

RED RIVER RESOURCES LIMITED

ABN: 35 100 796 754

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

The Directors of Red River Resources Limited are pleased to announce the results of the Company for the half-year ended 31 December 2015.

<i>Key information (extracted from interim financial report)</i>	Change (down) / Up %	Half-Year Ended 31 December 2015 \$
Revenue and other income from ordinary activities	746.5	323,036
Net (loss)/profit from ordinary activities after tax attributable to members	(124.0)	(865,957)
Net (loss)/profit after tax attributable to members	(124.0)	(865,957)

During the half-year, Red River continued to build on the work completed in the 2015 financial year by releasing on 19 October 2015, the Thalanga Zinc Project Re-Start Study. Highlights from the Re-Start Study confirm the Company's vision that it is a highly attractive project, with low operating risk, capital cost and operating costs.

In conjunction with the Thalanga Zinc Project Re-Start Study release, the Company released its Exploration Review on 12 August 2015 which provided a roadmap of the exploration potential that the Company enjoys. 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)
- Ermine Group (hosting the Ermine, Ermine North and Echidna Prospects)

On 2 November 2015 Red River announced to the ASX that it had completed a capital raising of \$3.9m (before costs) by issuing 36.8m new ordinary shares at 10.5 cents per share with one option issued for every two Placement shares at an exercise price of \$0.15 per Share with an expiry of 16 December 2017 to s708A sophisticated investors of Hartleys Limited, Triple C Consulting Pty Ltd and Foster Stockbroking Pty Ltd for working capital and development purposes.

DIVIDENDS

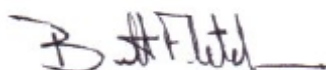
No dividends have been paid or declared during the current financial period.

NET TANGIBLE ASSETS PER SHARE

	31 December 2015	31 December 2014
Net tangible assets per share	5.49 cents	5.50 cents

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher
Chairman

23 February 2016

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN: 35 100 796 754

**HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2015**

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

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

Directors' report

Your Directors present their report together with the financial statements of the Group, being Red River Resources Limited (the Company) and its controlled entities, for the financial half-year ended 31 December 2015.

Chairman and Directors

Name	Position
Mr. Brett Fletcher	Non-executive Director and Chairman (appointed 1 May 2015)
Mr. Mel Palancian	Managing Director (appointed 17 October 2014)
Mr. Donald Garner	Executive Director (appointed 31 March 2014)
Mr. Paul Hart	Non-Executive Director (appointed 31 March 2014)
Mr. James Black	Non-Executive Director (appointed 1 May 2015)
Mr. Mark Hanlon	Non-Executive Director (appointed 1 October 2015)
Mr. Cameron Bodley	Non-Executive Director (appointed 24 April 2014 - resigned 23 December 2015)
Mr. Cameron Bodley	Company Secretary (appointed 31 March 2014)

Principal Activities and Significant Changes in Nature of Activities

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

- Exploration and evaluation activities.
- Development of the Thalanga Zinc Project

There were no Significant Changes in Nature of Activities during the half-year.

Review of Operations and Financial Results

During the half-year, Red River continued to build on the work completed in the 2015 financial year by releasing on 19 October 2015, the Thalanga Zinc Project Re-Start Study. Highlights from the Re-Start Study confirm the Company's vision that it is a highly attractive project, with low operating risk, capital cost and operating costs.

Key metrics of the Thalanga Zinc Project Re-Start Study include:

- Life-of-mine (LOM) revenue of \$628m, with a Net Present Value of \$84m, Internal Rate of Return of 61% and LOM average free cash flow of \$25m per annum.
- Estimated LOM average C1 cash cost of US\$0.18/lb payable Zn (after by-product credits).
- Pre-production capital cost of \$17.2m.
- Short timeline to re-start of production (6 months).
- Annual average production of 21,400 tonnes of zinc, 3,600 tonnes of copper, 5,000 tonnes of lead, 2,000 ounces of gold and 370,000 ounces of silver in concentrate.
- Production Target of 1.7Mt @ 1.4% Cu, 2.1% Pb, 7.5% Zn, 0.5 g/t Au & 54 g/t Ag (15.2% ZnEq)
- Initial mine life in excess of 5 years, with outstanding extension potential.

