RedRiver
RESOURCES LIMITED

ACN 100 796 754

RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES

ABN: 35 100 796 754

ANNUAL FINANCIAL REPORT
30 JUNE 2017

Contents

Corporate Directory

Directors

Mr. Brett Fletcher - Non-executive Chairman
Mr. Melkon Palancian - Managing Director
Mr. Donald Garner - Executive Director
Mr. Paul Hart - Non-executive Director
Mr. James Black - Non-executive Director
Mr. Mark Hanlon - Non-executive Director

Company Secretary

Mr. Cameron Bodley

Registered Office

Level 6, 350 Collins Street
MELBOURNE VICTORIA 3000

Head Office

Level 6, 350 Collins Street
MELBOURNE VICTORIA 3000

Website Address

www.redriverresources.com.au

Country of Incorporation

Red River Resources Limited is domiciled and incorporated in Australia

Stock Exchange Listing

Red River Resources Limited is listed on the Australian Securities Exchange

Ordinary Shares: RVR

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

Legal Advisors

Piper Alderman
Level 16
70 Franklin Street
ADELAIDE SA 5000

Share Registry

Computershare Invester Services Pty Ltd
2/45 St Georges Terrace
PERTH WA 6000

Chairmans' Message

Dear Fellow Shareholder,

I am very pleased to present Red River Resources' Annual Report for the year ended 30 June 2017. This has been a transformational year for Red River as we restarted the Thalanga Zinc Project with production of copper, lead and zinc concentrates occurring subsequent to the year end. To bring the Thalanga Zinc Project back into production, on schedule and under budget is a credit to the senior management of the Company, the site management team and all involved.

Red River raised some $39 million in capital during the period; with an $8.9 million placement being successfully completed in September 2016 and a subsequent two tranche $30 million placement being successfully completed in December 2016 and January 2017. The completion of the placement allowed Red River to commence the restart of the Thalanga Zinc Project in January 2017, complete the final deferred cash acquisition payment, leaving Red River with clear title to 100% of the now unencumbered Project and ensured that Red River remained debt free.

Refurbishment and development activities commenced in January 2017, with the target of restarting production in the 2H CY2017. Red River completed the hiring of a site senior management team and also awarded the West 45 underground mining contract to PYBAR Mining Services. West 45 mining activities commenced at the beginning of April and the first development ore was delivered to the Thalanga ROM (Run of Mine) pad ready for processing at the end of April.

Approximately 70% of the outstanding tasks to finish the refurbishment of the plant and infrastructure had been completed by the end of June and the plant was on schedule to commence commissioning activities in Q3 CY2017.

A three year copper concentrate offtake agreement was signed with Glencore and subsequent to the end of the period, a fixed tonnage three year zinc and lead concentrate offtake agreement was signed with Trafigura, who also agreed to make available a US$10m facility to assist, if required with the cost of production and general working capital expenses.

In addition, Red River continued an aggressive exploration program seeking to increase resources at our known deposits and find the next generation of base metal deposits within the highly prospective Mt Windsor Belt.

As a part of Red River's ongoing strategy to discover additional ore for the Thalanga mill, the company commenced a large scale induced polarisation (IP) survey over the Liontown VHMS horizon from Liontown to east of Waterloo. The first phase of the survey incorporated more than fifty two line kilometres of data collection across 7km of geological strike. The survey stands out as the first intensive application of high energy (50kva transmitter) IP across this part of the Mt Windsor Belt, unlocking multiple new mineral systems and horizons.

In addition to this Red River completed 57 drill holes across a number of projects for total drilled in excess of 18,000m. The majority (70%) of drilling was undertaken at our Far West project, where a successful program of infill and resource extension drilling was completed during the period.

The exploration highlight of the year was the Liontown East discovery, where 7 drill holes were completed targeting a coincident geochemical and geophysical anomaly, approximately 1.2km east of the Liontown Mineral Resource. The first drill hole (LTED01) was completed at 576m downhole and intersected multiple zones of massive and semi massive sulphide mineralisation and returned the following high grade intercepts:

- 7.5m @ 0.4% Cu, 4.1% Pb, 9.6% Zn, 1.0 g/t Au & 37 g/t Ag (16.0% Zn Eq.) from 452.7m down hole including 4.3m @ 0.6% Cu, 6.6% Pb, 15.1% Zn, 1.6 g/t Au & 56 g/t Ag (25.2% Zn Eq.); and
- 8.35m @ 0.4% Cu, 0.7% Pb, 4.2% Zn, 0.3 g/t Au & 18 g/t Ag (6.8% Zn Eq.) from 472.65m down hole including 2.0m @ 0.8% Cu, 1.3% Pb, 5.3% Zn, 0.4 g/t Au & 28 g/t Ag (9.8% Zn Eq.)

Chairmans' Message (continued)

This was a fantastic result, and follow up drilling at the Liontown East target intersected similar grades and widths of mineralisation. Our aggressive exploration program will continue during 2018 and I look forward to being able to report the continued success of the program.

I would like to take this opportunity to thank all that have contributed to the success of Red River over the past year – our employees, contractors, suppliers and shareholders. I would also like to acknowledge the support we receive from the local and regional communities in the Charters Towers area, which is key to us succeeding in restarting production at the Thalanga Zinc Project.

Red River enters into 2018 on the cusp of completing the transformation into the sole ASX listed pure play zinc producer and with zinc price at a 10 year high, 2018 promises to be an exciting year for Red River.

Mr. Brett Fletcher
Non-executive Chairman

Directors' Report

Your Directors present their report together with the financial statements of the Group, being Red River Resources Limited (the 'Company' or 'Red River') and its controlled entities, for the financial year ended 30 June 2017.

The following persons were directors of the Company during the whole of the financial year, unless otherwise stated.

Chairman and Directors

Name	Position
Current directors	
Mr. Brett Fletcher	Non-executive Chairman (appointed 1 May 2015)
Mr. Melkon 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)
Former directors	
Mr. Cameron Bodley	Non-executive Director (appointed 24 April 2014 - resigned 23 December 2015)

Information on directors

MR BRETT FLETCHER (Appointed 1 May 2015)
BEng GAICD
Non-executive Chairman
Mr. Fletcher, a qualified Mining Engineer (University of NSW, 1989), brings over 25 years experience in the metals and mining industry to Red River. His experience within the Australian base metal mining and smelting sector is without equal, where he has held multiple senior management and executive roles including Manager UG Operations Broken Hill Zinc Lead Mine, General Manager Rosebery Copper Lead Zinc Mine, General Manager Century Zinc Mine and General Manager Hobart Zinc Smelter, and from 2007 to 2011 was the Chief Operating Officer of Zinifex/OZ Minerals and then MMG. His most recent role (from 2011 to 2014) was Executive General Manager PNG Operations at Newcrest where he was responsible for the Morobe Mining JV, Gosowong and Lihir.

Current directorships:	None
Former directorships (in last 3 years):	Morton Resources Limited
Interest in shares:	409,196 ordinary shares
Interest in options:	119,048 Options Ex. $0.15 Expiry 14 December 2017

MR. MELKON PALANCIAN (Appointed 17 October 2014)
BEng MEng MAusIMM MIEAust
Managing Director
Mel has over 20 years experience in the mining industry and his most recent role was Deputy Operations Director at Newcrest's Gosowong operation in Indonesia. Prior to this, he held a range of senior positions including General Manager Technical Services for MMG, Manager Dugald River Development for OZ Minerals and Principal Adviser Mining for Zinifex. Mel holds a Bachelor of Engineering (Civil & Computing) from Monash and a Masters in Engineering from RMIT.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	375,000 ordinary shares
Performance Rights:	1,525,423 2017 Performance Rights
Interest in options:	1,500,000 options Ex. $0.12 Expiring 30 June 2019
	50,000 option Ex. $0.15 Expiring 14 December 2017

Directors' Report (continued)

MR. DONALD GARNER (Appointed 31 March 2014
BSc (Hons) MSc FGS MSEG MAusIMM
Executive Director

Mr. Garner is a geologist with over twenty years experience in the resource industry, corporate finance and corporate development roles. Mr Garner has a strong track record in the identification and acquisition of resource projects, recently being responsible for New Age Exploration's (ASX: NAE) Lochinvar coking coal project and Sirius Minerals Plc (LSE:SXX) York Potash project. He previously worked in a corporate development role at Zinifex, and prior to that worked in metals and mining corporate finance in the United Kingdom. Mr Garner worked as a geologist in Western Australia in a number of roles, both as an exploration geologist and a mine geologist and also worked as an exploration geologist in Myanmar.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	7,594,930 ordinary shares
Performance Rights:	711,864 2017 Performance Rights
Interest in options:	None

MR. PAUL HART (Appointed 31 March 2014)
BComm
Non-executive director

During the past 20 years he has developed a broad knowledge of the Australian stock market gained through managing his own private investment funds. Mr Hart's expertise is focused on stocks which have a small market capitalisation covering a range of sectors including exploration and mining. For the past five years he has also provided a range of investor relations services to companies and this has included several successful capital raisings. Prior to 2007 he was involved in business development, mergers and acquisitions and strategic planning for a global confectionery company.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	7,900,000 ordinary shares
Interest in options:	None

MR. JAMES BLACK (Appointed 1 May 2015)
BSc (Hons)
Non-executive director

Mr. Black, a qualified Chemical Engineer (University of London, 1969) brings over 40 years experience in project management and procurement to Red River. He started work for BP in 1969 as a Chemical Engineer, and has held a number of senior project management and procurement roles in BP's Exploration and Production, Australian, Group Technology and International Corporate Groups and was seconded to the TNK-BP (Moscow) Joint Venture to act as Procurement and Supply Chain Project Director. He worked for Zinifex/OZ Minerals as Group General Manager (Studies) from 2007 to 2009, and then as Business Director (Project Management Group) for Hyder Consulting from 2009 to 2011. Since 2011, he has acted as a consultant in project management, leadership coaching, supply chain and procurement coaching.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	248,500 ordinary shares
Interest in options:	None

Directors' Report (continued)

MR. MARK HANLON (Appointed 1 October 2015)
B.Bus. (Accounting & Finance), M. Bus. (Banking & Finance)
Non-executive director

Mark has over ten years of experience in the resources and resource services sector as well as over ten years' experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the Finance Director of ENK plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited. Mark is currently a director of Copper Strike Limited and Echo Resources Ltd.

Current directorships:	Copper Strike Limited, Echo Resources Ltd
Former directorships (in last 3 years):	Strandline Limited, Jacana Minerals Limited
Interest in shares:	2,216,170 ordinary shares
Interest in options:	500,000 options Ex. $0.15 Expiry 14 December 2017

MR. CAMERON BODLEY (Appointed 24 April 2014 - Resigned 23 December 2015)
CA, B.Comm, MACID
Non-executive director
Over the past 15 years he has worked both in Australia and England in both professional practice and industry, including National Australia Bank Limited, BNP Paribas Bank, Aviva Plc and Moore Stephens, giving him specialised experience in Mining and Investment companies. Mr Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 8 years. He is also a member of the Australian Institute of Company Directors.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	Not applicable as no longer a director
Interest in options:	Not applicable as no longer a director

Company Secretary

MR. CAMERON BODLEY (Appointed 31 March 2014)
CA, B.Comm, MACID
Mr. Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 9 years. He is also a member of the Australian Institute of Company Directors.

Dividends Paid or Declared

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Directors' Report (continued)

Principal Activities and Significant Changes in Nature of Activities
The principal activities of the consolidated group during the year were:

- Exploration and evaluation activities.
- Development of the West 45 mine
- Refurbushment of the Thalanga Plant

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

Review of Operations and Financial Results

Operating Results
The consolidated loss of the Group after providing for income tax is $2,611,326 (2016: loss of $1,527,254).

Financial Position
The net assets of the consolidated Group have increased from $11,665,018 at 30 June 2016 to $47,708,690 during the year ended 30 June 2017.

Review of Operations

1. Safety & Environmental Performance

During the period from 1 July 2016 to 30 June 2017, one medical treatment injury was recorded. No environmental incidents were reported during this period, with the average rainfall well below previous years.

The Total Recordable Injury Frequency Rate (TRIFR) for Red River Resources for the period was 3.3. Recordable injuries include those that result in any days away from work (Lost Time Injuries), and those where an employee or contractor cannot perform all or any of their normal shift (Restricted Work Day Injuries) plus any injury that requires the services that only a medical practitioner can provide (Medical Treatment Injuries).

Operations were briefly suspended at site and most personnel were evacuated as a precaution in case of adverse weather conditions resulting from Cyclone Debbie during March 2017. Initial Bureau of Meteorology Tropical Cyclone Forecast Track Maps had indicated the potential for Cyclone Debbie to pass close to Thalanga. In the event, Cyclone Debbie passed significantly south of Thalanga, and site activities recommenced shortly thereafter, with no adverse weather conditions experienced at site.

Environmental activities have been focussing on rehabilitation works across the site in anticipation of the plant restart and current mining activities.

2. Thalanga Zinc Project Overview

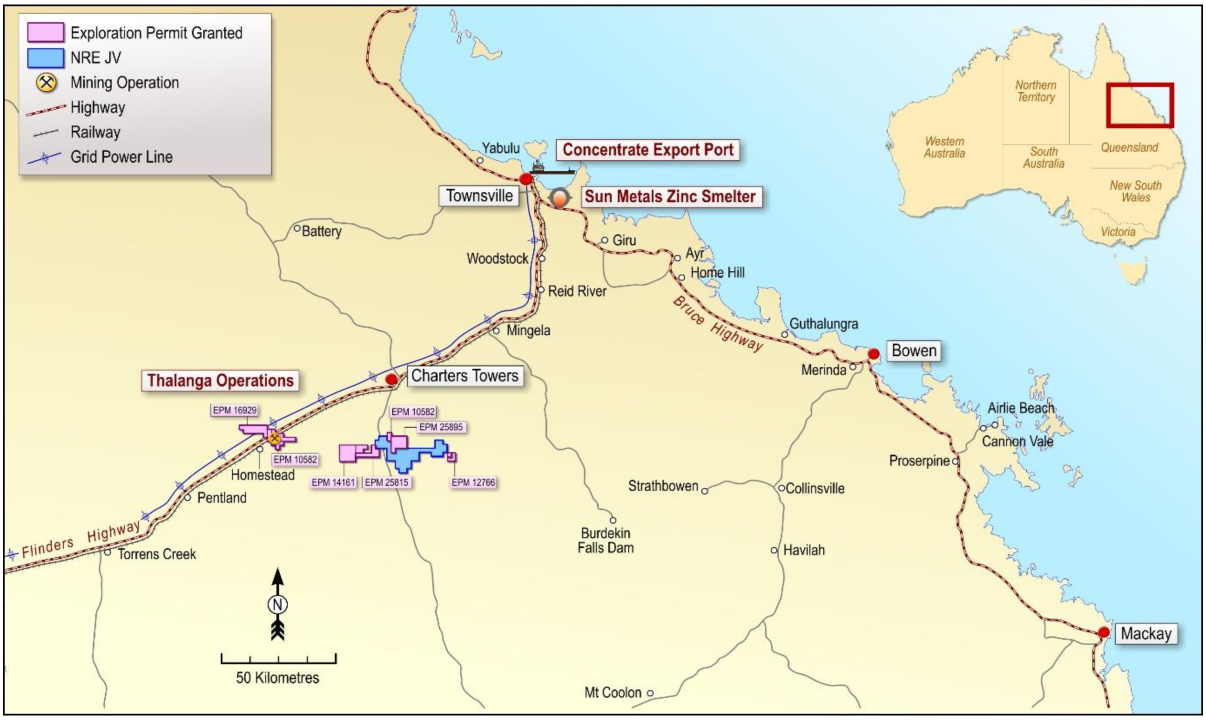
The Thalanga Zinc Project is located 60km SW of Charters Towers in Central Queensland and consists of the following key assets:

- 650ktpa capacity polymetallic processing facility capable of producing separate copper, lead and zinc concentrates;
- Tailings storage facility;
- Site offices, workshops and change facilities.

