanga Zinc Project have been met or exceeded and I trust that once released to the market, the restart study will demonstrate the unique and valuable opportunity that Thalanga presents. Thalanga has a low capital cost, short lead time, high grades, and is fully permitted with all the plant and infrastructure in place. The project represents a very low risk opportunity, being the site of previous underground and open pit base metal mining operations and Thalanga has produced material quantities of highly regarded, saleable zinc, lead and copper concentrates, representing an unparalleled base metals opportunity.

In my opinion, the Project represents an unparalleled base metals opportunity, which I intend to bring back into production for the benefit of our shareholders and other stakeholders.

The geological review led by Tav Bates (Exploration Manager) has also identified the vast potential for further base metals discoveries in the Mt Windsor Volcanic Belt. There has been negligible exploration on these tenements since the mid-1990s particularly undercover, which presents an exciting opportunity for Red River. The state-of-the-art geophysics program undertaken during the year using high powered Induced Polarisation identified the geophysical signatures of our existing orebodies as well as several new targets. Red River's joint venture with NRE increased our prospective ground in the belt to approximately 420km².

Red River has received strong demand from potential customers for its zinc, lead and copper concentrates in a volatile market. Many industry commentators have a favourable outlook for zinc in particular, as the closure of the Century (Queensland, Australia) and Lisheen (Ireland) zinc mines at the end of 2015 will reduce zinc concentrate supply in 2016, and they expect the zinc price to react positively to the reduced supply going forward.

Over the next year, we expect to focus on:

- Finalising and releasing the Restart Study;
- Sign concentrate offtake deals;
- Undertake project financing;
- Commence infrastructure refurbishment and mine development; and
- Investigate additional value generation opportunities including mining studies on our Liontown and Orient deposits.

Our goal is to transform this outstanding Project into a quality mining operation capable of generating substantial cash which will underpin future growth of Red River and deliver value to our shareholders.

I look forward to the year ahead and reporting to you further on our progress.



Mr. Mel Palancian
Managing Director and Chief Executive Officer

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' or 'Red River') and its controlled entities, for the financial year ended 30 June 2015.

The following persons were directors of the Company during the whole of the financial year, unless otherwise stated.

Chairman and Directors

Name	Position
Mr. Brett Fletcher	Non-executive Chairman (appointed 1 May 2015)
Mr. Melkon Palancian	Managing Director (appointed 17 October 2014)
Mr. Donald Garner	Executive Director (appointed 31 March 2014)
Mr. James Black	Non-executive Director (appointed 1 May 2015)
Mr. Paul Hart	Non-executive Director (appointed 31 March 2014)
Mr. Cameron Bodley	Non-executive Director & Company Secretary (appointed 24 April 2014)

Information on directors

MR BRETT FLETCHER (Appointed 1 May 2015)

BEng MAICD

Non-executive Chairman

Mr. Fletcher, a qualified Mining Engineer (University of NSW, 1989), brings over 25 years experience in the metals and mining industry to Red River. His experience within the Australian base metal mining and smelting sector is without equal, where he has held multiple senior management and executive roles including Manager UG Operations Broken Hill Zinc Lead Mine, General Manager Rosebery Copper Lead Zinc Mine, General Manager Century Zinc Mine and General Manager Hobart Zinc Smelter, and from 2007 to 2011 was the Chief Operating Officer of Zinifex/OZ Minerals and then MMG. His most recent role (from 2011 to 2014) was Executive General Manager PNG Operations at Newcrest where he was responsible for the Morobe Mining JV, Gosowong and Lihir.

Current directorships:	Morton Resources Limited
Former directorships (in last 3 years):	None
Interest in shares:	90,000 ordinary shares
Interest in options:	None

MR. MELKON PALANCIAN (Appointed 17 October 2014)

BEng MEng MAusIMM MIEAust

Managing Director

Mel has over 20 years experience in the mining industry and his most recent role was Deputy Operations Director at Newcrest's Gosowong operation in Indonesia. Prior to this, he held a range of senior positions including General Manager Technical Services for MMG, Manager Dugald River Development for OZ Minerals and Principal Adviser Mining for Zinifex.

Mel holds a Bachelor of Engineering (Civil & Computing) from Monash and a Masters in Engineering from RMIT.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	275,000 ordinary shares
Interest in options:	1,000,000 options Ex. \$0.30 expiring 10 December 2016

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

Directors' Report (continued)

MR. DONALD GARNER (Appointed 31 March 2014)

BSc (Hons) MSc FGS MSEG MAusIMM

Executive Director

Mr. Garner is a geologist with over fifteen years experience in the resource industry, corporate finance and corporate development roles.

Mr Garner has a strong track record in the identification and acquisition of resource projects, recently being responsible for New Age Exploration's (ASX: NAE) Lochinvar coking coal project and Sirius Minerals Plc (LSE:SXX) York Potash

He previously worked in a corporate development role at Zinifex, and prior to that worked in metals and mining corporate finance in the United Kingdom.

Mr Garner worked as a geologist in Western Australia in a number of roles, both as an exploration geologist and a mine geologist and also worked as an exploration geologist in Myanmar.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	7,594,930 ordinary shares
Interest in options:	750,000 options Ex. \$0.10 expiry 31 December 2015 1,500,000 options Ex. \$0.15 expiry 31 December 2016

MR. JAMES BLACK (Appointed 1 May 2015)

BSc (Hons)

Non-executive director

Mr. Black, a qualified Chemical Engineer (University of London, 1969) brings over 40 years experience in project management and procurement to Red River. He started work for BP in 1969 as a Chemical Engineer, and has held a number of senior project management and procurement roles in BP's Exploration and Production, Australian, Group Technology and International Corporate Groups and was seconded to the TNK-BP (Moscow) Joint Venture to act as Procurement and Supply Chain Project Director. He worked for Zinifex/OZ Minerals as Group General Manager (Studies) from 2007 to 2009, and then as Business Director (Project Management Group) for Hyder Consulting from 2009 to 2011. Since 2011, he has acted as a consultant in project management, leadership coaching, supply chain and procurement coaching.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	248,500 ordinary shares
Interest in options:	None

MR. PAUL HART (Appointed 31 March 2014)

Bcomm

Non-executive director

During the past 20 years he has developed a broad knowledge of the Australian stock market gained through managing his own private investment funds.

Mr Hart's expertise is focused on stocks which have a small market capitalisation covering a range of sectors including exploration and mining. For the past five years he has also provided a range of investor relations services to companies and this has included several successful capital raisings.

Prior to 2007 he was involved in business development, mergers and acquisitions and strategic planning for a global confectionery company.

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

Directors' Report (continued)

MR. PAUL HART (Appointed 31 March 2014)(continued)

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	7,668,729 ordinary shares
Interest in options:	750,000 options Ex. \$0.10 expiry 31 December 2015 1,500,000 options Ex. \$0.15 expiry 31 December 2016

MR. CAMERON BODLEY (Appointed 24 April 2014)

CA, B.Comm, MACID

Non-executive director

Over the past 15 years he has worked both in Australia and England in both professional practice and industry, including National Australia Bank Limited, BNP Paribas Bank, Aviva Plc and Moore Stephens, giving him specialised experience in Mining and Investment companies.

Mr Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 8 years. He is also a member of the Australian Institute of Company Directors.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	750,000 ordinary shares
Interest in options:	750,000 options Ex. \$0.10 expiry 31 December 2015 1,500,000 options Ex. \$0.15 expiry 31 December 2016

Company Secretary

MR. CAMERON BODLEY (Appointed 31 March 2014)

CA, B.Comm, MACID

Mr. Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 8 years. He is also a member of the Australian Institute of Company Directors.

Dividends Paid or Declared

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated group during the 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 (Thalanga Assets) would be sold to Red River.

The key terms of the EA were:

- The Thalanga Assets are sold to Red River, subject to shareholder approval
- The consideration payable was \$6.5m

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

Directors' Report (continued)

Principal Activities and Significant Changes in Nature of Activities (continued)

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 Thalanga 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 Thalanga 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 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 Thalanga 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 Thalanga acquisition 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 year.

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

Directors' Report (continued)

Review of Operations and Financial Results

Operating Results

The consolidated loss of the Group after providing for income tax is \$4,552,870 (2014: loss of \$444,652).

Financial Position

The net assets of the consolidated Group have increased from \$428,669 at 30 June 2014 to \$8,917,990 during the year ended 30 June 2015.

Thalanga Zinc Project

The Thalanga Zinc Project ('the Project') represents Red River Resources' ('Red River' or the 'Company') flagship project and is located approximately 60km south-west of Townsville in Central Queensland. The Project consists of the Thalanga Operations (fully permitted 650ktpa polymetallic processing facility) and the West 45, Far West, Orient, Liontown and Waterloo base metal deposits. The deposits are hosted in the Mt Windsor Volcanic Belt, which also hosts major base metal deposits at Highway-Reward and Thalanga.

On 3 July 2014, Red River announced the execution of a binding exclusivity agreement to acquire the Thalanga Zinc Project from Kagara Ltd (in liquidation) and Kagara Copper Pty Ltd (in liquidation). The sales agreement was executed on 12 September 2014. The total consideration payable was A\$6.5m; consisting of:

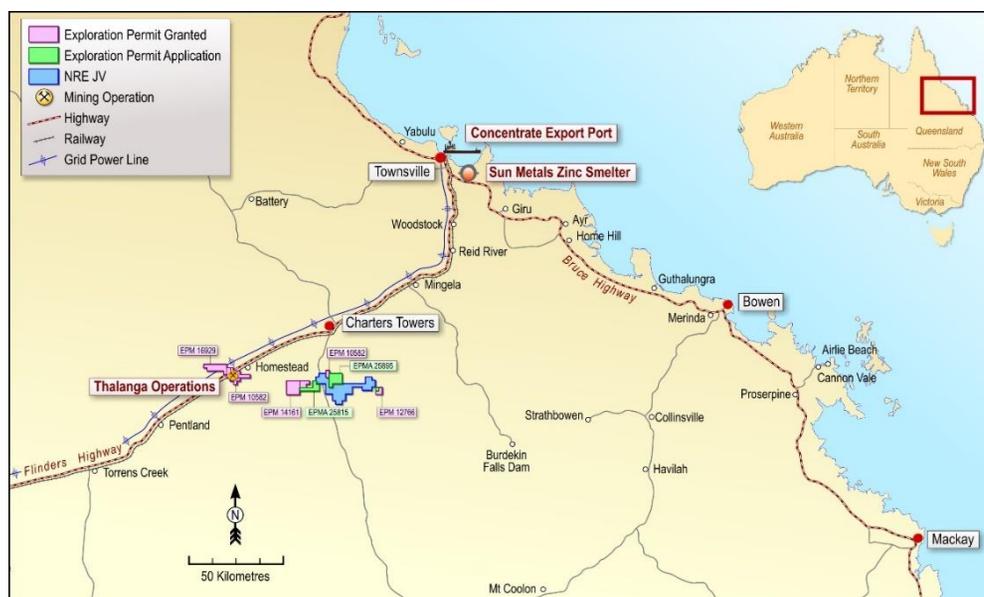
- Cash payment of A\$5.0m on sale completion;
- Deferred cash payment of A\$1.5m payable 3 months after commencement of commercial production; and a
- 1.5% NSR royalty on production from Thalanga Operations (excluding production subject to an existing third party royalty agreement).

Company activities for the period were dominated by development activities at the Thalanga Zinc Project and exploration activities within the surrounding area.

Thalanga Operations

Thalanga Operations are located 6km by sealed road from the Flinders Highway, and are 200km from the Port of Townsville (the largest base metal concentrate export port in Australia) and the Sun Metals Zinc Smelter (located on the outskirts of Townsville).

Figure 1 Thalanga Operations Location Plan



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

Directors' Report (continued)

The Thalanga Operations site has extensive existing infrastructure which includes the following:

- Thalanga Plant: 650ktpa polymetallic processing plant capable of producing separate copper, lead and zinc concentrates, a run of mine ore storage pad & concentrate storage facilities;
- TSF: an existing Tailings Storage Facility ("TSF"), waste rock dumps and two evaporation ponds;
- Power: 66kva grid connected power supply from Ergon Energy with 11kva site power reticulation;
- Water: water supply borefield, sewerage treatment ponds, and reverse osmosis water treatment facility;
- Fuel: fuel Storage tanks and dispenser and hydrocarbons storage and waste disposal area; and
- Offices: all office facilities required for operations, including administration office, mining operations offices, maintenance offices, workshops (heavy vehicle, light vehicle and boiler makers workshops), process plant offices, metallurgical laboratory building, first aid building, stores warehouse and core shed and yard.

Historically, Thalanga was a residential site, with the workforce being sourced from Charters Towers and the surrounding region. Thalanga Operations were last operated in 2012 and has been on active care & maintenance since that point.