In conjunction with the Thalanga Zinc Project Re-Start Study release, the Company released its Exploration Review on 12 August 2015 which provided a roadmap of the exploration potential that the Company enjoys. 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)
- 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 commenced in 4Q 2015.

RED RIVER RESOURCES LIMITED
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Directors' report (continued)

On 2 November 2015, Red River announced to the ASX that it had completed a capital raising of \$3.9m (before costs) by issuing 36.8m new ordinary shares at 10.5 cents per share with one option issued for every two Placement shares at an exercise price of \$0.15 per Share with an expiry of 16 December 2017 to s708A sophisticated investors of Hartleys Limited, Triple C Consulting Pty Ltd and Foster Stockbroking Pty Ltd for working capital and development purposes.

The intended use of the proceeds of the Placement are:

- Commence a high impact exploration program across the Company's Thalanga Zinc Project, including drill testing a number of exciting targets, such as Truncheon and Liontown East;
- Seek to convert the Far West Exploration Target to a JORC Resource;
- Begin mining study work associated with any additional JORC Resources defined at Far West and the existing JORC Resource at Liontown; and
- General working capital purposes.

In conjunction with the Placement, on 13 November 2015 the Company offered existing shareholders the ability to participate in a Share Purchase Plan under the same terms as the Placement Participants, which raised an additional \$141,500 from the issue of 1,347,633 ordinary shares.

On 23 November 2015, the Company announced that it had entered into Sale and Purchase Agreements to sell a number of gold and silver bearing stockpiles and tailings at its Thalanga Zinc Project for \$1m in cash to Etheridge Operations Pty Ltd.

In line with the exploration review, the Company announced on 7 December 2015 that it had commenced drilling at Thalanga targeting the extensions to the Far West deposit.

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

Operating Results

The consolidated loss of the Group after providing for income tax is \$865,957 (2014: loss of \$3,609,986).

Financial Position

The net assets of the consolidated Group have increased from \$8,917,990 at 30 June 2015 to \$11,946,541 during the half-year ended 31 December 2015.

Significant Changes in State of Affairs

During the course of the half-year ended 31 December 2015, there were no significant changes in the State of Affairs of the Company.

Dividends Paid or Declared

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

Events Occuring After Balance Date

On 11 January 2016 and 11 February 2016 the Company released Assay Results for Far West from its initial Far West Up Dip Extension targets, showing intersections of up to 54.8% Zn Eq.

On 23 February 2016 the Board of Directors signed the Half-Year Financial Report for the period ended 31 December 2015.

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

**RED RIVER RESOURCES LIMITED
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Directors' report (continued)

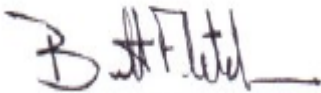
Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2015.

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

On behalf of the Board.

RED RIVER RESOURCES LIMITED

A handwritten signature in black ink, appearing to read "Brett Fletcher", written over a horizontal line.

Mr. Brett Fletcher

Chairman

23 February 2016

**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 review of the 31 December 2015 financial statements;
and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'G Swan', with a horizontal line extending to the right.