Site access is by sealed road and the Thalanga Zinc Project is run as a residential operation, with the workforce predominately living in Charters Towers. The Thalanga Zinc Project is located 200km from the Port of Townsville (Australia's largest base metal concentrate export port) and also Korea Zinc's Sun Metals zinc smelter.

Directors' Report (continued)

Figure 1 Thalanga Zinc Project Location



The Thalanga Plant is designed for a nominal throughput of 650ktpa, using standard industry technology to produce saleable copper, lead and zinc concentrates via flotation. The plant flowsheet is summarised as:

- Crushing circuit (three-stage crushing circuit);
- Milling circuit (primary (x1) and secondary ball mill (x2) circuit);
- Concentrate flotation circuit (differential copper, lead and zinc flotation circuits);
- Concentrate thickening and filtration;
- Regrind circuit;
- Concentrate storage, blending and transport; and
- Sub-aqueous disposal of tailings to fully permitted Tailings Storage Facility (“TSF”) with sufficient existing capacity for currently planned operations.

The Thalanga Plant is fully permitted, and Red River commenced early stage restart activities in Q4 CY2016. Significant progress was made during the period, and at the end of June approximately 70% of the outstanding tasks to finish the refurbishment of the plant and infrastructure had been completed. The plant is on schedule to commence commissioning activities in Q3 CY2017 with commercial production having begun in Q4 CY2017.

Directors' Report (continued)

Figure 2 Thalanga Zinc Project

3. Production and Operations

Red River completed a material milestone during the period, with development and mining activities at West 45 recommencing, nearly 5 years since the previous operator ceased activities.

The underground mining contract for West 45 was awarded to PYBAR Mining Services (PYBAR), an Australian based and owned underground mining contractor in February 2017. PYBAR commenced site mobilisation by the end of February and began mining operations shortly thereafter.

3.1. West 45 UG Operations

- First development blast occurred in the West 45 UG mine at the beginning of April, with 582m of development completed during the period with decline development (207m) taking priority;

- The first truckload of West 45 development ore was delivered to the Thalanga Run of Mine (ROM) pad at the end of April, and during the period, approximately 19,000 tonnes of West 45 development ore was delivered to the Thalanga ROM pad; and

- Egress raise (98.2m vertical height) and Return Air Raise (RAR) (85.6m vertical height) were also completed.

Directors' Report (continued)

Figure 3 First delivery of West 45 development ore to Thalanga ROM pad

Stoping at West 45 (production ore) is on schedule to commence during Q3 CY2017.

4. Development Projects

4.1 Far West

During the period, Red River completed the initial Thalanga Far West infill drilling program, with thirty nine diamond drill holes completed for a total of 12,667m. This program was an outstanding success, and the majority of drill holes intersected economic grade mineralisation over mineable widths.

With the completion of the program, Red River has engaged Mining One Consultants to update the Far West Mineral Resource, generate a maiden Far West Ore Reserve and also to update the current Far West design and production schedule.

Three ground water monitoring bores were also installed at Far West as part of the Far West development process.

4.2 Waterloo

Ten drill pads were established during June 2017 for an infill/resource extension program scheduled to commence during Q1 FY2018.

Directors' Report (continued)

5. Exploration Activities

Red River is undertaking a high impact exploration program with the aim of increasing the Thalanga Zinc Project Mineral Resource to extend mine life and/or increase mill utilisation; and discovery of the next generation of ore bodies within the Mt Windsor Belt.

The main focus of activity during the year were resource definition and extension drilling at Far West, extension drilling at West 45 and drilling at the exciting Liontown East discovery.

Table 1 Thalanga Zinc Project FY2017 Drilling Summary

Project	Holes Completed	Total Metres Drilled
Far West	39	2,687
Liontown East	7	3,757
West 45	6	878
Thalanga Mining Leases	5	767
Total	57	8,089

5.1 Liontown East Deposit

The Liontown East deposit was discovered during the period, with the discovery hole (LTED01) intersecting high grade polymetallic base metal sulphide mineralisation in July 2017.

LTED01 was drilled to test a coincident geochemical and geophysical target approximately 1.2km east of the Liontown Mineral Resource.

After the success of LTED01, a series of holes were drilled to better understand the extent of mineralisation at Liontown East. A number of these holes intersected high grade polymetallic copper-lead-zinc mineralisation and later holes (LTED07 and LTED07W1) also intersected high grade copper-gold mineralisation in the footwall of the polymetallic mineralisation (please refer to Table 1 for material assay results from the Liontown East deposit). Drilling is planned to continue at Liontown East in FY2018.

Table 2 Drill hole assay summary, Thalanga Zinc Project (Liontown East)

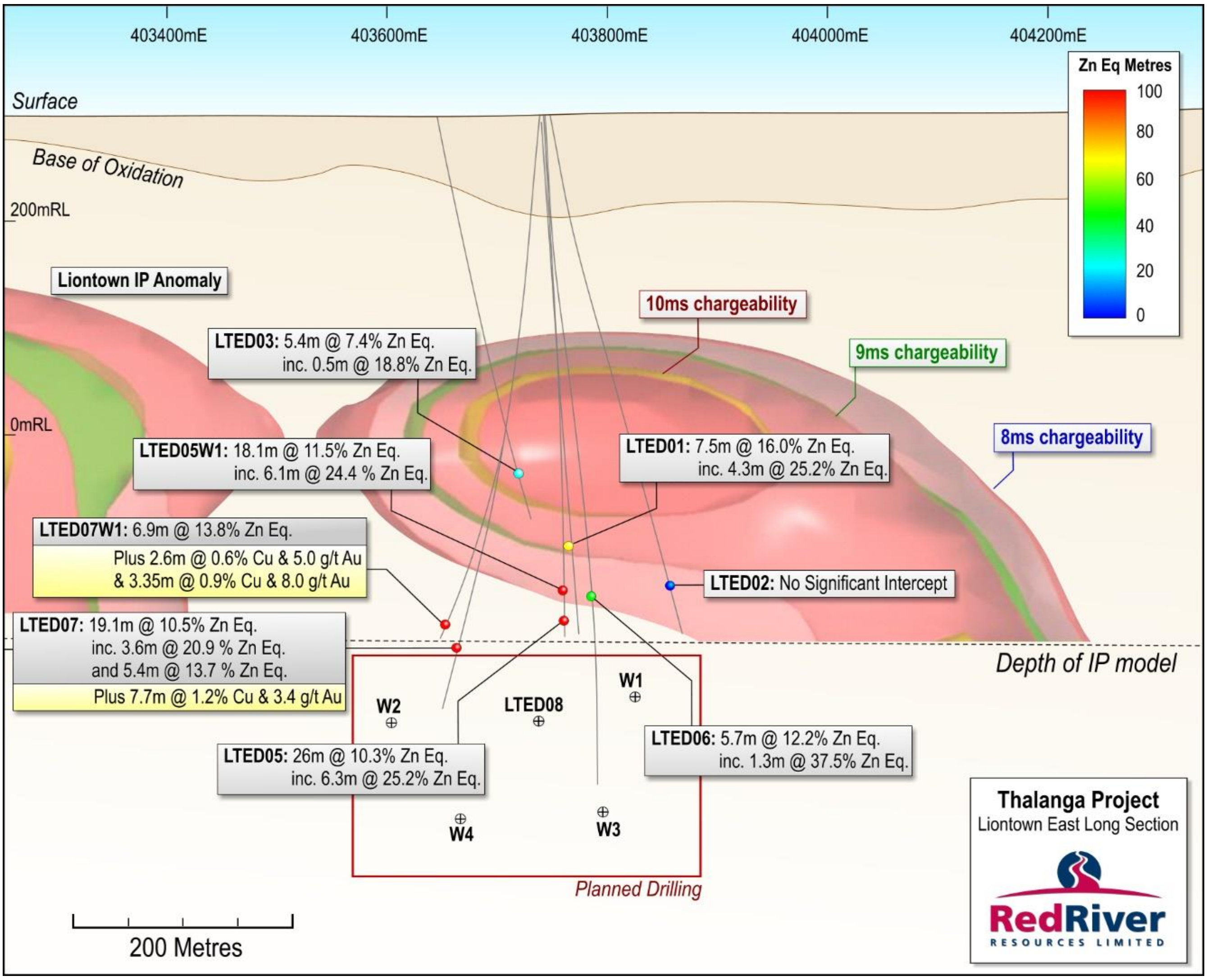
Hole ID	From (m)	To (m)	Intersection (m) (1)	Cu %	Pb %	Zn %	Au g/t	Ag g/t	Zn Eq %
LTED01	452.7	460.2	7.50	0.4	4.1	9.6	1.0	37	16.0
inc.	452.7	457.0	4.30	0.6	6.6	15.1	1.6	56	25.2
and	472.7	481.0	8.35	0.4	0.7	4.2	0.3	18	6.8
LTED03	419.6	425.0	5.40	0.2	1.5	4.0	1.1	35	7.4
inc.	423.0	423.5	0.50	0.5	2.9	12.4	1.9	51	18.8
LTED05	504.7	530.7	26.00	0.6	2.2	5.4	0.9	25	10.3
inc.	504.7	511.0	6.30	0.9	6.1	14.6	1.4	64	25.2
LTED05W1	486.9	505.0	18.10	0.3	3.1	6.8	0.6	21	11.5
inc.	486.9	493.0	6.10	0.7	7.0	14.1	1.0	51	24.4
LTED06	501.3	507.0	5.75	0.2	3.4	7.2	1.3	22	12.2
inc.	504.7	506.0	1.30	0.4	11.4	22.4	3.5	67	37.5
LTED07	529.4	548.5	19.10	0.5	2.3	6.4	0.3	13	10.5
inc.	529.4	533.0	3.60	0.4	6.1	13.5	0.1	18	20.9
and	534.1	548.5	5.40	0.7	2.9	8.2	0.4	15	13.7
and	557.0	564.7	7.70	1.2	0.6	1.4	3.4	36	nm (2)

Directors' Report (continued)

Hole ID	From (m)	To (m)	Intersection (m) (1)	Cu %	Pb %	Zn %	Au g/t	Ag g/t	Zn Eq %
LTED07W1	523.8	530.7	6.90	0.4	3.3	9.0	0.2	16	13.8
and	543.7	546.3	2.60	0.1	0.6	2.6	5.0	8	nm (2)
and	557.5	557.5	3.35	0.9	0.5	3.2	8.0	38	nm (2)

1. Downhole width
2. Zinc equivalent grade not reported for high gold mineralisation

Figure 4 Liontown East Long Section



5.2 Geophysical Exploration Activity

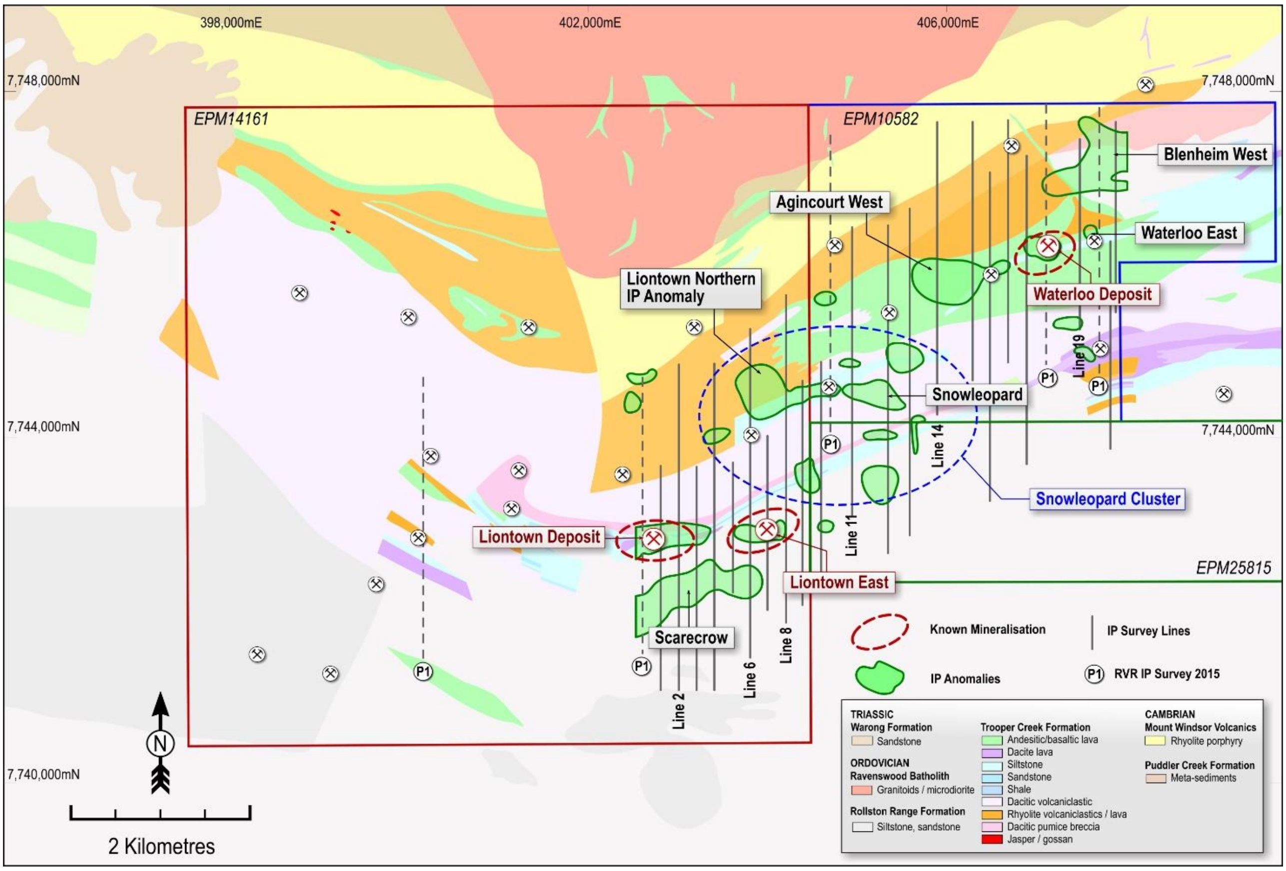
During the period, Red River completed the Induced Polarisation (IP) survey at Liontown-Waterloo which was commenced in December. The final survey consisted of 65 line kilometres of data collected across 7 kilometres of geological strike. The final processing of the IP data generated a number of high quality targets. The most significant of these new zones of immediate interest include are:

Directors' Report (continued)

- Scarecrow Target;
- Liontown East Extension;
- Snowleopard Target and Liontown Northern Anomaly Target (Snowleopard Cluster);
- Agincourt West Target; and
- Blenheim West Target.

