

Quarterly Activities and Cash Flow Report for the period ending 30 June 2019

Quarter Highlights

- Continued strong quarterly production of zinc, lead and copper concentrates
- Thalanga Far West development continues – stoping expected to commence shortly
- Cash balance increased by \$4.7 million to \$25.9 million
- Acquisition of Hillgrove Gold-Antimony Project in NSW for \$4 million payable in Red River shares (23.0 million shares) announced subsequent to end of quarter

Thalanga Operations

- Zinc concentrate production of 9,057 DMT (up 1% from Q3 FY19)
- Lead concentrate production of 3,369 DMT (down 10% from Q3 FY19)
- Copper concentrate production of 1,806 DMT (up 7% from Q3 FY19)

Development Activities

- Thalanga Far West underground mine development continues – 873 development metres completed during Q4
- \$3.9 million in capital development, primarily at Far West
- \$0.5 million invested in exploration activities

Corporate

- \$30.5 million revenue from concentrate sales
- C1 cost of US\$ 0.44 per pound of payable zinc metal
- C2 cost of US\$ 0.68 per pound of payable zinc metal
- C3 cost of US\$ 0.87 per pound of payable zinc metal
- Thalanga Operations EBITDA of \$7.6 million
- Cash balance of \$25.9 million plus financial assets of \$8.5 million (cash backed security bond deposits) as at 30 June 2019
- Red River's working capital facility of US\$10 million remains undrawn and the Company remains debt free

1. PRODUCTION AND OPERATIONS

1.1. Safety and Environmental Performance

The site headcount during the period was 164 people. There were 72 full-time Red River Resources employees and an additional 92 contractors working in exploration and mining, with 99,666 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) for Red River Resources is 8 for the year to date. There were 3 medical treated injuries during the quarter, and zero Lost Time Injuries (LTIs) year to date.

1.2. Thalanga Operations Summary

Thalanga Operations quarterly mine production was 90kt @ 0.5% Cu, 2.3% Pb, 5.0% Zn, 0.2 g/t Au & 43 g/t Ag (9.8% Zn Eq.) Thalanga Operations processed 104kt @ 0.6% Cu, 2.6% Pb, 5.4% Zn, 0.3g/t Au & 56 g/t Ag (11.2% Zn Eq.)

Zinc concentrate production increased by 1% from Q3 FY19, with 9,057 DMT zinc concentrate produced. Lead concentrate production fell by 10% from Q3 FY19, with 3,369 DMT lead concentrate produced, and copper concentrate production improved 7% from Q3 FY19 with 1,806 DMT copper concentrate produced.

Zinc recovery to zinc concentrate was stable and averaged 88.7% for the period and a high-quality zinc concentrate grading 55.4% zinc was produced. Lead recovery to lead concentrate reduced slightly to 79.7%, and a high-quality lead concentrate grading 64.5% Pb, 2.7 g/t Au & 822 g/t Ag was produced.

Copper recovery to copper concentrate continued to maintain the high levels of the previous quarter, with an average recovery of 71.1% during the quarter to a high-quality copper concentrate grading 23.8% Cu, 6.8 g/t Au and 1,116 g/t Ag.

1.3. Concentrate Sales & Marketing

Red River sold 9,902 DMT zinc concentrate, 3,422 DMT lead concentrate and 1,927 DMT copper concentrate during the quarter.

The Company continued to execute a short-term hedging program over the quotation period (QP) for sales of zinc and lead metal already produced. Typically, between 80 and 90% of the payable zinc and lead metal for each shipment of zinc and lead concentrates was hedged for the period from the issue of the first provisional sales invoice to the final settlement of the sale, which may occur between one and three months later. The QP hedges currently in place on the quarter's zinc and lead concentrate sales range between US\$1.13 and US\$1.27 per pound of payable zinc metal and US\$0.88 per pound of payable lead metal.

