

29 July 2021

Quarterly Activities and Cash Flow Report for the period ending 30 June 2021

Quarter Highlights

- Closing cash balance of \$19.1 million (increase of \$3.6 million for the quarter)
- Solid production and cash generation at Thalanga Operations
- Former Newcrest Managing Director Ian Smith joined Red River board as a Non-Executive Director

Thalanga Operations

- Quarterly copper concentrate production of 3,565 DMT, zinc concentrate production of 6,311 DMT and lead concentrate production of 1,350 DMT
- High priority target identified at Coronation near Thalanga after micro gravity survey
- Seven diamond drill holes completed (1,610m) at Far West; no material results
- Drilling commenced at Liontown; 18 reverse circulation (RC) holes (1,624m) and one diamond drill hole completed, awaiting assays

Hillgrove Gold Project

- Red River commenced gold concentrate sales to Glencore International AG
- Eight diamond drill holes (1,700m) were completed at Curry's and Garibaldi

Herberton

- Red River completed drone magnetics and induced polarisation survey at Orient prospect (Herberton, North Queensland). Surveying identified multiple large high-chargeability targets of which 4 have not been previously recognised

Corporate

- \$31.6 million revenue generated for the quarter, with \$28.3 million from base metal concentrate sales at Thalanga Operations and \$3.2 million from Hillgrove Gold Mine
- \$2.6 million invested in capital development, primarily at Far West
- \$0.8 million invested in restart activities at Hillgrove
- \$0.8 million invested in exploration activities at Thalanga and Hillgrove Operations
- Cash balance of \$19.1 million plus financial assets of \$12.9 million (cash backed security bonds and deposits) as at 30 June 2021.

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1. SAFETY AND ENVIRONMENTAL PERFORMANCE

1.1. Thalanga Base Metal Operations Safety and Environmental Performance

Thalanga's site headcount during the period was 180 people. There were 75 full-time Red River Resources employees and an additional 105 contractors working in exploration and mining, with a total 93,866 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 20.91 for the full year. There was one medically treated injury during the quarter, and no Lost Time Injury (LTIs).

1.2. Hillgrove Gold Mine Safety and Environmental Performance

The Hillgrove Gold Mines site headcount during the period was 54 people including contractors with 34,791 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is zero for the full year. There were zero medical treated injuries during the quarter, and zero Lost Time Injuries (LTIs).

1.3. Coronavirus (COVID-19) Update

Red River continues to implement preventative measures to reduce risk to employees and operations at all sites. These preventative measures include increased hygiene practices, restrictions on non-essential travel, social distancing, limiting visitors to site and remote working where possible.

Thalanga and Hillgrove are residential operations and Red River is striving to ensure its workforce and the communities in which it operates are not impacted.

2. THALANGA BASE METAL OPERATIONS (QUEENSLAND)

Red River's Thalanga Operations is located approximately 65km southwest of Charters Towers in Northern Queensland and 200km from Townsville. Thalanga consists of a 650ktpa capacity processing plant which produces separate copper, lead and zinc concentrates with material precious metal (gold and silver) credits.

Thalanga is in the highly prospective Cambro-Ordovician Mt Windsor Volcanic Belt which contains a number of known polymetallic (copper-lead-zinc +/- gold-silver) volcanic hosted massive sulphide (VHMS) deposits and gold deposits.

Red River acquired the Thalanga Operations in 2014 and commenced production from the West 45 deposit in 2017. Production from West 45 ceased in 2020 and ore for the Thalanga Operation is currently being sourced from the Far West underground mine, with plans to develop the Lione town deposit to extend the operational life of Thalanga.

2.1. Operations Update

Thalanga Operations mined 101kt @ 1.2% Cu, 1.3% Pb, 4.0% Zn, 0.2 g/t Au & 40 g/t Ag (10.1% Zn Eq.), and processed 97kt of ore grading 1.1% Cu, 1.4% Pb, 3.9% Zn, 0.2 g/t Au & 44 g/t Ag (10.0% Zn Eq.).

Copper concentrate production was up 14% from Q3 FY21, with 3,565 DMT of copper concentrate produced. Copper recovery to copper concentrate averaged 80.3% for the period, with an average copper concentrate grade of 24.0% Cu, 1.8 g/t Au and 351 g/t Ag.

Zinc concentrate production decreased 9% from Q3 FY21, with 6,311 DMT zinc concentrate produced. Zinc recovery to zinc concentrate averaged 89.1% for the period and a high-quality zinc concentrate grading 52.7% zinc was produced.