Graham Swan (Lead auditor)

Rothsay Auditing

Dated 23rd February 2016



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 half-year ended 31 December 2015

	Note	Consolidated 31 December 2015 \$	31 December 2014 \$
Revenue from continuing operations			
Revenue		34,344	33,531
Other income		288,692	4,632
Total revenue and other income		323,036	38,163
Expenses			
Employment costs	4.	(177,123)	(2,443,133)
Occupancy costs		(22,743)	(13,535)
Corporate costs		(807,797)	(208,726)
Acquisition costs	18.	-	(943,618)
General and administration costs		(181,330)	(31,317)
Exploration costs written off		-	(7,820)
Total expenses		(1,188,993)	(3,648,149)
Loss before income tax		(865,957)	(3,609,986)
Income tax (expense) / benefit		-	-
Loss after income tax		(865,957)	(3,609,986)
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		(865,957)	(3,609,986)

Earnings per share

From continuing operations:

Basic (Loss) / earnings per share (cents)	(0.46)	(2.85)
Diluted (Loss) / earnings per share (cents)	(0.46)	(2.85)

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes on pages 10 to 18.

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

Consolidated statement of financial position
For the half-year ended 31 December 2015

		Consolidated	
		31 December 2015	30 June 2015
	Note	\$	\$
Current assets			
Cash and cash equivalents	5.	3,373,167	1,678,166
Trade and other receivables	6.	368,318	155,267
Other assets	7.	86,792	49,954
Total current assets		3,828,277	1,883,387
Non-current assets			
Other assets	7.	9,454,893	385,259
Contingent assets	8.	-	9,067,135
Property, plant and equipment	9.	8,421,527	7,864,047
Intangibles	10.	14,888	18,610
Exploration assets	11.	1,157,774	789,242
Total non-current assets		19,049,082	18,124,293
Total assets		22,877,359	20,007,680
Current liabilities			
Trade and other payables	12.	346,628	503,943
Provisions	13.	17,055	18,612
Deferred purchase consideration	14.	1,500,000	1,500,000
Total current liabilities		1,863,683	2,022,555
Non-current liabilities			
Rehabilitation liabilities	15.	9,067,135	9,067,135
Total non-current liabilities		9,067,135	9,067,135
Total liabilities		10,930,818	11,089,690
Net assets		11,946,541	8,917,990
Equity			
Issue capital	16.	21,240,692	17,414,493
Reserves	17.	4,195,329	4,127,020
Accumulated losses		(13,489,480)	(12,623,523)
Total equity		11,946,541	8,917,990

The above Consolidated statement of financial position should be read in conjunction with the notes on pages 10 to 18.

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
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**Consolidated statement of changes in equity
For the half-year ended 31 December 2015**

31 December 2015	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015		17,414,493	4,127,020	(12,623,523)	8,917,990
Losses for the half-year		-	-	(865,957)	(865,957)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		-	-	(865,957)	(865,957)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares	16.	4,168,489	-	-	4,168,489
- Cost of issue of shares	16.	(342,290)	-	-	(342,290)
- Issue of options	17.	-	70,629	-	70,629
- Cost of issue of options	17.	-	(2,320)	-	(2,320)
<i>Total transactions with shareholders in their capacities as shareholders</i>		3,826,199	68,309	-	3,894,508
Balance at 31 December 2015		21,240,692	4,195,329	(13,489,480)	11,946,541
31 December 2014		Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014		8,418,169	81,153	(8,070,653)	428,669
Losses for the half-year		-	-	(3,609,986)	(3,609,986)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		-	-	(3,609,986)	(3,609,986)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		11,219,611	-	-	11,219,611
- Cost of issue of shares		(2,426,933)	-	-	(2,426,933)
- Issue of options		-	4,045,867	-	4,045,867
<i>Total transactions with shareholders in their capacities as shareholders</i>		8,792,678	4,045,867	-	12,838,545
Balance at 31 December 2014		17,210,847	4,127,020	(11,680,639)	9,657,228

The above Consolidated statement of changes in equity should be read in conjunction with the notes on pages 10 to 18.

