



Red River Secures Copper Off-take Agreement with Glencore

Highlights:

- The off-take agreement runs for three years from commencement of commercial production at Thalanga
- Glencore will take delivery of the copper concentrate at the Thalanga mine gate
- The agreement will help to minimise Red River's working capital requirements
- Red River is close to finalising its off-take agreements for the lead and zinc concentrate streams

Near-term zinc producer Red River Resources Limited (ASX: RVR) ("Red River" or the "Company") is pleased to announce it has executed an off-take agreement for copper concentrate production from its Thalanga Zinc Project with Glencore International A.G. ("Glencore").

Red River's Managing Director Mel Palancian commented: "We are extremely pleased to have entered into a copper concentrate off-take agreement with Glencore.

This is a key milestone for Red River. Being able to deliver concentrate at the mine gate to Glencore is very advantageous to both companies.

This represents the culmination of a highly competitive copper concentrate off-take process that commenced at the end of 2016.

We look forward to finalising the zinc and lead concentrate off-take agreements."

About Glencore

Glencore is a world leading integrated commodity producer and trader, operating globally. Glencore covers over 90 commodities encompassing metals & minerals, energy products and agricultural products as well as related marketing and logistics activities.

Glencore's operations comprise around 150 mining and metallurgical, oil production and agricultural assets. Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries, employing around 155,000 people, including contractors.

Glencore has a significant footprint in Queensland, and owns significant infrastructure, notably the Mount Isa Copper smelter and the Townsville copper refinery, as well as a number of mining assets across commodities prominently including base metals and coal.

Glencore trades in and distributes physical commodities sourced from third party producers as well as Glencore's own production. Glencore also provides financing, processing, storage, logistics and other services to commodity producers and consumers.

Thalanga Zinc Project Background

Red River released a Restart Study (the internal study prepared by Red River to assess the potential restart of the Thalanga Zinc Project) in November 2015, which demonstrated the highly attractive nature of the Project. The Project has a low operating cost, low pre-production capital cost (\$17.2 million), and a short timeline to production (six months).

Annual average production is 21,400 tonnes of zinc, 3,600 tonnes of copper, 5,000 tonnes of lead, 2,000 ounces of gold and 370,000 ounces of silver in concentrate over an initial mine life of five years, and there is outstanding extension potential.

Please refer to ASX release dated 12 November 2015 for further details on the Thalanga Zinc Project Restart Study. Red River confirms that all material assumptions underpinning the production target in the ASX release dated 12 November 2015 continue to apply and have not materially changed.

The Thalanga Zinc Project Restart Study is based on production from three deposits – West 45, Far West and Waterloo. The Thalanga Zinc Project Restart Study is based on low level technical and economic assessments and there is insufficient data to support the estimation of Ore Reserves at Far West and Waterloo, provide assurance of an economic development case at this stage, or provide certainty that the results from the Thalanga Zinc Project Restart Study will be realised. Further, as the production target that forms the basis of the Thalanga Zinc Project Restart Study includes Mineral Resources that are in the Inferred Category and there is a low level of geological confidence associated with Inferred Mineral Resources, there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

On behalf of the Board,

Mel Palancian
Managing Director
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