Lead concentrate production decreased 16% from Q3 FY21, with 1,350 DMT lead concentrate produced. Lead recovery to lead concentrate was 66.1%, with an average concentrate grade of 68.1% Pb, 4.0 g/t Au & 1,447 g/t Ag produced during the period.

2.2. Concentrates Sales & Marketing

Thalanga sold 6,261 DMT zinc concentrate, 1,471 DMT lead concentrate and 3,398 DMT copper concentrate during the quarter. Base metal concentrates were delivered under long-term offtake agreements to Trafigura (zinc and lead concentrate) and Glencore (copper concentrate).

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 one to three months later. The QP hedges currently in place on the quarter's zinc concentrate sales range between US\$1.31 and US\$1.38 per pound of payable zinc metal, were US\$1.00 per pound of payable lead metal in lead concentrate and ranged between \$4.23 and US\$4.53 per pound of payable copper metal in copper concentrate.

Table 1: Thalanga Operations Summary for Q4 FY2021 (Quarter ended 30 June 2021)

	Units	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21
Total Tonnes Mined	kt	83	99	92	87	101	379
Copper grade	%	1.1	1.5	1.2	1.2	1.2	1.3
Lead grade	%	1.3	1.3	1.4	1.4	1.3	1.4
Zinc grade	%	3.7	4.2	4.0	4.3	4.0	4.1
Gold grade	g/t	0.2	0.1	0.2	0.2	0.2	0.2
Silver grade	g/t	42	47	44	43	40	43
Zinc equivalent grade	%	9.6	11.7	10.2	10.8	10.1	10.7
Ore Processed	kt	82	103	112	95	97	407
Copper grade	%	1.0	1.3	1.1	1.1	1.1	1.2
Lead grade	%	1.3	1.7	1.6	1.7	1.4	1.6
Zinc grade	%	3.4	4.2	3.9	4.4	3.9	4.1
Gold grade	g/t	0.2	0.3	0.2	0.2	0.2	0.2
Silver grade	g/t	44	55	42	49	44	47
Zinc equivalent grade	%	9.2	11.5	10.3	10.9	10.0	10.7
Zinc Concentrate Produced	DMT	4,544	7,026	7,430	6,959	6,311	27,726
Zinc grade	%	54.0	53.9	52.8	53.4	52.7	53.2
Zinc recovery	%	86.4	87.3	89.1	89.1	89.1	88.6
Lead Concentrate Produced	DMT	1,133	1,947	1,914	1,613	1,350	6,824
Lead grade	%	67.5	64.4	68.8	67.1	68.1	67.0
Copper grade	%	2.1	3.3	1.8	1.3	1.0	2.0
Gold grade	g/t	4.6	5.2	4.7	5.1	4.0	4.8
Silver grade	g/t	1,747	1,647	1,497	1,541	1,447	1,540
Lead recovery	%	69.7	72.7	74.4	69.2	66.1	10.7
Copper recovery	%	2.8	4.8	2.7	2.0	1.3	2.9
Copper Concentrate Produced	DMT	2,697	4,073	3,564	3,068	3,565	14,270
Copper grade	%	26.5	26.8	28.4	25.7	24.0	26.3
Gold grade	g/t	2.5	1.9	1.4	1.7	1.8	1.7
Silver grade	g/t	367	365	299	318	351	335
Copper recovery	%	84.7	81.4	79.4	74.5	80.3	79.2
Zinc concentrate sold	DMT	4,151	6,630	8,286	6,700	6,261	27,877
Lead concentrate sold	DMT	1,003	1,953	2,024	1,484	1,471	6,932
Copper concentrate sold	DMT	2,326	4,233	3,735	3,025	3,398	14,391