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

Consolidated statement of cash flows

For the half-year ended 31 December 2015

	Note	Consolidated 31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		9,406,696	4,632
Cash payments in the course of operations		(1,485,263)	(1,625,082)
Interest received		14,344	33,531
Payments for exploration and evaluation		-	-
Net cash from/(used in) operating activities		7,935,777	(1,586,919)
Cash flows from investing activities			
Payment for property, plant and equipment		-	(2,381)
Payment for security deposits		(9,069,634)	-
Payment for intangibles		-	(1,207)
Payment for mine assets	18.	-	(5,000,000)
Payment for mine expenses (capitalised)		(559,618)	(398,046)
Payment for exploration expenses (capitalised)		(368,532)	(239,430)
Net cash (used in) investing activities		(9,997,784)	(5,641,064)
Cash flows from financing activities			
Proceeds from issue of shares		4,025,989	11,100,000
Proceeds from exercise of options		5,000	119,611
Capital raising costs		(273,981)	(718,762)
Drawdown on borrowings		-	120,000
Repayment of loans		-	(120,000)
Net cash flows from financing activities		3,757,008	10,500,849
Net increase in cash and cash equivalents		1,695,001	3,272,866
Cash, deposits and cash equivalents at the beginning of the period		1,678,166	425,984
Cash and cash equivalents at the end of the period	5.	3,373,167	3,698,850

The above Consolidated statement of cash flows should be read in conjunction with the notes on pages 10 to 18.

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
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Notes to the financial statements

For the half-year ended 31 December 2015

1. Reporting entity

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

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

2. Statement of Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

3. Going Concern

The Group made a net loss of \$0.9m for the half-year ended 31 December 2015 and, as of that date, the Group's assets exceeded its liabilities by \$11.9m.

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 has \$3.4m in cash on hand at 31 December 2015 and a further \$0.37m in receivables and \$1.9m in current liabilities.

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

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

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

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

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES
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Notes to the financial statements

For the half-year ended 31 December 2015

4. Employment costs

	Note	Consolidated	
		31 December 2015 \$	31 December 2014 \$
Cash salary and fees (Note 4 (a))		117,941	86,050
Retirement benefits		52,999	19,387
Share based payments - Options	17.	-	2,337,696
Other employment costs		6,183	-
		177,123	2,443,133

(a) Cash salary and fees

During the course of the half-year, a further \$438,311 in salary was incurred and capitalised to Exploration and Evaluation and Mine Development costs on the balance sheet.

5. Cash and cash equivalents

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
Current		
Cash at bank and on hand	277,000	169,349
Cash at call	3,096,167	1,508,817
	3,373,167	1,678,166

6. Trade and other receivables

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
Current		
GST receivable	68,391	103,613
Other debtors	299,927	51,654
	368,318	155,267

7. Other assets

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
Current		
Prepayments	85,272	48,434
Security deposits (Note 7 (a))	1,520	1,520
	86,792	49,954

RED RIVER RESOURCES LIMITED
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Notes to the financial statements

For the half-year ended 31 December 2015

7. Other assets (continued)

	Note	Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Non-current			
Security deposits (Note 7 (b))		385,258	385,259
Rehabilitation bonds (Note 7 (c))		9,069,635	-
		9,454,893	385,259

(a) Security deposits

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

(b) Security deposits

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 various tenements and mining leases. A further \$30,000 is used as security for a credit facility.

(c) Rehabilitation bonds

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 acquired the cash deposits which are being used as security against the rehabilitation liabilities associated with the tenements acquired. During the period, the security deposits were transferred to Red River.

8. Contingent assets

	Note	Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Non-current			
Security deposits (Note 8 (a))	18.	-	9,067,135
		-	9,067,135

(a) Security deposits

Refer to note 7(c) for further details.