Table 1 Thalanga Operations Summary for the June 2019 Quarter (Q4 FY19)

	Units	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
Total Tonnes Mined	kt	84	90	96	106	90	383
Copper grade	%	0.3	0.3	0.4	0.6	0.5	0.4
Lead grade	%	1.9	2.2	2.4	3.1	2.3	2.5
Zinc grade	%	4.3	5.0	5.4	5.8	5.0	5.3
Gold grade	g/t	0.2	0.2	0.2	0.3	0.2	0.2
Silver grade	g/t	30	31	39	53	43	42
Zinc equivalent grade	%	8.1	8.8	9.9	11.9	9.8	10.2
Ore Processed	kt	70	98	95	109	104	407
Copper grade	%	0.4	0.3	0.4	0.5	0.6	0.5
Lead grade	%	2.2	2.2	2.6	2.9	2.6	2.6
Zinc grade	%	4.7	4.3	5.2	5.5	5.4	5.1
Gold grade	g/t	0.2	0.1	0.2	0.3	0.3	0.2
Silver grade	g/t	40	30	46	55	56	47
Zinc equivalent grade	%	9.1	8.2	10.1	11.4	11.2	10.3
Zinc Concentrate Produced	DMT	5,477	6,800	7,695	8,952	9,057	32,504
Zinc grade	%	56.0	55.0	56.8	59.3	55.4	56.7
Zinc recovery	%	88.0	89.2	87.8	88.6	88.7	88.6
Lead Concentrate Produced	DMT	2,065	2,747	3,007	3,763	3,369	12,886
Lead grade	%	58.2	62.2	65.7	69.3	64.5	65.7
Copper grade	%	4.5	4.3	2.9	1.6	1.6	2.5
Gold grade	g/t	3.9	3.6	2.6	2.6	2.7	2.8
Silver grade	g/t	984	787	786	831	822	809
Lead recovery	%	77.3	80.1	80.6	81.9	79.7	80.7
Copper recovery	%	34.2	36.0	22.6	10.3	9.0	16.8
Copper Concentrate Produced	DMT	330	417	725	1,694	1,806	4,642
Copper grade	%	28.2	27.9	28.6	25.4	23.8	25.5
Gold grade	g/t	2.8	2.3	7.6	6.7	6.8	6.5
Silver grade	g/t	540	225	1,311	956	1,116	1,008
Copper recovery	%	34.3	35.1	54.1	73.5	71.1	62.2
Zinc Concentrate Sold	DMT	5,174	5,749	7,121	9,052	9,902	31,824
Lead Concentrate Sold	DMT	2,242	2,616	2,828	3,758	3,422	12,624
Copper Concentrate Sold	DMT	352	535	347	2,008	1,927	4,817

Table may include rounding errors

2. CORPORATE

2.1. Financial Performance

Financial performance of the Thalanga Operation is summarised in the table below.

Table 2 Thalanga Operations Financial Summary and Indicative Cash Costs for the June 2019 Quarter (Q4 FY19) and FY2019 YTD (unaudited)

	Units	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY2019
Revenue	\$m	17.2	16.3	18.2	32.6	30.5	97.6
Thalanga Operations EBITDA	\$m	(0.4)	1.3	1.7	12.5	7.6	23.1
Indicative Cash Costs							
Payable zinc metal produced	Mlb	5.7	7.0	8.2	9.9	9.4	34.5
Indicative C1 Cash Cost	US\$/lb payable Zn	0.93	0.70	0.47	0.14	0.44	0.41
Indicative C2 Cost	US\$/lb payable Zn	1.33	1.02	0.73	0.37	0.68	0.67
Indicative C3 Cost	US\$/lb payable Zn	1.57	1.22	0.93	0.58	0.87	0.87
All numbers and data are rounded. Discrepancies in totals may exist due to rounding. Payable metal is derived from concentrate offtake agreements C1 cash cost includes actual cash costs plus notional costs (concentrate logistics and realisation costs) C1 cash cost includes credits for copper, lead, gold and silver notionally priced at for the period (Q4 FY19: copper US\$2.77/lb, lead US\$0.85/lb, gold US\$1309/oz and silver US\$14.89/oz)							

Revenue during the quarter was \$30.5 million, with \$17.2 million from sale of zinc metal in concentrate, \$5.6 million from the sale of lead metal in concentrate, \$3.4 million from sale of copper metal in concentrate and \$4.3 million from sale of payable precious metals (gold and silver) contained in copper and lead concentrates.