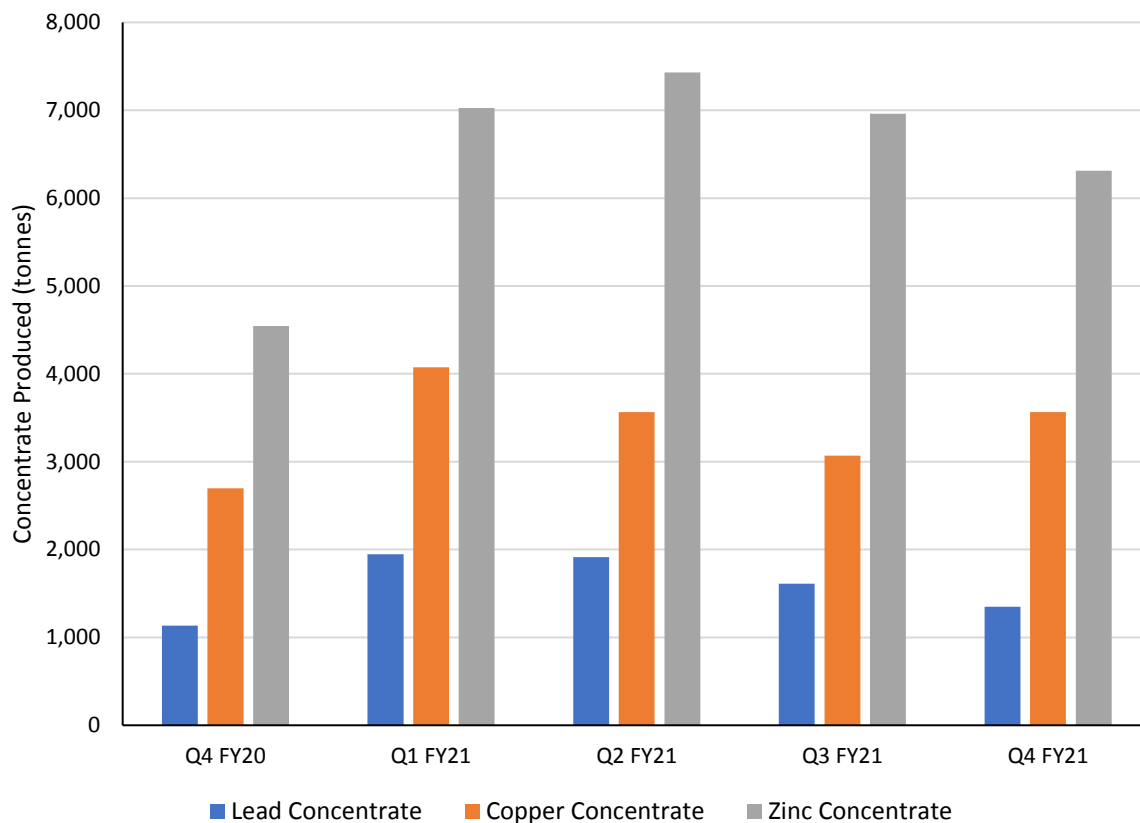


Figure 1: Thalanga Quarterly Concentrate Production

Revenue by Metal (FY2021)

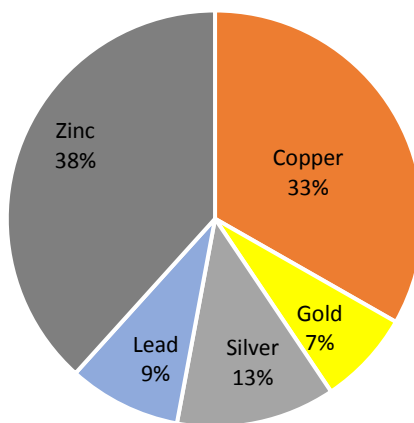


Figure 2: Thalanga FY2021 Revenue Split

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2.3. Project Development Activities

During the quarter, Red River continued to develop the Far West UG Mine:

- Capital development of 493m was completed for the quarter (232m lateral capital development and 261m of decline development)
- Operating Development of 617m
- Total Development during the quarter was 1,110m.