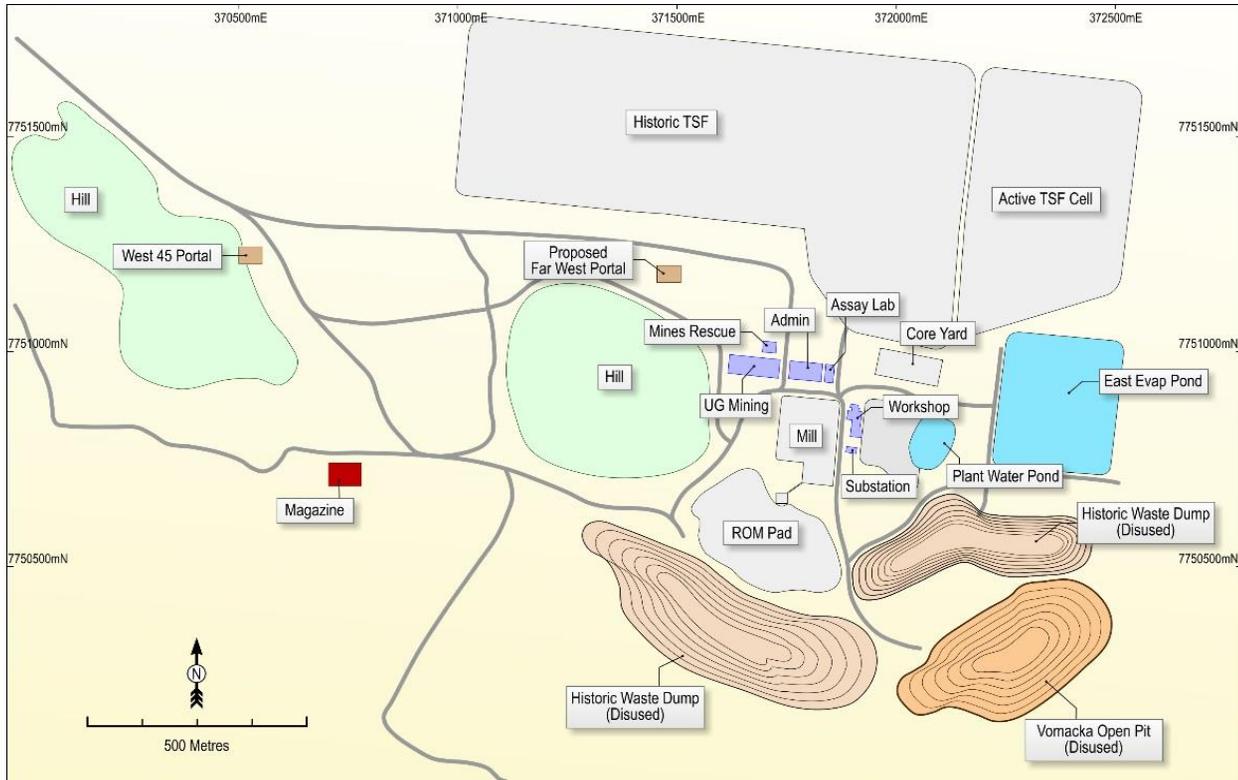
Figure 2 Thalanga Operations



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

Directors' Report (continued)

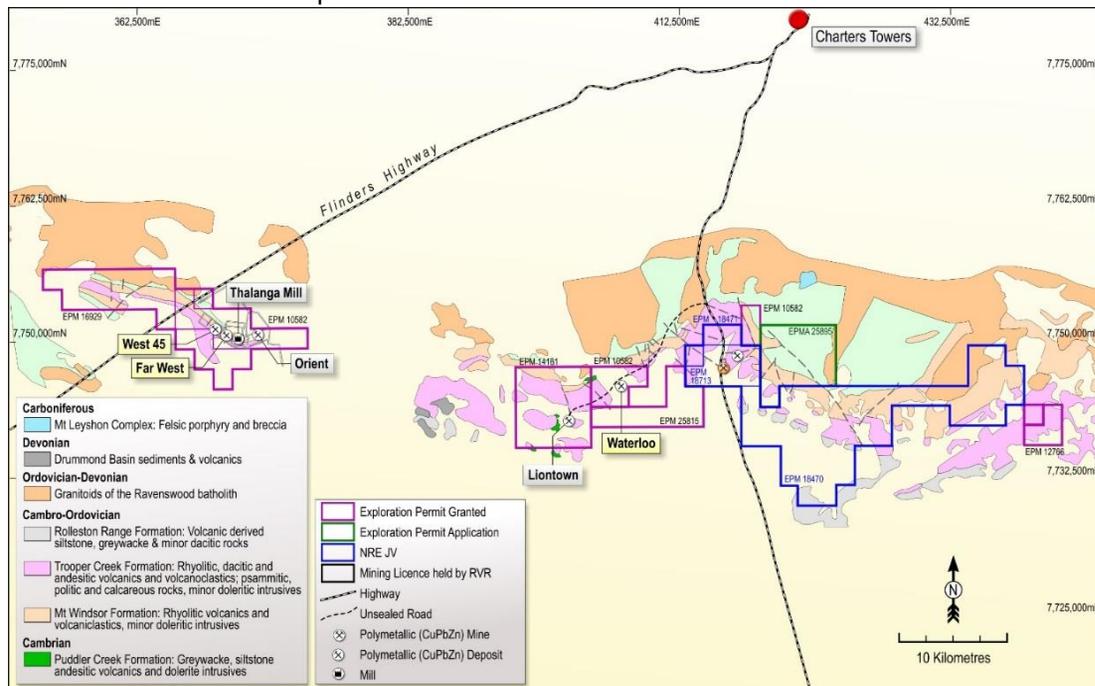
Figure 3 Thalanga Operations Site Plan



Thalanga Zinc Project JORC Resource Base

The Thalanga Zinc Project consists of the following base metal deposits – West 45, Thalanga Far West, Orient, Liontown and Waterloo. During the year, Red River converted the historical resources at West 45, Orient, Liontown 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.

Figure 4 JORC Resource Location Map



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

Directors' Report (continued)

Work also 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. As part of this review process, Red River also announced a maiden JORC 2012 resource for the Thalanga Far West deposit.

Red River announced an updated mineral resource for the Thalanga Zinc Project of 5.0Mt @ 12.4% Zinc Equivalent. This incorporated JORC 2012 resources estimates for the West 45, Orient, Liontown and Waterloo deposits, as well as the maiden resource estimate for Thalanga Far West.

For further details on the Project Resource and Reserves please refer to Table 1 on page 16

The estimate increased the total resource tonnage for the project by 100% compared to historical estimates. The increased resource base will underpin the planned restart of production at Thalanga.

Thalanga Zinc Project – Exploration

After taking control of the Thalanga Zinc Project in October 2014, Red River commenced a systematic review of historical exploration activities and the regional prospectivity of the Mt Windsor Volcanic Belt (the 'Belt').

The Belt comprises of a Cambrian to early Ordovician volcano-sedimentary terrane forming an east-west belt extending for 165km south of Charters Towers. Multiple volcanic hosted massive sulphide (VHMS) deposits have been discovered in the Belt, of which three, Liontown, Thalanga and Highway-Reward – have been mined to date. The most recent period of sustained exploration activity in the Belt was during the late 1990s and the most discovery made was the Waterloo deposit in 1987.

Historical exploration activities (surface geochemistry, mapping and airborne geophysical surveying) have effectively screened the majority of the Belt for outcropping massive sulphide deposits and it is likely that future new discoveries in the Belt will be concealed (blind) deposits under cover or extensions of known deposits at depth.

Approximately 50% of the Belt is masked by the Tertiary-aged Campaspe Formation cover sequence which can be up to 120m thick and consists of poorly consolidated sandstone, claystone, conglomerate and discontinuous nodular ferricrete producing an electrically conductive blanket over the typically resistive bedrock. This cover formation proved impenetrable to previous geophysical exploration techniques, so historically, exploration was focused on areas where the host rocks outcropped.

In early 2015, Red River trialed a state-of-the-art induced polarisation ('IP') system which uses a high powered 50KVa transmitter coupled with a 32 channel receiver system. The trial tested whether mineralisation can be detected under the conductive Campaspe Formation cover sequence. The results of this trial survey were an outstanding success, and demonstrated the ability of this IP system to penetrate the conductive cover sequence, detecting known mineralisation and also defining multiple new drill targets.

Prior to Red River's trial, geophysical exploration technology available was unable to 'see through' the cover resulting in a large proportion of the Belt remaining poorly explored. This IP is considered by Red River to be a 'game-changer' for exploration of the Belt, and will allow quick and cost effective testing of approximately 50% of the Belt under cover.

Red River currently holds approximately 210km² of exploration permits in the Belt, has a further 30km² in applications, and an exposure to a further 180km² through the NRE JV (total area of 420km²).

In order to effectively prioritise future exploration work, Red River has identified discrete groups of deposits and prospects, as follows:

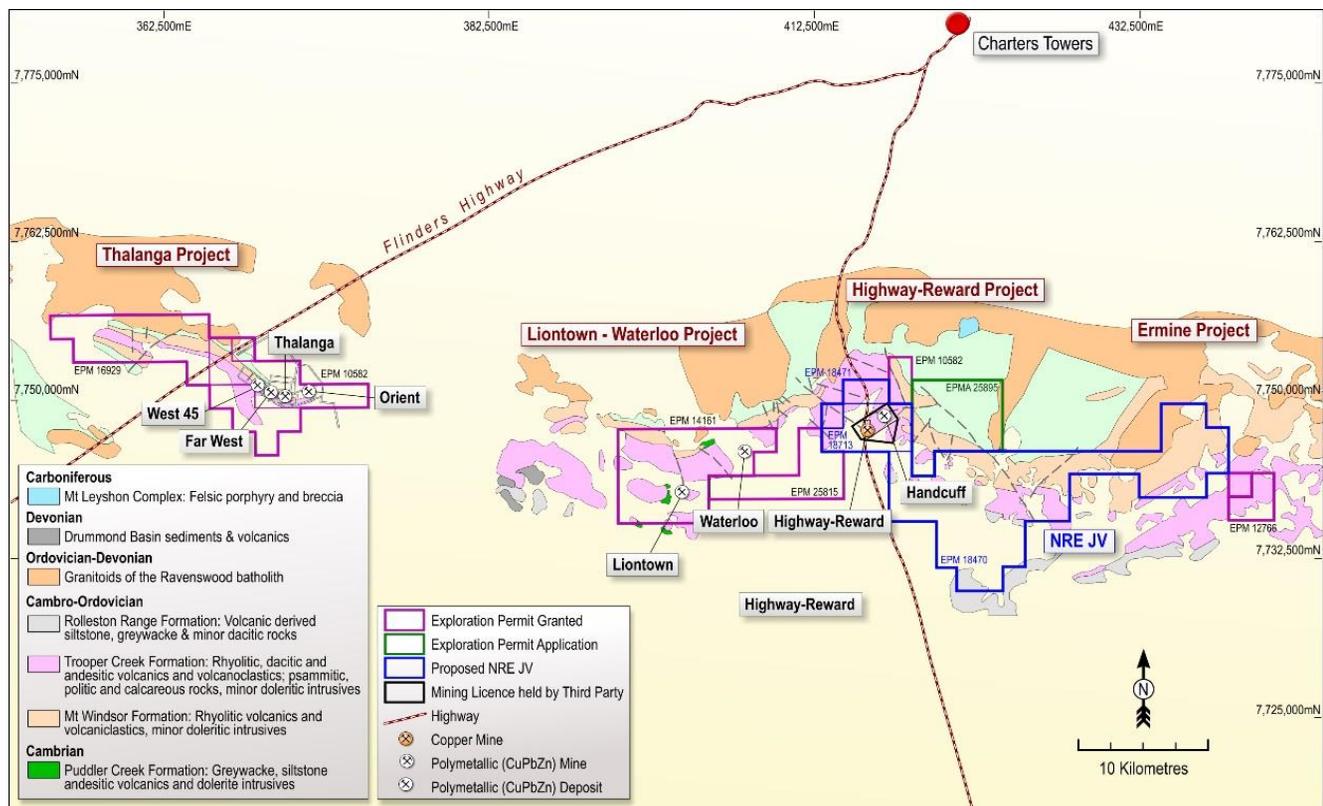
- Thalanga Group (hosting West 45, Far West and Orient among others);
- Highway-Reward Group (hosting Truncheon and prospects within the NRE JV including Snake Oil);
- Liontown-Waterloo Group (hosting Liontown, Liontown East and Waterloo, among others); and
- Ermine Group (hosting the Ermine, Ermine North and Echidna Prospects).

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

Directors' Report (continued)

During the year, Red River reached an agreement with privately held Natural Resources Exploration Group (NRE) to farm into its Mount Windsor Project. The project is contiguous with Red River's Liontown-Waterloo, Truncheon and Ermine projects and consists of EPM 18470, EMP 18471 and EPM 18713. This transaction consolidated Red River's position in the highly prospective area of the Mt Windsor Belt. The agreement with NRE provides Red River the opportunity to commence exploration activities in an area of the Belt that hosts known high-grade base metal deposits such as Highway-Reward and Handcuff.

Figure 5 Exploration Tenements in Mt Windsor Belt



Exploration activity during the year generated a number of positive results, and these results, combined with the ongoing review of historical exploration data plus the data generated by Red River's exploration activities were used to identify a number of exciting targets. This work, in combination with the successful utilisation of IP technology to unlock the areas of the Belt under cover, has delivered a substantial exploration project pipeline containing multiple high priority targets. These include:

- A high priority coincidental gravity/IP/geochemical anomaly located 3km NW of the historic Highway-Reward deposit. The anomaly is of similar strength and size as that associated with Highway-Reward.
- The delineation of an IP anomaly (Liontown East) located 1.5km along strike for the known mineralisation at Liontown. The anomaly is associated with anomalous surface geochemical results.
- The IP survey conducted by Red River has delineated over 25 unknown and yet to be tested targets under the cover formation.

