



## **Quarterly Activities and Cash Flow Report for the period ending 30 September 2015**

Australian zinc developer Red River Resources Limited (ASX:RVR) ("Red River" or "the Company") is pleased to report its activities and corporate developments for the September 2015 Quarter.

### **Highlights**

#### **Thalanga Zinc Project**

- The Re-Start Study ("Study") for the Company's Thalanga Zinc Project ("Project") was released to the market after the end of the quarter. See ASX announcement dated 20 October, 2015.

#### **Thalanga Zinc Project Exploration and Project Development**

- Initial drilling was completed at the Wattle Tree target with three diamond holes (TH665, TH666 and TH667) drilled for a total of 1,236m.
- Drilling confirmed the presence of a hydrothermal system associated with extensive alteration zones at Wattle Tree. Veined and disseminated sulphide mineralisation was identified in all holes.
- An exploration review was completed which identified more than 20 high priority targets within close proximity of the Company's Thalanga Mill.

### **Corporate**

- During the quarter, Mr Mel Palancian, who was previously an Executive Director and the Chief Operating Officer of Red River, was appointed Managing Director of Red River after the resignation of Mr Donald Garner, who was previously the Managing Director.
- Mr Cameron Bodley, a Non-Executive Director and Company Secretary of Red River announced his intention to resign as Non-Executive Director. Mr Bodley will retain his responsibilities as Company Secretary and was appointed Chief Financial Officer.
- Mr Mark Hanlon was appointed as a Non-Executive Director.

### **Plans for Q4 2015**

- High impact exploration program to test high priority targets defined by exploration review.
- Far West Upper resource definition drilling program to commence.
- Continue offtake discussions for the Thalanga Zinc Project.
- Ongoing care and maintenance activities.

## 1. Safety & Environmental Performance

A total of 5,897 man hours were worked for the period 1 July 2015 to 30 September 2015, and there were no reportable accidents or incidents during the quarter. The Red River Resources Safety Management Plan was finalised and rolled out and no environmental exceedances were recorded during the quarter. A tailings dam inspection was carried out prior to the commencement of the wet season and all outstanding actions addressed.

Maintenance plans for pumping infrastructure were implemented and improvements were made to our operating philosophy. A major focus on cost savings and efficiencies throughout the plant achieved desired results and are ongoing. Several site visits and audits relating to the restart were conducted and plans were updated to reflect changes made. Site and process plant clean up are still a major focus area. Dewatering of West 45 underground development was completed and the West 45 decline was cleaned up.