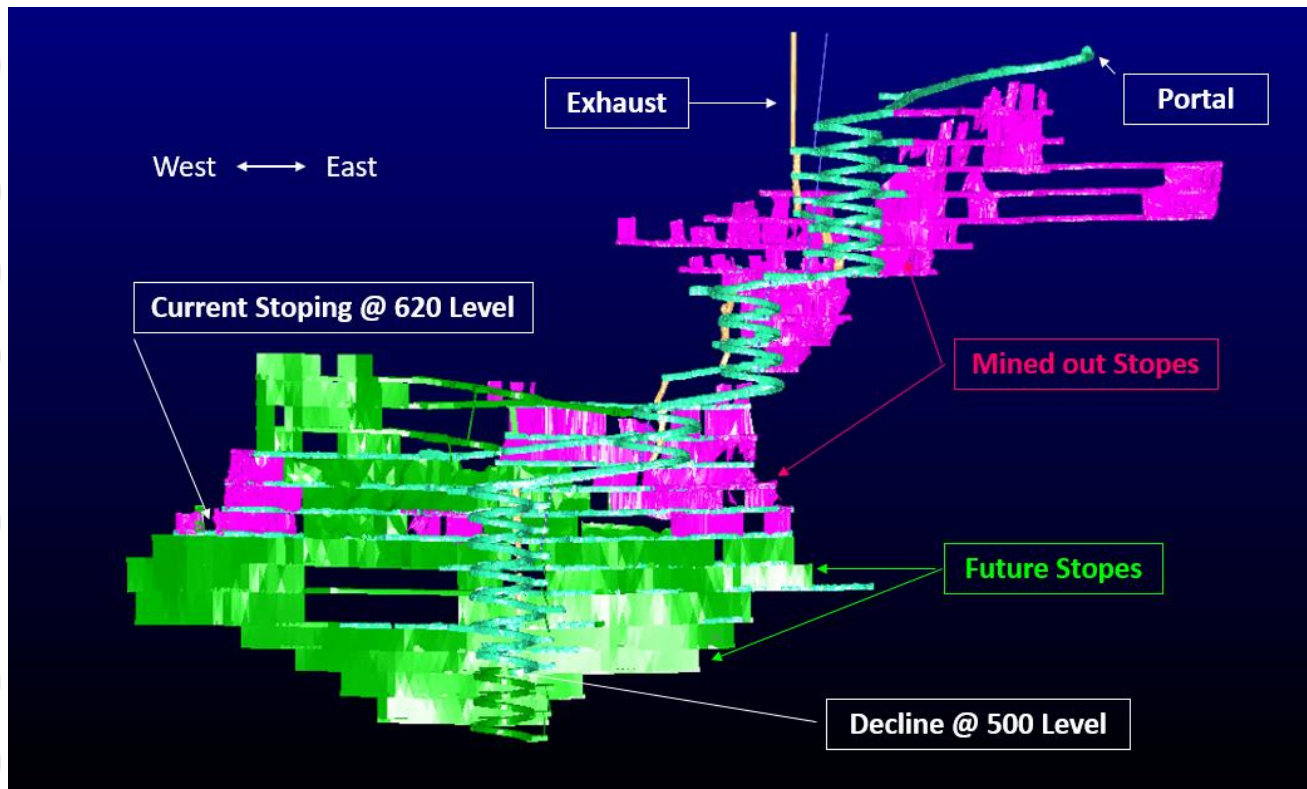


Figure 3: Long Section of Thalanga (facing North) ~ June 30 2021

Red River commenced drilling at Far West to define/extend the upper western fringes of the orebody from surface (4 holes) and from underground to define lower extensions to the east, (3 holes). There are no material results to report and the drilling has confirmed the economic limits of these areas. Underground drilling is continuing in the lower western extents.

During the quarter, Red River continued permitting, mine design and scheduling activities for the Liontown Project, with the focus being on a combined open pit and underground development with a conceptual mine life of 10+ years. Liontown is a high-grade, gold-rich polymetallic deposit and is set to be Red River's third deposit developed for mining at Thalanga.

Liontown drilling commenced with nine holes completed for a total of 1,642m across RC and diamond drilling (Figure 4). Drilling is aimed at delineation of resources to be mined in the early years of production and then will focus on resource extensions and satellite targets.

The Liontown Project has 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) and is located approximately 32km in a direct line from Red River's Thalanga operations and 107km by road. The trucking route by existing road would consist of 21km by unsealed road from Liontown to the junction with the sealed Gregory Development Road, then 86km by sealed road (Gregory Development Road, Flinders Highway, Thalanga Operations Access Road) to Thalanga



Figure 4: Drilling at Liantown

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2.4. Exploration Activities

Red River holds an extensive portfolio of exploration tenements in the highly prospective Mt Windsor Volcanic Belt in the Charters Towers Region in Northern Queensland.

During the quarter, Red River completed processing of the microgravity data (survey occurred in Q3FY2021) and identified four high priority targets at Coronation for drilling (Figure 6). The Coronation prospect is located on EPM 18471 and is approximately 4km northwest of the Highway Reward mine, as shown in Figure 4.

Targets indicate similar gravity and magnetic response to the historic Highway-Reward deposit which produced 3.8Mt @ 6.2% Cu & 1 g/t Au¹. Thalanga Range microgravity responses are subtle and require further interpretation to define targets. The program aimed to follow-up surface expressions of mineralised barite-quartz-sulphide-gold veins (peak value of 13.8 g/t Au) similar to that of the buried Highway-Reward deposit. The Highway and Reward deposits occur as steep dipping pipes and have associated gravity and IP chargeability anomalies. Any additional resources discovered at Coronation would be processed through the Thalanga plant to supplement the ore from Far West and Lontown.