Red River intends to initiate a high impact exploration program to test a number of high priority targets in the coming year coupled with the systematic testing of the targets delineated by the IP survey. Red River also intends to continue to conduct IP surveys, as this represents a cost effective way to explore the areas of the Belt under cover and continue the generation of targets for systematic drill testing.

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

Directors' Report (continued)

Thalanga Safety and Environmental Performance

Red River took over management responsibility for Thalanga Operations as at 31 Oct 2014

A total of 16,019 manhours were completed on the project from 31 October 2014 to 30 June 2015 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.

Wet weather preparation was audited ahead of the wet season commencing, and no environmental exceedances were recorded during the wet season. Ongoing maintenance of pumping infrastructure, site and process plant clean up continued during the second half of the year.

The Queensland Department of Natural Resources and Mines (Mines Inspectorate) completed a site visit during the June quarter. Also, as part of Red River's environmental compliance under the Thalanga Receiving Environmental Monitoring Program, Red River conducted an aquatic ecology study which established the overall health of the watercourse in the receiving environment, and the report was finalised in the June quarter

Other Exploration Projects

Stella Range (Western Australia)

During the year, Western Mining Services, a well-known nickel mineral exploration consultancy group, carried out a review of the ground held by Red River in the Stella Range. As a result of this review, in the March quarter, Red River decided to drop a number of tenements and applications identified as having little or no potential to host nickel sulphide mineralisation.

No activity took place on the Stella Range Project during the past financial year.

Miaree Joint Venture (Western Australia)

The Miaree Project is comprised of exploration licences E08/1350, E47/1309 and E47/1707 (approximately 150km²). As at 1 July 2014, Red River held a 39.75% interest in the Miaree Project, and Iron Mountain Ltd (Iron Mountain) (ASX: IRM) 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.

During the June quarter, Iron Mountain acquired Red River's interests in the Miaree Joint Venture and the Blythe Joint Venture in Tasmania for a nominal payment. The sale and transfer of these residual non-core interests allows Red River to focus on core assets.

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

Directors' Report (continued)

Resources and Reserves

The combined Thalanga Zinc Project Mineral Resource Estimate is broken down on a deposit by deposit basis as per the table below.

Table 1 Thalanga Zinc Project Mineral Resource Estimate

Project	Resource Class	Tonnage (kt)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Zn Eq. (%)
West 45 ⁽¹⁾	Measured	-	-	-	-	-	-	-
	Indicated	585	0.6	3.6	8.3	0.3	70	15.3
	Inferred	6	0.9	0.8	3.7	0.1	15	7.8
	Sub Total	591	0.6	3.5	8.3	0.3	69	15.2
Thalanga Far West ⁽²⁾	Measured	73	1.8	1.6	5.3	0.2	41	13.7
	Indicated	494	1.6	1.6	5.3	0.2	40	13
	Inferred	591	1.7	2.1	6.3	0.3	57	15.2
	Sub Total	1158	1.7	1.9	5.8	0.2	49	14.4
Orient ⁽³⁾	Measured	-	-	-	-	-	-	-
	Indicated	496	0.9	1.8	7.7	0.2	44	13.4
	Inferred	44	0.8	1.8	10.9	0.2	46	16.2
	Sub Total	540	0.9	1.8	7.9	0.2	44	13.6
Waterloo ⁽⁴⁾	Measured	-	-	-	-	-	-	-
	Indicated	406	2.7	2.1	13.4	1.4	68	24.6
	Inferred	301	0.9	0.9	7.9	0.4	20	8.8
	Sub Total	707	1.9	1.6	11	1	48	17.8
Liontown ⁽⁵⁾	Measured	-	-	-	-	-	-	-
	Indicated	367	0.5	1.8	4.6	1.3	21	8.3
	Inferred	1671	0.5	1.5	4.6	0.8	26	8.4
	Sub Total	2038	0.5	1.6	4.6	0.8	25	8.4
Thalanga Project	Measured	73	1.8	1.6	5.3	0.2	41	13.7
	Indicated	2348	1.2	2.3	7.8	0.6	50	14.9
	Inferred	2613	0.8	1.6	5.5	0.6	33	10.1
	Total	5034	1	1.9	6.6	0.6	41	12.4

Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.

Zinc equivalent (Zn Eq) has been calculated using the metal selling prices, recoveries and other assumptions contained in the announcements referred to below. It is Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

(1) Stuart Hutchin, Mining One Consultants, 31 Jan 2015. ASX Release: Thalanga Project – Updated Mineral Resource Estimate (11 February 2015)

(2) Resource Estimation of the Thalanga Far West Deposit, Mining One Consultants, 21 January 2015. ASX Release: Red River Delivers Thalanga Far West Maiden JORC 2012 Resource of 1.2Mt @ 14.3% Zinc Equivalent (27 January 2015)

(3) Stuart Hutchin, Mining One Consultants, 31 Jan 2015. ASX Release: Thalanga Project – Updated Mineral Resource Estimate (11 February 2015)

(4) Stuart Hutchin, Mining One Consultants, 7 Feb 2015. ASX Release: Waterloo Deposit – Updated Mineral Resource Estimate (24 April 2015)

(5) Stuart Hutchin, Mining One Consultants, 30 May 2015. ASX Release: Liontown Deposit JORC 2012 Resource Estimate (24 June 2015)

Waterloo and Liontown resource estimates exclude oxide material

Competent Person Statement

Thalanga Zinc Project Mineral Resource Estimate

The information in this Annual Report that relates to the estimation and reporting of the Thalanga Zinc Project Resource Estimate is based on and fairly represents, information and supporting documentation compiled by Mr Stuart Hutchin who is a Member of The Australasian Institute of Mining and Metallurgy, Member of the Australian Institute of Geoscientists and a full time employee of Mining One Consultants Pty Ltd.

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

Directors' Report (continued)

Mr Hutchin has sufficient experience 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 2012 Edition of the 'Australasian 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 this information in the form and context which it appears.

Corporate

Red River was awarded the Asian Exploration Deal of the Year Award as part of the Outstanding Achievement Awards at Mines and Money Hong Kong. The award recognised Red River's acquisition of the Thalanga Zinc Project.

Appointments

Red River appointed Mel Palancian as Chief Operating Officer in September 2014. Mr Palancian subsequently moved to the role of Managing Director in July 2015, replacing Donald Garner.

He is an engineer with more than 20 years' experience in the mining industry. Prior to joining Red River, he was the Deputy General Manager at Newcrest's Gosowong operations in Indonesia, and previously held senior management positions at MMG, OZ Minerals and Zinifex.

Karl Spaleck was appointed Red River's General Manager Operations in September 2014. Mr Spaleck is a metallurgist with more than 20 years' experience in mining and metallurgy, with previous roles at Newcrest's (General Manager Lihir Operations) and MMG's (General Manager) Century Zinc Mine.

Brett Fletcher was appointed as Red River's Non-Executive Chairman on 1 May 2015. Mr Fletcher is a qualified mining engineer and has more than 25 years of experience in the metals and mining industry, with extensive experience in the Australian base metal mining and smelting sector, including executive roles at Zinifex, OZ Minerals, MMG and Newcrest.

Red River appointed Jim Black as a Non-Executive Director from 1 May. He is a qualified chemical engineer and has more than 40 years of experience in project management and procurement, having worked for BP for many years as well as Zinifex/OZ Minerals.

Placements

Red River undertook a placement of 75 million ordinary shares at A\$0.10 per share to raise A\$7.5m before costs during the September quarter, primarily to pay for the acquisition costs of the Thalanga Operations.

In October, Red River completed a A\$3.6 million capital raising before costs, placing 20,000,000 shares at A\$0.18 each to institutional, professional and sophisticated investors. Proceeds of the placement were used for the Thalanga restart study, evaluation on other projects and for working capital purposes.

Options

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

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

The Company issued and allotted 1,000,000 options to Mel Palancian (or his nominees) pursuant with the resolutions approved by shareholders at the Annual General Meeting held on 10 December 2014. Red River issued and allotted 1,000,000 options to Karl Spaleck (or his nominees) which were ratified by shareholders at the Annual General Meeting held on 10 December 2014.

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

Directors' Report (continued)

Receipt of S249D Notice

During the June quarter, Red River was served with a notice under section 249D of the Corporations Act 2001 by shareholders who together owned a 7.74% stake in the Company. After taking appropriate advice, Red River came to the view that the notice was invalid. It was later withdrawn and the issue was subsequently resolved.

Significant Changes in State of Affairs

During the course of the year ended 30 June 2015, 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 Thalanga Asst acquisition and provide for working capital and development of the Thalanga site. Over the course of the year, the Company more than doubled its issued capital on hand from 70m to 178m ordinary shares on issue.

Events Occuring After Balance Date

On 28 September 2015 the Board of Directors signed the Annual Financial Report for the year ended 30 June 2015.

Other than the above, no other events have occurred after balance date.

Likely Developments and Expected Results

Information on likely developments in the operations of the Company and the expected results of those operations have not been included in this report as the directors believe it would be likely to result in unreasonable prejudice to the Company. The Company is to continue to explore for metals on its properties, and seek to finalise the Thalanga

Shares Under Option

As at 30 June 2015, there are 22,538,639 options under issue. Refer to the remuneration report and Note 23 for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company. During the financial year no options were exercised.

Directors' Meetings

The following table sets out the number of meetings of the Company's directors held while each director was in office and the number of meetings attended by each director:

Director	Board Meetings	
	Number of meetings held	Number of meetings attended
Mr. Brett Fletcher	6	6
Mr. Melkon Palancian	12	11
Mr. Donald Garner	15	15
Mr. James Black	6	5
Mr. Paul Hart	15	15
Mr. Cameron Bodley	15	15

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

Directors' Report (continued)

Remuneration Report (Audited)

The information contained in the remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Principles used to determine the nature and amount of remuneration

The company's policy for determining the nature and amount of emoluments of board members and senior executives are as follows:

Executive Remuneration

The company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the company. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the company and its shareholders to do so. The Board's remuneration policy reflects its obligation to align executive's remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the company. The main principles of the policy are:

- Remuneration reflects the competitive market in which the company operates
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Non-executive Remuneration

Shareholders approve the maximum aggregate remuneration for Non-executive Directors. The Board recommends the actual payments to directors. The maximum aggregate remuneration approved for non-executive directors is currently \$200,000. All directors are entitled to have any indemnity insurance paid by the company (currently \$11,165 per annum). Currently each Non-executive director is entitled to receive \$24,000 per annum (plus statutory superannuation entitlements). Refer below for details of Non-executive Directors' remuneration.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements. The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% (2014: 9.50%), and do not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using either the Black Scholes

The board policy is to remunerate non executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Fees for non executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in an employee option plan (none adopted to date).

Performance Based Remuneration

The company currently has no performance based remuneration component built into director and executive remuneration packages.

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

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Performance Based Temuneration (continued)

The Board believes that as the Company is in its start up phase of development it is not feasible to establish Key Performance Indicators from which to base director and executive remuneration packages. Once the Company is more fully established the Board will reconsider this policy.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

Details of Remuneration

Disclosures relating to directors and executive officers (key personnel) emoluments are outlined below and in Note 26 to the financial statements. During the 2015 financial year 11,000,000 options were granted to directors and executives (2014: Nil) following Shareholder approval.

On 17 September 2014, 3,000,000 options were issued to each of Messrs Garner, Hart and Bodley. On 17 October 2014 1,000,000 options were issued to Mr. Karl Spaleck. On 10 December 2014 1,000,000 options were issued to Mr. Palancian.

Key Management Personnel Remuneration

2015 Name	Short Term	Post - employment	Share Based Payments		Total \$	Value of Share Based payments as a % of total remuneration %
	Cash/fees \$	Super \$	Options \$	Shares \$		
Executive Directors						
M. Palancian	157,576	14,970	91,702	-	264,248	34.70%
D. Garner	145,000	13,775	684,773	-	843,548	81.18%
	302,576	28,745	776,475	-	1,107,796	
Non-executive Directors						
B. Fletcher	8,000	760	-	-	8,760	0.00%
J. Black	4,000	380	-	-	4,380	0.00%
P. Hart	24,000	2,280	684,773	-	711,053	96.30%
C. Bodley ¹	24,000	2,280	684,773	-	711,053	96.30%
	60,000	5,700	1,369,546	-	1,435,246	
Total Directors	362,576	34,445	2,146,021	-	2,543,042	
Executives						
K. Spaleck	150,000	14,250	191,674	-	355,924	53.85%
Total Executives	150,000	14,250	191,674	-	355,924	
Total	512,576	48,695	2,337,695	-	2,898,966	

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

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Key Management Personnel Remuneration (continued)

2014 Name	Short Term	Post - employment	Share Based Payments		Total \$	Value of Share Based payments as a % of total remuneration %
	Cash/fees \$	Super \$	Options \$	Shares \$		
Executive Directors						
D. Garner	24,167	2,235	-	-	26,402	0.00%
	24,167	2,235	-	-	26,402	
Non-executive Directors						
E. Sorensen ²	-	-	-	-	-	-
S. Sanghani ³	1,369	127	-	-	1,496	0.00%
Z. Pervan ⁴	5,833	-	-	-	5,833	0.00%
D. Zohar ⁵	36,933	-	-	-	36,933	0.00%
J. Karajas ⁶	9,167	848	-	-	10,015	0.00%
N. Taylor ⁷	95,069	11,412	-	-	106,481	0.00%
P. Hart	6,000	555	-	-	6,555	0.00%
C. Bodley ¹	4,400	407	-	-	4,807	0.00%
	158,771	13,349	-	-	172,120	
Total	182,938	15,584	-	-	198,522	

¹ The Company paid Hanson Porter Curzon Pty Ltd professional fees during the period. Professional fees were for Company Secretarial, Accounting and Taxation services. Mr. Bodley is sole director of this entity. Refer Note 30 for further information.

