



## Update Regarding Thalanga Processing Plant Refurbishment

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### Highlights:

- Red River continues refurbishment work at the Thalanga Processing Plant
  - Initial works funded by over-subscribed A\$8.9m capital raising
  - Refurbishment will allow accelerated project restart
  - Aggressive exploration continues 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 that it has commenced initial refurbishment work at the Thalanga Processing Plant, part of its Thalanga Zinc Project in Queensland. Work completed to date includes:

- Removal and refurbishment of concentrate thickener rakes
- Removal and refurbishment of Mill 3 feed chute
- Rebuild of ball mill hopper for Mills 1 & 2
- Cleaning out concentrate storage bunkers prior to inspection and repair
- Comprehensive NDT (non-destructive testing) test work program.

Red River's Managing Director Mel Palancian commented: *"This work forms an important step towards the full restart of the Thalanga Zinc Project and will enable us to further tighten the budget and timeline for the remaining restart work at the Thalanga Processing Plant."*

*"We intend to keep the market informed as we progress with the Thalanga Processing Plant refurbishment. We are excited to undertake this work, which will further improve our capacity to quickly and efficiently deliver the re-start of the Project."*

The concentrate thickeners (copper, lead and zinc) were drained and cleaned to allow inspection. The inspection highlighted the overall good condition of the concentrate thickeners, however, some corrosion and damage was noted in the concentrate thickener rakes. These rakes have been removed and cleaned. The rakes will then be sent off site for refurbishment and/or replacement.

Figure 1 Lifting thickener rakes out of the zinc concentrate thickener



Figure 2 Cleaning concentrate thickener rakes



Replacement of damaged/corroded cladding has commenced on the mill building. The base metal concentrate stockpiles in the concentrate storage bunkers in Figure 3 date from 2012, when the Thalanga Mill was last operational.

Figure 3 West wall sheeting repair



As part of the refurbishment and rehabilitation activities, the concentrate storage bunkers are being cleaned out for inspection and corroded steel will be replaced where required. The base metal concentrate will be stored on site and will be sold when production recommences.

Figure 4 Concentrate storage bunker



Work has also commenced on the refurbishment of the grinding circuit. Mill 3 feed chute has been removed and dispatched to Townsville to be rebuilt. The ball mill hopper for Mills 1 & 2 has been rebuilt on site and is awaiting installation.

Figure 5 Removing feed chute on Mill 3



Figure 6 Rebuilt ball mill hopper



## 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

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