



Red River Mobilises Rig for Far West Infill Drilling Program

Highlights:

- **Far West infill drilling program scheduled to commence in early August**
- **An additional diamond drill rig will be mobilised to commence this work, allowing the existing diamond drill rig to focus on the ongoing high impact exploration program**
- **Infill program designed to convert Inferred Resources to Indicated Resources in Upper Far West**
- **Initial program comprises 15 holes and is expected to take at least three months to complete**
- **Program fully funded via heavily oversubscribed \$8.9M capital raising**

Zinc developer Red River Resources Limited (ASX: RVR) ("Red River" or the "Company") is pleased to announce it has started mobilising equipment to its Thalanga Zinc Project in Queensland to commence an infill drilling program at the Far West deposit.

The drilling program will initially consist of 15 diamond drill holes for a total length of 4,000m and is expected to take at least three months to complete.

The objective of the program is to convert the Inferred Resource to Indicated Resource in the Upper Far West (refer to Figure 1).

An additional diamond drill rig is being mobilised to site to allow one of the diamond rigs to be used exclusively for the infill program. The diamond drill rig which is currently drilling the Liantown East (LTED01) target will then be used for the ongoing high impact exploration program.

Red River's Managing Director Mel Palancian commented: *"We will accelerate the start of this latest Far West infill drilling program, in the wake of the success of the recent round of drilling at Far West earlier in 2016. During the latest program, Red River increased the Mineral Resource at Far West to 1.6Mt @ 14.9% Zinc Equivalent.*

Red River will now have two diamond drill rigs active on site – one drill rig assigned to the Far West infill drilling program, and the other drill rig focused on our high impact exploration program.

This marks the beginning of an exciting phase for Red River, as we start to move Thalanga back into production and increase our efforts to discover the next ore body within the Mt Windsor Belt."