Preparation activities for a drill campaign to test selected IP targets commenced towards the end of the period, and a number of holes are planned to be drilled in FY2018.

Figure 5 Phase 2 Liontown and Waterloo IP Survey



6. Mineral Resources and Ore Reserves Statement

The Mineral Resources and Ore Reserve for Red River Resources as at 30 June 2017 are as follows, and are reported in accordance with the guidelines in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code)’ and Chapter 18 of the Listing Rules. Mineral Resources and Ore Reserve tables are provided below. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources that convert to Ore Reserves.

Directors' Report (continued)

Please refer to the appendices in Table 1 for details of supporting information.

Mineral Resources and Ore Reserve information in this statement has been compiled by Competent Persons (as defined by the 2012 JORC Code). Each Competent Person consents to the inclusion of the information in this report that they have provided in the form and context in which it appears. Competent Persons are listed in 6.2

Table 1 Thalanga Zinc Project Ore Reserves and Mineral Resources

Summary of the Ore Reserves at the Thalanga Zinc Project								
	Classification	**Tonnage (kt)**	**Cu %**	**Pb %**	**Zn %**	**Au g/t**	**Ag g/t**	**Zn Eq. %** (6)
West 45 (1)	Proved							
	Probable	421	0.5	3.6	8.3	0.3	72	15.0
	Total	**421**	**0.5**	**3.6**	**8.3**	**0.3**	**72**	**15.0**
Summary of Mineral Resources at the Thalanga Zinc Project								
	Classification	**Tonnage (kt)**	**Cu %**	**Pb %**	**Zn %**	**Au g/t**	**Ag g/t**	**Zn Eq. %** (6)
West 45 (2)	Measured	-	-	-	-	-	-	-
	Indicated	585	0.6	3.6	8.3	0.3	70	15.3
	Inferred	6	0.9	0.8	3.7	0.1	15	7.8
	Total	**591**	**0.6**	**3.5**	**8.3**	**0.3**	**69**	**15.2**
Thalanga Far West (3)	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**
Orient (2)	Measured	-	-	-	-	-	-	-
	Indicated	496	0.9	1.8	7.7	0.2	44	13.4
	Inferred	44	0.8	1.8	10.9	0.2	46	16.2
	Total	**540**	**0.9**	**1.8**	**7.9**	**0.2**	**44**	**13.6**
Waterloo (4)	Measured	-	-	-	-	-	-	-
	Indicated	406	2.7	2.1	13.4	1.4	68	24.6
	Inferred	301	0.9	0.9	7.9	0.4	20	8.8
	Total	**707**	**1.9**	**1.6**	**11.0**	**0.9**	**50**	**19.1**
Liontown (5)	Measured	-	-	-	-	-	-	-
	Indicated	397	0.5	1.8	4.6	1.3	21	8.3
	Inferred	1,671	0.5	1.5	4.6	0.8	26	8.4
	Total	**2,038**	**0.5**	**1.6**	**4.6**	**0.8**	**25**	**8.4**
Total Mineral Resources at the Thalanga Zinc Project (West 45, Thalanga Far West, Orient, Waterloo & Liontown)								
	Classification	**Tonnage (kt)**	**Cu %**	**Pb %**	**Zn %**	**Au g/t**	**Ag g/t**	**Zn Eq. %** (6)
Thalanga Project	Measured	81	1.5	1.3	4.6	0.2	29.8	11.3
	Indicated	2,545	1.2	2.2	7.7	0.6	50	14.9
	Inferred	2,895	1.0	1.7	5.6	0.5	37	11.0
	Total	**5,521**	**1.1**	**1.9**	**6.6**	**0.5**	**43**	**12.9**
Table subject to rounding errors Please refer to Competent Persons Statements for appropriate Competent Persons Statement								

Directors' Report (continued)

Table 1 Thalanga Zinc Project Ore Reserves and Mineral Resources (continued)

(1) Refer to ASX Announcement dated 12 November 2015 “Thalanga Zinc Project Re-Start Study – Revised”
(2) Refer to ASX Announcement dated 11 February 2015 “Thalanga Project – Updated Mineral Resource Estimate”
(3) Refer to ASX Announcement dated 16 May 2016 “Increase in Far West Mineral Resource of 42% to 1.6Mt”
(4) Refer to ASX Announcement dated 24 April 2015 “Waterloo Deposit – Updated Mineral Resource Estimate”
(5) Refer to ASX Announcement dated 24 June 2015 “Liontown Deposit JORC 2012 Resource Estimate”
(6) Zinc equivalent (Zn Eq) has been calculated using the metal selling prices, recoveries and other assumptions contained in Table 1 of the Reserve and Resources statement. It is Red River’s opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

6.1 Zinc Equivalent Calculation

The net smelter return zinc equivalent (Zn Eq.) calculation adjusts individual grades for all metals included in the metal equivalent calculation applying the following modifying factors: metallurgical recoveries, playability factors (concentrate treatment charges, refining charges, metal payment terms, net smelter return royalties and logistic costs) and metal prices in generating a zinc equivalent value for copper (Cu), lead (Pb), zinc (Zn), gold (Au) and silver (Ag). Red River has selected to report on a zinc equivalent basis, as zinc is the metal that contributes the most to the net smelter return Zn Eq. calculation. It is the view of Red River Resources that all the metals used in the Zn Eq. formula are expected to be recovered and sold. Metallurgical Recoveries are derived from historical metallurgical recoveries from test work carried out at the respective deposits. The Metallurgical Recovery for each metal is shown below in Table 2. Metal Prices and Foreign Exchange assumptions are set as per internal Red River price forecasts and are shown below in Table 2.

Table 2 Metallurgical Recoveries and Metal Prices

Metallurgical Recoveries and Metal Prices					
			West 45, Thalanga Far West, Orient & Liontown Fresh Resource	Waterloo Fresh Resource	Waterloo Transition Resource
Metal	Price	Units	Recoveries	Recoveries	Recoveries
Copper	US$/lb	US$3.00	80%	80%	58%
Lead	US$/lb	US$0.90	70%	70%	0%
Zinc	US$/lb	US$1.00	88%	88%	76%
Gold	US$/oz	US$1,200	15%	50%	30%
Silver	US$/oz	US$17.00	65%	65%	58%
FX Rate: A$0.85: US$1					

Payable Metal Factors are calculated for each metal and make allowance for concentrate treatment charges, transport losses, refining charges, metal payment terms and logistic costs. It is the view of Red River that three separate saleable base metal concentrates will be produced at Thalanga. Payable metal factors are detailed below in Table 3.

Table 3 Payable Metal Factor

Payable Metal Factors	
Copper	Copper concentrate treatment charges, copper metal refining charges, copper metal payment terms (in copper concentrate), logistic costs and net smelter return royalties
Lead	Lead concentrate treatment charges, lead metal payment terms (in lead concentrate), logistic costs and net smelter return royalties
Zinc	Zinc concentrate treatment charges, zinc metal payment terms (in zinc concentrate), logistic costs and net smelter return royalties

Directors' Report (continued)

Table 3 Payable Metal Factor (continued)

Payable Metal Factors	
Gold	Gold metal payment terms (in copper and lead concentrates), gold refining charges and net smelter return royalties
Silver	Silver metal payment terms (in copper, lead and zinc concentrates), silver refining charges and net smelter return royalties

The zinc equivalent grade is calculated as per the following formula:

Zn Eq. = (Zn% *ZnMEF) + (Cu%*CuMEF) + (Pb%*PbMEF) + (Au ppm*AuMEF) + (Ag ppm*AgMEF)

The following metal equivalent factors used in the zinc equivalent grade calculation has been derived from metal price x Metallurgical Recovery x Payable Metal Factor, and have then been adjusted relative to zinc (where zinc metal equivalent factor = 1).

Table 4 Metal Equivalent Factor (MEF)

Metal Equivalent Factor (MEF)					
Project	Copper (CuMEF)	Lead (Pb MEF)	Zinc (ZnMEF)	Gold (AuMEF)	Silver (AgMEF)
West 45, Thalanga Far West, Orient & Liontown (Fresh)	3.300	0.900	1.000	0.500	0.025
Waterloo (Fresh)	3.400	0.750	1.000	0.500	0.025
Waterloo (Transition)	2.500	0.000	0.840	0.400	0.010

6.2 Competent Persons Statement

Competent Person's Statement – Mineral Resources

The information in this report that relates to the estimation and reporting of the Far West, West 45, Orient and Waterloo Resources 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'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Competent Person's Statement – Ore Reserves

The information in this report that relates to the estimation and reporting of the West 45 Ore Reserves is based on and fairly represents, information and supporting documentation compiled by Mr Mel Palancian who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Red River Resources. Mr Palancian 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'.

Directors' Report (continued)

Competent Person's Statement – Ore Reserves (continued)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

End of Review of Operations.

Significant Changes in State of Affairs
During the course of the year ended 30 June 2017, Red River raised approximately $39m (before costs) to finalise the refurbishment of the Thalanga Mill and recommence undergrounding Mining at Thalanga. Subsequent to the end of the financial year, Red River commenced copper, lead and zinc concentrate production.

Other than the above, there were no Significant Changes in State of Affairs.

Events Occurring After Balance Date
On 8 August 2017 Red River announced it had entered into Offtake Agreements with Trafigura Pte Ltd (Trafigura) for lead and zinc concentrates to be produced from the Thalanga Zinc Project. In addition, Red River entered into a Facility Agreement with Trafigura, where Trafigura will make available up to US$10,000,000 to assist, if required, with the costs of production and general working capital expenses.

On 11 September 2017 Red River announced to the market that the Thalanga Mill had been commissioned and that it had commenced production of copper, lead and zinc concentrate on 8 September 2017.

On 27 September 2017 Red River announced to the market that the Thalanga Mine Processing Plant had ramped up to an annualised rate of 325ktpa and that first concentrate deliveries will commence in the coming weeks with first cash flows to follow imminently thereafter.

On 28 September 2017 the Board of Directors signed the Annual Financial Report for the year ended 30 June 2017.

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

Likely Developments and Expected Results
Information on likely developments in the operations of the Company and the expected results of those operations have not been included in this report as the directors believe it would be likely to result in unreasonable prejudice to the Company. The Company is to continue to explore for metals on its properties, and seek to finalise the Thalanga restart.

Shares Under Option
As at 30 June 2017, there are 20,720,401 options under issue. Refer to the remuneration report and Note 21 for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company. During the financial year 2,250,000 options were issued as remuneration and as incentives to Mr. Mel Palancian (1,500,000) and Mr. Karl Spaleck (750,000). All new options were issued with an exercise price of $0.12 and an expiry of 30 June 2019. Refer to Notes 21 and 32 for more information.

During the course of the financial year 13,881,453 options were exercised and converted to ordinary shares and a further 5,000,000 options lapsed.

Directors' Report (continued)

Directors' Meetings
The following table sets out the number of meetings of the Company's directors (including meetings of committees of directors) held while each director was in office and the number of meetings attended by each director:

	Directors' Meetings		Audit & Risk Committee		Nomination & Remuneration Committee	
Director	Number of meetings held	Number attended	Number of meetings held	Number attended	Number of meetings held	Number attended
Mr. Brett Fletcher	14	14	-	-	2	2
Mr. Melkon Palancian	14	13	-	-	-	-
Mr. Donald Garner	14	13	-	-	-	-
Mr. James Black	14	13	2	2	-	-
Mr. Paul Hart	14	12	2	1	2	2
Mr. Mark Hanlon	14	13	2	2	2	2

Board Committees
As at the date of this report the Company had an Audit & Risk Committee and a Nomination & Remuneration Committee of the Board of Directors. The eligibility and attendance of each of the Directors is disclosed in the table above. The chairman of each committee was:

- Audit & Risk Committee - Mr. James Black
- Nomination & Remuneration Committee - Mr. Mark Hanlon

Remuneration Report (Audited)

The information contained in the remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Principles used to determine the nature and amount of remuneration
The Company's policy for determining the nature and amount of emoluments of board members and senior executives are as follows:

Executive Remuneration
The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the company. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Company and its Shareholders to do so. The Board's remuneration policy reflects its obligation to align executive's remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- Remuneration reflects the competitive market in which the Company operates
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Non-executive Remuneration
Shareholders approve the maximum aggregate remuneration for Non-executive Directors. The Board recommends the actual payments to directors. The maximum aggregate remuneration approved for non-executive directors is currently $200,000. All directors are entitled to have any indemnity insurance paid by the company (currently $26,991 per annum). Currently each Non-executive director is entitled to receive $40,000 per annum (including statutory superannuation entitlements), with the Chairman to receive $80,000 (including statutory superannuation entitlements). These entitlements were effective 1 June 2016. Refer below for details of Non-executive Directors' remuneration.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements. The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% (2016: 9.50%), and do not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using either the Black Scholes methodology.

The board policy is to remunerate non executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting (currently $200,000). Fees for non executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in an employee option plan (none adopted to date).

Performance Based Remuneration
During the 2017 financial year, the Company's remuneration policy did include a performance based remuneration component built into executive director and executive remuneration packages.

The Company seeks to attract, retain and motivate skilled non-executive directors and executive directors of the highest calibre. The Company aims to ensure that the remuneration packages of non-executive directors and executives are appropriate and reflect a person's duties and responsibilities.

In this regard, the Company has put in place a Nomination & Remuneration Committee which supports and advises the Board in fulfilling its responsibilities to shareholders. The Nomination & Remuneration Committee is responsible for ensuring that the Board is appropriately remuneration, structured and comprised of individuals who are best able to discharge the responsibilities of directors.

The Company put forward several resolutions to shareholders at the 2016 Annual General Meeting relating to the implementation of a Long Term Incentive Plan, which were subsequently passed by shareholders.