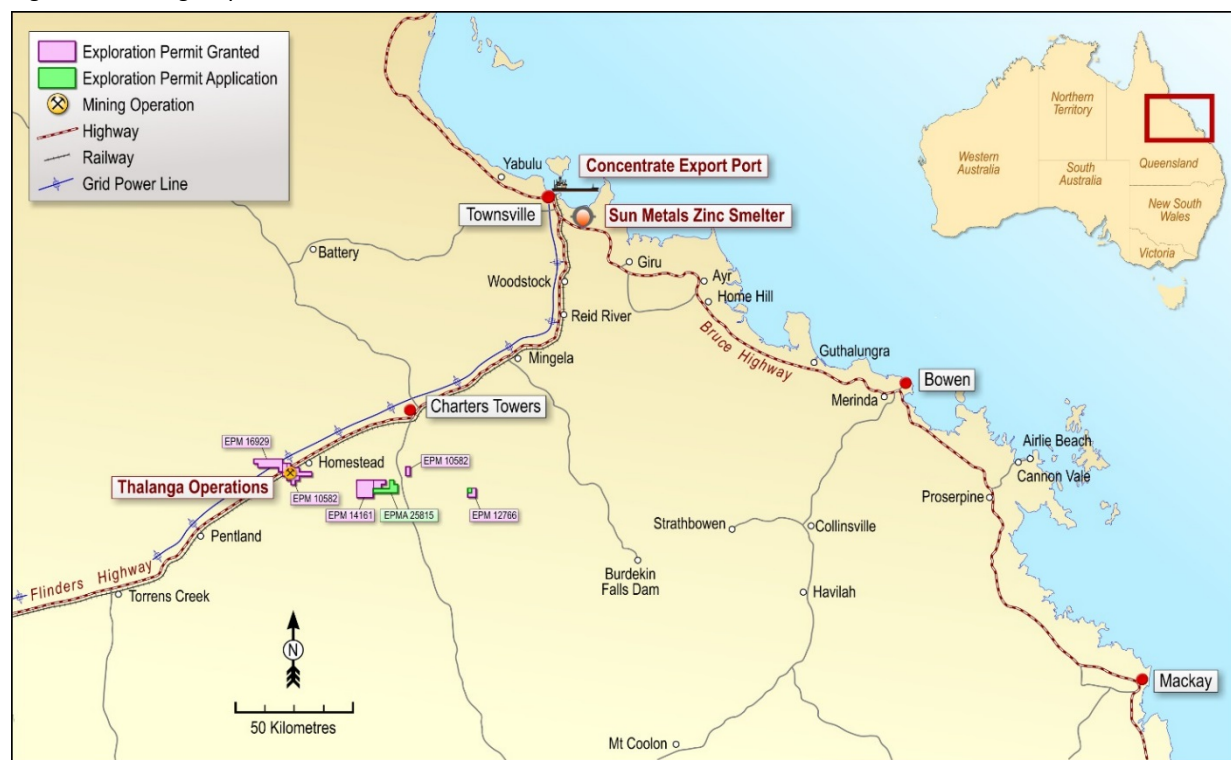
## 2. Thalanga Operations

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

- 650ktpa capacity polymetallic processing facility capable of producing separate copper, lead and zinc concentrates;
- Tailings storage facility; and
- Site offices, workshops and change facilities.

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

Figure 1 Thalanga Operations Location



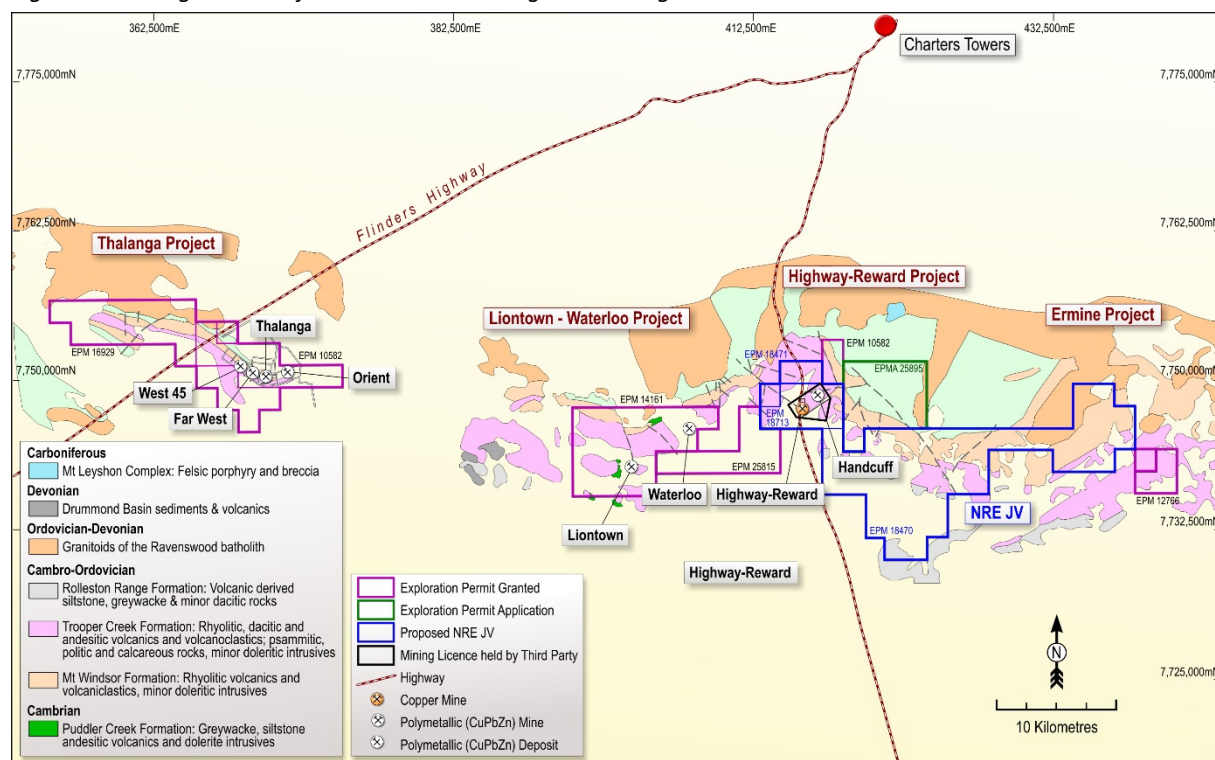
### 3. Thalanga Exploration

Exploration activities continued during the quarter with the completion of initial drilling at the Wattle Tree target and also the completion of an exploration review.