² Mr. Erling Sorensen (Appointed 31 March 2014)(Resigned 24 April 2014)

³ Mr. Suraj Sanghani (Appointed 11 February 2014)(Resigned 31 March 2014)

⁴ Mr. Zhukov Pervan (Appointed 30 August 2013)(Resigned 31 March 2014)

⁵ Mr. David Zohar (Appointed 4 June 2002)(Resigned 11 February 2014)

⁶ Mr. John Karajas (Appointed 1 November 2003)(Resigned 30 August 2013)

⁷ Mr. Noel Taylor (Appointed 18 November 2011)(Resigned 31 March 2014)

Share Based Compensation

During the 2015 financial year, several series of options were granted to directors (2014: Nil). The terms and conditions of the grant of options affecting remuneration in the reporting period are as follows:

Director	Options issued as compensation	Issued Date / Vested Date	Value per option		Expiry Date
			at Grant Date (cents)	Exercise Price (cents)	
D. Garner	750,000	17-Sep-14	\$0.21	\$0.05	31-Dec-14
	750,000	17-Sep-14	\$0.22	\$0.10	31-Dec-15
	1,500,000	17-Sep-14	\$0.24	\$0.15	31-Dec-16
P. Hart	750,000	17-Sep-14	\$0.21	\$0.05	31-Dec-14
	750,000	17-Sep-14	\$0.22	\$0.10	31-Dec-15
	1,500,000	17-Sep-14	\$0.24	\$0.15	31-Dec-16

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

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Share Based Compensation (continued)

Director	Options issued as compensation	Issued Date / Vested Date	Value per option at Grant Date (cents)	Exercise Price (cents)	Expiry Date
C. Bodley	750,000	17-Sep-14	\$0.21	\$0.05	31-Dec-14
	750,000	17-Sep-14	\$0.22	\$0.10	31-Dec-15
	1,500,000	17-Sep-14	\$0.24	\$0.15	31-Dec-16
M. Palancian	1,000,000	10-Dec-14	\$0.09	\$0.30	10-Dec-16
K. Spaleck	1,000,000	17-Oct-14	\$0.19	\$0.30	17-Oct-16
Total	11,000,000				

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

All options that had an Expiry Date of 31 December 2014 were exercised by the directors and converted into ordinary shares.

The assessed fair value of the options at grant date is calculated in accordance with AASB 2 Share Based payments, the values are determined using a Black –Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Additional Information

The table below sets out the performance of the company and the consequences of performance on shareholders' wealth for the past five financial years.

	2011	2012	2013	2014	2015
Quoted price of ordinary shares at year end	\$0.09	\$0.02	\$0.01	\$0.10	\$0.18
Quoted price of options at period end (cents)	-	-	-	-	-
Profit/(Loss) per share (cents)	(1.11)	0.13	0.88	(0.64)	(3.01)
Dividends paid	-	-	-	-	-

Service Agreements and Remuneration Commitments

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these are as follows:

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

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Service Agreements and Remuneration Commitments (continued)

Name: Mr. Melkon Palancian
Title: Managing Director (Previously Chief Operating Officer)
Agreement Commenced: 17 September 2014
Term of agreement: No end date
Details: His fixed remuneration is \$200,000 per annum plus superannuation and his variable remuneration is any executive remuneration share, option or performance rights scheme or cash bonus payment as may be determined by the board.

Upon the successful completion of a fundraising to restart production at Thalanga, his annual salary is to increase to \$250,000 per annum.

The Red River Board will pay a discretionary bonus of \$250,000 payable in cash or shares at the option of Red River subject to the restart of commercial production at Thalanga, as defined in a publicly released document.

Mr. Palancian is required to give 3 months notice of his resignation. Termination by the Company will result in 3 months salary to Mr. Palancian by the Company.

The value of the benefit is as follows:

30 June 2015	Mr. Melkon Palancian
Due within one year	\$ 50,000
Due later than one year	\$ -
Total	\$ 50,000

Name: Mr. Donald Garner
Title: Executive Director (Previously Managing Director)
Agreement Commenced: 1 April 2014
Term of agreement: No end date
Details: His fixed remuneration is \$145,000 per annum plus superannuation and his variable remuneration is any executive remuneration share, option or performance rights scheme or cash bonus payment as may be determined by the board.

Mr. Garner is required to give 3 months notice of his resignation. Termination by the Company will result in six months salary to Mr. Garner by the Company.

The value of the benefit is as follows:

30 June 2015	Mr. Donald Garner
Due within one year	\$ 72,500
Due later than one year	\$ -
Total	\$ 72,500

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

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Service Agreements and Remuneration Commitments (continued)

Name: Mr. Karl Spaleck
Title: General Manager of Operations
Agreement Commenced: 1 October 2014
Term of agreement: No end date
Details: His fixed remuneration is \$200,000 per annum plus superannuation and his variable remuneration is any executive remuneration share, option or performance rights scheme or cash bonus payment as may be determined by the board.

Upon the successful completion of a fundraising to restart production at Thalanga, his annual salary is to increase to \$250,000 per annum.

The Red River Board will pay a discretionary bonus of \$250,000 payable in cash or shares at the option of Red River subject to the restart of commercial production at Thalanga, as defined in a publicly released document.

Mr. Spaleck is required to give 3 months notice of his resignation. Termination by the Company will result in 3 months salary to Mr. Spaleck by the Company.

The value of the benefit is as follows:

30 June 2015	Mr. Karl Spaleck
Due within one year	\$ 50,000
Due later than one year	\$ -
Total	\$ 50,000

Apart from the above described agreement there are no outstanding commitments payable to any of the key management personnel as at 30 June 2015.

Securitisation Policy

Red River Resources Limited's security trading policy provides guidance on acceptable transactions in dealing in the company's various securities, including shares, debt notes and options. Red River Resources Limited's security trading policy defines dealing in company securities to include:

- (a) Subscribing for, purchasing or selling company securities or entering into an agreement to do any of those things;
- (b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in company securities; and
- (c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in company securities.

The securities trading policy details acceptable and unacceptable times for trading in company securities including detailing potential civil and criminal penalties for misuse of 'inside information'. The directors must not deal in company securities without providing written notification to the Chairman. The Chairman must not deal in company securities without the prior approval of the Chief Executive Officer. The directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

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

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Voting and comments made at the Company's 2014 Annual General Meeting

The Remuneration Report passed via a show of hands at the 2014 Annual General Meeting held in December 2014.

The Company does not use a remuneration consultant.

End of Audited Remuneration Report

Environmental Regulation

So far as the directors are aware, there have been no significant breaches of environmental conditions of the Company's exploration or development licences.

Greenhouse Gas and Energy data reporting requirements

The company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 requires the company to report its annual greenhouse gas emissions and energy use.

For the year ended 30 June 2015 the company was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The company will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

Insurance of Officers

During the financial year, Red River Resources Limited paid a premium of \$11,165 to insure the directors and secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage from themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of Auditors

The company has not, during or since the financial year, in respect of any person who is or has been an auditor of the company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

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

Directors' Report (continued)

Proceedings on behalf of the Company

No person has applied for leave of Court under S.237 of the Corporations Act 2001 to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Non-audit services

The Board of Directors is satisfied that the provision of non-audit related services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that any non-audit related services provided do not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees were paid for non-audit services to the external auditors and their associated entities during the year ended 30 June 2015 and 30 June 2014.

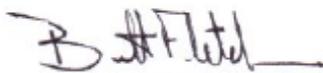
Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 27 for the year ended 30 June 2015.

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

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher
Non-executive Chairman

28 September 2015
Melbourne, Victoria

**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
P.O. Box 8716, Perth Business Centre WA 6849
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 of the 30 June 2015 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 28th September 2015



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (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 year ended 30 June 2015

	Note	Consolidated 30 June 2015 \$	30 June 2014 \$
Revenue from continuing operations			
Revenue	5.	67,444	5,208
Other income	5.	1,620	(1,000)
Total revenue and other income		69,064	4,208
Expenses			
Employment benefits expense	6.	(2,591,381)	(216,941)
Occupancy costs		(31,065)	(8,299)
Corporate costs	7.	(752,102)	(146,072)
Acquisition costs	24.	(943,618)	-
General and administration costs	8.	(298,029)	(51,469)
Exploration costs expensed		(5,739)	(26,079)
Total expenses		(4,621,934)	(448,860)
Loss before income tax		(4,552,870)	(444,652)
Income tax (expense) / benefit	9.	-	-
Loss after income tax		(4,552,870)	(444,652)
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		(4,552,870)	(444,652)
Earnings per share			
From continuing operations:			
Basic (Loss) / earnings per share (cents)	34.	(3.01)	(0.64)
Diluted (Loss) / earnings per share (cents)	34.	(3.01)	(0.64)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 32 to 66.

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

Consolidated Statement of Financial Position

For the year ended 30 June 2015

	Note	Consolidated 30 June 2015 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents	10.	1,678,166	425,984
Trade and other receivables	11.	155,267	2,718
Other assets	12.	49,954	10,138
Total current assets		1,883,387	438,840
Non-current assets			
Contingent assets	13.	9,067,135	-
Property, plant and equipment	14.	7,864,047	1,680
Intangibles	15.	18,610	663
Available-for-sale financial assets	16.	-	-
Exploration assets	17.	789,242	50,361
Other assets	12.	385,259	-
Total non-current assets		18,124,293	52,704
Total assets		20,007,680	491,544
Current liabilities			
Trade and other payables	18.	503,943	60,991
Provisions	19.	18,612	1,884
Deferred purchase consideration	20.	1,500,000	-
Total current liabilities		2,022,555	62,875
Non-current liabilities			
Contingent liabilities	21.	9,067,135	-
Total non-current liabilities		9,067,135	-
Total liabilities		11,089,690	62,875
Net assets		8,917,990	428,669
Equity			
Issue capital	22.	17,414,493	8,418,169
Reserves	23.	4,127,020	81,153
Accumulated losses	25.	(12,623,523)	(8,070,653)
Total equity		8,917,990	428,669

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 32 to 66.

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

30 June 2015	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 year		-	-	(4,552,870)	(4,552,870)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(4,552,870)	(4,552,870)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares	22.	11,428,611	-	-	11,428,611
- Cost of issue of shares	22.	(2,432,287)	-	-	(2,432,287)
- Issue of options	23.	-	4,045,867	-	4,045,867
<i>Total transactions with shareholders in their capacities as shareholders</i>		8,996,324	4,045,867	-	13,042,191
Balance at 30 June 2015		17,414,493	4,127,020	(12,623,523)	8,917,990
30 June 2014		Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014		8,022,549	50,502	(7,626,001)	447,050
Losses for the year		-	-	(444,652)	(444,652)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(444,652)	(444,652)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		400,478	-	-	400,478
- Cost of issue of shares		(4,858)	-	-	(4,858)
- Issue of options		-	30,651	-	30,651
<i>Total transactions with shareholders in their capacities as shareholders</i>		395,620	30,651	-	426,271
Balance at 30 June 2014		8,418,169	81,153	(8,070,653)	428,669

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 32 to 66.

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Note	Consolidated 30 June 2015 \$	30 June 2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		11,670	201
Cash payments in the course of operations		(1,879,834)	(412,344)
Interest received		57,135	5,922
Payments for exploration and evaluation		(5,739)	(26,079)
Net cash (used in) operating activities	32.	(1,816,768)	(432,300)
Cash flows from investing activities			
Payment for property, plant and equipment	14.	(14,253)	(1,895)
Proceeds from sale of property, plant and equipment		-	20,000
Proceeds from disposal of available for sale assets		-	1,390
Payment for security deposits		(386,520)	-
Payment for intangibles	15.	(20,640)	(686)
Payment for mine assets	24.	(5,000,000)	-
Payment for mine expenses (capitalised)		(1,350,251)	-
Payment for exploration expenses (capitalised)		(738,881)	(50,361)
Net cash (used in) investing activities		(7,510,545)	(31,552)
Cash flows from financing activities			
Proceeds from issue of shares		11,100,000	400,477
Proceeds from exercise of options		203,611	-
Capital raising costs		(724,116)	(4,857)
Drawdown on borrowings		120,000	-
Repayment of loans		(120,000)	-
Net cash flows from financing activities		10,579,495	395,620
Net increase / (decrease) in cash and cash equivalents		1,252,182	(68,232)
Cash, deposits and cash equivalents at the beginning of the period		425,984	494,216
Cash and cash equivalents at the end of the period	10.	1,678,166	425,984

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 32 to 66.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the Corporations Act 2001. Red River Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements of Red River Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical Accounting Estimates and Significant Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 37.