Thalanga Operations quarterly EBITDA (unaudited) was \$7.6 million, a decrease of \$4.9 million over the prior quarter. Revenue was \$2.1 million lower than the previous quarter due to lower metal prices. Sales realisation expenses were \$0.3 million higher and operating costs were \$2.3 million higher than the previous quarter, primarily due to mine development requirements at West 45 Mine to access the Lens 6 orebody and mining costs attributed to the development ore from the new Far West Mine.

C1 Cash costs for the period increased compared to the prior quarter primarily due to a 5% decrease in payable zinc metal contained in zinc concentrate, a 12% decrease in the value of by-product credits (due to lower metal prices) and the increased mining costs mentioned above.

Cash at bank at the end of the quarter was \$25.9 million, an increase of \$4.7 million. This was after investing \$3.9 million in mine development, (primarily the Far West underground mine) and \$0.5 million in exploration.

2.2. Royalty Update

Red River and its wholly-owned subsidiary, Cromarty Resources Pty Ltd, have filed their defence and cross claim in the proceedings commenced by Thalanga Copper Mines Pty Ltd on 24 February 2019 and continue to defend the proceedings vigorously. Red River will continue to update the market on these proceedings.

2.3. Queensland Government Mineral Royalty Update

The Queensland Government has advised Red River's wholly owned subsidiary, Cromarty Resources Pty Ltd, that effective from July 1 2019, the Thalanga Operation is required to submit and pay its Queensland Government Mineral Royalty on a quarterly basis. This means that the annual royalty due for FY19 (approx. \$4.2 million) will be payable by 30 September 2019, with quarterly royalty payments for FY20 payable by the end of the month following the end of the quarter (i.e. the royalties for the July – September 2019 quarter are payable by 31 October 2019). This will have a once off impact on cashflow, however, going forward paying quarterly will effectively smooth our cashflows.

3. PROJECT DEVELOPMENT

3.1. Drilling

During the quarter, Red River completed a drill program to infill and test for westerly extension of the upper Far West resource following the positive results from drilling during 2018. The program comprised of 3 surface diamond drill holes TH858 to TH860. No significant mineralisation was intercepted due to andesitic flows stopping out the mineralisation.

Red River commenced a second drill program to increase confidence in the grade of mineralisation and test the geotechnical stability of the ground around a known failure zone from the old Thalanga West workings. The program is currently on its final hole (TH864). TH861-TH863 all intersected medium to high-grade mineralisation (assays pending) (refer to Table 5). Geotechnical assessment of the drill holes is in progress.

Table 3 Thalanga Operations Development Drilling Summary

Project	Holes Completed	Total Metres Drilled
Far West	6	1,348
Total	6	1,348

Table 4 Drill hole information summary, Far West

Hole ID	Depth (m)	Dip	Azi (MGA)	East (MGA)	North (MGA)	RL (MGA)	Lease ID	Hole purpose	Hole Status
TH858	287.3	-60	200	371012	7750810	335.7	ML1531	Infill	Complete
TH859	294.3	-62	193	370942.9	7750781	337	ML1531	Extension	Assays pending
TH860	245	-62	198	370913.8	7750793	338	ML1531	Extension	Assays pending
TH861	244.96	-61	17	371298.5	7750485	329.3	ML1531	Geotech	Assays pending
TH862	191.1	-57	8	371256	7750489	329	ML1531	Geotech	Assays pending
TH863	152.1	-56	12	371361	7750484	329	ML1531	Geotech	Assays pending
TH864	32.4*	-66	12	371361	7750484	329	ML1531	Geotech	Drilling

