



COMPANY UPDATE

TCM Proceedings:

Red River Resources' (ASX: RVR) appeal in relation to its royalty dispute with Thalanga Copper Mines Pty Ltd (TCM), a subsidiary of Vedanta Resources Limited, has been dismissed. The Proceedings, commenced in 2019, related to the obligation for Red River's wholly owned subsidiary, Cromarty Resources Pty Ltd (Cromarty) to pay royalties to TCM at its Thalanga Operations in northern Queensland, a liability it inherited when it acquired the project in 2014.

The judgement sum is approximately \$20 million which is payable within 28 days of judgement being entered. Prior to these Proceedings, there was no cap on the time period or dollar amounts that Red River would have paid to TCM. Once paid, Red River will have no ongoing royalty obligations to TCM.

RVR has already placed \$10 million in a trust account (from existing cash) and Red River's Board will determine how it will finance the remainder from existing resources. Red River maintains an undrawn US\$15 million debt facility with Trafigura Pte Ltd, which may be used for this purpose.

Thalanga Production:

Ore milled at Thalanga for Q2 FY2022 has been below usual due to increased ground control requirements at the Far West underground mine, particularly cable bolting and shotcrete. Red River's mining contractor Pybar has committed to providing additional resources at Far West to minimise the impact.

Red River expects normal production rates will resume in Q3 FY2022, after the Company achieved record quarterly copper concentrate production of 4,411 tonnes at Thalanga, as well as solid increases in production of zinc and lead concentrates in Q1 FY2022.

Liontown:

Red River is developing Liontown as its third deposit as part of its Thalanga Operations. Liontown is a high-grade, gold-rich polymetallic deposit with a current Mineral Resource of 4.1Mt @ 0.6% Cu, 1.9% Pb, 5.9% Zn, 1.1 g/t Au & 29 g/t Ag (12.7% Zn Eq)¹. Red River expects to develop a combined open pit and underground development with a conceptual mine life of 10+ years.

Red River has completed and submitted the Environmental Authority for the Liontown Project and is progressing it as quickly as possible, with plans for mining to commence next year.

Red River has installed and is commissioning the Falcon gravity gold recovery circuit at Thalanga to increase recovery of gold, particularly when it commences mining at Liontown.

Hillgrove:

Red River's Board has approved mining of the Syndicate resource at its Hillgrove Gold Project in New South Wales. Syndicate represents an opportunity to self-fund an aggressive exploration program over the next 12

¹ See ASX Announcement 26 August 2021

months. Red River has issued a tender for an underground mining contractor and site visits are underway in preparation for restart of the underground operations.

Drilling:

Red River has received some drillhole assays for Thalanga and Hillgrove which it will release by the end of November. Like many companies, Red River is experiencing extended turnaround times for assays due to assay laboratories being overwhelmed with samples.

The Company's focus remains on normalising production at Far West, developing Liontown, restarting underground mining at Hillgrove and growing resources at both mines.

On behalf of the Board,

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