Principle of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red River Resources Limited ('Company' or 'Parent entity') as at 30 June 2015 and the results of all subsidiaries for the year ended then. Red River Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'consolidated group'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholder of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidate entity. They are de-consolidated from the date control ceases.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

Principle of Consolidation (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidate entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the business combinations accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit or loss.

(b) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair value of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and the liabilities assumed for the appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liabilities are recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in the profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(b) Business Combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisions amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is capitalised if either the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquisition expenditure is accumulated in respect of each identifiable area of interest held in the name of the company. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Where the abandoned area has previously been revalued, the previous

When production commences, the accumulated acquisition and development costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages and included in the costs of that stage.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(e) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(f) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effect interest method, less provision for impairment. Trade receivables are generally due for settlement within 30

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(g) Property, Plant & Equipment

Each asset of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

All items of property, plant and equipment (except computer software) are depreciated using the diminishing value method over their estimated useful lives to the company. The depreciation rates used for each class of asset for the current period are as follows:

- Plant & equipment	3 - 15 years
- Motor Vehicles	3 - 5 years
- Mining Properties	on a units of production basis

Assets are depreciated from the date the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(h) Intangibles (continued)

Any gains or losses recognised in profit or loss arising from the derecognising of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(i) Investments and Other Financial Assets

Classification

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets initially recognised at fair value with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Subsequent Measurement

Available-for-sale financial assets are subsequently measured at fair value. Changes in the fair value of available-for-sale financial assets are recognised in the statement of comprehensive income. Loans and receivables are carried at amortised cost using the effective interest method. Details on how the fair value of financial instruments is determined are disclosed in Note 2.

Impairment

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(i) Investments and Other Financial Assets (continued)

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(j) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction affects neither accounting or taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment Allowances

The company may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits

(i) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Other Long-term Employee Benefit Obligations

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Share-based Payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(m) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities in the statement of financial position.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Option Fee Income is recognised when payment for the option fee is received. Revenue from the sale of investments is recognised when the relevant sale contract is executed.

(o) Contributed Equity

Ordinary issued share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(p) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(q) Provisions

Provisions for legal claims and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measure at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

Notes to the Financial Statements

For the year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Joint Ventures

Interest in the joint venture operation is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred. For 'farm in' and 'farm out' arrangements the acquirer may be responsible for all the expenses during the 'farm in' and 'farm out' period. The acquisition or disposal of joint venture assets are not recognised under 'farm in' and 'farm out' arrangements until agreed upon milestones are reached.

(t) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

(u) Going Concern

The Group made a net loss of \$4.6m for the year ended 30 June 2015 and, as of that date, the Group's assets exceeded its liabilities by \$8.9m .

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 had \$1.7m in cash on hand at 30 June 2015 and a further \$0.15m in receivables and only \$0.52m 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 annual 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 year ended 30 June 2015

1. Summary of Significant Accounting Policies (continued)

(v) Earnings Per Share

i. Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(x) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year.

There have been no new and revised accounting standards, interpretations or amendments effective during the year which have a material impact on the Group's accounting policies or disclosures.

i. New Accounting Standards and Interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2015, but have not been applied in preparing this financial report. No accounting impact is expected as a result of these new accounting statements and interpretations.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

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

Notes to the Financial Statements

For the year ended 30 June 2015

2. Financial Instruments

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business. The Board provides written principles for overall risk areas, as well as defined policies for specific risks such as credit risk.

The company holds the following financial instruments:

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	1,678,166	425,984
Trade and other receivables	155,267	12,856
	1,833,433	438,840
<i>Financial Liabilities</i>		
Trade and other receivables	503,943	60,991
	503,943	60,991

(a) Market Risk

(i) Foreign exchange risk

The company and its operations are limited to domestic activities within Australia.

Company sensitivity

The company's profit would not be materially different due to changes in exchange rates.

(ii) Price Risk

The company is not exposed to equity securities price risk.

The company is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from funds held on deposit. Funds held on deposit at variable rates expose the company to cash flow interest rate risk. Funds held on deposit at fixed rates expose the company to fair value interest rate risk. During the year the company's funds on deposit were held in Australian Dollars.

As at the reporting date, the company had the following variable rate funds on deposit:

	30 June 2015		30 June 2014	
	Weighted Ave. Interest Rate %	Balance \$	Weighted Ave. Interest Rate %	Balance \$
	Funds on deposit	3.39%	1,678,166	1.77

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

Notes to the Financial Statements

For the year ended 30 June 2015

2. Financial Risk Management (continued)

Company sensitivity

At 30 June 2015, if interest rates had changed by -100/ + 70 basis points (2014: -100/ + 70 basis points) from the year-end rates with all other variables held constant, losses for the year would have been \$56,532 higher/ \$96,665 lower (2014 – change of 100 bps, losses would have been higher: \$1,949 / change of 70 bps losses would have been lower: \$7,305), mainly as a result of higher/lower interest income from cash and cash equivalents. Equity would have been \$96,665 lower/ \$56,532 higher (2014: change of 100 bps higher: \$7,305 / change of 70 bps lower: \$1,949) mainly as a result of a higher/lower interest income from cash and cash equivalents. The company has used nominal rate fluctuations in order to illustrate the effect on full year profit from the possible movement in interest rates during the reporting period.

(b) Credit Risk

Credit risk is managed on a company basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and receivables from Joint Venture and Farm-In operations.

The Company's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	30 June	30 June
	2015	2014
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	1,678,166	425,984
Trade and other receivables	155,267	12,856
	1,833,433	438,840

The directors believe that there is negligible credit risk with the cash and cash equivalents, as cash and cash equivalents are held at call and short term deposit with a reputable Australian Banking institution with a long term S&P credit rating of AA-. The other receivables relate to amounts owing from government agencies and other listed Australian Companies with substantial current assets. The receivables are within normal trading terms. No security interests are taken to cover financial assets.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank bills that are highly liquid and with maturities of less than six months.

Financing arrangements

The company does not have any financing arrangements.

Maturities of financial liabilities

The Company's only debt is with associated entities relating to trade payables where payments are generally within 30 days

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

Notes to the Financial Statements

For the year ended 30 June 2015

2. Financial Risk Management (continued)

(d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, Red River has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the company's assets measured and recognised at fair value at 30 June 2015 and 30 June 2014.

Consolidated - 30 June 2015	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	-	-	-	-
Consolidated - 30 June 2014				
Assets				
Available-for-sale financial assets				
Equity securities	-	-	-	-

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid prices at the end of the financial year. These instruments are included in Level 1.

The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

3. Critical Accounting Estimates and Judgements

Estimates and Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

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

Notes to the Financial Statements

For the year ended 30 June 2015

3. Critical Accounting Estimates and Judgements (continued)

Key estimates

i. Impairment

During the year ended 30 June 2015, the Company did not make any significant judgements about impairment. During the year ended 30 June 2014 the Company however did make a significant judgement about impairment.

The company follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

The decline in fair value below cost for some of these assets has been considered to be significant and/or prolonged. The Company disposed of these assets during the 2014 financial year and had previously recorded an impairment loss during the previous year ended 30 June 2013 of \$5,000.

ii. Revenue and Contingent Assets

The Company does not have any contingent assets or revenue.

4. Going Concern

The Group made a net loss of \$4.6m for the year ended 30 June 2015 and, as of that date, the Group's assets exceeded its liabilities by \$8.9m .

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 had \$1.7m in cash on hand at 30 June 2015 and a further \$0.15m in receivables and only \$0.52m 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 annual 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 year ended 30 June 2015

5. Revenue and Other Income

	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Revenue			
Interest income		57,394	5,108
Miscellaneous income		10,050	100
Total revenue		67,444	5,208
Other income			
Gain/(Loss) on foreign exchange		(4,220)	-
Gain/(Loss) on disposal of assets		-	(1,000)
Rental refunds		5,840	-
		1,620	(1,000)
		69,064	4,208

6. Employment Benefits Expense

	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Cash salary and fees	(a)	136,950	204,318
Retirement benefits		58,924	12,497
Share based payments - Options	23.	2,337,696	-
Other employment costs		57,811	126
		2,591,381	216,941

(a) Cash salary and fees

During the course of the year, a further \$500,035 in salary was incurred and capitalised to Exploration and Evaluation and Mine Development costs on the balance sheet.

7. Corporate Costs

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
ASIC fees	1,772	1,113
ASX fees	23,859	12,923
Audit fees	22,500	18,000
Insurance	88,135	18,969
Legal and Professional fees	531,873	60,702
Public relations and communications	28,000	-
Share registry fees	51,378	28,953
Sundry	4,585	5,412
	752,102	146,072

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

Notes to the Financial Statements
For the year ended 30 June 2015

8. General and Administration

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Amortisation	2,030	23
Bank and finance costs	2,572	407
Depreciation	2,137	4,137
Impairment	663	-
Sundry	16,180	14,148
Thalanga site	232,211	-
Training	2,650	-
Travel	39,586	2,104
	298,029	20,819

9. Income Tax

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense from continuing operations	(4,552,870)	(444,652)
Tax at the statutory rate of 30%	(1,365,861)	(133,396)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
- Non-deductible expenses	985,429	16,258
- Other allowable items	(292,206)	(34,427)
- Tax losses not brought into account	672,638	151,565
Income tax expense	-	-
<i>Tax assets not recognised (at 30%)</i>		
Unused tax losses for which no deferred tax asset has been recognised	3,232,788	2,560,150
Temporary differences	(292,206)	(34,427)
Potential tax benefit	2,940,582	757,717

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

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

Notes to the Financial Statements

For the year ended 30 June 2015

10. Cash and Cash Equivalents

Current	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Cash at bank and on hand		169,349	24,810
Cash at call		1,508,817	401,174
	32.	1,678,166	425,984

Risk exposure

The Consolidated entities exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

11. Trade and Other Receivables

Current	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
GST receivable	103,613	2,402
Other debtors	51,654	316
	155,267	2,718

Impairment of receivables

The consolidated entity has not impaired any receivables in the 2015 year (2014: Nil)

Past due but not impaired

Customers with balances past due by without provision for impairment of receivables were nil as at 30 June 2015 (2014: Nil). The consolidated entity did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

For further information, refer to Note 2 Financial Instruments.

12. Other Assets

Current	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Prepayments	48,434	10,138
Security deposits	1,520	-
	49,954	10,138
Non-current		
Security deposits	385,259	-
	385,259	-

(a) Security deposits

The Consolidated entity has leased a residential property in Charters Towers as part of the Thalanga mine site redevelopment and has provided a cash security deposit of \$1,520. Additional cash backed security deposits of \$55,000 have been paid to Ergon Energy Ltd for capital equipment used on the Thalanga site as well as \$300,000 to Thalanga Copper Mines Pty Ltd as part of a royalty agreement related to concentrate produced from the Thalanga site.

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

Notes to the Financial Statements

For the year ended 30 June 2015

13. Contingent Assets

Non-current	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Security deposits (a)	24.	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 Thalanga 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.

14. Property, Plant and Equipment

Non-current		Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Plant and equipment at cost		16,148	1,895
Accumulated depreciation		(2,352)	(215)
	(a)	13,796	1,680
Mine properties at cost		7,850,251	-
Accumulated depreciation		-	-
	(b)	7,850,251	-
Total property, plant and equipment		7,864,047	1,680

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

(a) Plant and equipment at cost

At beginning of period		1,680	24,812
Acquisitions		14,253	1,895
Disposals		-	(20,891)
Depreciation		(2,137)	(4,136)
		13,796	1,680

(b) Mine properties at cost

At beginning of period		-	-
Acquisitions	24.	6,500,000	-
Capitalised costs		1,350,251	-
Depreciation		-	-
		7,850,251	-

For further information relating to the acquisition of the Thalanga assets refer to Note 24.

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

Notes to the Financial Statements

For the year ended 30 June 2015

15. Intangibles

Non-current	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Formation costs		-	686
Accumulated amortisation		-	(23)
	(a)	-	663
Website development costs		20,640	-
Accumulated amortisation		(2,030)	-
	(b)	18,610	-
Total intangibles		18,610	663

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

(a) Formation costs

At beginning of period	663	-
Acquisitions	-	686
Disposals	-	-
Impairment	(663)	-
Amortisation	-	(23)
	-	663

(b) Website development costs

At beginning of period	-	-
Acquisitions	20,640	-
Amortisation	(2,030)	-
	18,610	-

Formation costs relate to incorporation of subsidiary entities and have been impaired to nil at 30 June 2015.

16. Available-for-sale Financial Assets

Non-current		Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Shares in listed companies at fair value	(a)	-	-
		-	-
(a) Shares in listed companies			
At beginning of period		-	1,500
Disposals		-	(1,390)
Fair value adjustment		-	(110)
		-	-

Fair values of investments in listed companies is assessed as the bid price on the Australian Securities Exchange prior to close of business on reporting date.