#### 3.1. Exploration Review

Since Red River's acquisition of the Project in October 2014, the tenement package has been materially expanded, most recently with the joint venture with Natural Resources Exploration Group (the "NRE JV"). The consolidated landholding now provides a material footprint in the region, as shown in Figure 2.

Figure 2 Thalanga Zinc Project Tenement Holdings & Sub-Regions.



Red River currently holds approximately 240km<sup>2</sup> of exploration permits in the Mt Windsor Belt ("Belt"), and has an exposure to a further 180km<sup>2</sup> through the NRE JV (total area of 420km<sup>2</sup>). The Belt contains multiple high grade Volcanic-Hosted Massive Sulphide ("VHMS") deposits, of which three; Lontown, Thalanga and Highway-Reward have been mined to date.

In order to effectively prioritise future exploration work, Red River completed the exploration review. 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)
- **Lontown-Waterloo Group** (hosting Lontown, Lontown East and Waterloo among others)
- **Ermine Group** (hosting the Ermine, Ermine North and Echidna Prospects)

The outcome of exploration review was highly encouraging with over 20 high priority targets being identified within close proximity of Red River's Thalanga Mill. The results of the review further reinforce the outstanding potential for further grade VHMS discoveries. A high impact exploration program based on the outcome of the review is scheduled to commence in 4Q 2015.