Details of Remuneration
Disclosures relating to directors and executive officers (key personnel) emoluments are outlined below and in Note 23 to the financial statements. During the 2017 financial year 2,250,000 shares or options were granted to directors and executives (2016: nil) following Shareholder approval.

On 23 September 2016, 750,000 options were issued to Mr. Karl Spaleck and on 12 December 2016 1,500,000 options were issued to Mr. Mel Palancian.

Directors' Report (continued)

Key Management Personnel Remuneration

2017 Name	Short Term Cash/fees $	Post - employment Super $	Share Based Payments [1] Options $	Shares $	Total $	Value of Share Based payments as a % of total remuneration %
Executive Directors						
M. Palancian	200,000	19,000	194,828	-	413,828	47.08%
D. Garner	191,144	18,159	-	-	209,303	0.00%
	391,144	**37,159**	**194,828**	**-**	**623,131**	
Non-executive Directors						
B. Fletcher	73,059	6,941	-	-	80,000	0.00%
J. Black	36,530	3,470	-	-	40,000	0.00%
P. Hart	36,530	3,470	-	-	40,000	0.00%
M. Hanlon	36,530	3,470	-	-	40,000	0.00%
	182,648	**17,352**	**-**	**-**	**200,000**	
Total Directors	**573,792**	**54,511**	**194,828**	**-**	**823,131**	
Executives						
C. Bodley [3, 4]	**-**	**-**	**-**	**-**	**-**	-
K. Spaleck	200,000	19,000	72,765	**-**	291,765	24.94%
Total Executives	**200,000**	**19,000**	**72,765**	**-**	**291,765**	
Total	**773,792**	**73,511**	**267,593**	**-**	**1,114,896**	

2016						
Executive Directors						
M. Palancian	200,000	19,000	-	-	219,000	0.00%
D. Garner	145,000	13,775	-	-	158,775	0.00%
	345,000	**32,775**	**-**	**-**	**377,775**	
Non-executive Directors						
B. Fletcher	50,941	4,839	-	-	55,780	0.00%
J. Black	25,470	2,420	-	-	27,890	0.00%
P. Hart	25,470	2,420	-	-	27,890	0.00%
M. Hanlon [2]	19,470	1,850	-	-	21,320	0.00%
C. Bodley [3, 4]	11,484	1,098	-	-	12,582	0.00%
	132,835	**12,627**	**-**	**-**	**145,462**	
Total Directors	**477,835**	**45,402**	**-**	**-**	**523,237**	
Executives						
K. Spaleck	200,000	19,000	-	-	219,000	0.00%
Total Executives	**200,000**	**19,000**	**-**	**-**	**219,000**	
Total	**677,835**	**64,402**	**-**	**-**	**742,237**	

[1] Accounting and tax values are not the same
[2] Mr. Hanlon was appointed as a director on 1 October 2015.
[3] Mr. Bodley retired as a director on 23 December 2015.
[4] The Company paid Hanson Porter Curzon Pty Ltd professional fees during the period. Professional fees were for Company Secretarial, Accounting and Taxation services. Refer Note 27 for further information.

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Key Management Personnel Remuneration (continued)

Share Based Compensation

During the 2017 financial year, 2,250,00 options were granted to Directors and Key Management Personnel (2016: Nil). The terms and conditions of the grant of options affecting remuneration in the reporting period are as follows:

Director	Options issued as compensation	Issued Date	Value per option at Grant Date (cents)	Exercise Price (cents)	Expiry Date
M. Palancian	1,500,000	12-Dec-16	$0.13	$0.12	30-Jun-19
K. Spaleck	750,000	23-Sep-16	$0.09	$0.12	30-Jun-19
Total	**2,250,000**				

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

1,500,000 Series 3 Director Options that had an Expiry Date of 31 December 2016 were exercised and converted to ordinary shares, while 3,000,000 Options of the same series were allowed to lapse. 1,000,000 GM Operations and 1,000,000 Director Series 4 Options with Expiry's of 17 October 2016 and 10 December 2016 respectively lapsed during the year.

The assessed fair value of the options at grant date is calculated in accordance with AASB 2 Share Based payments, the values are determined using a Black –Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Additional Information
The table below sets out the performance of the company and the consequences of performance on shareholders' wealth for the past five financial years.

	2013	2014	2015	2016	2017
Quoted price of ordinary shares at year end	$0.010	$0.100	$0.180	$0.120	$0.225
Quoted price of options at period end (cents)	-	-	-	-	-
Profit/(Loss) per share (cents)	0.88	(0.64)	(3.01)	(0.75)	(0.69)
Dividends paid	-	-	-	-	-

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Service Agreements and Remuneration Commitments

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these are as follows:

Name:	Mr. Melkon Palancian
Title:	Managing Director (Previously Chief Operating Officer)
Agreement Commenced:	17 September 2014
Term of agreement:	No end date
Details:	His fixed remuneration is $200,000 per annum plus superannuation and his variable remuneration is any executive remuneration share, option or performance rights scheme or cash bonus payment as may be determined by the board.

Upon the successful completion of a fundraising to restart production at Thalanga, his annual salary is to increase to $250,000 per annum.

The Red River Board will pay a discretionary bonus of $250,000 payable in cash or shares at the option of Red River subject to the restart of commercial production at Thalanga, as defined in a publicly released document.

Mr. Palancian is required to give 3 months notice of his resignation. Termination by the Company will result in 3 months salary to Mr. Palancian by the Company.

The value of the benefit is as follows:

30 June 2017	Mr. Melkon Palancian	
Due within one year	$	50,000
Due later than one year	$	-
Total	$	50,000

Name:	Mr. Donald Garner
Title:	Executive Director (Previously Managing Director)
Agreement Commenced:	1 July 2016
Term of agreement:	No end date
Details:	His fixed remuneration is $210,000 per annum plus superannuation and his variable remuneration is any executive remuneration share, option or performance rights scheme or cash bonus payment as may be determined by the board.

Mr. Garner is required to give 3 months notice of his resignation. Termination by the Company will result in 3 months salary to Mr. Garner by the Company.

The value of the benefit is as follows:

30 June 2017	Mr. Donald Garner	
Due within one year	$	52,500
Due later than one year	$	-
Total	$	52,500

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Service Agreements and Remuneration Commitments (continued)

Name:	Mr. Karl Spaleck
Title:	General Manager of Operations
Agreement Commenced:	1 October 2014
Term of agreement:	No end date
Details:	His fixed remuneration is $200,000 per annum plus superannuation and his variable remuneration is any executive remuneration share, option or performance rights scheme or cash bonus payment as may be determined by the board.

Upon the successful completion of a fundraising to restart production at Thalanga, his annual salary is to increase to $250,000 per annum.

The Red River Board will pay a discretionary bonus of $250,000 payable in cash or shares at the option of Red River subject to the restart of commercial production at Thalanga, as defined in a publicly released document.

Mr. Spaleck is required to give 3 months notice of his resignation. Termination by the Company will result in 3 months salary to Mr. Spaleck by the Company.

The value of the benefit is as follows:

30 June 2017	Mr. Karl Spaleck	
Due within one year	$	50,000
Due later than one year	$	-
Total	$	50,000

Apart from the above described agreement there are no outstanding commitments payable to any of the key management personnel as at 30 June 2017.

Securitisation Policy
Red River Resources Limited’s security trading policy provides guidance on acceptable transactions in dealing in the company’s various securities, including shares, debt notes and options. Red River Resources Limited’s security trading policy defines dealing in company securities to include:

(a) Subscribing for, purchasing or selling company securities or entering into an agreement to do any of those things;

(b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in company securities; and

(c) Entering into agreements or transactions which operate to limit the economic risk of a person’s holdings in company securities.

The securities trading policy details acceptable and unacceptable times for trading in company securities including detailing potential civil and criminal penalties for misuse of 'inside information'. The directors must not deal in company securities without providing written notification to the Chairman. The Chairman must not deal in company securities without the prior approval of the Chief Executive Officer. The directors are responsible for disclosure to the market of all transactions or contracts involving the Company’s shares.

Directors' Report (continued)

Remuneration Report (Audited)(continued)

Voting and comments made at the Company's 2016 Annual General Meeting
The Remuneration Report passed via a show of hands at the 2016 Annual General Meeting held in December 2016.

The Company does not use a remuneration consultant.

End of Audited Remuneration Report

Environmental Regulation
So far as the directors are aware, there have been no significant breaches of environmental conditions of the Company's exploration or development licences.

Greenhouse Gas and Energy data reporting requirements

The company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 requires the company to report its annual greenhouse gas emissions and energy use.

For the year ended 30 June 2017 the company was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The company will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

Insurance of Officers
During the financial year, Red River Resources Limited paid a premium of $26,991 to insure the directors and secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage from themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of Auditors
The company has not, during or since the financial year, in respect of any person who is or has been an auditor of the company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Proceedings on behalf of the Company
No person has applied for leave of Court under S.237 of the Corporations Act 2001 to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Directors' Report (continued)

Non-audit services

The Board of Directors is satisfied that the provision of non-audit related services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that any non-audit related services provided do not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees were paid for non-audit services to the external auditors and their associated entities during the year ended 30 June 2017 and 30 June 2016.

Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 27 for the year ended 30 June 2017.

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
Non-executive Chairman

28 September 2017
Melbourne, Victoria

Auditor's Independence Declaration

ROTHSAY

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 of the 30 June 2017 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

GRSwan

Graham Swan (Lead auditor)

Rothsay Auditing

Dated 28 September 2017

Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	Consolidated 30 June 2017 $	30 June 2016 $
Revenue from continuing operations			
Revenue	**5.**	**336,704**	196,360
Other income	**5.**	**192,344**	288,692
Total revenue and other income		**529,048**	485,052
Expenses			
Employment benefits expense	**6.**	**(896,191)**	(389,874)
Occupancy costs		**(54,824)**	(40,249)
Corporate costs	**7.**	**(961,080)**	(1,056,677)
General and administration costs	**8.**	**(1,223,630)**	(524,781)
Exploration costs expensed		**(4,649)**	(725)
Total expenses		**(3,140,374)**	(2,012,306)
Loss before income tax		**(2,611,326)**	(1,527,254)
Income tax (expense) / benefit	**9.**	**-**	-
Loss after income tax		**(2,611,326)**	(1,527,254)
Other comprehensive income			
Items that may be reclassified to profit or loss		**-**	-
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**(2,611,326)**	(1,527,254)
Earnings per share			
From continuing operations:			
Basic (Loss) / earnings per share (cents)	**31.**	**(0.69)**	(0.75)
Diluted (Loss) / earnings per share (cents)	**31.**	**(0.69)**	(0.75)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 32 to 68.

Consolidated Statement of Financial Position

For the year ended 30 June 2017

	Note	Consolidated 30 June 2017 $	30 June 2016 $
Current assets			
Cash and cash equivalents	**10.**	**27,439,222**	2,493,896
Trade and other receivables	**11.**	**979,465**	36,874
Other assets	**12.**	**199,914**	48,215
Total current assets		**28,618,601**	2,578,985
Non-current assets			
Other assets	**12.**	**8,586,329**	9,454,931
Property, plant and equipment	**13.**	**18,201,791**	8,865,431
Intangibles	**14.**	**90,987**	11,186
Exploration assets	**15.**	**5,117,068**	1,604,220
Total non-current assets		**31,996,175**	19,935,768
Total assets		**60,614,776**	22,514,753
Current liabilities			
Trade and other payables	**16.**	**3,741,370**	251,953
Provisions	**17.**	**92,971**	30,647
Deferred purchase consideration	**18.**	**-**	1,500,000
Total current liabilities		**3,834,341**	1,782,600
Non-current liabilities			
Rehabilitation liabilities	**19.**	**9,071,745**	9,067,135
Total non-current liabilities		**9,071,745**	9,067,135
Total liabilities		**12,906,086**	10,849,735
Net assets		**47,708,690**	11,665,018
Equity			
Issue capital	**20.**	**60,007,871**	21,620,466
Reserves	**21.**	**4,462,922**	4,195,329
Accumulated losses	**22.**	**(16,762,103)**	(14,150,777)
Total equity		**47,708,690**	11,665,018

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 32 to 68.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

30 June 2017	Note	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2016		**21,620,466**	**4,195,329**	**(14,150,777)**	**11,665,018**
Losses for the year		**-**	**-**	**(2,611,326)**	**(2,611,326)**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**-**	**-**	**(2,611,326)**	**(2,611,326)**
Transactions with shareholders in their capacities as shareholders					
- Issue of shares	**20.**	**40,895,718**	**-**	**-**	**40,895,718**
- Cost of issue of shares	**20.**	**(2,508,313)**	**-**	**-**	**(2,508,313)**
- Issue of options	**21.**	**-**	**267,593**	**-**	**267,593**
- Cost of issue of options		**-**	**-**	**-**	**-**
Total transactions with shareholders in their capacities as shareholders		**38,387,405**	**267,593**	**-**	**38,654,998**
Balance at 30 June 2017		**60,007,871**	**4,462,922**	**(16,762,103)**	**47,708,690**

30 June 2016	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 year	-	-	(1,527,254)	(1,527,254)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(1,527,254)	(1,527,254)
Transactions with shareholders in their capacities as shareholders				
- Issue of shares	4,549,917	-	-	4,549,917
- Cost of issue of shares	(343,944)	-	-	(343,944)
- Issue of options	-	70,629	-	70,629
- Cost of issue of options	-	(2,320)	-	(2,320)
Total transactions with shareholders in their capacities as shareholders	4,205,973	68,309	-	4,274,282
Balance at 30 June 2016	21,620,466	4,195,329	(14,150,777)	11,665,018

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 32 to 68.

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	Consolidated 30 June 2017 $	30 June 2016 $
Cash flows from operating activities			
Cash receipts in the course of operations		**145,578**	339,561
Cash payments in the course of operations		**(2,721,855)**	(1,718,701)
Interest received		**336,704**	176,360
Payments for exploration and evaluation		**-**	(725)
Net cash (used in) operating activities	**29.**	**(2,239,573)**	(1,203,505)
Cash flows from investing activities			
Payment for property, plant and equipment		**(4,010,560)**	(3,080)
Release of/(Payment) for security deposits	**12.**	**868,602**	(9,069,672)
Payment for intangibles	**14.**	**(98,073)**	-
Net cash received / (payment) for mine assets		**-**	9,067,135
Payment for mine expenses (capitalised)		**(3,265,337)**	(1,055,215)
Payment for exploration expenses (capitalised)		**(3,197,138)**	(1,056,715)
Net cash (used in) investing activities		**(9,702,506)**	(2,117,547)
Cash flows from financing activities			
Proceeds from issue of shares		**38,985,000**	4,025,988
Proceeds from exercise of options		**1,910,718**	386,429
Capital raising costs		**(2,508,313)**	(275,635)
Drawdown on borrowings		**-**	-
Deferred payment consideration	**18.**	**(1,500,000)**	-
Net cash flows from financing activities		**36,887,405**	4,136,782
Net increase / (decrease) in cash and cash equivalents		**24,945,326**	815,730
Cash, deposits and cash equivalents at the beginning of the period		**2,493,896**	1,678,166
Cash and cash equivalents at the end of the period	**10.**	**27,439,222**	2,493,896

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 32 to 68.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the Corporations Act 2001. Red River Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements of Red River Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical Accounting Estimates and Significant Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 34.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red River Resources Limited ('Company' or 'Parent entity') as at 30 June 2017 and the results of all subsidiaries for the year ended then. Red River Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity or 'consolidated group'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidate entity. They are de-consolidated from the date control ceases.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

Principles of Consolidation (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidate entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the business combinations accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit or loss.