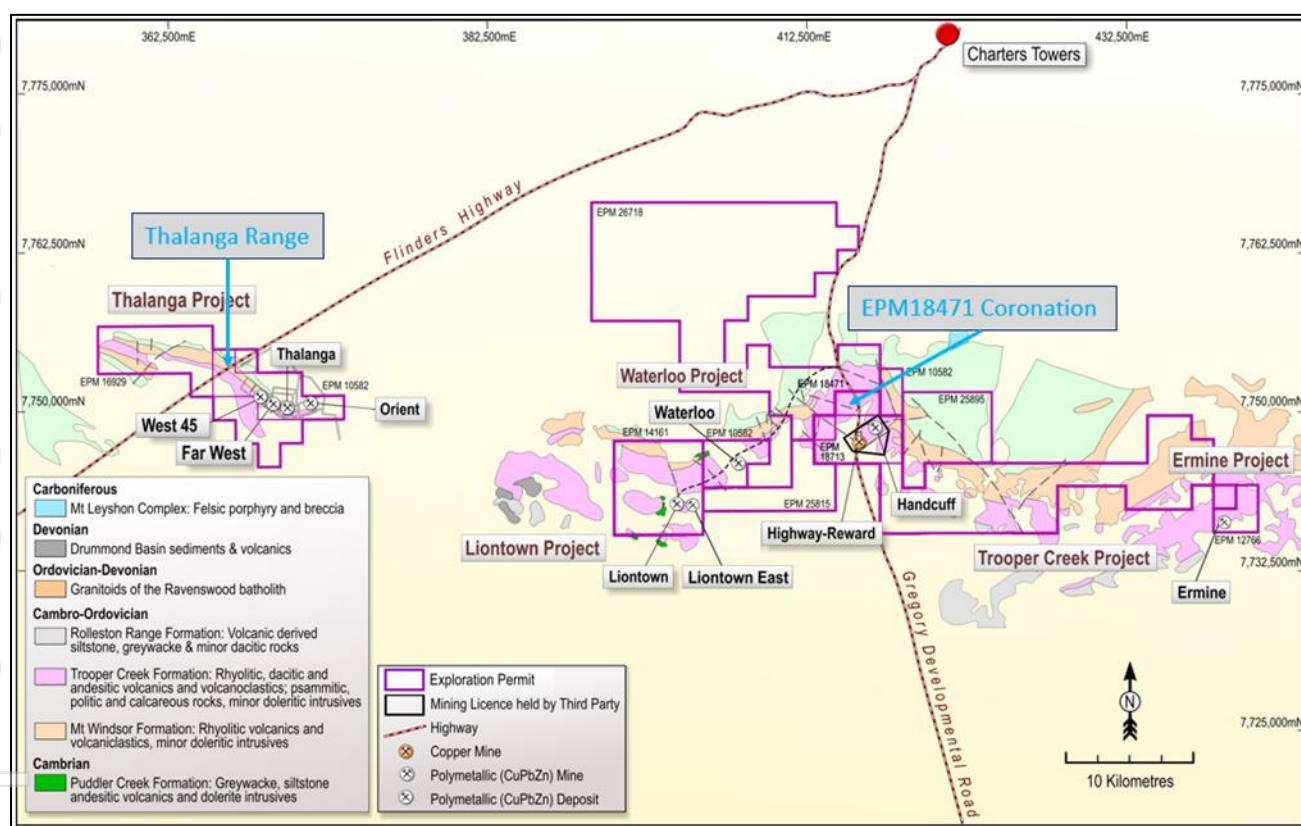


Figure 5: Location of EPM 18471 and Coronation Prospect

¹ Total production from the Highway-Reward deposit (Grange Resources)