*Hole being drilled at the end of the quarter

Table 5 Drill hole geological information summary, Far West

Hole ID	From (m)	To (m)	Intersection (m) ⁽¹⁾	Mineralisation Intercept Description	Status
TH861	161.3	168.45	7.15	Massive-semi massive sulphides including sphalerite, galena and chalcopryrite	Assays pending
TH862	164.75	169.1	4.35	Exhalative mineralisation. Chalcopryrite and sphalerite stringers with blebs of galena.	Assays pending
TH862	169.65	170.35	0.70	Massive-semi massive pyrite with chalcopryrite stringers	Assays pending
TH862	175.5	178.45	2.95	Chalcopryrite and sphalerite stringers and blebs of galena.	Assays pending
TH863	106.4	110.4	4.00	Pyrite and chalcopryrite stringers with 0.2m of massive pyrite. Patchy high-grade sphalerite and galena.	Assays pending

(1) Downhole width

3.2. Far West Mine

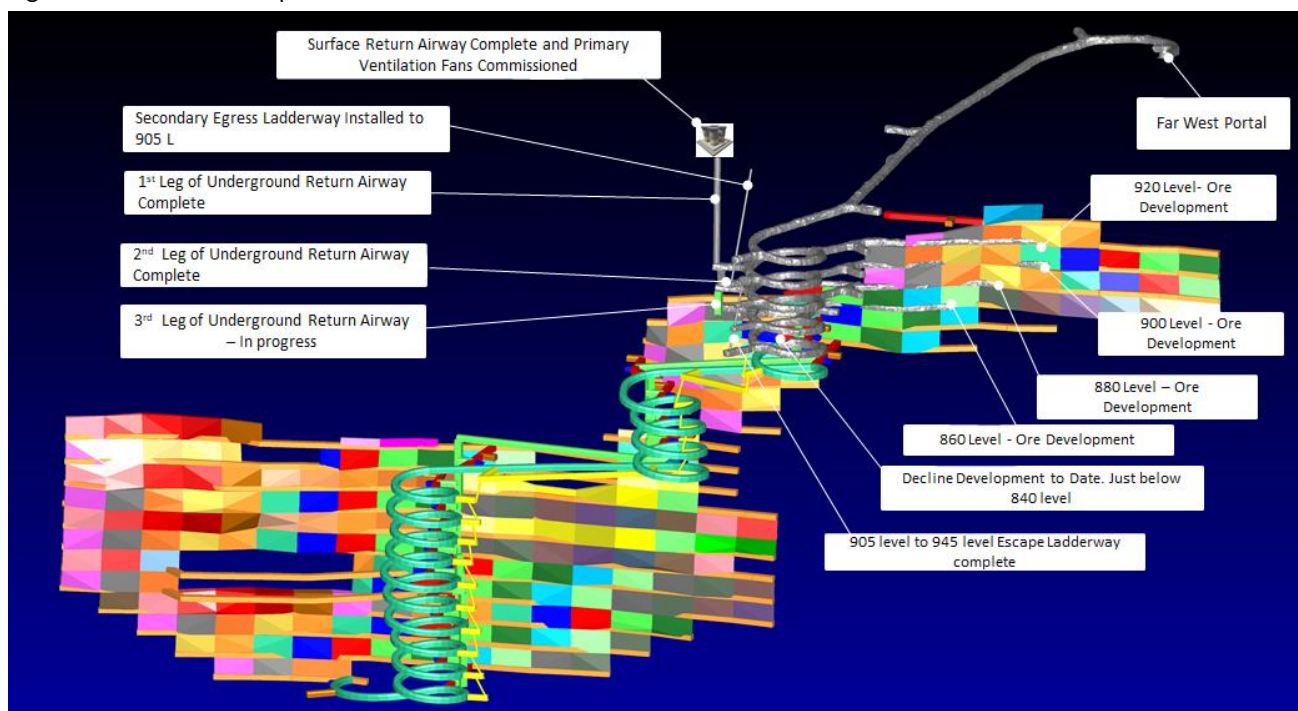
Far West development continued during the quarter with development of 873m (558m capital development and 315m ore drive development). Total development at Far West to quarter end was 2,568m including 1,240m of decline development. During the quarter, approximately 14kt of development ore was mined from Far West and stoping is scheduled to commence next quarter.