(b) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair value of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquire is measure at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and the liabilities assumed for the appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between fair value and the previous carrying amount is recognised in profit or loss. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liabilities are recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in the profit of loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

Notes to the Financial Statements
For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(b) Business Combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisions amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is capitalised if either the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale or exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquisition expenditure is accumulated in respect of each identifiable area of interest held in the name of the company. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Where the abandoned area has previously been revalued, the previous revaluation increment is reversed against the Asset Revaluation Reserve.

When production commences, the accumulated acquisition and development costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages and included in the costs of that stage.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(e) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(f) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effect interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(g) Property, Plant & Equipment

Each asset of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation
All items of property, plant and equipment (except computer software) are depreciated using the diminishing value method over their estimated useful lives to the company. The depreciation rates used for each class of asset for the current period are as follows:

- Plant & equipment	3 - 15 years
- Motor Vehicles	3 - 5 years
- Mining Properties	on a units of production basis

Assets are depreciated from the date the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Intangibles

Intangible assets acquires as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment.

Notes to the Financial Statements
For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(h) Intangibles (continued)

Any gains or losses recognised in profit or loss arising from the derecognising of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(i) Investments and Other Financial Assets

Classification

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets initially recognised at fair value with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Subsequent Measurement

Available-for-sale financial assets are subsequently measured at fair value. Changes in the fair value of available-for-sale financial assets are recognised in the statement of comprehensive income. Loans and receivables are carried at amortised cost using the effective interest method. Details on how the fair value of financial instruments is determined are disclosed in Note 2.

Impairment

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

Notes to the Financial Statements
For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(i) Investments and Other Financial Assets (continued)

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(j) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction affects neither accounting or taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment Allowances

The company may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits

(i) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Other Long-term Employee Benefit Obligations

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Share-based Payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(m) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities in the statement of financial position.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Option Fee Income is recognised when payment for the option fee is received. Revenue from the sale of investments is recognised when the relevant sale contract is executed.

(o) Contributed Equity

Ordinary issued share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(p) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(q) Provisions

Provisions for legal claims and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measure at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Joint Ventures

Interest in the joint venture operation is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred. For ‘farm in’ and ‘farm out’ arrangements the acquirer may be responsible for all the expenses during the ‘farm in’ and ‘farm out’ period. The acquisition or disposal of joint venture assets are not recognised under ‘farm in’ and ‘farm out’ arrangements until agreed upon milestones are reached.

(t) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

(u) Earnings Per Share

i. *Basic earnings per share*
Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. *Diluted earnings per share*
Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Financial Statements

For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(v) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(w) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year.

There have been no new and revised accounting standards, interpretations or amendments effective during the year which have a material impact on the Group's accounting policies or disclosures.

i. New Accounting Standards and Interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2017, but have not been applied in preparing this financial report. No accounting impact is expected as a result of these new accounting statements and interpretations.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'.

This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers

This Standard is applicable to annual reporting periods beginning on or after 1 January 2018.

This Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

Notes to the Financial Statements
For the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(w) New Accounting Standards and Interpretations (continued)

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract(s);
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract(s); and
5. recognise revenue when (or as) the performance obligations are satisfied.

The Directors have made a preliminary assessment of the impact and expect that there will be no material impact on transactions to AASB 15.

AASB 16 Leases

This Standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 16 will replace the current accounting requirements applicable to leases in AASB 117 Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116 Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead accounting for all components as a lease; and
- additional disclosure requirements.

The Directors expect that the adoption of AASB 16 will result in lease assets and liabilities being recognised on balance sheet and a change in how related expenses are incurred. The financial impact of this has not yet been determined.

Notes to the Financial Statements
For the year ended 30 June 2017

2. Financial Instruments

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business. The Board provides written principles for overall risk areas, as well as defined policies for specific risks such as credit risk.

The company holds the following financial instruments:

	Consolidated	
	30 June 2017 $	**30 June 2016 $**
Financial Assets		
Cash and cash equivalents	**27,439,222**	2,493,896
Other assets - Security deposits	**8,506,300**	9,348,602
Trade and other receivables	**979,465**	36,874
	36,924,987	11,879,372
Financial Liabilities		
Trade and other payables	**3,741,370**	251,953
	3,741,370	251,953

(a) Market Risk

(i) Foreign exchange risk
The company and its operations are limited to domestic activities within Australia.

Company sensitivity
The company's profit would not be materially different due to changes in exchange rates.

(ii) Price Risk
The company is not exposed to equity securities price risk.

The company is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk
The company's main interest rate risk arises from funds held on deposit. Funds held on deposit at variable rates expose the company to cash flow interest rate risk. Funds held on deposit at fixed rates expose the company to fair value interest rate risk. During the year the company's funds on deposit were held in Australian Dollars.

As at the reporting date, the company had the following variable rate funds on deposit:

	30 June 2017		30 June 2016	
	Weighted Ave. Interest Rate %	**Balance $**	**Weighted Ave. Interest Rate %**	**Balance $**
Funds on deposit	**2.93%**	**35,945,522**	2.27%	11,842,498

Notes to the Financial Statements
For the year ended 30 June 2017

2. Financial Risk Management (continued)

Company sensitivity

At 30 June 2017, if interest rates had changed by -100/ + 70 basis points (2016: -100/ + 70 basis points) from the year-end rates with all other variables held constant, losses for the year would have been $213,144 higher/ $218,319 lower (2016 – change of 100 bps, losses would have been higher: $89,590 / change of 70 bps losses would have been lower: $209,719), mainly as a result of higher/lower interest income from cash and cash equivalents and other cash securities. Equity would have been $213,144 lower/ $218,319 higher (2016: change of 100 bps higher: $209,719 / change of 70 bps lower: $89,590) mainly as a result of a higher/lower interest income from cash and cash equivalents and other cash securities. The company has used nominal rate fluctuations in order to illustrate the effect on full year profit from the possible movement in interest rates during the reporting period.

(b) Credit Risk

Credit risk is managed on a company basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and receivables from Joint Venture and Farm-In operations.

The Company's maximum exposure to credit risk at the reporting date was:	**Consolidated**	
	30 June 2017 $	**30 June 2016 $**
Financial Assets		
Cash and cash equivalents	**27,439,222**	2,493,896
Other assets - Security deposits	**8,506,300**	9,348,602
Trade and other receivables	**979,465**	36,874
	36,924,987	11,879,372

The directors believe that there is negligible credit risk with the cash and cash equivalents, as cash and cash equivalents are held at call and short term deposit with a reputable Australian Banking institution with a long term S&P credit rating of AA-. The other receivables relate to amounts owing from government agencies and other listed Australian Companies with substantial current assets. The receivables are within normal trading terms. No security interests are taken to cover financial assets.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank bills that are highly liquid and with maturities of less than six months.

Financing arrangements
The company does not have any financing arrangements.

Maturities of financial liabilities
The Company's only liabilities are with associated entities relating to trade payables where payments are generally within 30 days.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Financial Risk Management (continued)

(d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, Red River has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the company's assets measured and recognised at fair value at 30 June 2017 and 30 June 2016.

Consolidated - 30 June 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available-for-sale financial assets				
Equity securities	-	-	-	-

Consolidated - 30 June 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available-for-sale financial assets				
Equity securities	-	-	-	-

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid prices at the end of the financial year. These instruments are included in Level 1.

The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

3. Critical Accounting Estimates and Judgements

Estimates and Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Critical Accounting Estimates and Judgements (continued)

Key estimates

i. Impairment

During the year ended 30 June 2017, the Company did not make any significant judgements about impairment (2016: nil).

The company follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

The decline in fair value below cost for some of these assets has been considered to be significant and or prolonged. During the year ended 30 June 2017, no impairments were booked. During the year ended 30 June 2016 the Company disposed of its tenements in Western Australia and impaired Exploration and Evaluation assets by $104,779.

ii. Revenue and Contingent Assets

The Company does not have any contingent assets or revenue.

4. Going Concern

The Group made a net loss of $2.6m for the year ended 30 June 2017 and, as of that date, the Group's assets exceeded its liabilities by $47.6m .

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 had $27.4m in cash on hand at 30 June 2017 and a further $0.97m in receivables and $3.83m 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, which commenced subsequent to balance date.

The annual 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.

Notes to the Financial Statements

For the year ended 30 June 2017

5. Revenue and Other Income

	Note	Consolidated 30 June 2017 $	30 June 2016 $
Revenue			
Gold sales		**-**	20,000
Interest income		**336,704**	176,360
Total revenue		**336,704**	196,360
Other income			
Diesel rebates		**80,802**	-
Government Grants		**111,030**	-
Research and development tax rebate		**-**	288,103
Rental refunds		**512**	589
		192,344	288,692
		529,048	485,052

6. Employment Benefits Expense

		Consolidated 30 June 2017 $	30 June 2016 $
Cash salary and fees	**(a)**	**241,289**	306,699
Retirement benefits		**215,659**	58,924
Share based payments - Options	**32.**	**267,593**	-
Other employment costs		**171,650**	24,251
		896,191	389,874

(a) Cash salary and fees

During the course of the year, a further $2,310,130 in salary and wages was incurred and capitalised to Exploration and Evaluation, Mine Development costs and Property, Plant and Equipment on the balance sheet.

7. Corporate Costs

	Consolidated 30 June 2017 $	30 June 2016 $
ASIC fees	**1,923**	2,109
AGM costs	**26,000**	10,164
ASX fees	**46,557**	40,160
Audit fees	**26,000**	22,500
Insurance	**170,808**	119,331
Legal and professional fees	**553,143**	752,986
Public relations and communications	**48,550**	48,000
Share registry fees	**51,685**	24,382
Sundry	**36,414**	37,045
	961,080	1,056,677

Notes to the Financial Statements

For the year ended 30 June 2017

8. General and Administration

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Amortisation	**18,272**	7,424
Bank and finance costs	**134,023**	105,005
Depreciation	**28,940**	4,500
Impairment	**-**	104,779
Sundry	**132,757**	49,701
Thalanga site	**807,507**	191,489
Training	**10,290**	1,695
Travel	**91,841**	60,188
	1,223,630	524,781

9. Income Tax

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	**(2,611,326)**	(1,527,254)
Tax at the statutory rate of 27.5% (2016: 28.5%)	**(718,115)**	(435,267)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
- Non-deductible expenses	**74,158**	43
- Other allowable items	**(1,112,505)**	(312,550)
- Tax losses not brought into account	**1,756,462**	747,774
Income tax expense	**-**	-
Tax assets not recognised at 27.5% (2016: 28.5%)		
Unused tax losses for which no deferred tax asset has been recognised	**5,737,024**	3,980,562
Temporary differences	**(1,112,505)**	(312,550)
Potential tax benefit	**4,624,519**	3,668,012

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Notes to the Financial Statements

For the year ended 30 June 2017

10. Cash and Cash Equivalents

		Consolidated	
		30 June 2017	30 June 2016
Current	**Note**	**$**	**$**
Cash at bank and on hand		**17,627,979**	269,581
Cash at call		**9,811,243**	2,224,315
	29.	**27,439,222**	2,493,896

Risk exposure
The Consolidated entities exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

11. Trade and Other Receivables

	Consolidated	
	30 June 2017	30 June 2016
Current	**$**	**$**
Trade debtors	**66,000**	-
GST receivable	**908,838**	35,402
Other debtors	**4,627**	1,472
	979,465	36,874

Impairment of receivables
The consolidated entity has not impaired any receivables in the 2017 year (2016: Nil)

Past due but not impaired
Customers with balances past due by without provision for impairment of receivables were nil as at 30 June 2017 (2016: Nil). The consolidated entity did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

For further information, refer to Note 2 Financial Instruments.

12. Other Assets

		Consolidated	
		30 June 2017	30 June 2016
Current		**$**	**$**
Prepayments		**197,274**	46,695
Security deposits	**(a)**	**2,640**	1,520
		199,914	48,215
Non-current			
Security deposits	**(b)**	**386,497**	385,259
Rehabilitation bonds	**(c)**	**8,199,832**	9,069,672
		8,586,329	9,454,931

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

Notes to the Financial Statements

For the year ended 30 June 2017

12. Other Assets (continued)

(b) Security deposits

Cash backed security deposits of $56,497 (including accumulated interest) 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

Cash deposits are held on account with the Company's bankers and used as 100% security against bank guarantees issued and held by the State of Queensland and are used as security against the rehabilitation liabilities associated with the Company's tenements.

During the 2017 financial year, $872,302 was released from security against several tenements held with the Department of Environment and Heritage Protection.

13. Property, Plant and Equipment

(a) Carrying values	Consolidated	
	30 June 2017	30 June 2016
Non-current	$	$
Plant and equipment at cost	**3,766,262**	14,124
Accumulated depreciation	**(16,894)**	(3,658)
	3,749,368	10,466
Leasehold improvements at cost	**8,102**	-
Accumulated depreciation	**(505)**	-
	7,597	-
Motor vehicles at cost	**207,042**	-
Accumulated depreciation	**(10,314)**	-
	196,728	-
Office furniture and equipment at cost	**48,383**	5,104
Accumulated depreciation	**(8,078)**	(3,194)
	40,305	1,910
Mine properties at cost	**14,207,793**	8,853,055
Accumulated depreciation	**-**	-
	14,207,793	8,853,055
Total property, plant and equipment	**18,201,791**	8,865,431

(b) Reconciliation of carrying values at the beginning and end of periods

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Notes to the Financial Statements

For the year ended 30 June 2017

13. Property, Plant and Equipment (continued)

(b) Reconciliation of carrying values at the beginning and end of periods (continued)

30 June 2017	Mine properties $	Office furniture & equip't $	Motor vehicles $	Leasehold improvements $	Plant & equipment $	Total $
Opening net book value	**8,853,055**	**1,910**	**-**	**-**	**10,466**	**8,865,431**
Additions	**5,354,738**	**43,279**	**207,042**	**8,102**	**3,752,138**	**9,365,299**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation	**-**	**(4,884)**	**(10,314)**	**(505)**	**(13,236)**	**(28,939)**
Closing net book value	**14,207,793**	**40,305**	**196,728**	**7,597**	**3,749,368**	**18,201,791**
30 June 2016						
Opening net book value	7,850,251	3,227	-	-	10,569	7,864,047
Additions	1,002,804	-	-	-	3,080	1,005,884
Disposals	-	-	-	-	-	-
Depreciation		(1,317)	-	-	(3,183)	(4,500)
Closing net book value	8,853,055	1,910	-	-	10,466	8,865,431

(c) Property, plant and equipment pledged as security for liabilities

As at 30 June 2017, no Group Property, plant and equipment is pledged as security against any borrowings.