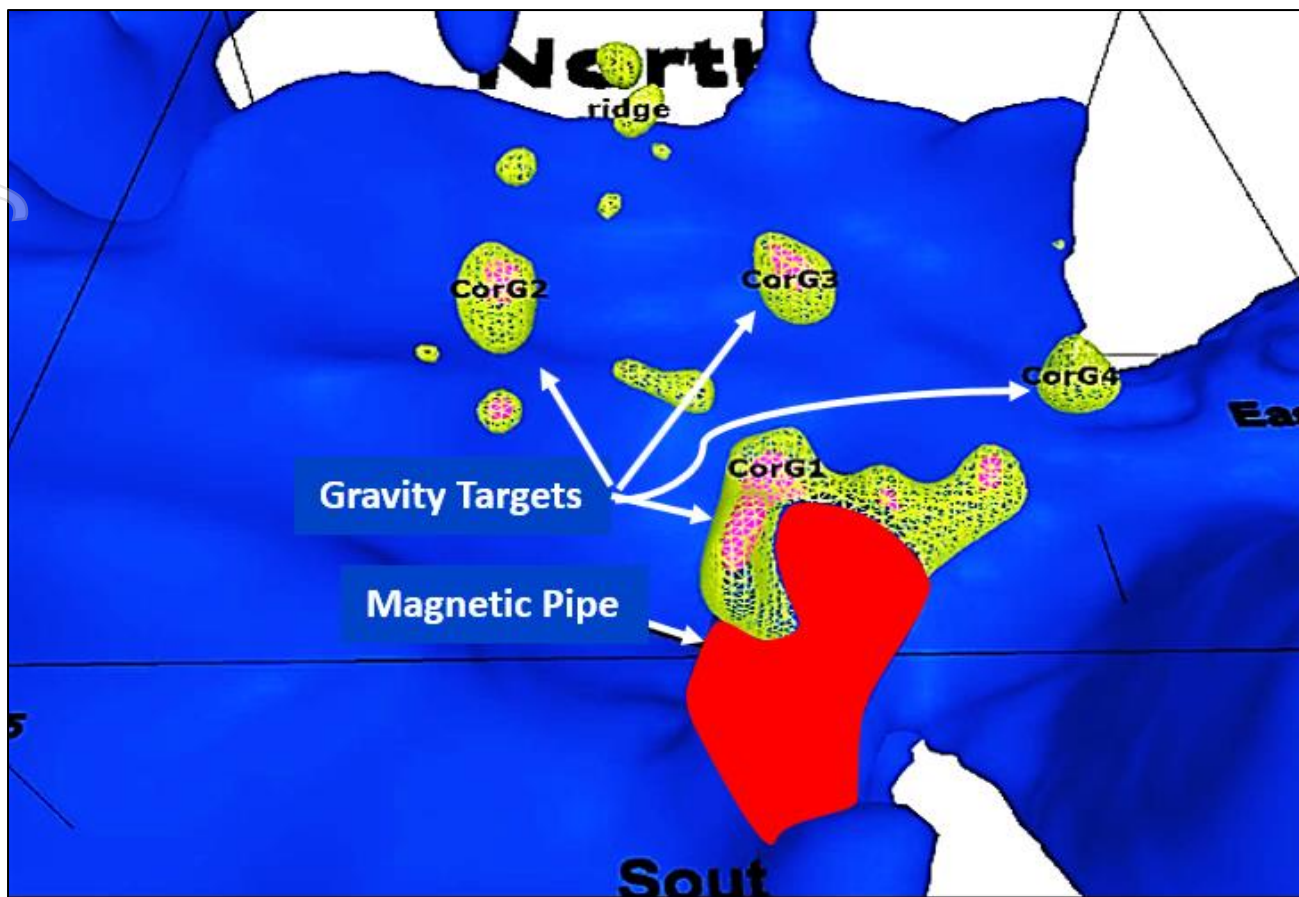


Figure 6: 3D Model with gravity anomaly sources

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3. HILLGROVE GOLD MINE (NEW SOUTH WALES)

The Hillgrove Gold Mine is located 30km from Armidale in New South Wales. Historically, Hillgrove produced more than 730,000 ounces of gold (in bullion and concentrates), more than 50,000 tonnes of antimony (as metal and in concentrates) plus material amounts of by-product tungsten (in concentrates) but has been on care and maintenance since 2016. The Hillgrove Gold Project has a substantial high-grade JORC 2012 resource of 7.23Mt @ 4.5g/t Au & 1.2% Sb (6.2g/t Au Eq.) (1,037koz contained Au & 90kt contained Sb).