Table 6 Far West Development

	Quarter Total	
Ore Development	315m	4m of ore drive development on the 920 Level 75m of ore drive development on the 900 Level 134m of ore drive development on the 880 Level 102m of ore drive development on the 860 Level
Capital Development	558m	280m of decline development 230m lateral development 48m of vertical development (Return Air Rise to 865 Level and escape ladderways down to 845 Level)

The Far West decline is currently at 175m vertical depth. It has passed the 840 Level access and continues downwards to the 820 Level access.

Figure 1 Far West Development



3.3. Thalanga Operations

Red River commenced work investigating the benefits of installing a gravity gold concentrator in the Thalanga Mill. The objective of the gold concentrator is to increase recoveries of free gold and to maximise payable gold production at Thalanga. If successful, it is likely that the gold concentrate will be blended with either the copper or lead concentrate.

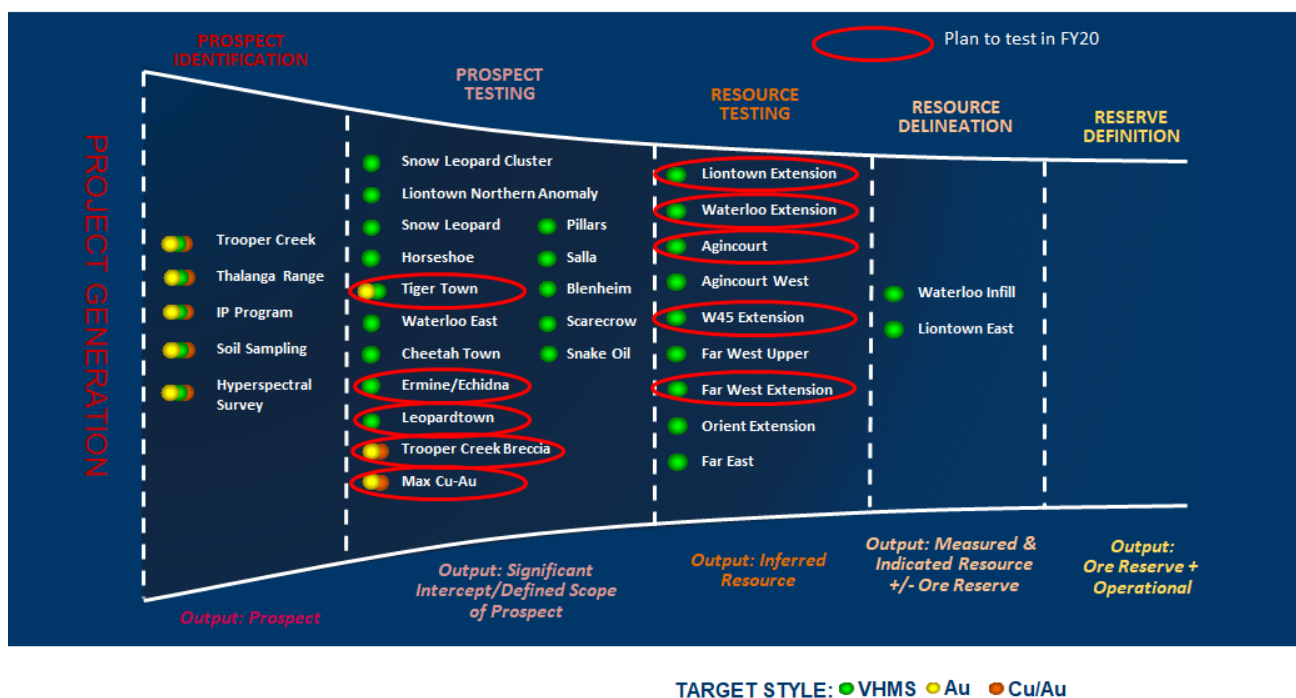
4. EXPLORATION

Red River restarted exploration activities during the quarter after the recent period of inclement weather, with drilling commencing at Liontown and geochemical sampling and mapping commencing at other targets. Field exploration activities carried out during the quarter included:

- Soil sampling and geological check mapping along Thalanga Range continued with the objective of defining further drill targets within close proximity to the Thalanga mine infrastructure.
- Detailed field mapping and sampling, as well as geophysical and geochemical evaluation was conducted on EPM12766 Ermine during the quarter.
- Reconnaissance mapping and sampling was conducted over Max Cu-Au prospect which is located 3km west-south-west of the Liontown Project.

Prospect reviews and target ranking across Red River’s ground holding in the Mt Windsor Belt were also conducted.

Figure 2 Mt Windsor Belt Exploration Project Pipeline



4.1. Drilling Activities

During the quarter, Red River commenced a 22-hole (5,000m) Liontown drilling program. The drilling program is targeting three key areas and is expected to take at least six months to complete.

Main Lens Uppers (15 holes – 3,500m)

- Infill proposed mining areas
- Geotechnical design assessment of conceptual mining plus additional metallurgical testwork
- Extend known mineralisation in Main Lens and Carrington Lode

Decline Area sterilisation (3 holes - 600m)

- Geotechnical design assessment; test for Main Lens extension

Western Footwall Lens (4 holes - 900m)

- Infill the Western Footwall Lens.

At the end of the quarter, Red River had completed one drill hole at Liontown, with 506m drilled.

Table 7 Exploration Development Drilling Summary

Project	Holes Completed	Total Metres Drilled
Liontown	1	506
Total	1	506

For further information regarding the Liontown drilling program, please refer to the ASX release “Red River commences Liontown drilling program” dated 25 June 2019.

On behalf of the Board



CAMERON BODLEY

Company Secretary

Red River Resources Limited

End.

For further information please visit Red River's website www.redriverresources.com.au or contact us:

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Appendix A – Tenement Interests

As at 30 June 2019, Red River had an interest in the following mining leases (ML) and exploration permit minerals (EPM).

Project	Location	Licence	Status	Beneficial Interest
Thalanga Base Metal Operation	Queensland	EPM 10582	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 12766	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 14161	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 16929	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 25815	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 25895	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 26718	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM18713	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 18470	Granted	100%
Thalanga Base Metal Operation	Queensland	EPM 18471	Granted	100%
Thalanga Base Metal Operation	Queensland	ML 1392	Granted	100%
Thalanga Base Metal Operation	Queensland	ML 1531	Granted	100%
Thalanga Base Metal Operation	Queensland	ML 10137	Granted	100%
Thalanga Base Metal Operation	Queensland	ML 10185	Granted	100%
Thalanga Base Metal Operation	Queensland	ML 10186	Granted	100%
Thalanga Base Metal Operation	Queensland	ML 10277	Granted	100%

COMPETENT PERSON STATEMENT

Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Steven Harper who is a member of The Australasian Institute of Mining and Metallurgy, and a full time employee of Red River Resources Ltd., and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code).

Mr Harper consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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, payability 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 zinc equivalent (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.

Where:

Metallurgical Recoveries are derived from historical metallurgical recoveries from test work carried out the Thalanga and Waterloo deposits. The Thalanga Central and Ermine deposits are related to and of a similar style of mineralisation to the Thalanga Deposit and it is appropriate to apply similar recoveries. The Metallurgical Recovery for each metal is shown below in Table 1.

Metal Prices and Foreign Exchange assumptions are set as per internal Red River price forecasts and are shown below in Table 1.