9. Property, plant and equipment

	Consolidated	
	31 December 2015	30 June 2015
	\$	\$
Plant and equipment at cost	16,148	16,148
Accumulated depreciation	(4,490)	(2,352)
	11,658	13,796
Mine properties at cost (Note 9 (a))	8,409,869	7,850,251
Accumulated depreciation	-	-
	8,409,869	7,850,251
Total property, plant and equipment	8,421,527	7,864,047

RED RIVER RESOURCES LIMITED
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Notes to the financial statements

For the half-year ended 31 December 2015

9. Property, plant and equipment (continued)

	Note	Consolidated	
		31 December 2015 \$	30 June 2015 \$
(a) Mine properties at cost			
At beginning of period		7,850,251	-
Acquisitions	18.	-	6,500,000
Capitalised costs		559,618	1,350,251
Depreciation		-	-
		8,409,869	7,850,251

10. Intangibles

		Consolidated	
		31 December 2015 \$	30 June 2015 \$
Website development costs		20,640	20,640
Accumulated amortisation		(5,752)	(2,030)
	(a)	14,888	18,610
Total intangibles		14,888	18,610

(a) Website development costs

At beginning of period		18,610	-
Acquisitions		-	20,640
Amortisation		(3,722)	(2,030)
		14,888	18,610

11. Exploration and evaluation assets

		Consolidated	
		31 December 2015 \$	30 June 2015 \$
Exploration and evaluation assets at cost		1,157,774	789,242
Accumulated amortisation		-	-
		1,157,774	789,242

12. Trade and other payables

		Consolidated	
		31 December 2015 \$	30 June 2015 \$
Current			
Trade and other payables		289,798	374,808
Accruals		56,830	80,377
PAYG withholding		-	48,758
		346,628	503,943

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

Notes to the financial statements

For the half-year ended 31 December 2015

13. Provisions

	Note	Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Current			
Employee entitlements		17,055	18,612
		17,055	18,612

14. Deferred purchase consideration

	Note	Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Current			
Deferred purchase consideration (Note 14 (a))	18.	1,500,000	1,500,000
		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 and further Amendments executed initially 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, on the earlier of, 14 days after the completion of a Fundraising of no less than \$10m or payable three months after the commencement of commercial production from the Thalanga Assets.

15. Rehabilitation liabilities

	Note	Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Non-current			
Rehabilitation liability (Note 15 (a))	18.	9,067,135	9,067,135
		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 assumed the rehabilitation liabilities associated with the various tenements acquired. As at 31 December 2015 the tenements have been transferred into the name of Cromarty Resources Pty Ltd, a 100% owned subsidiary of Red River.

16. Issued capital

	Consolidated	
	31 December 2015	30 June 2015
	\$	\$
Issued capital	21,240,692	17,414,493
	21,240,692	17,414,493

RED RIVER RESOURCES LIMITED
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Notes to the financial statements

For the half-year ended 31 December 2015

16. Issued capital (continued)

Movements in ordinary issued capital

	31 December 2015 \$	31 December 2015 No.	30 June 2015 \$	30 June 2015 No.
At the beginning of the reporting period	17,414,493	177,885,550	8,418,169	78,229,505
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
Shares issued - Exercise of options 29-Sep-15	5,000	50,000	-	-
Shares issued - Placment 29-Sep-15	25,000	156,250	-	-
Shares issued - Exercise of options 09-Nov-15	3,743,988	35,657,030	-	-
Shares issued - Placment 13-Nov-15	112,500	939,855	-	-
Shares issued - Placment/SPP 23-Dec-15	282,001	2,685,729	-	-
Cost of capital	(342,290)	-	(2,432,287)	-
At the end of the reporting period	21,240,692	217,374,414	17,414,493	177,885,550

On 9 November 2015, Red River issued 35,657,030 ordinary shares at \$0.105 per share to raise \$3.7m (before costs).

On 23 December 2015 Red River issued 2,685,729 ordinary shares at \$0.105 per share to raise \$0.3m (before costs) of which 1,347,633 ordinary shares were issued via the completed Share Purchase Plan, raising \$0.14m and 1,338,096 ordinary shares were issued to Directors following the passing of several resolutions at the AGM held on 14 December 2015, raising an additional \$0.14m.