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

Notes to the Financial Statements

For the year ended 30 June 2015

17. Exploration and Evaluation Assets

	Note	Consolidated	
		30 June 2015	30 June 2014
Non-current		\$	\$
Exploration and evaluation assets at cost		789,242	50,361
Accumulated amortisation		-	-
	(a)	789,242	50,361
(a) Exploration and Evaluation Assets			
At beginning of period		50,361	-
Acquisitions		-	-
Capitalised costs		738,881	50,361
Amortisation		-	-
		789,242	50,361

Total Exploration and evaluation expenditure capitalised is solely intangible. The directors have performed an impairment review based on the economic benefits that may arise. Recoverability of the carrying amount of the exploration assets is dependent on successful exploration activities.

Capitalised costs have been included in the statement of cash flows as an investing activity.

18. Trade and Other Payables

	Consolidated	
	30 June 2015	30 June 2014
Current	\$	\$
Trade and other payables	349,665	43,491
Accruals	80,377	17,500
Employment liabilities	73,901	-
	503,943	60,991

For further information, refer to Note 2 Financial Instruments.

19. Provisions

	Consolidated	
	30 June 2015	30 June 2014
Current	\$	\$
Employee entitlements	18,612	1,884
	18,612	1,884

All provisions are expected to be settled within 12 months.

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

Notes to the Financial Statements

For the half-year ended 30 June 2015

20. Deferred Purchase Consideration

	Note	Consolidated	
		30 June 2015	30 June 2014
Current		\$	\$
Deferred purchase consideration (a)	24.	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 Thalanga 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.

21. Contingent Liabilities

	Note	Consolidated	
		30 June 2015	30 June 2014
Non-current		\$	\$
Rehabilitation liability (a)	24.	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 Thalanga Assets, Red River assumes the rehabilitation liabilities associated with the various tenements acquired. As at year end 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 4, 2015.

22. Issued Capital

	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Issued capital	(a)	17,414,493	8,418,169
		17,414,493	8,418,169

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

Notes to the Financial Statements

For the year ended 30 June 2015

22. Issued Capital (continued)

(a) Movements in ordinary issued capital

	30 June 2015 \$	30 June 2015 No.	30 June 2014 \$	30 June 2014 No.
At the beginning of the reporting period	8,418,169	78,229,505	8,022,549	69,330,005
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 - Placement 30-Oct-14	3,600,000	20,000,000	-	-
Shares issued - Exercise of options 31-Dec-14	112,500	2,250,000	-	-
Shares issued - Exercise of options 13-May-15	6,500	130,000	-	-
Shares issued - Placement 15-May-15	125,000	744,934	-	-
Shares issued - Exercise of options 22-May-15	5,000	50,000	-	-
Shares issued - Exercise of options 04-Jun-15	10,000	100,000	-	-
Shares issued - Exercise of options 19-Jun-15	6,500	130,000	-	-
Shares issued - Exercise of options 22-Jun-15	37,500	750,000	-	-
Shares issued - Exercise of options 26-Jun-15	8,000	160,000	-	-
Shares issued - Exercise of options 29-Jun-15	10,500	210,000	-	-
Cost of capital	(2,432,287)	-	(4,858)	-
At the end of the reporting period	17,414,493	177,885,550	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 year, several option holders elected to exercise their options and convert into ordinary shares.

(b) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(c) Capital Risk Management

The Consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that the the Consolidate entity can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital. The Consolidated entity considers capital to consist of cash reserves on hand and available-for-sale financial assets.

The Consolidated entity monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing development operations. Where required the company will sell assets, issue new securities, raise debt or modify its exploration program to ensure the Consolidated entity's working capital requirements are met.

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

Notes to the Financial Statements

For the year ended 30 June 2015

23. Reserve

	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
The option reserve is used to recognise the grant date fair value of options issued to employees and supplied but not exercised.			
Option reserve	(a)	4,127,020	81,153
		4,127,020	81,153

(a) Movements in options reserve

		30 June 2015	30 June 2015	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)	-	-
Options converted - Placement	04-Jun-15	-	(150,000)	-	-
Options converted - Consultant	29-Jun-15	-	(1,380,000)	-	-
		-	(3,911,111)	-	-
At the end of the reporting period		4,127,020	22,538,639	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 year 1,500,000 consultant options were exercised, 161,111 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 year ended 30 June 2015

24. 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 (Thalanga Assets) would be sold to Red River.

The key terms of the EA were:

- The Thalanga 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 Thalanga Assets; and
- Net smelter royalty of 1.5% on production from the Thalanga 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 Thalanga 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 Thalanga Assets acquisition 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	30 June 2015 \$
Cash paid		5,000,000
Deferred consideration	20.	1,500,000
Total consideration paid		6,500,000
Security deposit	13.	9,067,135
Mine properties	14.	6,500,000
Rehabilitation liability	21.	(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 year ended 30 June 2015

24. 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:

	30 June 2015 \$
Stamp duty on transaction	354,275
Exclusivity payments	390,000
Holding payment	130,000
Legal costs	69,343
	943,618

25. Accumulated Losses

		Consolidated	
		30 June 2015 \$	30 June 2014 \$
Accumulated losses	(a)	12,623,523	8,070,653
		12,623,523	8,070,653

(a) Movement in Accumulated Losses

At beginning of period		8,070,653	7,626,001
Net loss for year		4,552,870	444,652
		12,623,523	8,070,653

26. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation

		Consolidated	
		30 June 2015 \$	30 June 2014 \$
Short-term		512,576	182,938
Post employment		48,695	15,584
Other long-term		-	-
Termination benefits		-	-
Share-based payment		2,337,695	-
		2,898,966	198,522

The remuneration disclosures are provided in the remuneration report on pages 19 to 25.

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

Notes to the Financial Statements

For the year ended 30 June 2015

26. Key Management Personnel Disclosures (continued)

(b) Equity Instrument Disclosure Relating to Key Management Personnel

At 30 June 2015 the relevant interest of each Key Management Personnel who held office during the year in ordinary fully paid shares and options of the Company were:

Director / KMP	Balance at beginning of year	Ordinary Shares		Transfers / Ceasing to be a director	Balance at the end of the year
		Issued as compensation	Purchases / Opt. Ex.		
D. Garner	6,844,930	-	750,000	-	7,594,930
P. Hart	6,918,729	-	750,000	-	7,668,729
C. Bodley	-	-	750,000	-	750,000
M. Palancian	-	-	275,000	-	275,000
B. Fletcher	-	-	90,000	-	90,000
J. Black	-	-	248,500	-	248,500
K. Spaleck	-	-	100,000	-	100,000
	13,763,659	-	2,963,500	-	16,727,159

Director / KMP	Balance at beginning of year	Share Options		Transfers / Ex. Opt. / Ceasing to be a director	Balance at the end of the year
		Issued as compensation	On Market Purchases		
D. Garner	-	3,000,000	-	(750,000)	2,250,000
P. Hart	-	3,000,000	-	(750,000)	2,250,000
C. Bodley	-	3,000,000	-	(750,000)	2,250,000
M. Palancian	-	1,000,000	-	-	1,000,000
B. Fletcher	-	-	-	-	-
J. Black	-	-	-	-	-
K. Spaleck	-	1,000,000	-	-	1,000,000
	-	11,000,000	-	(2,250,000)	8,750,000

At 30 June 2014 the relevant interest of each Key Management Personnel who held office during the year in ordinary fully paid shares and options of the Company were:

Director / KMP	Balance at beginning of year	Ordinary Shares		Transfers / Ceasing to be a director	Balance at the end of the year
		Issued as compensation	On Market Purchases		
D. Garner	-	-	6,844,930	-	6,844,930
P. Hart	-	-	6,918,729	-	6,918,729
C. Bodley	-	-	-	-	-
E. Sorensen	-	-	-	-	-
S. Sanghangi	-	-	-	-	-
D. Zohar	11,334,888	-	-	(11,334,888)	-
N. Taylor	-	-	-	-	-
J. Karajas	9,300,000	-	-	(9,300,000)	-
	20,634,888	-	13,763,659	(20,634,888)	13,763,659

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

Notes to the Financial Statements

For the year ended 30 June 2015

26. Key Management Personnel Disclosures (continued)

(b) Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Director / KMP	Balance at beginning of year	Share Options Issued as compensation	Share Options On Market Purchases	Transfers / Ex. Opt. / Ceasing to be a director	Balance at the end of the year
D. Garner	-	-	-	-	-
P. Hart	-	-	-	-	-
C. Bodley	-	-	-	-	-
E. Sorensen	-	-	-	-	-
S. Sanghangi	-	-	-	-	-
D. Zohar	-	-	-	-	-
N. Taylor	2,000,000	-	-	-	2,000,000
J. Karajas	-	-	-	-	-
	2,000,000	-	-	-	2,000,000

27. Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the Consolidated entity, its related practices and non-related audit firms.

	Consolidated 30 June 2015 \$	30 June 2014 \$
An audit or review of the financial statements of the entity (Rothsay Consulting Services Pty Ltd)	22,500	18,000
	22,500	18,000

28. Events Subsequent to Balance Date

On 28 September 2015 the Board of Directors signed the Annual Financial Report for the year ended 30 June 2015.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

29. Segment Information

The Consolidated entity operates in the mineral exploration industry in Australia only.

Given the nature of the Consolidated entity, its size and current operations, management does not treat any part of the entity as a separate operating segment. Internal financial information used by the Company's decision makers is presented on a 1whole of entity' manner without dissemination to any separately identifiable segments.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

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

Notes to the Financial Statements

For the year ended 30 June 2015

30. Related Party Transactions

(a) Directors

The directors of Red River Resources Limited during the financial year were:

Mr. Brett Fletcher (Appointed 1 May 2015)
 Mr. Melkon Palancian (Appointed 17 October 2014)
 Mr. Donald Garner (Appointed 31 March 2014)
 Mr. James Black (Appointed 1 May 2015)
 Mr. Paul Hart (Appointed 31 March 2014)
 Mr. Cameron Bodley (Appointed 24 April 2014)

Additional directors of the Company who held office during 2014.

Mr. Erling Sorensen (Appointed 31 March 2014) (Resigned 24 April 2014)
 Mr. Suraj Sanghani (Appointed 11 February 2014) (Resigned 31 March 2014)
 Mr. David Zohar (Appointed 4 June 2002) (Resigned 11 February 2014)
 Mr. Noel Taylor (Appointed 18 November 2011) (Resigned 31 March 2014)
 Mr. John Karajas (Appointed 1 November 2003) (Resigned 30 August 2013)
 Mr. Zhukov Pervan (Appointed 30 August 2013) (Resigned 31 March 2014)

(b) Related Party Transaction During the Year

i. Administration and consulting services related transactions

Director related entities paid for expenses on behalf of Red River Resources Limited throughout the year. The following table details the Company, total services provided and expenses paid for the year and balance owing at 30 June 2015 and 30 June 2014:

Related Party	Value of services for the year ended 30 June 2015 (excl. GST)	Value of services for the year ended 30 June 2014 (excl. GST)	Balance owing at 30 June 2015 (excl. GST)	Balance owing at 30 June 2014 (excl. GST)
HansonPorterCurzon P/L	\$186,443	\$26,760	\$15,487	\$9,933
Swanrove Enterprises P/L	-	\$36,933	-	-
Iron Mountain Mining Ltd	-	\$26,854	-	-

Hanson Porter Curzon Pty Ltd is a related party of Mr. Cameron Bodley. Hanson Porter Curzon Pty Ltd provided taxation, secretarial, accounting, office rental and administration services to Red River on normal arms length commercial terms from 1 April 2014.

Swanrove Pty Ltd is an entity associated with Mr. David Zohar which supplied director services.

Iron Mountain Mining Limited had a joint venture with Red River, of which it had invoiced Red River for its share of the exploration activities. Iron Mountain Mining Limited also provided office rental and administration services until 31 March 2014.

During the year, Red River sold its interest in both the Blythe and Miaree Joint Ventures to Iron Mountain Ltd for \$10,000.

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

Notes to the Financial Statements

For the year ended 30 June 2015

30. Related Party Transactions (continued)

(b) Related Party Transaction During the Year (continued)

ii. Joint Venture Transactions

The Company was a participant in the joint venture arrangement with Iron Mountain Mining Ltd of which Mr. Zohar is a director and/or Significant Shareholder. Refer to Note 33 for further information on joint ventures.

Red River Resources Limited has on charged Iron Mountain Mining Limited NIL in 2015 (2014: \$12,311 (excl GST)) for expenses relating to the three joint venture tenements (Blythe, Miaree and Wongan Hills) of which \$Nil was outstanding at reporting date (2014: Nil). Refer to Note 30 for further details of these joint ventures.

Amounts charged by Iron Mountain Mining Limited to Red River for expenses relating to the same joint venture agreements has been included in the table above.

iii. Investment in Related Entities

As at 30 June 2015, the Consolidated entity did not hold any shares in director related entities (2014: Nil).

iv. Loans to the Consolidated entity

During the 2015 year, Messrs. Garner, Hart and Bodley each provided a \$40,000 interest-free loan (total \$120,000) to the Company to assist with funding the Exclusivity Payments associated with the acquisition of the Thalanga assets. These loan funds were repaid in full during the year.

All transactions with related parties are undertaken on an arm's length basis.