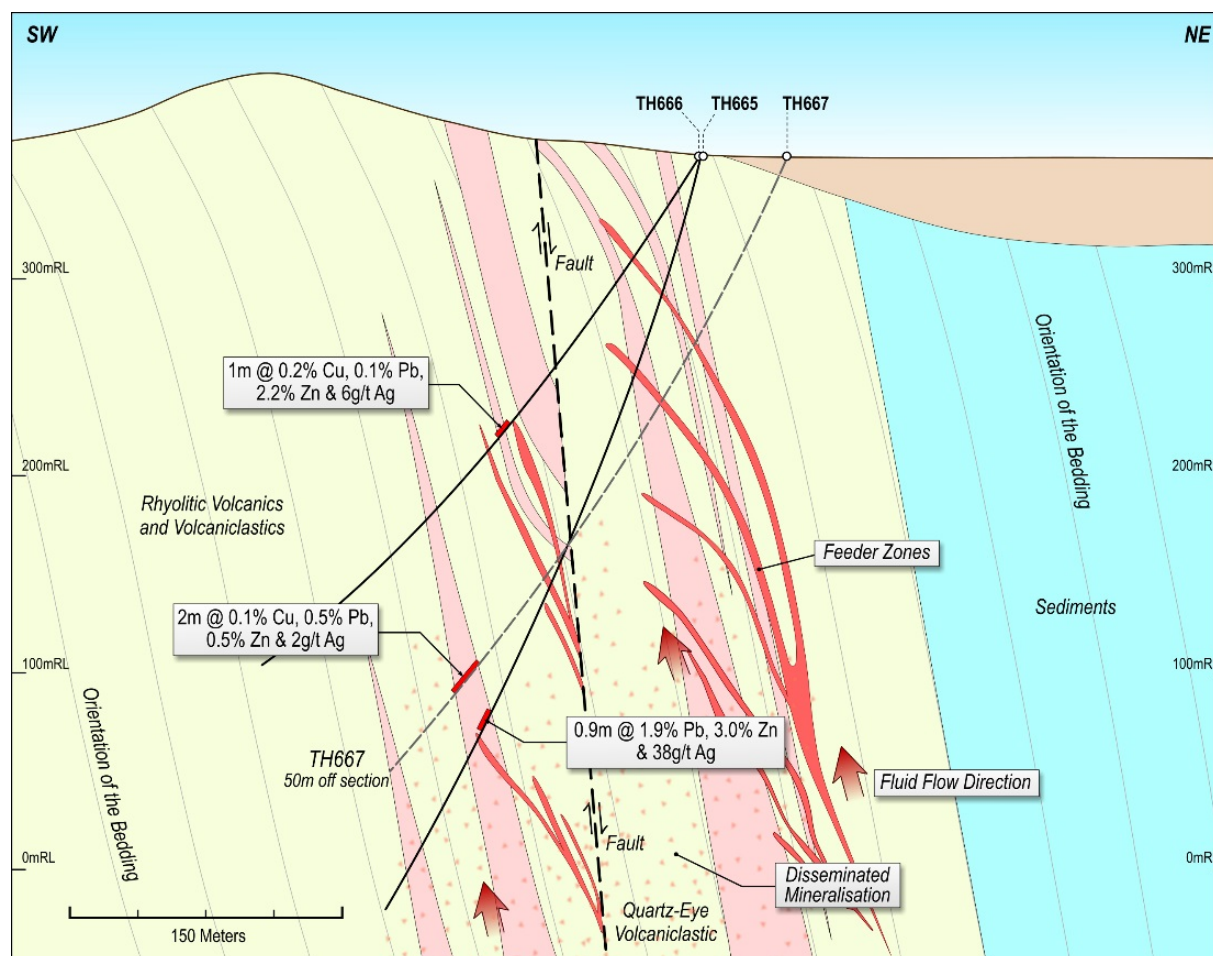
### 3.2. Wattle Tree Drilling

Three diamond drill holes (TH665, TH666 and TH667) have been completed for a total of 1,236m at the Wattle Tree target (Thalanga Group), and all holes intersected extensive zones of strongly chlorite and sericite-silica altered rhyolitic lithologies with abundant disseminated and veined sulphide mineralisation (pyrite-chalcopyrite-galena-sphalerite). All holes also intersected zones of pyrite-chalcopyrite-galena-sphalerite veins and stringers, being indicative of feeder zones known to be associated with massive sulphide mineralisation at Red River's Thalanga and Far West deposits. A number of these zones were selected to be assayed with the results being as follows:

Hole ID	From (m) <sup>(1)</sup>	To (m)	Int. (m)	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
TH665	332	332.9	0.9	0.02	1.93	2.99	38
TH666	191	192	1.0	0.17	0.11	2.16	6
TH667	333	335	2.0	0.01	0.53	0.54	2

(1) Intercept based on down-hole thickness. True width estimated to be 70-80% of downhole width

Figure 3 Wattle Tree Drill Section



Identification of feeder zones at Wattle Tree indicates the presence of a previously unknown mineralised hydrothermal centre capable of hosting polymetallic zinc rich massive sulphide mineralisation.



TH665, TH666 and TH667 have been cased, and Red River plans to undertake Downhole Electro Magnetic (DHEM) surveying to test for off hole conductors which may be representative of massive sulphide mineralisation associated with the identified feeder zones. The results of this survey will be then used to plan the next stage of drilling.

## **4. Other Exploration and Project Development Activities**

### **4.1. Stella Range Project (Western Australia)**

No activity took place on the Stella Range Project during the quarter.

## **5. Corporate**

### **5.1. Board Appointments**

Red River announced the appointment of Mr Mel Palancian as Managing Director of Red River effective from 13 July 2015 and Mr Mark Hanlon as a Non-Executive Director to the Board of Red River effective from 1 October 2015.

#### **Mel Palancian**

Mr Palancian is an engineer with more than 20 years' experience in the mining industry, including senior leadership roles with Newcrest, MMG, OZ Minerals and Zinifex. Mr Palancian has been primarily responsible for the re-start work at the Company's Thalanga Zinc Project, located approximately 65km west of Charters Towers in North Queensland, and is well-credentialed to guide Red River through development and into production.

#### **Mark Hanlon**

Mr Mark Hanlon has more than ten years' experience in the resources and resources services sector as well as more than ten years' experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the finance director of ENK plc and previously held the position or equivalent position of CFO within listed companies such as Century Drilling and International Contract Manufacturing Limited. Mark is currently a director of Copper Strike Limited, Jacana Resources Limited and Rusina Mining Limited and is Company Secretary of VU Group Limited. He holds a Bachelor of Business in Finance and Accounting and a Master of Business in Banking and Finance.

The Board of Red River is pleased that Mel Palancian has accepted the role of Managing Director and Mark Hanlon has agreed to join the Company as they will both provide significant contributions to the development of the Company as it moves forward to become the newest ASX listed zinc producer.

## COMPETENT PERSON STATEMENT

### Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Tav Bates who is a member of the Australasian Institute of Mining and Metallurgy, and a full time employee of Terra Search Pty. Ltd., and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Bates consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

### Disclosure Statement

Red River confirms that it is not aware of any new information or data that materially affects the information contained within this release and, in the case of the mineral resource estimates contained within this release, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'C. Bodley'.