Figure 1 Far West Long Section

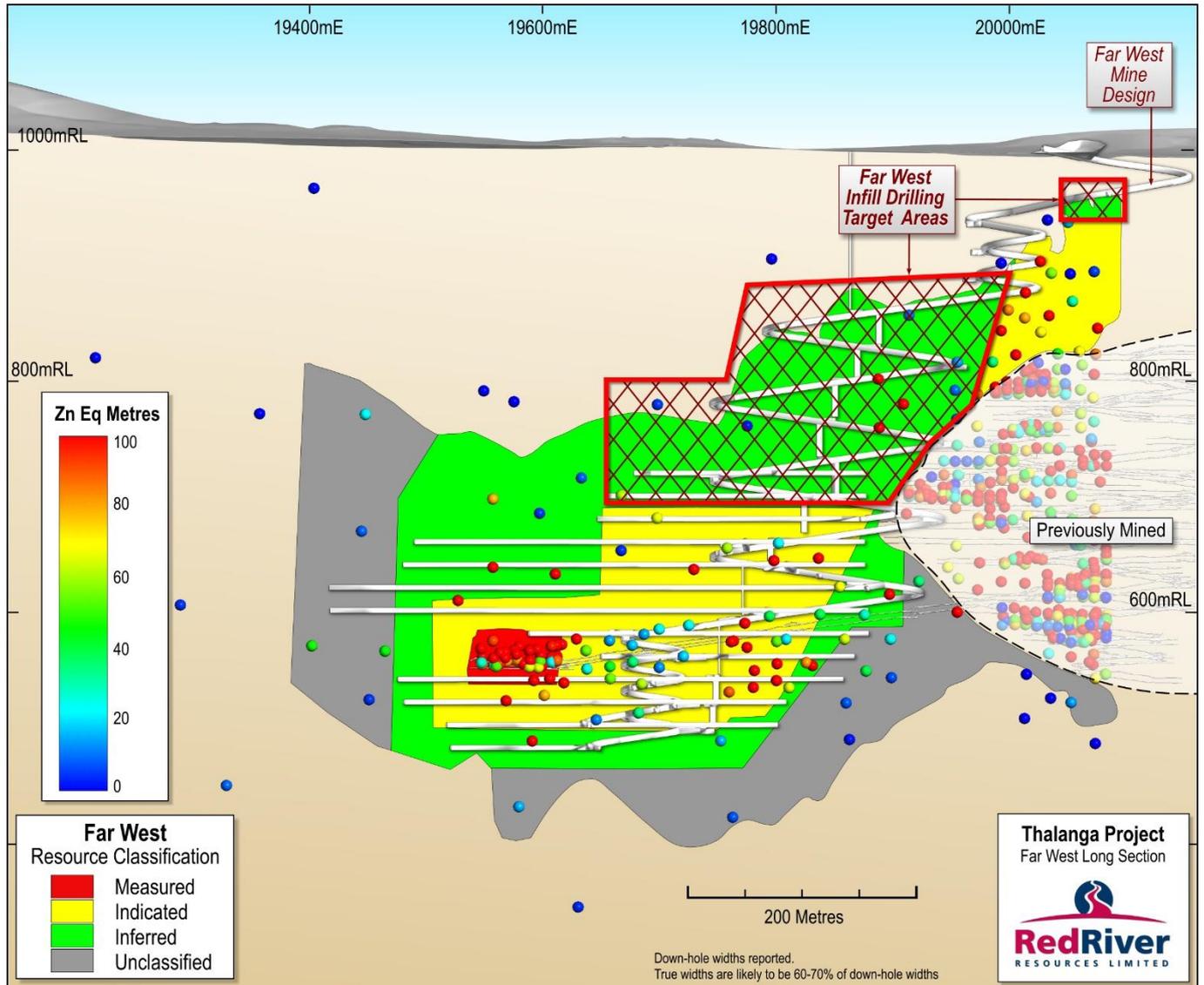


Table 1 Thalanga Far West Resource (>5% Zn Eq.)

Resource Class	Tonnage (kt)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Zn Eq. (%)
Measured	81	1.5	1.3	4.6	0.2	30	11.3
Indicated	691	1.6	1.7	5.5	0.3	44	13.4
Inferred	873	1.9	2.3	6.6	0.2	63	16.5
Total	1,645	1.7	2.0	6.0	0.2	53	14.9

Source: Updated Resource Estimation of the Thalanga Far West Deposit (Mining One Consultants, 5 May 2016). 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 Table 2 of this announcement. It is Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

Zinc equivalent (Zn Eq.) calculation parameters are listed in Table 2. The metallurgical recoveries are derived from historical metallurgical recoveries from the Thalanga deposit. The Thalanga Far West resource is an extension to Thalanga and it is appropriate to apply similar recoveries. It is Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

Table 2 Zinc Equivalent Calculation Factors

Metal	Price	Unit	Recoveries	Zn Eq. Factors
Copper	US\$3.00	US\$/lb	80%	3.3
Lead	US\$0.90	US\$/lb	70%	0.9
Zinc	US\$1.00	US\$/lb	88%	1.0
Silver	US\$17.00	US\$/oz	65%	0.025
Gold	US\$1,200	US\$/oz	15%	0.05
FX Rate: A\$0.85:US\$1				

Please refer to ASX release dated 16 May 2016 for further details on the Thalanga Far West Resource. Red River confirms that all material assumptions underpinning the Thalanga Far West Resource in the ASX release dated 16 May 2016 continue to apply and have not materially changed.

Thalanga Zinc Project Background

Red River released a Restart Study (the internal study prepared by Red River to assess the potential restart of the Thalanga Zinc Project) in November 2015, which demonstrated the highly attractive nature of the Project. The Project has a low operating cost, low pre-production capital cost (\$17.2 million), and a short timeline to production (six months).

Annual average production is 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 over an initial mine life of five years, and there is outstanding extension potential.

Please refer to ASX release dated 12 November 2015 for further details on the Thalanga Zinc Project Restart Study. Red River confirms that all material assumptions underpinning the production target in the ASX release dated 12 November 2015 continue to apply and have not materially changed.

The Thalanga Zinc Project Restart Study is based on production from three deposits – West 45, Far West and Waterloo. The Thalanga Zinc Project Restart Study is based on low level technical and economic assessments and there is insufficient data to support the estimation of Ore Reserves at Far West and Waterloo, provide assurance of an economic development case at this stage, or provide certainty that the results from the Thalanga Zinc Project Restart Study will be realised. Further, as the production target that forms the basis of the Thalanga Zinc Project Restart Study includes Mineral Resources that are in the Inferred Category and there is a low level of geological confidence associated with Inferred Mineral Resources, there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

On behalf of the Board,

Mel Palancian
Managing Director
Red River Resources Limited

For further information please visit Red River's website or contact:

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COMPETENT PERSON STATEMENT

Mineral Resources

The information in this report that relates to the estimation and reporting of the Thalanga Far West Mineral Resource 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.

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 the information in the form and context in which it appears. The information in this report that relates to database compilation, geological interpretation and mineralisation wireframing, project parameters and costs and overall supervision and direction of the Thalanga Far West Mineral Resource estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Mr Hutchin.

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 Red River Resources 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.