Table 1 Metallurgical Recoveries and Metal Prices

			Thalanga Central and Ermine	Waterloo (Fresh Resource)
Metal	Units	LT Price		
Copper	US\$/lb	US\$3.00	80%	80%
Lead	US\$/lb	US\$0.90	70%	70%
Zinc	US\$/lb	US\$1.00	88%	88%
Gold	US\$/oz	US\$1,200	50%	50%
Silver	US\$/oz	US\$17.00	65%	65%

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 from Thalanga Central, Waterloo and Ermine. Payable metal factors are detailed below in Table 2.

Table 2 Payable Metal Factors

Metal	Payable Metal Factor
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
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:

$$\text{Zn Eq.} = (\text{Zn}\% \times 1.0) + (\text{Cu}\% \times 3.3) + (\text{Pb}\% \times 0.9) + (\text{Au ppm} \times 0.5) + (\text{Ag ppm} \times 0.025)$$

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 3 Metal Equivalent Factors

Mineral Resource	Copper (CuMEF)	Lead (PbMEF)	Zinc (ZnMEF)	Gold (AuMEF)	Silver (Ag MEF)
Thalanga Central and Ermine	3.3	0.9	1.0	0.5	0.025
Waterloo (Fresh)	3.3	0.9	1.0	0.5	0.025

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Diamond drilling was used to obtain core samples Samples consist of half NQ2 drill core Sample intervals were selected by company geologists based on visual mineralisation Intervals ranged from 0.5 to 1.45m based on geological boundaries Samples were sawn if half using an onsite core saw and sent to Intertek Genalysis laboratories Townsville. Samples were crushed to sub 6mm, split and pulverised to sub 75µm in order to produce a representative sub-sample for analysis. Analysis consisted of a four acid digest and Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) for the following elements; Ag, As, Ba, Bi, Ca, Cu, Fe, K, Mg, Mn, Na, Pb, S, Sb, Ti, Zn, & Zr. A selection of samples was also assayed for Au using a 30g Fire Assay technique
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling techniques consist of; HQ3 diamond core drilling until in competent ground typically from 8 to 18m down hole NQ2 diamond core drilling for the remainder of the drill holes.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core is measured every meter with recovery and RQD taken over the meter interval Sample recovery is measured and recorded by company trained geology technicians and geologists Any issues with recovery is always checked against drillers run sheet. Good ground conditions have been encountered to date
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, 	<ul style="list-style-type: none"> Holes are logged to a level of detail that will support mineral resource estimation. Qualitative logging includes lithology, alteration, structures and textures

Criteria	JORC Code explanation	Commentary
	<p><i>mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • <i>Quantitative logging includes sulphide and gangue mineral percentages</i> • <i>All drill core was photographed</i> • <i>All drill holes have been logged in full</i>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • <i>Core was sawn and half core sent for analysis</i> • <i>Sample preparation is industry standard, occurring at an independent commercial laboratory</i> • <i>Samples were crushed to sub 6mm, split and pulverised to sub 75µm in order to produce a representative sub-sample for analysis</i> • <i>Laboratory certified standards were used in each sample batch</i> • <i>The sample sizes are considered to be appropriate to correctly represent the mineralisation style</i>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • <i>The assay methods employed are considered appropriate for near total digestion</i> • <i>Laboratory certified standards were used in each sample batch</i> • <i>Certified standards returned results within an acceptable range</i>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • <i>Laboratory results are reviewed by Company geologists and laboratory technicians</i>
<p>Location of data points</p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource</i> 	<ul style="list-style-type: none"> • <i>Collars surveyed by Company surveyor</i> • <i>Down hole surveys conducted with magnetic multi-shot digital camera</i> • <i>Coordinate system used is MGA94 Zone 55</i>