14. Intangibles

(a) Carrying values

Non-current	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Website development costs	**20,640**	20,640
Accumulated amortisation	**(13,904)**	(9,454)
	6,736	11,186
Software costs	**98,073**	-
Accumulated amortisation	**(13,822)**	-
	84,251	-
Total intangibles	**90,987**	11,186

(b) Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Notes to the Financial Statements

For the year ended 30 June 2017

14. Intangibles (continued)

(b) Reconciliations (continued)

30 June 2017	Software $	Website $	Total $
At beginning of period	**-**	**11,186**	**11,186**
Acquisitions	**98,073**	**-**	**98,073**
Amortisation	**(13,822)**	**(4,450)**	**(18,272)**
	84,251	**6,736**	**90,987**
30 June 2016			
At beginning of period	-	18,610	18,610
Acquisitions	-	-	-
Amortisation	-	(7,424)	(7,424)
	-	11,186	11,186

15. Exploration and Evaluation Assets

(a) Carrying values	Consolidated	
	30 June 2017	30 June 2016
Non-current	$	$
Exploration and evaluation assets at cost	**5,117,068**	1,604,220
Accumulated amortisation	**-**	-
	5,117,068	1,604,220

(b) Reconciliations

Exploration and evaluation assets		
At beginning of period	**1,604,220**	789,242
Acquisitions	**-**	-
Capitalised costs	**3,512,848**	814,978
Amortisation	**-**	-
	5,117,068	1,604,220

Total Exploration and evaluation expenditure capitalised is solely intangible. The directors have performed an impairment review based on the economic benefits that may arise. Recoverability of the carrying amount of the exploration assets is dependent on successful exploration activities.

Capitalised costs have been included in the statement of cash flows as an investing activity.

16. Trade and Other Payables

	Consolidated	
	30 June 2017	30 June 2016
Current	$	$
Trade and other payables	**3,154,658**	46,623
Accruals	**586,712**	114,906
Employment liabilities	**-**	90,424
	3,741,370	251,953

For further information, refer to Note 2 Financial Instruments.

Notes to the Financial Statements

For the year ended 30 June 2017

17. Provisions

Current	Consolidated 30 June 2017 $	30 June 2016 $
Employee entitlements	**92,971**	30,647
	92,971	30,647

All provisions are expected to be settled within 12 months.

18. Deferred Purchase Consideration

Current	Note	Consolidated 30 June 2017 $	30 June 2016 $
Deferred purchase consideration	(a)	**-**	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 was required to 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. Subsequent to the capital raising on 12 December 2016, the Company made the deferred cash payment of $1.5m on 22 December 2016.

19. Rehabilitation Liabilities

Non-current	Note	Consolidated 30 June 2017 $	30 June 2016 $
Rehabilitation liability	(a)	**9,071,745**	9,067,135
		9,071,745	9,067,135

(a) Rehabilitation liability
Rehabilitation liabilities are associated with the Company's tenements and are assessed and calculated by the Department of Environment and Heritage Protection.

The final transfer of tenements was completed in December 2015.

20. Issued Capital

	Note	Consolidated 30 June 2017 $	30 June 2016 $
Issued capital	(a)	**60,007,871**	21,620,466
		60,007,871	21,620,466

Notes to the Financial Statements

For the year ended 30 June 2017

20. Issued Capital (continued)

(a) Movements in ordinary issued capital

		30 June 2017 $	30 June 2017 No.	30 June 2016 $	30 June 2016 No.
At the beginning of the reporting period		**21,620,466**	**221,183,938**	17,414,493	177,885,550
Shares issued - Creditors	29-Sep-15	**-**	**-**	25,000	156,250
Shares issued - Exercise of options	29-Sep-15	**-**	**-**	5,000	50,000
Shares issued - Creditors	10-Nov-15	**-**	**-**	112,500	939,855
Shares issued - Placement	10-Nov-15	**-**	**-**	3,743,988	35,657,030
Shares issued - Placement	23-Dec-15	**-**	**-**	282,001	2,685,729
Shares issued - Exercise of options	03-May-16	**-**	**-**	75,000	750,000
Shares issued - Exercise of options	10-Jun-16	**-**	**-**	1,428	9,524
Shares issued - Exercise of options	17-Jun-16	**-**	**-**	305,000	3,050,000
Shares issued - Placement - T1	28-Jul-16	**6,635,518**	**55,295,985**	-	-
Shares issued - Exercise of options	05-Aug-16	**125,000**	**1,000,000**	-	-
Shares issued - Exercise of options	15-Aug-16	**320,625**	**2,137,500**	-	-
Shares issued - Exercise of options	17-Aug-16	**275,000**	**2,500,000**	-	-
Shares issued - Exercise of options	23-Aug-16	**25,714**	**171,429**	-	-
Shares issued - Exercise of options	26-Aug-16	**22,500**	**150,000**	-	-
Shares issued - Exercise of options	02-Sep-16	**107,925**	**719,500**	-	-
Shares issued - Placement - T2	07-Sep-16	**2,361,482**	**19,679,015**	-	-
Shares issued - Exercise of options	22-Sep-16	**129,290**	**1,195,262**	-	-
Shares issued - Exercise of options	05-Oct-16	**20,000**	**200,000**	-	-
Shares issued - Exercise of options	04-Nov-16	**44,250**	**295,000**	-	-
Shares issued - Exercise of options	25-Nov-16	**50,021**	**333,476**	-	-
Shares issued - Placement - T1	12-Dec-16	**14,078,500**	**76,100,000**	-	-
Shares issued - Exercise of options	30-Dec-16	**225,000**	**1,500,000**	-	-
Shares issued - Exercise of options	10-Jan-17	**165,000**	**1,100,000**	-	-
Shares issued - Placement - T2	16-Jan-17	**15,921,500**	**86,062,162**	-	-
Shares issued - Exercise of options	06-Feb-17	**51,964**	**346,429**	-	-
Shares issued - Exercise of options	10-Feb-17	**223,215**	**1,488,095**	-	-
Shares issued - Exercise of options	10-Mar-17	**7,500**	**50,000**	-	-
Shares issued - Exercise of options	21-Mar-17	**90,000**	**600,000**	-	-
Shares issued - Exercise of options	10-May-17	**15,714**	**104,762**	-	-
Cost of capital		**(2,508,313)**	**-**	(343,944)	-
At the end of the reporting period		**60,007,871**	**472,212,553**	21,620,466	221,183,938

At the commencement of the 2017 financial year, Red River issued 74,975,000 ordinary shares at $0.12 per share via the two part Placement announced to the ASX on 20 July 2016 to raise $8.9m (before costs). The first tranche (T1) was completed on 28 July 2016, with the second tranche (T2) completed on 7 September 2016, following shareholder approval received at the EGM held on 2 September 2016.

As announced to the ASX on 2 December 2016, Red River successfully received commitments to raise $30m (before costs) at $0.185 per share, to restart the Thalanga Zinc Project. The first tranche (T1) of this two part Placement was completed on 12 December 2016 by issuing 76,100,000 shares and the second tranche (T2) of 86,062,162 shares was issued on 16 January 2017.

Notes to the Financial Statements

For the year ended 30 June 2017

20. Issued Capital (continued)

(a) Movements in ordinary issued capital (continued)

During the 2017 year, several option holders elected to exercise their options and convert into ordinary shares.

On 29 September 2015 and 10 November 2015, Red River issued 156,250 ordinary shares and 939,855 ordinary shares respectively to satisfy creditors.

On 10 November 2015, Red River issued 38,342,759 ordinary shares at $0.105 per share as part of a Placement and also to existing shareholders under a Share Purchase Plan (SPP) to raise $4.02m (before costs).

During the 2016 year, several option holders elected to exercise their options and convert into ordinary shares.

(b) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(c) Capital Risk Management

The Consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that the Consolidate entity can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital. The Consolidated entity considers capital to consist of cash reserves on hand and available-for-sale financial assets.

The Consolidated entity monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing development operations. Where required the company will sell assets, issue new securities, raise debt or modify its exploration or mine development program to ensure the Consolidated entity's working capital requirements are met.

21. Reserve

The option reserve is used to recognise the grant date fair value of options issued to employees and supplied but not exercised.	Note	Consolidated 30 June 2017 $	 30 June 2016 $
Option reserve	**(a)**	**4,462,922**	4,195,329
		4,462,922	4,195,329

Notes to the Financial Statements

For the year ended 30 June 2017

21. Reserve (continued)

(a) Movements in options reserve		30 June 2017 $	30 June 2017 No.	30 June 2016 $	30 June 2016 No.
At the beginning of the reporting period		**4,195,329**	**37,361,854**	4,127,020	22,538,639
Options issued - Placement	22-Dec-15	**-**	**-**	-	18,497,563
Options issued - Brokers	22-Dec-15	**-**	**-**	70,629	6,000,000
Options issued - SPP Participants	10-Feb-16	**-**	**-**	-	673,815
Options converted - Placement	11-Sep-14	**-**	**-**	-	(50,000)
Options lapsed - Director S2	31-Dec-15	**-**	**-**	-	(2,250,000)
Options lapsed - Placement	31-Dec-15	**-**	**-**	-	(4,238,639)
Options converted - Broker	03-May-16	**-**	**-**	-	(750,000)
Options converted - SPP	10-Jun-16	**-**	**-**	-	(9,524)
Options converted - Broker	17-Jun-16	**-**	**-**	-	(3,050,000)
Options converted - Broker/Placement	05-Aug-16	**-**	**(1,000,000)**	-	-
Options converted - Placement	15-Aug-16	**-**	**(2,137,500)**	-	-
Options converted - Broker/Placement	17-Aug-16	**-**	**(2,500,000)**	-	-
Options converted - SPP/Placement	23-Aug-16	**-**	**(171,429)**	-	-
Options converted - Placement	26-Aug-16	**-**	**(150,000)**	-	-
Options converted - Placement	02-Sep-16	**-**	**(719,500)**	-	-
Options converted - SPP/Placem't/Broke	22-Sep-16	**-**	**(1,195,262)**	-	-
Options issued - GM Incentive	23-Sep-16	**72,765**	**750,000**	-	-
Options converted - Broker	05-Oct-16	**-**	**(200,000)**	-	-
Options lapsed - GM Operations	17-Oct-16	**-**	**(1,000,000)**	-	-
Options converted - Placement	04-Nov-16	**-**	**(295,000)**	-	-
Options converted - Placement	25-Nov-16	**-**	**(333,476)**	-	-
Options lapsed - Director S4	10-Dec-16	**-**	**(1,000,000)**	-	-
Options issued - MD Incentive	12-Dec-16	**194,828**	**1,500,000**	-	-
Options converted - Director S3	30-Dec-16	**-**	**(1,500,000)**	-	-
Options lapsed - Director S3	31-Dec-16	**-**	**(3,000,000)**	-	-
Options converted - Broker	10-Jan-17	**-**	**(1,100,000)**	-	-
Options converted - SPP/Broker	06-Feb-17	**-**	**(346,429)**	-	-
Options converted - Broker/Placement	10-Feb-17	**-**	**(1,488,095)**	-	-
Options converted - Placement	10-Mar-17	**-**	**(50,000)**	-	-
Options converted - Broker	21-Mar-17	**-**	**(600,000)**	-	-
Options converted - SPP/Placement	10-May-17	**-**	**(104,762)**	-	-
Cost of issuing options		**-**	**-**	(2,320)	-
		4,462,922	**20,720,401**	4,195,329	37,361,854

2017 Financial year

On the 27 October 2016, Red River held its Annual General Meeting where shareholders voted in favour of resolutions 4 and 5, to ratify the Options issue to Mr Karl Spaleck and to approve the grant of Options to Mr Mel Palancian. Details of the Options issued are summarised below.

During the 2017 year 2,625,000 Broker options, 152,382 SPP options and 5,914,071 Placement options were exercised. 1,000,000 GM Operations options, 1,000,000 Director S4 options and 3,000,000 Director S3 options lapsed at 17 October 2016, 10 December 2016 and 31 December 2016 respectively.

Notes to the Financial Statements
For the year ended 30 June 2017

21. Reserve (continued)

2016 Financial year
On 14 December 2015, Red River held its 2015 Annual General Meeting where shareholders voted in favour of a series of resolutions, including Resolutions 11, 12 and 13 to issue options to participants of the Placement completed on 10 November 2015, to eligible shareholders who subscribed for options under the prospectus dated 13 November 2015 and to the Brokers who completed the Placement on behalf of the Company.

During the year 3,800,000 Broker options, 9,524 SPP options and 50,000 Placement options were exercised. 2,250,000 Director S2 options and 4,238,639 Placement options lapsed at 31 December 2015.

Details of the calculation for the options are as follows:

Option series	Granted 2016 Broker	Granted 2017 MD Incentive	Granted 2017 GM Incentive
Exercise price	$0.15	$0.12	$0.12
No. Granted	6,000,000	1,500,000	750,000
Expiry	16-Dec-17	30-Jun-19	30-Jun-19
Share price at grant	$0.09	$0.20	$0.16
Expected volatility	50.00%	86.13%	84.04%
Risk free interest rate	2.00%	3.50%	3.50%

Option Series Unexercised at 30 June 2017. All Options are Unlisted.

Option series	Options	Placement	SPP	Broker	MD Incentive	GM Incentive
Exercise price	$0.10	$0.15	$0.15	$0.15	$0.12	$0.12
No. Unexercised	2,000,000	12,583,492	511,909	3,375,000	1,500,000	750,000
Expiry	28-Nov-17	16-Dec-17	16-Dec-17	16-Dec-17	30-Jun-19	30-Jun-19

Notes to the Financial Statements

For the year ended 30 June 2017

22. Accumulated Losses

	Note	Consolidated 30 June 2017 $	30 June 2016 $
Accumulated losses	(a)	**16,762,103**	14,150,777
		16,762,103	14,150,777

(a) Movement in Accumulated Losses

At beginning of period	**14,150,777**	12,623,523
Net loss for year	**2,611,326**	1,527,254
	16,762,103	14,150,777

23. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation

	Consolidated 30 June 2017 $	30 June 2016 $
Short-term	**773,792**	677,835
Post employment	**73,511**	64,402
Other long-term	**-**	-
Termination benefits	**-**	-
Share-based payment	**267,593**	-
	1,114,896	742,237

The remuneration dislosures are provided in the remuneration report on pages 19 to 25.

