



ACN 100 796 754

ASX Announcement

ASX Code: RVR

24 November 2021

2021 AGM – Chairman’s Address

Dear Fellow Shareholder,

As we reflect on a year which saw us become a multi-asset, multi-commodity Australian mining company, continuing to grow our operations and deliver on our goals.

Red River commenced gold production at our Hillgrove Gold Mine in New South Wales in December 2020, just over a year after acquiring this project for \$4 million in scrip. Bringing this project into production, adding to our existing Thalanga Operations in Queensland, was an amazing feat given the ongoing disruptions and uncertainty over the past 12-18 months due to the global COVID-19 pandemic. It was truly a testament to the hard work of our Hillgrove team and our management in achieving this.

We commenced gold production at Hillgrove via the processing of material from the Bakers Creek stockpile, producing a high-quality gold dore and gold concentrate. Production has provided us with a greater understanding as we continue to shape our strategy for Hillgrove. Drilling enabled us to increase the Hillgrove Mineral Resource estimate to 1 million ounces of gold, plus 90,000 tonnes of antimony, a critical mineral designated by the Australian Government. With this resource update, we confirmed Hillgrove as hosting the largest antimony resource in Australia and the ninth largest antimony resource in the world.

At the same time, our drilling has discovered halo-style mineralisation around the existing higher-grade deposits at Hillgrove which needs further examination and could deliver a multi-million-ounce gold project on top of Hillgrove’s antimony resource. As we control the whole mineral field at Hillgrove, we see plenty of upside. We believe our work to date and historical production has only just scratched the surface, as deposits remain open and we have many targets yet to test. We are working hard to create a strategy that will help us achieve Hillgrove’s full potential.

At our Thalanga Operations, we achieved consistent performance through the year, with our copper production and recoveries improving towards the end of FY21 and the project generating strong cash flow. We have continued to drill the Far West deposit in parallel with our mining and we are planning development of our third deposit, Liontown, to come online next year. Post year-end, we announced some outstanding high-grade polymetallic intercepts from Liontown and we are looking forward to growing this resource with ongoing drilling into next year.

While our Herberton silver-indium project in far north Queensland is still in the early stages of exploration, we are really excited by the potential there to date. Our Herberton tenements host the highest-grade known silver-indium deposits in Australia, with indium also designated as a critical mineral by Geoscience Australia, and Herberton also hosts an exciting bulk tonnage silver target. We’ve completed magnetic and Induced Polarisation surveys at Orient which

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have identified multiple large silver-indium targets, so our next priority is to complete ground truthing before we get to drilling there, which is expected in the next few months.

Red River's business continues to perform well, generating \$119.5 million revenue for FY21, predominately from our Thalanga Operations with about \$4 million generated by Hillgrove gold sales. This allowed us to finish the year with a strong cash balance of \$19.1 million plus financial assets of \$12.9 million including cash-backed security bonds and deposits. This strong cash flow allows us to continue to invest in and grow our business as we strive to create value for our shareholders.

On an underlying basis (ie., excluding the one-off cost provided for the settlement of the TCM royalty dispute) the consolidated entity achieved an underlying EBITDA of \$42.7 million and underlying Net Profit after Tax of \$21.0 million, or 4.1 cents per ordinary share.

Subsequent to the end of FY21, the judgement sum for the royalty dispute relating to Thalanga has been determined at approximately \$20 million. It is pleasing to bring this matter to a conclusion as it was a liability which we inherited in 2014 when we acquired the Thalanga mine. Prior to this judgement, the royalties were not capped with time or dollar amounts and once paid, there will be no ongoing royalty obligations to Thalanga Copper Mines Pty Ltd.

During the year, we welcomed high profile Australian business leader Ian Smith to our Board. Ian is a mining engineer with more than 40 years' experience in the mining and services sector, who has held some of the most senior positions in the Australian resources industry including his former role as Managing Director and CEO of Newcrest Mining. Ian has a wealth of experience and his appointment marked an important step in Red River's continued growth as a multi-asset mining business. His contribution so far has been invaluable.

Long-term Executive Director Donald Garner departed Red River earlier this year to pursue new opportunities and we thank Donald for his important contribution to Red River's growth during his tenure and we wish him well in his future endeavours.

In addition, I take this opportunity to thank my fellow Board members for their guidance and support in FY21 and our management and staff for their stellar efforts throughout the year to help Red River continue to achieve its goals.

I also thank our Shareholders for your continued confidence and belief in Red River to grow its multi-asset, multicommodity production.

The year ahead looks to be another busy one as we continue to develop Red River and our projects to their full potential. We have the opportunity to expand our production profile and to grow our strong base metal and gold prospects over the next 12 months. I hope you will continue to share that journey with us.

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