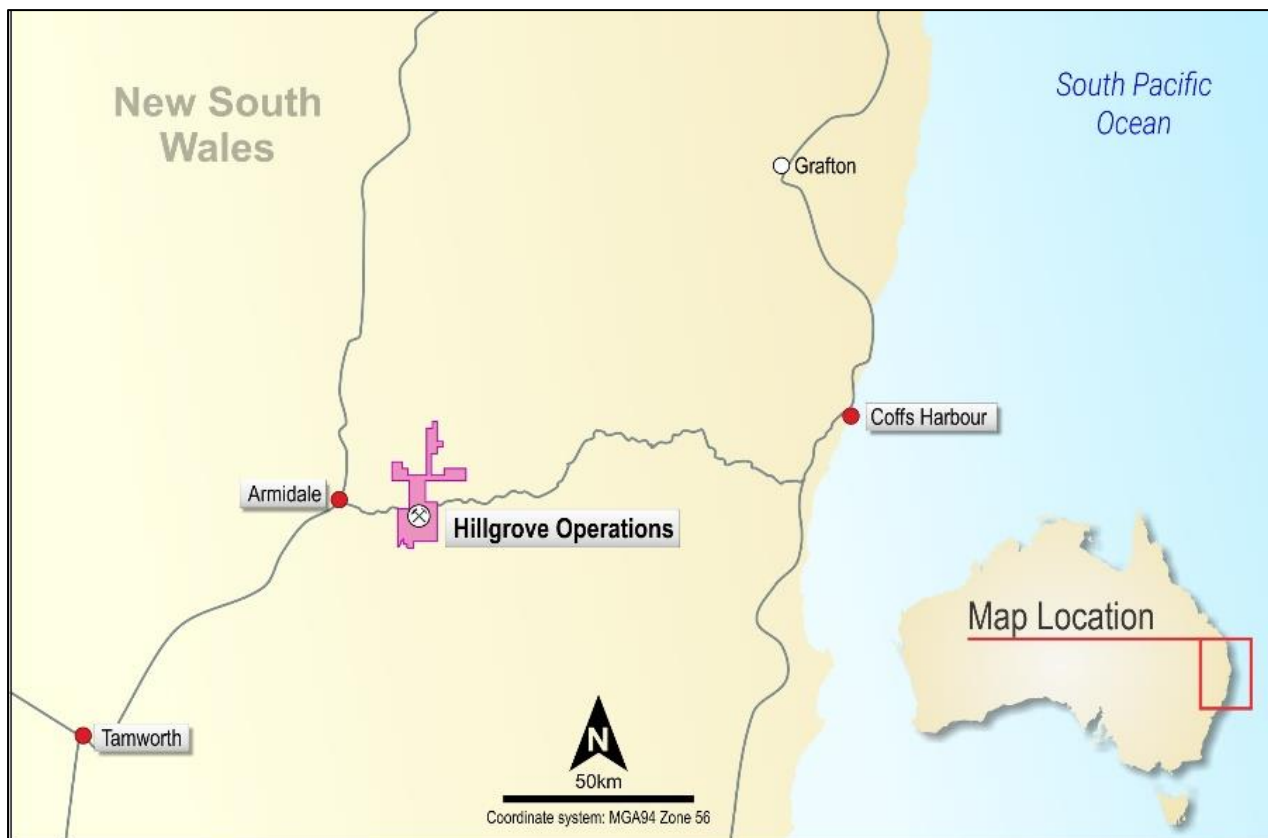


Figure 7: Hillgrove Gold Project Location

The Hillgrove site includes a 250ktpa capacity processing plant, comprising a selective flotation circuit (capable of producing gravity gold concentrate, antimony-gold concentrate and gold concentrate), an antimony leach/EW/refining & casting plant, a gold cyanide leach circuit & gold room plus a pressure oxidation circuit. The site also has a fully HDPE (high-density polyethylene) lined modern tailing storage facility, which was constructed in 2006 and has approximately two years of production storage capacity.

All of Hillgrove's electricity requirements are sourced from a 66kva grid connected power supply from Ergon Energy with 11kva site power reticulation. Water is sourced from storage dams and underground workings.

Hillgrove has all the office facilities required for operations, including an administration office, mining operations offices, maintenance offices, workshops (heavy vehicle, light vehicle and boilermaker's workshops), process plant offices, metallurgical laboratory building, first aid building, stores warehouse and core shed and yard.

3.1. Hillgrove Gold Project

Red River continued gold production during the quarter from the Bakers Creek Stockpile with improvements in ore processed and recoveries (Table 2).

Table 2: Hillgrove Gold Mine Summary for Q4 FY2021 (Quarter ended 30 June 2021)

	Units	Q3 FY21	Q4 FY21	FY21
Ore Processed	kt	31	42	73
Gold grade	g/t	1.6	1.4	1.5
Gravity gold concentrate produced	DMT	12	18	30
Gold grade	g/t	1,314	1,494	1,424
Gold recovery to gravity concentrate	%	31.3	47.1	40.0
Gold recovered to gravity concentrate	ozs	498	882	1,380
Flotation gold concentrate produced	DMT	225	255	480
Gold grade	g/t	56	57	57
Gold recovery to flotation concentrate	%	25.5	24.9	25.3
Gold recovered to flotation concentrate	ozs	407	467	874
Gold (cont. in gold dore)	ozs	260	1,054	1,314
Total Gold Produced	ozs	667	1,521	2,188
Total Gold Sold	ozs	360	1,408	1,768

Hillgrove sold 944oz of contained gold in doré and commenced selling gold concentrate to Glencore International AG. During the quarter, Red River sold 464oz of contained gold in concentrate from Hillgrove. It is expected that the Bakers Creek stockpile will be depleted in the September quarter.

3.2 Exploration Activities

Red River had continual exploration success over the quarter at Hillgrove. Successful drilling programs were completed at Curry's (ASX announcement 10 June 2021), Eleanora and Garibaldi (ASX announcement 29 July 2021).

Drilling at Eleanora/Garibaldi has identified wider halo mineralised zones surrounding the high-grade lodes. The lack of drilling and sampling in these halo zones makes estimating these resources difficult and unreliable without further drilling and sampling.