(b) Equity Instrument Disclosure Relating to Key Management Personnel

At 30 June 2017 the relevant interest of each Key Management Personnel who held office during the year in ordinary fully paid shares and options of the Company were:

Shares - 2017 Director / KMP	Balance at beginning of year	Ordinary Shares Issued as compensation	Purchases / Opt. Ex.	Becoming / Ceasing to be a director / sold	Balance at the end of the year
B. Fletcher	328,096	-	81,100	-	409,196
M. Palancian	375,000	-	-	-	375,000
D. Garner	7,594,930	-	-	-	7,594,930
P. Hart	7,782,729	-	117,271		7,900,000
J. Black	248,500	-	-	-	248,500
M. Hanlon	2,216,170	-	216,000	-	2,432,170
Total Director	18,545,425	-	414,371	-	18,959,796
C. Bodley	750,000	-	1,500,000	(400,000)	1,850,000
K. Spaleck	100,000	-	-	-	100,000
Total KMP	850,000	-	1,500,000	(400,000)	1,950,000
Total Director/KMP	19,395,425	-	1,914,371	18,179,255	20,909,796

Notes to the Financial Statements

For the year ended 30 June 2017

23. Key Management Personnel Disclosures (continued)

(b) Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Options - 2017 Director / KMP	Balance at beginning of year	Share Options Issued as compensation	Purchases	Transfers / Ex. Opt. / Ceasing to be a director	Balance at the end of the year
B. Fletcher	119,048	-	-	-	119,048
M. Palancian	1,050,000	1,500,000	-	(1,000,000)	1,550,000
D. Garner	1,500,000	-	-	(1,500,000)	-
P. Hart	1,500,000	-	-	(1,500,000)	-
J. Black	-	-	-	-	-
M. Hanlon	500,000	-	-	-	500,000
Total Director	4,669,048	1,500,000	-	(4,000,000)	2,169,048
C. Bodley	1,500,000	-	-	(1,500,000)	-
K. Spaleck	1,000,000	750,000	-	(1,000,000)	750,000
Total KMP	2,500,000	750,000	-	(2,500,000)	750,000
Total Director/KMP	7,169,048	2,250,000	-	(6,500,000)	2,919,048

Performance Rights - 2017 Director / KMP	Balance at beginning of year	Performance Rights Issued as compensation	Purchases	Transfers / Ex. Opt. / Ceasing to be a director	Balance at the end of the year
B. Fletcher	-	-	-	-	-
M. Palancian	-	1,525,423	-	-	1,525,423
D. Garner	-	711,864	-	-	711,864
P. Hart	-	-	-	-	-
J. Black	-	-	-	-	-
M. Hanlon	-	-	-	-	-
Total Director	-	2,237,287	-	-	2,237,287
C. Bodley	-	-	-	-	-
K. Spaleck	-	847,457	-	-	847,457
Total KMP	-	847,457	-	-	847,457
Total Director/KMP	-	3,084,744	-	-	3,084,744

At 30 June 2016 the relevant interest of each Key Management Personnel who held office during the year in ordinary fully paid shares and options of the Company were:

Shares - 2016 Director / KMP	Balance at beginning of year	Ordinary Shares Issued as compensation	Purchases / Opt. Ex.	Becoming / Ceasing to be a director	Balance at the end of the year
B. Fletcher	90,000	-	238,096	-	328,096
M. Palancian	275,000	-	100,000	-	375,000
D. Garner	7,594,930	-	-	-	7,594,930
P. Hart	7,668,729	-	114,000	-	7,782,729
J. Black	248,500	-	-	-	248,500
M. Hanlon [1]	-	-	1,050,000	1,166,170	2,216,170
Total Director	15,877,159	-	1,502,096	1,166,170	18,545,425

[1] M. Hanlon was appointed on 1 October 2015

Notes to the Financial Statements
For the year ended 30 June 2017

23. Key Management Personnel Disclosures (continued)

(b) Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Shares - 2016 Director / KMP	Balance at beginning of year	Ordinary Shares Issued as compensation	Purchases / Opt. Ex.	Becoming / Ceasing to be a director	Balance at the end of the year
C. Bodley [2]	750,000	-	-	-	750,000
K. Spaleck	100,000	-	-	-	100,000
Total KMP	850,000	-	-	-	850,000
Total Director/KMP	16,727,159	-	1,502,096	1,166,170	19,395,425

Options - 2016 Director / KMP	Balance at beginning of year	Share Options Issued as compensation	Purchases	Transfers / Ex. Opt. / Ceasing to be a director	Balance at the end of the year
B. Fletcher	-	-	119,048	-	119,048
M. Palancian	1,000,000	-	50,000	-	1,050,000
D. Garner	2,250,000	-	-	(750,000)	1,500,000
P. Hart	2,250,000	-	-	(750,000)	1,500,000
J. Black	-	-	-	-	-
M. Hanlon	-	-	500,000		500,000
Total Director	5,500,000	-	669,048	(1,500,000)	4,669,048
C. Bodley [2]	2,250,000	-	-	(750,000)	1,500,000
K. Spaleck	1,000,000	-	-	-	1,000,000
Total KMP	3,250,000	-	-	(750,000)	2,500,000
Total Director/KMP	8,750,000	-	669,048	(2,250,000)	7,169,048

[2] C. Bodley retired as a Director on 23 December 2015

There were no performance rights issued during 2016.

24. Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the Consolidated entity, its related practices and non-related audit firms.

	Consolidated 30 June 2017 $	 30 June 2016 $
An audit or review of the financial statements of the entity (Rothsay Auditing)	**26,000**	22,500
	26,000	22,500

Notes to the Financial Statements

For the year ended 30 June 2017

25. Events Subsequent to Balance Date

On 8 August 2017 Red River announced it had entered into Offtake Agreements with Trafigura Pte Ltd (Trafigura) for lead and zinc concentrates to be produced from the Thalanga Zinc Project. In addition, Red River entered into a Facility Agreement with Trafigura, where Trafigura will make available up to US$10,000,000 to assist, if required, with the costs of production and general working capital expenses.

On 11 September 2017 Red River announced to the market that the Thalanga Mill had been fully commissioned and that it had commenced production of copper, lead and zinc concentrate on 8 September 2017.

On 27 September 2017 Red River announced to the market that the Thalanga Mine Processing Plant had ramped up to an annualised rate of 325ktpa and that first concentrate deliveries will commence in the coming weeks with first cash flows to follow imminently thereafter.

On 28 September 2017 the Board of Directors signed the Annual Financial Report for the year ended 30 June 2017.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

26. Segment Information

The Consolidated entity operates in the mineral exploration and development industry in Australia only.

Given the nature of the Consolidated entity, its size and current operations, management does not treat any part of the entity as a separate operating segment. Internal financial information used by the Company's decision makers is presented on a whole of entity' manner without dissemination to any separately identifiable segments.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

27. Related Party Transactions

Directors

The directors of Red River Resources Limited during the financial year were:

Mr. Brett Fletcher (Appointed 1 May 2015)
Mr. Melkon Palancian (Appointed 17 October 2014)
Mr. Donald Garner (Appointed 31 March 2014)
Mr. Paul Hart (Appointed 31 March 2014)
Mr. James Black (Appointed 1 May 2015)
Mr. Mark Hanlon (Appointed 1 October 2015)

Additional directors of the Company who held office during the 2017 and 2016 years.

Mr. Cameron Bodley (Appointed 24 April 2014) (Resigned 23 December 2015)

Related Party Transaction During the Year

i. Administration and consulting services related transactions

Notes to the Financial Statements

For the year ended 30 June 2017

27. Related Party Transactions (continued)

Related Party Transaction During the Year (continued)

Director related entities paid for expenses on behalf of Red River Resources Limited throughout the year. The following table details the Company, total services provided and expenses paid for the year and balance owing at 30 June 2017 and 30 June 2016:

Related Party	Value of services for the year ended 30 June 2017 (excl. GST)	Value of services for the year ended 30 June 2016 (excl. GST)	Balance owing at 30 June 2017 (excl. GST)	Balance owing at 30 June 2016 (excl. GST)
Bronstat Pty Ltd	**$133,000**	-	**$18,200**	-
HansonPorterCurzon P/L	**$253,945**	$199,817	**$25,201**	$13,621

Bronstat Pty Ltd is a related party of Mr. Brett Fletcher. Bronstat Pty Ltd provided consulting services and expertise related to Policies, Procedures, Board and Committee Charters and Offtake and Facility Agreements. The services have been provided since 17 January 2017 on normal arms length commercial terms.

Hanson Porter Curzon Pty Ltd is a related party of Mr. Cameron Bodley. Hanson Porter Curzon Pty Ltd provided taxation, secretarial, accounting, office rental and administration services to Red River on normal arms length commercial terms from 1 April 2014.

ii. Investment in Related Entities

As at 30 June 2017, the Consolidated entity did not hold any shares in director related entities (2015: Nil).

iii. Loans to the Consolidated entity

The Company did not have any related party loans during the 2017 or 2016 financial years.

28. Commitments

The Consolidated entity has certain obligations to perform minimum exploration work on exploration tenements held. These obligations may vary over time, depending on the Consolidated entity's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Consolidated entity have not been provided for in the financial statements, however the expenditure required to maintain the exploration tenements over which the Consolidated entity has an interest in at 30 June 2016 in are listed in the table below:

Tenement Name	Tenement Holder	Grant / App'n Date	Expiry Date	Annual Rent $	5 Yr Minimum Expenditure $
EPM 10582	Cromarty Resources Pty Ltd	20/03/1995	31/12/2020	2,337	-
EPM 12766	Cromarty Resources Pty Ltd	01/09/1999	21/04/2021	452	1,124,786
EPM 14161	Cromarty Resources Pty Ltd	15/06/2004	14/06/2022	2,408	-
EPM 16929	Cromarty Resources Pty Ltd	23/02/2010	22/02/2018	3,462	891,447
EPM 25815	Hebrides Resources Pty Ltd	30/06/2015	29/06/2020	1,505	984,004
EPM 25895	Hebrides Resources Pty Ltd	07/09/2015	06/09/2020	2,025	994,004

Notes to the Financial Statements

For the year ended 30 June 2017

28. Commitments (continued)

Tenement Name	Tenement Holder	Grant / App'n Date	Expiry Date	Annual Rent $	5 Yr Minimum Expenditure $
ML 1392	Cromarty Resources Pty Ltd	17/03/1977	30/06/2020	7,344	-
ML 1531	Cromarty Resources Pty Ltd	29/01/1987	30/04/2021	40,394	-
ML 10137	Cromarty Resources Pty Ltd	14/12/1995	31/12/2027	3,191	-
ML 10185	Cromarty Resources Pty Ltd	06/10/1994	30/04/2021	1,806	-
ML 10186	Cromarty Resources Pty Ltd	06/10/1994	30/04/2021	4,395	-
ML 10277	Cromarty Resources Pty Ltd	24/02/2005	28/02/2025	1,084	-

Granted exploration tenement and mining lease statutory expenditure commitments. Committed at reporting date but not recognized as liabilities, payable:

	Note	30 June 2017 $	30 June 2016 $
Within one year		**825,401**	67,936
One to five years		**3,239,241**	5,837,554
		4,064,642	5,905,490

Refer Note 30 for commitments under Joint Ventures. There are no other commitments for expenditure.

29. Reconciliation of Operating Loss after tax to net cash used in operating activities

	Consolidated	
	30 June 2017 $	30 June 2016 $
Operating Loss after Income Tax	**(2,611,326)**	(1,527,254)
Adjustments to reconcile loss after income tax to net operating cash flows.		
Depreciation, Amortisation and Impairment	**47,211**	116,703
Share based payments expensed	**267,592**	137,500
Changes in Assets and Liabilities		
(Decrease)/increase in payables	**1,084,306**	(62,621)
(Decrease)/increase in provisions	**66,934**	12,035
(Increase)/decrease in prepayments	**(151,699)**	1,739
(Increase)/decrease in receivables	**(942,591)**	118,393
Net cash used in operating activities	**(2,239,573)**	(1,203,505)

Notes to the Financial Statements

For the year ended 30 June 2017

29. Reconciliation of Operating Loss after tax to net cash used in operating activities (continued)

(a) Reconciliation of Cash

		Consolidated	
		30 June 2017 $	**30 June 2016 $**
Cash at bank and on hand		**17,627,979**	17,627,979
Cash at call		**9,811,243**	9,811,243
	10.	**27,439,222**	27,439,222

(b) Financing Facilities Available

Total facilities at reporting date

Bank guarantee facilities	**8,476,300**	300,000
Credit facilities	**30,000**	30,000
	8,506,300	330,000

Facilities used at reporting date

Bank guarantee facilities	**8,476,300**	9,037,102
Credit facilities	**-**	-
	8,476,300	9,037,102

Facilities unused at reporting date

Bank guarantee facilities	**-**	-
Credit facilities	**30,000**	30,000
	30,000	30,000

30. Joint Ventures

NRE JV

Red River reached an agreement with privately held Natural Resources Exploration Group (NRE) to farm into its Mt Windsor Project. The Mt Windsor Project is contiguous with Red River's Liontown-Waterloo, Truncheon and Ermine Projects and consists of EPM 18470, EPM 18471 and EPM 18713 (the NRE JV). This transaction consolidates Red River's position in this highly prospective area of the Mt Windsor Belt.

The agreement with NRE provides Red River the opportunity to commence exploration activities in an area of the Belt that hosts known high grade base metal deposits such as Highway-Reward and Handcuff.

Historical production from Highway-Reward was 3.8Mt @ 6.2% Cu and 1g/t Au(1) from open pit and underground mining operations between 1998 and 2005, and the ore produced from Highway-Reward was treated at Red River's Thalanga processing plant. The primary copper mineralisation at Highway-Reward was hosted in two main pyrite (FeS_2) - chalcopyrite ($CuFeS_2$) pipes (Highway and Reward) and overlaying the primary mineralisation was a high grade supergene chalcocite (Cu_2S) – covellite (CuS) rich zone which had a historical non-JORC compliant resource 0.75Mt @ 8.7% Cu(2).

Notes to the Financial Statements

For the year ended 30 June 2017

30. Joint Ventures (continued)

Handcuff has a historical non-JORC compliant resource of 1Mt @ 0.4% Cu, 0.2% Pb and 7.4% Zn[3] and has seen little or no exploration activity since the mid-1990s.

