



Appointment of Zinc Offtake Sales and Marketing Expert

Highlights:

- **Highly experienced base metal concentrate marketing consultant Bill Wise appointed to assist in negotiation of concentrate offtake agreements for Red River**
 - **Mr Wise was previously head of global concentrate sales and marketing for Zinifex Ltd**
 - **High quality zinc concentrates from the Thalanga Zinc Project are expected to be highly sought after as global zinc concentrate supply continues to tighten and concentrate inventories decline**
 - **Red River continues aggressive exploration across the Thalanga Zinc Project**
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Zinc developer Red River Resources Limited (ASX: RVR) ("Red River" or the "Company") is pleased to announce the appointment of Bill Wise as a consultant to its Thalanga Zinc Project in Queensland.

Mr Wise will assist Red River in securing offtake agreements for the sale of zinc, lead and copper concentrates to be produced by the Thalanga Zinc Project.

Mr Wise is globally recognised for his expertise in base metal concentrate marketing, and was responsible for the global concentrate sales and marketing team with budget revenue approaching A\$3 billion at Zinifex and its antecedent companies. He negotiated contracts which became standard world terms for zinc concentrate in particular, as well as other concentrates plus zinc and lead metal. Upon retiring from Zinifex in 2005, he established a successful consultancy business, serving the mining and metal sales industry in both Australia and overseas, with clients ranging from small start-up producers, to established international trading companies.

Red River's Managing Director Mel Palancian commented: *"Bill is an important addition to the Red River team as we move towards restarting production at the Thalanga Zinc Project. We will use Bill's extensive experience and business relationships in base metal concentrate marketing to ensure we get the best possible deal for Red River."*

Recent mine closures and production curtailments have tightened the supply of zinc concentrate, with declining concentrate inventories globally and within China. This has resulted in spot and benchmark (annual) treatment charges for zinc concentrate moving significantly lower, in favour of the miner.

As one of the few zinc projects globally, and the only zinc project within Australia which can restart commercial production within six months, the Thalanga Zinc Project is well positioned to take advantage of the concentrate market conditions.

Thalanga was known historically for producing high quality base metal concentrates, particularly zinc, and Red River believes that the proposed concentrate production from Thalanga will be highly sought after.

The project is also in a unique position being located 200km by sealed road from Australia's largest base metal concentrate export port (Port of Townsville) and Korea Zinc's Sun Metals zinc smelter, also in Townsville. These are attractive destinations for the concentrate produced at Thalanga, allowing Red River to potentially deliver zinc concentrates to Sun Metals and/or export zinc concentrates to the highly competitive Chinese market and elsewhere.

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
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