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

17. Reserve

	Consolidated 31 December 2015 \$	30 June 2015 \$
Option reserve	4,195,329	4,127,020
	4,195,329	4,127,020

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Notes to the financial statements

For the half-year ended 31 December 2015

17. Reserve (continued)

Movements in options reserve

	31 December 2015 \$	31 December 2015 No.	30 June 2015 \$	30 June 2015 No.
At the beginning of the reporting period	4,127,020	22,538,639	81,153	3,500,000
Options issued - Director S1	-	-	480,247	2,250,000
Options issued - Director S2	-	-	505,897	2,250,000
Options issued - Director S3	-	-	1,068,176	4,500,000
Options issued - Broker	-	-	1,708,171	7,500,000
Options issued - Placement	-	-	-	4,449,750
Options issued - GM Operations	-	-	191,674	1,000,000
Options issued - Director S4	-	-	91,702	1,000,000
Options issued - Broker	70,629	6,000,000	-	-
Options issued - Placement	-	18,497,563	-	-
Cost of capital	(2,320)	-	-	-
	68,309	24,497,563	4,045,867	22,949,750
Options converted - Consultant	-	-	-	(120,000)
Options converted - Placement	-	-	-	(11,111)
Options converted - Director S1	-	-	-	(2,250,000)
Options converted - Placement	-	-	-	(150,000)
Options converted - Consultant	-	-	-	(1,380,000)
Options converted - Placement	-	(50,000)	-	-
Options lapsed	-	(6,488,639)	-	-
	-	(6,538,639)	-	(3,911,111)
At the end of the reporting period	4,195,329	40,497,563	4,127,020	22,538,639

On 14 December 2015, Red River held its AGM where shareholders voted in favour of a series of resolutions, including Resolutions, 11 and 13 to issue options to Placement participants and the Joint Lead Brokers of the Placement.

During the half-year, 50,000 Placement options were exercised, 2,250,000 Director Series 2 options and 4,238,639 Placement options lapsed on 31 December 2015.

Details of the calculation for each of the options issued during the period are as follows:

Option series	Broker
Exercise price	\$0.15
Expiry	16-Dec-17
Share price at grant	\$0.09
Expected volatility	50.00%
Risk free interest rate	2.00%

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Notes to the financial statements

For the half-year ended 31 December 2015

18. Business combination

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

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 was 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 various tenements and mining leases within the Thalanga Assets (excluding 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 River's 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 31 October 2014, Red River completed the Thalanga Assets Transaction and took control of the day to day running of the Thalanga site.

As of the date of this report, all transfers of assets and liabilities assumed under the Sale Agreement are complete.

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

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Notes to the financial statements

For the half-year ended 31 December 2015

18. Business combination (continued)

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

Acquisition costs include:

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

19. Events subsequent to balance date

On 11 January 2016 and 11 February 2016 the Company released Assay Results for Far West from its initial Far West Up Dip Extension targets, showing intersections of up to 54.8% Zn Eq.

On 23 February 2016 the Board of Directors signed the Half-Year Financial Report for the period ended 31 December 2015.

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

RED RIVER RESOURCES LIMITED
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Directors' declaration

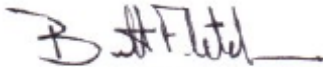
The directors of Red River Resources Limited ('the Company') declare that:

1. the financial statements and notes set out on pages 6 to 18 are in accordance with the Corporations Act 2001, including:
 - a) complying with the Accounting Standards AASB 134 Interim Financial Reporting, and
 - b) giving a true and fair view of the consolidated entity's financial position at 31 December 2015 and of its performance for the half year ended on that date.
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher
Chairman

23 February 2016

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

Independent auditors' review report



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Independent Review Report to the Members of Red River Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Red River Resources Limited for the half-year ended 31 December 2015.

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

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2015 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Red River Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- giving a true and fair view of the consolidated financial position as at 31 December 2015 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay Auditing

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

**Graham Swan
Partner**

Dated 23rd February 2016



Chartered Accountants

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