[1] Grange Resources Limited Public Disclosure
[2] Beams S.D., Dronseika V. and Doyle M.G. (1998) The exploration history, geology and geochemistry of the polymetallic Highway-Reward deposit, Mt Windsor Subprovince, pp.189-205 Economic Geology of Northeast Queensland, the 1998 Perspective
[3] Hutton L. and Withnall I. (2007) Depositional systems, crustal structure and mineralisation in the Thalanga Province, North Queensland, pp 79-86 Mineral Exploration in the Tasmanides, AIG Bulletin 46

Key Agreement Terms

NRE Exploration Pty Ltd (EPM 18713)

Stage One	Earn a 51% interest by expending $540,000 by July 2017
Stage Two	Earn and additional 39% interest (total 90%) by expending $250,000 from July 2017 to July 2019

NRE Base Metals Pty Ltd (EPM 18470)

Stage One	Earn a 51% interest by expending $270,000 by May 2016
Stage Two	Earn an additional 39% interest (total 90%) by expending $250,000 from May 2016 to May 2018

NRE Base Metals Pty Ltd (EPM 18471)

Stage One	Earn a 51% interest by expending $85,000 by May 2016
Stage Two	Earn an additional 39% interest (total 90%) by expending $250,000 from May 2016 to May 2018

31. Earnings Per Share

	Consolidated	
	30 June 2017 $	**30 June 2016 $**
Earnings per share from continuing operations		
Loss after income tax attributable to the owners of Red River Resources Limited	**(2,611,326)**	(1,527,254)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**378,662,903**	203,029,172
Weighted average number of ordinary shares used in calculating diluted earnings per share	**378,662,903**	203,029,172
	Cents	**Cents**
Basic earnings per share	**(0.69)**	(0.75)
Diluted earnings per share	**(0.69)**	(0.75)

Notes to the Financial Statements

For the year ended 30 June 2017

32. Share-based Payments

The following share based payments existed at 30 June 2017:

	30 June 2017		30 June 2016	
	Number of options	**Weighted Ave. Exe. Price**	**Number of options**	**Weighted Ave. Exe. price**
Outstanding at the beginning of the year	8,500,000	10/15/30 cents	10,750,000	10/15/30 cents
Granted	2,250,000	12 cents	-	-
Forfeited	-	-	-	-
Exercised	(1,500,000)	15 cents	-	-
Lapsed	(5,000,000)	15/30 cents	(2,250,000)	10 cents
Outstanding at the end of the year	4,250,000	10/12 cents	8,500,000	10/15/30 cents
Exercisable at the end of the year	4,250,000	10/12 cents	8,500,000	10/15/30 cents

During the 2017 Financial year, 2,250,000 options were granted to directors and executives (2016: nil). The terms and conditions of the grant of options affecting remuneration in the reporting period are as follows:

Director	Options issued as compensation	Grant Date	Value per option at Grant Date (cents)	Exercise Price (cents)	Expiry Date
M. Palancian	1,500,000	12-Dec-16	$0.13	$0.12	30-Jun-19
K. Spaleck	750,000	23-Sep-16	$0.09	$0.12	30-Jun-19
Total	**2,250,000**				

On 29 September 2015 and 10 November 2015, Red River issued 156,250 ordinary shares at a deemed issue price of $0.16 per share and 939,855 ordinary shares at a deemed issue price of $0.1197 per share, respectively to satisfy

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

The assessed fair value of the options at grant date is calculated in accordance with AASB 2 Share Based payments, the values are determined using a Black – Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Details of the calculation for the options are as follows:

Option series	Granted 2017 MD Incentive	Granted 2017 GM Incentive
Exercise price	$0.12	$0.12
Number Granted	1,500,000	750,000
Expiry	30-Jun-19	30-Jun-19
Share price at grant	$0.20	$0.16
Expected volatility	86.13%	84.04%
Risk free interest rate	3.50%	3.50%

Notes to the Financial Statements

For the year ended 30 June 2017

32. Share-based Payments (continued)

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the year were as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Options and or shares issued as employee compensation	**267,592**	-
Shares issued to creditors as compensation	**-**	137,500
	267,592	137,500

33. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name of entity	Country of incorporation	Equity Holding 30 June 2017	Equity Holding 30 June 2016
Parent Entity:			
Red River Resources Ltd	Australia		
Subsidiaries:			
Forth Resources Pty Ltd	Australia	100%	100%
Cromarty Resources Pty Ltd	Australia	100%	100%
Hebrides Resources Pty Ltd	Australia	100%	100%

34. Parent Entity Information

Set out below is the supplementary information about the parent entity:

Statement of Comprehensive Income:	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Loss after income tax	**(736,339)**	(462,017)
Total Comprehensive Income	**(736,339)**	(444,628)

Notes to the Financial Statements

For the year ended 30 June 2017

34. Parent Entity Information (continued)

Statement of Financial Position:

Current assets	**53,203,013**	14,870,265
Non-current assets	**49,718**	52,752
Total assets	**53,252,731**	14,923,017
Current liabilities	**714,465**	303,409
Non-current liabilities	**-**	-
Total liabilities	**714,465**	303,409
Net assets	**52,538,266**	14,619,608
Issued capital	**60,007,872**	21,620,466
Reserves	**4,462,921**	4,195,329
Accumulated losses	**(11,932,527)**	(11,196,187)
Total equity	**52,538,266**	14,619,608

Guarantees entered into by the parent entity in relation to the debts of its subsidiary:

On 22 December 2016, the Company made the final deferred payment of $1.5m to Kagara Limited (in liquidation). Subsequently, the guarantee and the security associated with the deed previously entered into at the time of the Thalanga Assets Acquisition offered by the parent entity, has been extinguished.

Contingent liabilities

The parent entity's contingent liabilities and commitments were the same as that of the consolidate entity.

Significant accounting policies

Significant accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1 except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment. Dividends received from subsidiaries are recognized as other income by the parent entity and its receipt may be an indicator of impairment of the investment.

- Equity settled awards by the parent to employees of subsidiaries are recognized as an increase in investment in the subsidiary with a corresponding credit to equity and not as a change to profit or loss. The investment in subsidiary is reduced by any contribution by the subsidiary.

Directors' Declaration

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

1. the financial statements and notes set out on pages 32 to 68 are in accordance with the Corporations Act 2001, including:

    a) complying with the Accounting Standards and the Corporations Act 2001 and other mandatory professional reporting requirments, and

    b) giving a true and fair view of the consolidated entity's financial position at 30 June 2017 and of its performance for the year ended on that date.

    c) complying with IFRS and interpretations adoped by the International Accounting Standards Board.

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.

3. The directors have been given the declaration by the Managing Director, Melkon Palancian, as required by Section 295A of the Corporations Act 2001.

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
Non-executive Chairman

28 September 2017
Melbourne, Victoria

Independent Auditors' Review Report

ROTHSAY
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

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF RED RIVER RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Red River Resources Limited ("the Company") and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Independent Auditors' Review Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Exploration and evaluation expenditure and Mine properties

The group has incurred significant expenditure on Exploration and evaluation and on Mine properties which has been capitalised. As the carrying value of this capitalised expenditure represents a significant asset of the Group we considered it necessary to assess whether facts and circumstances exist to suggest that the carrying amount of these asset may exceed their recoverable amount.

In doing so we carried out the following work in accordance with the guidelines set out in *AASB 6 Exploration for and Evaluation of Mineral Resources and AASB 136 Impairment of Assets*. Our procedures included but were not limited to the following:

- We obtained evidence that the Group has valid rights to explore in the licence areas represented by the capitalised exploration and evaluation expenditure;
- We enquired of management and reviewed work programs and the 2018 budget to ensure that further expenditure on the licence areas in the Group's areas of interest was planned and cross referenced these discussions to ASX announcements and minutes of directors' meetings;
- We tested a sample of current year expenditure on exploration and mine properties to source documents;
- We assessed the appropriateness of the allocation of costs between operating and capital expenditure based on the nature of the underlying activity;
- We visited the Thalanga Mine site and physically vouched additions to mine properties and observed exploration being conducted;
- We obtained an understanding of the key processes associated with management's review of the carrying values of capitalised exploration and evaluation expenditure and challenged management's assertion that the carrying amount of

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the capitalised expenditure was likely to be recovered in full from successful development or sale; and

- Critically assessing and evaluating management's assessment that no indicators of impairment exist.

We have also assessed the appropriateness of the disclosures included in Notes 1, 13 and 15 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

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Independent Auditors' Review Report

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion the remuneration report of Red River Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Chartered Accountants

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

Independent Auditors' Review Report

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay

Rothsay Auditing

Dated 28 September 2017

Graham Swan FCA
Partner

Chartered Accountants

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

Corporate Governance Statement

The Board and management of Red River Resources Limited are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) (Recommendations) to the extent appropriate for the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (Corporate Governance Statement).

The Corporate Governance Statement is accurate and up to date as at 28 September 2017 has been approved by the Board.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4 the Corporate Governance Statement is available for review on the Company's website (www.redriverresources.com.au) and will be lodged together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.redriverresources.com.au).

Shareholder Information

ASX Information

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Top twenty largest Shareholders as at 26 September 2017.

	Number of shares	% of capital held
NATIONAL NOMINEES LIMITED	46,720,437	9.87%
J P MORGAN NOMINEES AUSTRALIA LIMITED	31,320,929	6.62%
CITICORP NOMINEES PTY LIMITED	18,089,683	3.82%
UBS NOMINEES PTY LTD	17,080,075	3.61%
BNP PARIBAS NOMS PTY LTD <DRP>	16,687,668	3.52%
LIDO TRADING LTD	13,184,000	2.78%
BUTTONWOOD NOMINEES PTY LTD	12,773,299	2.70%
NERO RESOURCE FUND PTY LTD <NERO RESOURCE FUND A/C>	7,613,569	1.61%
MR DONALD GARNER	7,594,930	1.60%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	5,790,412	1.22%
BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	5,000,000	1.06%
MRS ANNA CARINA HART + MR PAUL HART <HART FAMILY SUPER FUND A/C>	5,000,000	1.06%
SOUTHERN CROSS CAPITAL PTY LTD	4,550,000	0.96%
R J MUFFET PTY LTD <R J MUFFET SUPER FUND A/C>	4,500,000	0.95%
WYMOND INVESTMENTS PTY LTD <DEE WHY SALES P/L SUPER A/C>	4,500,000	0.95%
MERSOUND PTY LTD	4,125,000	0.87%
LODDY PTY LTD <HALL FAMILY SUPER FUND A/C>	4,100,000	0.87%
MR DAVID ROTHWELL	3,700,000	0.78%
FERGUSON CORPORATION PTY LTD <FERGUSON'S FURNITURE S/F A/C>	3,528,657	0.75%
BRAHAM INVESTMENTS PTY LTD <BRAHAM STAFF SUPER FUND A/C>	3,336,021	0.70%
Total top twenty Shareholders	**219,194,680**	**46.30%**
Total other Shareholders	254,267,873	53.70%
Total Shareholders	**473,462,553**	**100.00%**

Unmarketable Parcel

Minimum parcel size of $500 equates to approx. 2,128 shares at $0.235 per share of which there are 102 holders with a total of 72,088 shares.

The substantial Shareholders of the Company as at 26 September 2017 were:

Substantial Shareholder	Number Held	Percentage
Tribeca Investment Partners Pty Ltd	30,023,820	6.34%
Contango Asset Management Limited	27,259,126	5.76%
Ausbil Investment Management Limited	24,460,694	5.17%

Shareholder Information

Distribution of Shareholders as at 26 September 2017

Range of Holding	Holders	Shares
1 - 1,000	72	16,579
1,001 - 5,000	315	1,162,537
5,000 - 10,000	405	3,532,112
10,001 - 100,000	1,215	51,690,429
100,000 - over	487	417,060,896
	2,494	473,462,553

Top twenty largest Optionholders as at 26 September 2017.

	Number of options	% of options held
ZENIX NOMINEES PTY LTD	2,000,000	11.61%
FOSTER STOCKBROKERING NOMINEES PTY LTD <NO 1 ACCOUNTS>	1,250,000	7.26%
MS JANE KATHERINE TAYLOR	1,000,000	5.81%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,000,000	5.81%
WYMOND INVESTMENTS PTY LTD <DEE WHY SALES P/L SUPER A/C>	750,000	4.36%
NAILBITER PTY LTD <NAILBITER SUPER FUND A/C>	500,000	2.90%
BUPRESTID PTY LTD <HANLON FAMILY S/F A/C>	500,000	2.90%
MR WILLIAM HENRY HERNSTADT	500,000	2.90%
MR CLIVE ALEXANDER LANDALE	476,191	2.77%
MR NICHOLAS ALAN BROWNHILL	333,350	1.94%
RAMUDA PTY LTD <JA KNOX MGMNT SVCS S/F A/C>	250,000	1.45%
SAM GOULOPOULOS PTY LTD <S GOULOPOULOS F/SUPER A/C>	250,000	1.45%
SECU PTY LTD <SECU PTY LTD S/F A/C>	250,000	1.45%
T E & J PASIAS PTY LTD	250,000	1.45%
YONDRO PTY LTD <PASIAS FAMILY A/C>	250,000	1.45%
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F A/C>	238,095	1.38%
MRS SARAH KAY DALY	238,095	1.38%
REDLAND PLAINS PTY LTD <BRIAN BERNARD RODAN S/F A/C>	238,095	1.38%
MR LINDSAY GEORGE DUDFIELD & MRS YVONNE SHEILA DOLING DUDFIELD <LG DUDFIELD PENSION FUND A/C>	200,000	1.16%
PRATTENVILLE PASTORAL CO PTY LTD <THE P PASTORAL CO S/F A/C>	200,000	1.16%
Total top twenty Optionholders	**10,673,826**	**61.98%**
Total other Optionholders	6,546,575	38.02%
Total Optionholders	**17,220,401**	**100.00%**

All Options must have vested and be eligible for exercise.

Interest in Mining Tenements

Interest in tenements held at 30 June 2017.

Tenement Name	Holder	Grant Date	Expiry Date	Beneficial Interest
QUEENSLAND				
Thalanga				
EPM 10582	Cromarty Resources Pty Ltd	20/03/1995	31/12/2020	100%
EPM 12766	Cromarty Resources Pty Ltd	01/09/1999	21/04/2021	100%
EPM 14161	Cromarty Resources Pty Ltd	15/06/2004	14/06/2017	100%
EPM 16929	Cromarty Resources Pty Ltd	23/02/2010	22/02/2018	100%
EPM 25815	Hebrides Resources Pty Ltd	30/06/2015	29/06/2020	100%
EPM 25895	Hebrides Resources Pty Ltd	07/09/2015	06/09/2020	100%
ML 1392	Cromarty Resources Pty Ltd	17/03/1977	30/06/2020	100%
ML 1531	Cromarty Resources Pty Ltd	29/01/1987	30/04/2021	100%
ML 10137	Cromarty Resources Pty Ltd	14/12/1995	31/12/2027	100%
ML 10185	Cromarty Resources Pty Ltd	06/10/1994	30/04/2021	100%
ML 10186	Cromarty Resources Pty Ltd	06/10/1994	30/04/2021	100%
ML 10277	Cromarty Resources Pty Ltd	24/02/2005	28/02/2025	100%