



Thalanga Zinc Project – Award of Mining Contract

Highlights:

- **Red River has awarded the West 45 underground mining contract to PYBAR Mining Services**
 - **Red River is fully funded for the Thalanga Zinc Project restart, which is on track for production in 2H CY2017**
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Zinc developer Red River Resources Limited (ASX: RVR) (“Red River” or the “Company”) is pleased to announce that the Company has taken a further material step towards the restart of production with the award of the West 45 underground mining contract to PYBAR Mining Services.

PYBAR Mining Services (PYBAR) are an Australian based and owned underground mining contractor with a long track record in metalliferous underground mining contracts within Australia, and have an outstanding reputation in terms of safety, execution and quality.

PYBAR will begin to mobilise to site within the next 2 weeks and expect to commence underground mining operations at West 45 shortly thereafter.

About PYBAR Mining Services

PYBAR is a nationwide provider of mining services with core competencies in metalliferous underground hard rock mining. Founded in 1993, PYBAR’s success to date is based on safe, rapid underground infrastructure development and consistent reliable production, delivering on projects from large established mining operations to greenfield developments. Headquartered in Orange, Central NSW, and privately owned, the PYBAR Group has assisted in the establishment of infrastructure and operations across Australia.

The PYBAR Group provides a comprehensive service to the mining industry through a number of businesses including PYBAR Mining Services as underground contractors, HMR Drilling Services (exploration drilling) and JTMEC (mining electrical). PYBAR has achieved a position of the third largest underground hard rock mining contractor in Australia by focussing on productivity and the needs of their clients.

For further information please refer to <http://www.pybar.com.au> or e-mail pybar@pybar.com.au

Red River’s Managing Director Mel Palancian commented: “The award of the underground mining contract for West 45 is a key step on the critical path to the restart of production at the Thalanga Zinc Project in 2H CY2017.

We are pleased to have awarded the West 45 underground mining contract to PYBAR. Red River ran a competitive contract process, and we look forward to working with PYBAR as we restart development and mining operations at West 45”.

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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