31. Commitments

The Consolidated entity has certain obligations to perform minimum exploration work on exploration tenements held. These obligations may vary over time, depending on the Consolidated entity's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Consolidated entity have not been provided for in the financial statements, however the expenditure required to maintain the exploration tenements over which the Consolidated entity has an interest in at 30 June 2015 in are listed in the table below:

Tenement Name	Tenement Holder	Grant / App'n Date	Expiry Date	Annual Rent \$	Minimum Expenditure \$
E39/2937	Forth Resources Pty Ltd	17/10/2014	16/10/2019	3,257	26,000
E39/1797	Forth Resources Pty Ltd	23/02/2015	22/02/2020	7,891	63,000
P38/4128	Red River Resources Ltd	09/12/2014	08/12/2018	470	7,840
P38/4129	Red River Resources Ltd	09/12/2014	08/12/2018	406	6,760
EPM 10582	Cromarty Resources Pty Ltd	20/03/1995	31/12/2015	2,183	260,000
EPM 12766	Cromarty Resources Pty Ltd	01/09/1999	21/04/2016	437	230,000
EPM 14161	Cromarty Resources Pty Ltd	15/06/2004	14/06/2017	2,328	530,000
EPM 16929	Cromarty Resources Pty Ltd	23/02/2010	22/02/2018	3,347	400,000
EPM 25815	Hebrides Resources Pty Ltd	30/06/2015	29/06/2020	1,455	33,500
EPMA 25895	Hebrides Resources Pty Ltd	02/03/2015	N/A	-	-

Granted exploration tenement statutory expenditure commitments.

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

Notes to the Financial Statements

For the year ended 30 June 2015

31. Commitments (continued)

Committed at reporting date but not recognized as liabilities, payable:

	Note	Consolidated	
		30 June 2015	30 June 2014
		\$	\$
Within one year		21,772	58,000
One to five years		1,665,959	290,000
		1,687,731	348,000

Refer Note 33 for commitments under Joint Ventures. There are no other commitments for expenditure.

32. Reconciliation of Operating Loss after tax to net cash used in operating activities

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Operating Loss after Income Tax	(4,552,870)	(444,652)
Adjustments to reconcile loss after income tax to net operating cash flows.		
Depreciation, Amortisation and Impairment	4,830	4,159
Share based payments expensed	2,462,695	30,651
Loss on sale of investments	-	110
Loss/(profit) on sale of Property, Plant and Equipment	-	890
Changes in Assets and Liabilities		
(Decrease)/increase in payables	442,953	(13,374)
(Decrease)/increase in provisions	16,728	(19,516)
(Increase)/decrease in prepayments	(48,434)	2,507
(Increase)/decrease in receivables	(142,670)	6,925
Net cash used in operating activities	(1,816,768)	(432,300)
(a) Reconciliation of Cash		
Cash at bank and on hand	169,349	24,810
Cash at call	1,508,817	401,174
	10.	1,678,166
		425,984
(b) Financing Facilities Available		

As at 30 June 2015, the company had no financing facilities available (2014: Nil).

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

Notes to the Financial Statements

For the year ended 30 June 2015

33. Joint Ventures

NRE JV

Red River reached an agreement with privately held Natural Resources Exploration Group (NRE) to farm into its Mt Windsor Project. The Mt Windsor Project is contiguous with Red River's Liontown-Waterloo, Truncheon and Ermine Projects and consists of EPM 18470, EPM 18471 and EPM 18713 (the NRE JV). This transaction consolidates Red River's position in this highly prospective area of the Mt Windsor Belt.

The agreement with NRE provides Red River the opportunity to commence exploration activities in an area of the Belt that hosts known high grade base metal deposits such as Highway-Reward and Handcuff.

Historical production from Highway-Reward was 3.8Mt @ 6.2% Cu and 1g/t Au⁽¹⁾ from open pit and underground mining operations between 1998 and 2005, and the ore produced from Highway-Reward was treated at Red River's Thalanga processing plant. The primary copper mineralisation at Highway-Reward was hosted in two main pyrite (FeS₂) - chalcopyrite (CuFeS₂) pipes (Highway and Reward) and overlaying the primary mineralisation was a high grade supergene chalcocite (Cu₂S) – covellite (CuS) rich zone which had a historical non-JORC compliant resource 0.75Mt @ 8.7% Cu⁽²⁾.

Handcuff has a historical non-JORC compliant resource of 1Mt @ 0.4% Cu, 0.2% Pb and 7.4% Zn⁽³⁾ and has seen little or no exploration activity since the mid-1990s.

⁽¹⁾ Grange Resources Limited Public Disclosure

⁽²⁾ Beams S.D., Dronseika V. and Doyle M.G. (1998) The exploration history, geology and geochemistry of the polymetallic Highway-Reward deposit, Mt Windsor Subprovince, pp.189-205 Economic Geology of Northeast Queensland, the 1998 Perspective

⁽³⁾ Hutton L. and Withnall I. (2007) Depositional systems, crustal structure and mineralisation in the Thalanga Province, North Queensland, pp 79-86 Mineral Exploration in the Tasmanides, AIG Bulletin 46

Key Agreement Terms

NRE Exploration Pty Ltd (EPM 18713)

Stage One	Earn a 51% interest by expending \$540,000 by July 2017
Stage Two	Earn and additional 39% interest (total 90%) by expending \$250,000 from July 2017 to July 2019

NRE Base Metals Pty Ltd (EPM 18470)

Stage One	Earn a 51% interest by expending \$270,000 by May 2016
Stage Two	Earn an additional 39% interest (total 90%) by expending \$250,000 from May 2016 to May 2018

NRE Base Metals Pty Ltd (EPM 18471)

Stage One	Earn a 51% interest by expending \$85,000 by May 2016
Stage Two	Earn an additional 39% interest (total 90%) by expending \$250,000 from May 2016 to May 2018

Blythe & Miaree JV's

The Consolidated entity's interests in the Miaree Joint Venture and the Blythe Joint Venture were acquired by Iron Mountain Mining Limited for a nominal payment during the 2015 year. The sale and transfer of these residual non-core interests allows Red River to focus on its core assets. No costs were incurred in relation to either of these JV's during 2015.

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

**Notes to the Financial Statements
For the year ended 30 June 2015**

34. Earnings Per Share

	Consolidated	
	30 June 2015 \$	30 June 2014 \$
<i>Earnings per share from continuing operations</i>		
Loss after income tax attributable to the owners of Red River Resources Limited	(4,552,870)	(444,652)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	151,252,992	69,749,615
Weighted average number of ordinary shares used in calculating diluted earnings per share	170,581,214	69,749,615
	Cents	Cents
Basic earnings per share	(3.01)	(0.64)
Diluted earnings per share	(3.01)	(0.64)

35. Share-based Payments

The following share based payments existed at 30 June 2015:

	30 June 2015		30 June 2014	
	Number of options	Weighted Ave. Exe. Price	Number of options	Weighted Ave. Exe. price
Outstanding at the beginning of the year	3,500,000	5/10 cents	2,000,000	10 cents
Granted	11,000,000	5/10/15/30 cents	1,500,000	5 cents
Forfeited	-	-	-	-
Exercised	(3,750,000)	5 cents	-	-
Expired	-	-	-	-
Outstanding at the end of the year	10,750,000	10/15/30 cents	3,500,000	5/10 cents
Exercisable at the end of the year	10,750,000	10/15/30 cents	3,500,000	5/10 cents

During the 2015 financial year, several series of options were granted to directors (2014: Nil). The terms and conditions of the grant of options affecting remuneration in the reporting period are as follows:

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

Notes to the Financial Statements

For the year ended 30 June 2015

35. Share-based Payments (continued)

Director	Options issued as compensation	Issued Date / Vested Date	Value per option at Grant Date (cents)	Exercise Price (cents)	Expiry Date
D. Garner	750,000	17-Sep-14	\$0.21	\$0.05	31-Dec-14
	750,000	17-Sep-14	\$0.22	\$0.10	31-Dec-15
	1,500,000	17-Sep-14	\$0.24	\$0.15	31-Dec-16
P. Hart	750,000	17-Sep-14	\$0.21	\$0.05	31-Dec-14
	750,000	17-Sep-14	\$0.22	\$0.10	31-Dec-15
	1,500,000	17-Sep-14	\$0.24	\$0.15	31-Dec-16
C. Bodley	750,000	17-Sep-14	\$0.21	\$0.05	31-Dec-14
	750,000	17-Sep-14	\$0.22	\$0.10	31-Dec-15
	1,500,000	17-Sep-14	\$0.24	\$0.15	31-Dec-16
M. Palancian	1,000,000	10-Dec-14	\$0.09	\$0.30	10-Dec-16
K. Spaleck	1,000,000	17-Oct-14	\$0.19	\$0.30	17-Oct-16
Total	11,000,000				

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

All options that had an Expiry Date of 31 December 2014 were exercised by the directors and converted into ordinary shares.

The assessed fair value of the options at grant date is calculated in accordance with AASB 2 Share Based payments, the values are determined using a Black – Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

On 5 June 2014, 1,500,000 options were issued to consultants of Red River in lieu of cash with an exercise price of 5 cents and an expiry of 30 June 2015. Using the Black - Scholes Model, the fair value of an option is approximately 2.04 cents based on the following criteria:

Exercise price:	5 cents
Life of options:	1.083 years
Share price at grant:	5 cents
Expected price volatility:	100%
Risk free interest rate:	3.5%

There was no other share based compensation for the year.

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

Notes to the Financial Statements

For the year ended 30 June 2015

35. Share-based Payments (continued)

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the year were as follows:

	Consolidated	
	30 June 2015 \$	30 June 2014 \$
Options issued as employee compensation	2,337,695	-
Options issued to consultants as compensation	-	30,651
	2,337,695	30,651

36. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name of entity	Country of incorporation	Equity Holding 30 June 2015	Equity Holding 30 June 2014
<i>Parent Entity:</i>			
Red River Resources Ltd	Australia		
<i>Subsidiaries:</i>			
Forth Resources Pty Ltd	Australia	100%	100%
Cromarty Resources Pty Ltd	Australia	100%	-
Hebrides Resources Pty Ltd	Australia	100%	-

37. Parent Entity Information

Set out below is the supplementary information about the parent entity:

Statement of Comprehensive Income:

	Consolidated	
	30 June 2015 \$	30 June 2014 \$
Loss after income tax	(413,978)	(444,628)
Total Comprehensive Income	(413,978)	(444,628)

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

Notes to the Financial Statements

For the year ended 30 June 2015

37. Parent Entity Information (continued)

Statement of Financial Position:

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Current assets	11,017,048	437,123
Non-current assets	146,531	52,141
Total assets	11,163,579	489,264
Current liabilities	356,237	60,572
Non-current liabilities	-	-
Total liabilities	356,237	60,572
Net assets	10,807,342	428,692
Issued capital	17,414,493	8,418,169
Reserves	4,127,019	50,502
Accumulated losses	(10,734,170)	(8,039,979)
Total equity	10,807,342	428,692

Guarantees entered into by the parent entity in relation to the debts of its subsidiary:

As at 30 June 2015, the parent entity has entered into a Security Deed as guarantor with the Kagara Limited (in liquidation) for the deferred consideration payable related to the Thalanga assets acquisition (2014: Nil). Once payment of the deferred consideration is paid, this guarantee and the security associated with the deed will be extinguished.

Contingent liabilities

The parent entity's contingent liabilities and commitments were the same as that of the consolidate entity.

Significant accounting policies

Significant accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1 except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment. Dividends received from subsidiaries are recognized as other income by the parent entity and its receipt may be an indicator of impairment of the investment.
- Equity settled awards by the parent to employees of subsidiaries are recognized as an increase in investment in the subsidiary with a corresponding credit to equity and not as a change to profit or loss. The investment in subsidiary is reduced by any contribution by the subsidiary.

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

Directors' Declaration

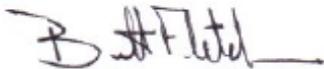
The directors of Red River Resources Limited ('the Company') declare that:

1. the financial statements and notes set out on pages 32 to 66 are in accordance with the Corporations Act 2001, including:
 - a) complying with the Accounting Standards and the Corporations Act 2001 and other mandatory professional reporting requirements, and
 - b) giving a true and fair view of the consolidated entity's financial position at 30 June 2015 and of its performance for the year ended on that date.
 - c) complying with IFRS and interpretations adopted by the International Accounting Standards Board.
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.
3. The directors have been given the declaration by the Managing Director, Melkon Palancian, as required by Section 295A of the Corporations Act 2001.

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

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher
Non-executive Chairman

28 September 2015
Melbourne, Victoria

**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 AUDIT REPORT TO THE MEMBERS OF
RED RIVER RESOURCES LTD**

Report on the financial report

We have audited the accompanying financial report of Red River Resources Ltd (the Company) which comprises the balance sheet as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) 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. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

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

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

Independent Auditors' Review Report



Audit opinion

In our opinion the financial report of Red River Resources Ltd is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Red River Resources Ltd for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Graham R Swan FCA
Partner

Dated 28th September 2015



Chartered Accountants

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

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

Corporate Governance Statement

Introduction

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable; the Company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ('Recommendations') as published by the ASX Corporate Governance Council. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Company's Board Charter, Code of Conduct, Disclosure Policy, Shareholder Communications Policy, Risk Management Policy, Remuneration Policy and Trading Policy have been posted on the website.