Criteria	JORC Code explanation	Commentary
	<p>estimation.</p> <ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Topographic control is based on a detailed 3D Digital Elevation Model
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • The drilling has been designed on approximately 40m x 40m spacing • This data spacing and distribution is sufficient to establish a degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedures applied. • No sample compositing has been applied
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Drill holes are orientated perpendicular to the perceived strike of the host lithologies • Drill holes are drilled at a dip based on logistics and dip of anomaly to be tested • The orientation of the drilling is designed to not bias sampling
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples have been overseen by company geologists during transport from site to Intertek Genalysis laboratories, Townsville.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • No audits or reviews have been carried out at this point

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The drilling was conducted on Mining Lease ML1531 ML1531 is held by Cromarty Pty Ltd. (a wholly owned subsidiary of Red River Resources) and form part of Red River's Thalanga Zinc Project No Native Title exists over ML1531 The Mining Leases are in good standing
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historic Exploration was carried out by PanContinental Mining & RGC Exploration. This included drilling and geophysics
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The exploration model is Volcanic Hosted Massive Sulphide (VHMS) base metal mineralisation The regional geological setting is the Mt Windsor Volcanic Sub-province, consisting of Cambro-Ordovician marine volcanic and volcano-sedimentary sequences
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes, including, easting and northing, elevation or RL, dip and azimuth, down hole length, interception depth and hole length. If the exclusion of this information is justified the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Refer to Table 4: Drill Hole Details Refer to Table 5: Drill hole Geological Information Summary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Interval length weighted assay results are reported Significant Intercepts are chosen based on the context of the results, for example significant intercepts relating to resource definition are generally > 5% Zn Equivalents. Refer to Appendix 1 for metal equivalent calculation methodology

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The mineralisation is interpreted to be steeply dipping. Drill holes have been angled to intercept the mineralisation as close to perpendicular as possible. • Down hole intercepts are reported. True widths are likely to be 60-70% of the down hole widths.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plans and sections. 	<ul style="list-style-type: none"> • Refer to plans and sections within report
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • The accompanying document is considered to represent a balanced report
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported. 	<ul style="list-style-type: none"> • All meaningful and material data is reported
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 	<ul style="list-style-type: none"> • Further drilling is planned based on the results of this current program

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Red River Resources Limited

ABN

35 100 796 754

Quarter ended ("current quarter")

June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	28,687	96,130
1.2 Payments for		
(a) exploration & evaluation	(513)	(4,278)
(b) development	(3,915)	(12,666)
(c) production	(10,300)	(42,002)
(d) staff costs	(2,429)	(9,101)
(e) administration	(196)	(724)
(f) corporate costs	(525)	(1,764)
(g) sales realisation expenses	(6,356)	(20,441)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	85	260
1.5 Interest and other costs of finance paid	-	(200)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 GST / BAS (provide details if material)	328	819
1.9 Net cash from / (used in) operating activities	4,866	6,033
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(61)	(460)
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(c) investments	-	-
(d) other non-current assets	(3)	(238)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material) (Security bonds returned)	-	300
2.6 Net cash from / (used in) investing activities	(64)	(398)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	90	90
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	668
3.6 Repayment of borrowings	(200)	(653)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(110)	105

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	21,227	20,178
4.2 Net cash from / (used in) operating activities (item 1.9 above)	4,866	6,033
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(64)	(398)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(110)	105

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	25,918	25,918

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	18,618	20,927
5.2	Call deposits	7,300	300
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,918	21,227

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

158

NIL

Director fees (NED and Executive) - \$158,000

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

27

NIL

Provision of accounting, taxation and corporate secretarial services – Hanson Porter Curzon Pty Ltd

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	USD10,000	-
8.2 Credit standby arrangements	30	30
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 USD Credit Facility

8.2 Credit card facility.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	600
9.2 Development (capital)	3,500
9.3 Production	13,000
9.4 Staff costs (included in production / development costs)	3,000
9.5 Administration and Corporate costs	1,000
9.6 Other (sales realisation costs \$6,000; Qld Govt annual mineral royalty payment \$4,200)	10,200
9.7 Total estimated cash outflows	28,300

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



29 July 2019

Sign here:

Date:

Company secretary

Cameron Bodley

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.