**CAMERON BODLEY**  
**Director and Company Secretary**  
Red River Resources Limited

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For further information please visit Red River's website [www.redriverresources.com.au](http://www.redriverresources.com.au) or contact us:

#### Investor Queries

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## Appendix A – Tenement Interests

As at 30 September 2015, Red River had an interest in the following tenements and projects

Project	Location	Licence	Status	Beneficial Interest
<b>1. Thalanga Zinc Project</b>				
Thalanga	Queensland	EPM 10582	Granted	100%
Thalanga	Queensland	EPM 12766	Granted	100%
Thalanga	Queensland	EPM 14161	Granted	100%
Thalanga	Queensland	EPM 16929	Granted	100%
Thalanga	Queensland	EPM 25815	Granted	100%
Thalanga	Queensland	EPM 25895	Granted	100%
Thalanga	Queensland	ML 1531	Granted	100%
Thalanga	Queensland	ML 10137	Granted	100%
Thalanga	Queensland	ML 10185	Granted	100%
Thalanga	Queensland	ML 10186	Granted	100%
Thalanga	Queensland	ML 10277	Granted	100%
<b>2. Stella Range Project</b>				
Stella Range	Western Australia	E39/1797	Granted	100%
Stella Range	Western Australia	E38/2937	Granted	100%
Stella Range	Western Australia	P38/4128	Granted	100%
Stella Range	Western Australia	P38/4129	Granted	100%

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Red River Resources Limited

ABN

35 100 796 754

Quarter ended ("current quarter")

September 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 Months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(358)	(358)
(b) development	(305)	(305)
(c) production		
(d) administration	(538)	(538)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (Stamp Duty, Net GST & Exclusivity payments)	159	159
	(1,038)	(1,038)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects/mine		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Security deposits)	(3)	(3)
	(3)	(3)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(1,041)	(1,041)

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+ See chapter 19 for defined terms.



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

1.13	Total operating and investing cash flows (brought forward)	(1,041)	(1,041)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	5	5
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Payments for raising capital		
	<b>Net financing cash flows</b>	5	5
	<b>Net increase (decrease) in cash held</b>	(1,036)	(1,036)
1.20	Cash at beginning of quarter/year to date	1,678	1,678
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	642	642

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	109,044
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors fees and salaries paid to directors

**Non-cash financing and investing activities**

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

N/A

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

N/A

+ See chapter 19 for defined terms.

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

### **Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	300
4.3 Production	-
4.4 Administration	300
<b>Total</b>	<b>900</b>

### **Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	642	1,678
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>642</b>	<b>1,678</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum tenements acquired or increased	<b>Thalanga</b> EPM 10582 EPM 12766 EPM 14161 EPM 16929 EPM 25815 EPM 18470 EPM 18471 EPM 18713 <b>Kalgoorlie</b> E38/2937 E39/1797 <b>Laverton</b> P38/4128 P38/4129 <b>Minigwal</b> E39/1685 E39/1686	 Granted Granted Granted Granted Granted Granted Granted Granted  Granted Granted  Granted Granted  Granted Granted	 100% 100% 100% 100% 100% 100% 100% 100%  100% 100%  100% 100%  100% 100%	 100% 100% 100% 100% 100% 100% 100% 100%  100% 100%  100% 100%  100% 100%

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference +securities</b> <i>(description)</i>	NIL			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3	<b>+Ordinary securities</b>	178,091,800	178,091,800		

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+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,000 156,250	50,000 156,250	\$0.10 \$0.16	\$0.10 \$0.16
7.5	<b>*Convertible debt securities</b> (description)	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL			
7.7	<b>Options</b> (description and conversion factor)	2,000,000 4,238,639 2,250,000 4,500,000 7,500,000 1,000,000 1,000,000	NIL NIL NIL NIL NIL NIL NIL	<i>Exercise price</i> \$0.10 \$0.10 \$0.10 \$0.15 \$0.10 \$0.30 \$0.30	<i>Expiry date</i> 28/11/2017 31/12/2015 31/12/2015 31/12/2016 10/10/2016 17/10/2016 10/10/2016
7.8	Issued during quarter				
7.9	Exercised during quarter	NIL			
7.10	Expired during quarter	NIL			
7.11	<b>Debentures</b> (totals only)	NIL			
7.12	<b>Unsecured notes</b> (totals only)	NIL			

## Compliance statement

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



Sign here:

(Company secretary)

Date: 2 November 2015

+ See chapter 19 for defined terms.

Print name: Cameron Bodley

## Notes

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

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