The table below summarises the Company's compliance with the Corporate Governance Council's Recommendations:

Principle	ASX Corporate Governance Council Recommendations	Comply
1	<i>Lay solid foundations for management and oversight</i>	
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	No
1.2	Disclose the process for evaluating the performance of senior executives. Provide the information indicated in the Guide to reporting on Principle 1.	No
2	<i>Structure the board to add value</i>	
2.1	A majority of the board should be independent directors.	Yes
2.2	The chair should be an independent director.	Yes
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
2.4	The board should establish a nomination committee.	No
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	No
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	No
3	<i>Promote ethical and responsible decision-making.</i>	
3.1	Establish a code of conduct and disclose the code or summary of the code as to: - the practices necessary to maintain confidence in the Company's integrity; - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	No
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive position and women on the board.	Yes
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Yes
4	<i>Safeguard integrity in financial reporting</i>	
4.1	The board should establish an audit committee.	No

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

Corporate Governance Statement (continued)

Principle	ASX Corporate Governance Council Recommendations	Comply
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> - consists only of non-executive directors; - consists of a majority of independent directors; - is chaired by an independent chair, who is not chair of the board; and - has at least three members. 	No
4.3	The audit committee should have a formal charter.	No
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	No
5	<i>Make timely and balance disclosure</i>	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	Yes
6	<i>Respect the rights of shareholders</i>	
6.1	Design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or summary of that policy.	Yes
6.2	Provide the information indicated in the Guide to report on Principle 6.	Yes
7	<i>Recognise and manage risk</i>	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies	
7.2	The board should require management to design and implement the risk management and internal control systems to manage the Company's material business risk and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provide in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
7.4	Provide the information indicated in the Guide to reporting on Principle 7.	Yes
8	<i>Remunerate fairly and responsibly</i>	
8.1	The board should establish a remuneration committee.	No
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> - consists of a majority of independent directors; - is chaired by an independent chair; and - has at least three members. 	No
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.4	Provide the information indicated in the Guide to reporting on Principle 8.	No

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the financial report and their term of office are detailed in the directors report.

There is no formal policy or procedure regarding the taking of professional advice by an independent director; however no restrictions are placed on an independent director to take advice on matters arising from their roles as independent directors of the company, or the reimbursement of the costs incurred by the company.

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

Corporate Governance Statement (continued)

Board Composition (continued)

The determination by the Board as to whether individual directors are independent is a matter of judgment. In making this determination the Board has followed the guidance in Box 2.1 of the Recommendations and the *Guide to Reporting on Principle 2*. The Board considers the relationships the independent directors have with the company do not materially impact on their independence. In determining the materiality of these relationships, the Board has considered both quantitative and qualitative factors. In determining the quantitative factors the Board considers that a relationship is immaterial where it is equal to or less than 5% of the base amount. In applying this level of materiality to the relationship of the independent directors in the case of shareholders and suppliers, the Board considers that the independent directors' interest is less than 5% of the base amount. In respect to the qualitative measures the Board has considered the factors affecting the independent directors' relationship with the company and consider these qualitative factors to be immaterial in the assessment of their independence.

Code of Conduct

The company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the company's integrity. The Code of Conduct appears on the company's website.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity, in the best interests of the company and in compliance with the letter and the spirit of the law and company policies.

Any breaches of the Code are reported to the chairman in the first instance for notification to the Board.

The directors are satisfied that the company has complied with its policies on ethical standards.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set by the Board of directors. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Continuous Disclosure

The company has a disclosure policy that information concerning the company that a reasonable person would expect to have a material effect on the price of the company's securities is continuously disclosed as required under the Australian Stock Exchange (ASX) listing rules.

The company has appointed the Managing Director (MD), with assistance from the company secretary and Chairperson as required, to be responsible for communications with the ASX in relation to disclosure obligations and Listing Rules matters.

Shareholder Communications

The company has a Shareholder communication policy which encourages communication with shareholders and the attendance and effective participation by shareholders at general meetings.

All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX. Annual and half yearly reports are made available on the company's website and mailed to those shareholders who request a hard copy.

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

Corporate Governance Statement (continued)

Shareholder Communications (continued)

The company also operates an email register for shareholders who wish to receive communications from the company via electronic means.

Risk Management

The company's risk management policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the company's business.

The company is not currently of a size to enable the formation of committees, the full board currently has the responsibility for the risk management of the company, however the board will assess the need to form a committee as the company develops in size and operations.

Corporate Reporting

The directors have made the following certifications to the Board:

- that the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Remuneration Policy

The company's remuneration policy was developed by and approved by the Board. All executives receive a salary and statutory superannuation.

The company does not participate in share based remuneration for its executives but can issue share options to directors, employees and consultants. The terms of the share options to directors, employees and consultants are based on what similar sized companies in the mining industry are offering. All share options to be issued to directors require shareholder approval before being issued.

Disclosure as to the nature and amount of remuneration paid to the directors of the company is included in the directors report and notes to the financial statements in the company's annual report each year. The structure and objectives of the remuneration policy and its links to the company's performance is disclosed in the annual directors report. The only form of retirement benefit to which non-executive directors are entitled, is superannuation.

Explanations for Departures from Best Practice Recommendations

Principle 1 Recommendation 1.1, 1.2, 1.3
Notification of Departure:

The company has not: (1) formally disclosed the functions reserved to the Board and those delegated to senior executives; (2) formally disclosed the process for evaluating the performance of senior executives, and; (3) whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process which is to be disclosed.

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

Corporate Governance Statement (continued)

Explanations for Departures from Best Practice Recommendations (continued)

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management, and evaluating the performance of senior executives. The Board has established a framework for the management of the company and the roles and responsibilities of the Board and management. Previously, due to the small size of the Board and of the company, the Board did not think that it was necessary to formally document the roles of the Board and management as these roles were clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the company and ensuring that shareholder value is increased.

Principle 2 Recommendation 2.4

Notification of Departure:

The full Board carries out the role of a nomination committee. The Board has not adopted a charter relevant to the specific functions of a nomination committee.

Explanation for Departure:

The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee, in particular at this early stage of the company's operations, where the company's focus is on the retention of directors and senior executives. In the future, as the company grows and increases in size and level of activity, the Board will reconsider the establishment of a separate nomination committee.

Principle 2 Recommendation 2.5

Notification of Departure:

The company has not disclosed the process for evaluating the performance of the Board, and individual directors.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the company grows and increases in size and activity, the Board will consider the establishment of formal Board and individual director evaluation processes.

Principle 2 Recommendation 2.6

Notification of Departure:

The company has not disclosed whether a performance evaluation for the Board and directors has taken place in the reporting period and whether it was in accordance with a disclosed process.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. In the future, as the company grows and increases in size and activity, the Board will consider the establishment of formal Board and individual director evaluation processes.

Principle 3 Recommendation 3.2, 3.3, 3.5

Notification of Departure:

The company has not established and disclosed a diversity policy.

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

Corporate Governance Statement (continued)

Explanations for Departures from Best Practice Recommendations (continued)

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing a formal diversity policy. In the future, as the company grows and increases in size and activity, the Board will consider the establishment of a formal diversity policy.

Currently there is no women in the company.

Principle 4 Recommendation 4.1, 4.2, 4.3, 4.4

Notification of Departure:

The full Board carries out the role of an audit committee. The Board has not adopted a charter relevant to the specific functions of an audit committee.

Explanation for Departure:

The Company's financial statements are prepared by external consultants and reviewed in detail by the Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. While the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it will continue to monitor whether any further safeguards are required and make changes as appropriate.

Principle 8 Recommendation 8.1, 8.2, 8.4

Notification for departure:

The company has not established a separate remuneration committee.

Explanation for Departure:

Due to the early stage of development and small size of the company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the directors and key executives. The Board considers that it is more appropriate to set aside time at 2 Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

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

Shareholder Information

ASX Information

The substantial Shareholders of the Company as at 23 September 2015 were:

Substantial Shareholder	Number Held	Percentage
Mr. Peter Sheppard	10,192,940	5.78%

Distribution of Shareholders as at 23 September 2015

Range of Holding	Holders	Shares
1 - 1,000	33	14,293
1,001 - 5,000	147	526,731
5,000 - 10,000	247	2,212,737
10,001 - 100,000	656	27,480,064
100,000 - over	223	147,651,725
	1,306	177,885,550

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Top twenty largest Shareholders as at 23 September 2015.

	Number of shares	% of capital held
Mr. Donald Garner	7,594,930	4.27%
Mersound Pty Ltd	7,014,935	3.94%
Mrs. Anna Carina Hart & Mr. Paul Hart <Hart Family Super Fund Ac>	5,000,000	2.81%
R J M uffet Pty Ltd < R J Muffet Super Fund Ac>	4,944,930	2.78%
Ferguson Corporation Pty Ltd <Ferguson's Furniture S/F Ac>	4,467,000	2.51%
Passio Pty Ltd < G Weston & Assoc S/F Ac>	4,250,000	2.39%
Mr. Sean Muffet	3,700,000	2.08%
Mrs. Kristina Muffet	3,574,520	2.01%
Citicorp Nominees Pty Ltd	3,524,078	1.98%
Capig Finance Pty Ltd	3,438,580	1.93%
Anna Carina Pty Ltd <Anna Carina Family Ac>	2,668,729	1.50%
The Stephens Group Pty Ltd	2,650,000	1.49%
Mrs. Nadine Ruth Tolcon	2,650,000	1.49%
Mrs. Sharon Fay Sheppard	2,500,000	1.41%
Mrs. Sean Muffet	2,486,981	1.40%
Loddy Pty Ltd <Hall Family Super Fund Ac>	2,222,222	1.25%
Mr. Bernard & Mrs. Erin Stephens <Stephens Group Super Ac>	2,100,000	1.18%
Cavapace Pty Ltd	2,053,479	1.15%
Braund Investments Pty Ltd <Braund Super Fund Ac>	1,875,000	1.05%
Mr. Shane Timothy Ball <The Ball Ac>	1,760,000	0.99%
Total top twenty Shareholders	70,475,384	39.62%
Total other Shareholders	107,410,166	60.38%
Total Shareholders	177,885,550	100.00%

Unmarketable Parcel

Minimum parcel size of \$500 equates to approx. 4,000 shares of which there are 116 holders with a total of 241,592 shares.

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

Shareholder Information

Top twenty largest Optionholders as at 23 September 2015.

	Number of options	% of options held
Oska Capital Pty Ltd	3,000,000	13.31%
Ms. Jane Katherine Taylor	2,000,000	8.87%
Mr. Paul Hart	1,500,000	6.66%
Mr. Donald Garner	1,500,000	6.66%
Amonre Holding Pty Ltd <Amonre Investment Ac>	1,350,000	5.99%
Loddy Pty Ltd <Hall Family Super Fund Ac>	1,111,111	4.93%
Mr. Karl Spaleck	1,000,000	4.44%
Mr. Melkon Palancian	1,000,000	4.44%
Mr. Peter David Sheppeard	1,000,000	4.44%
Cappig Finance Pty Ltd	1,000,000	4.44%
Anna Carina Pty Ltd <Anna Carina Family Ac>	750,000	3.33%
Mr. Donald Garner	750,000	3.33%
OTB Capital Pty Ltd <T W Williams Super Fund Ac>	750,000	3.33%
Mr. David Griffin & Mr. David Peters <Griffin-Peters S/F Ac>	555,555	2.46%
Amonre Holding Pty Ltd <Amonre Investment Ac>	550,000	2.44%
Rucking Investments Pty Ltd <Rumble Roar Ac>	500,000	2.22%
Oska Nominees Pty Ltd <Sheppeard Family No 2 Ac>	500,000	2.22%
Mr. Peter David Sheppeard + Mrs. Sharon Fay Sheppeard <Sheppeard Family>	500,000	2.22%
Mr. Sean Muffet	278,642	1.24%
Arun & Shannon Sengupta Super Fund	277,777	1.23%
Total top twenty Optionholders	19,873,085	88.17%
Total other Optionholders	2,665,554	11.83%
Total Optionholders	22,538,639	100.00%

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

Interest in Mining Tenements

Interest in tenements held at 30 June 2015.

Tenement Name	Holder	Grant Date	Expiry Date	Beneficial Interest
WESTERN AUSTRALIA				
Kalgoorlie				
E38/2938	Forth Resources Pty Ltd	17/10/2014	16/10/2019	100%
E39/1797	Forth Resources Pty Ltd	23/02/2015	22/02/2020	100%
Laverton				
P38/4128	Red River Resources Ltd	23/05/2014	08/12/2018	100%
P38/4129	Red River Resources Ltd	23/05/2014	08/12/2018	100%
Thalanga				
EPM 10582	Cromarty Resources Pty Ltd	20/03/1995	31/12/2015	100%
EPM 12766	Cromarty Resources Pty Ltd	01/09/1999	21/04/2016	100%
EPM 14161	Cromarty Resources Pty Ltd	15/06/2004	14/06/2017	100%
EPM 16929	Cromarty Resources Pty Ltd	23/02/2010	22/02/2018	100%
EPM 25815	Hebrides Resources Pty Ltd	30/06/2015	29/06/2020	100%
EPMA 25815	Hebrides Resources Pty Ltd	02/03/2015	N/A	100%