Red River is also investigating the possibility of halo mineralisation around other deposits at Hillgrove; again this will require further drilling and sampling. This may be a significant opportunity for Red River to increase resources at Hillgrove and the production scale.

Red River will be reviewing various mining and processing rates and scenarios to maximise the value of Hillgrove. If further exploration shows that these halo mineralised zones are able to be included as part of a larger resource, then conceptually a larger operation may be sustainable.

4. HERBERTON SILVER-INDIUM PROJECT (QUEENSLAND)

Red River holds the exciting high-grade polymetallic Herberton Silver-Indium Project in Northern Queensland. The Project contains the highest-grade known indium deposits in Australia (Isabel and West Orient) and a high priority bulk tonnage epithermal silver-lead-zinc exploration target has been defined at East Orient (Figure 8).

During the quarter, Red River completed drone magnetics and induced polarisation survey at Orient prospect. Surveying identified multiple large targets (Figure 9) including one close to historic drillhole EO3 which intersected a wide zone of mineralisation: 75m @ 38g/t Ag from 15m downhole to EOH including 4m @ 154g/t Ag, 20g/t In, 3.3% Pb & 2.2% Zn from 36m downhole. Next steps include ground truthing then drill testing before the wet season subject to rig availability.

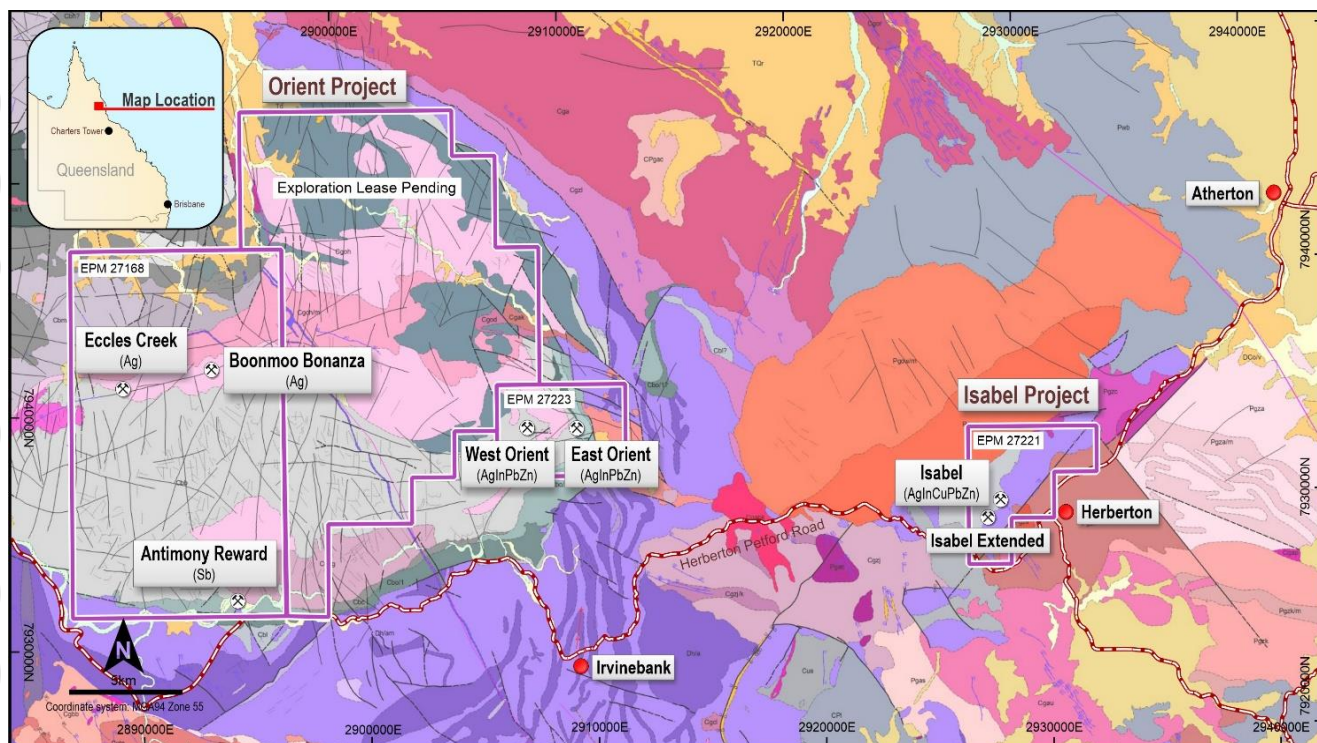


Figure 8: Herberton Silver-Indium Project

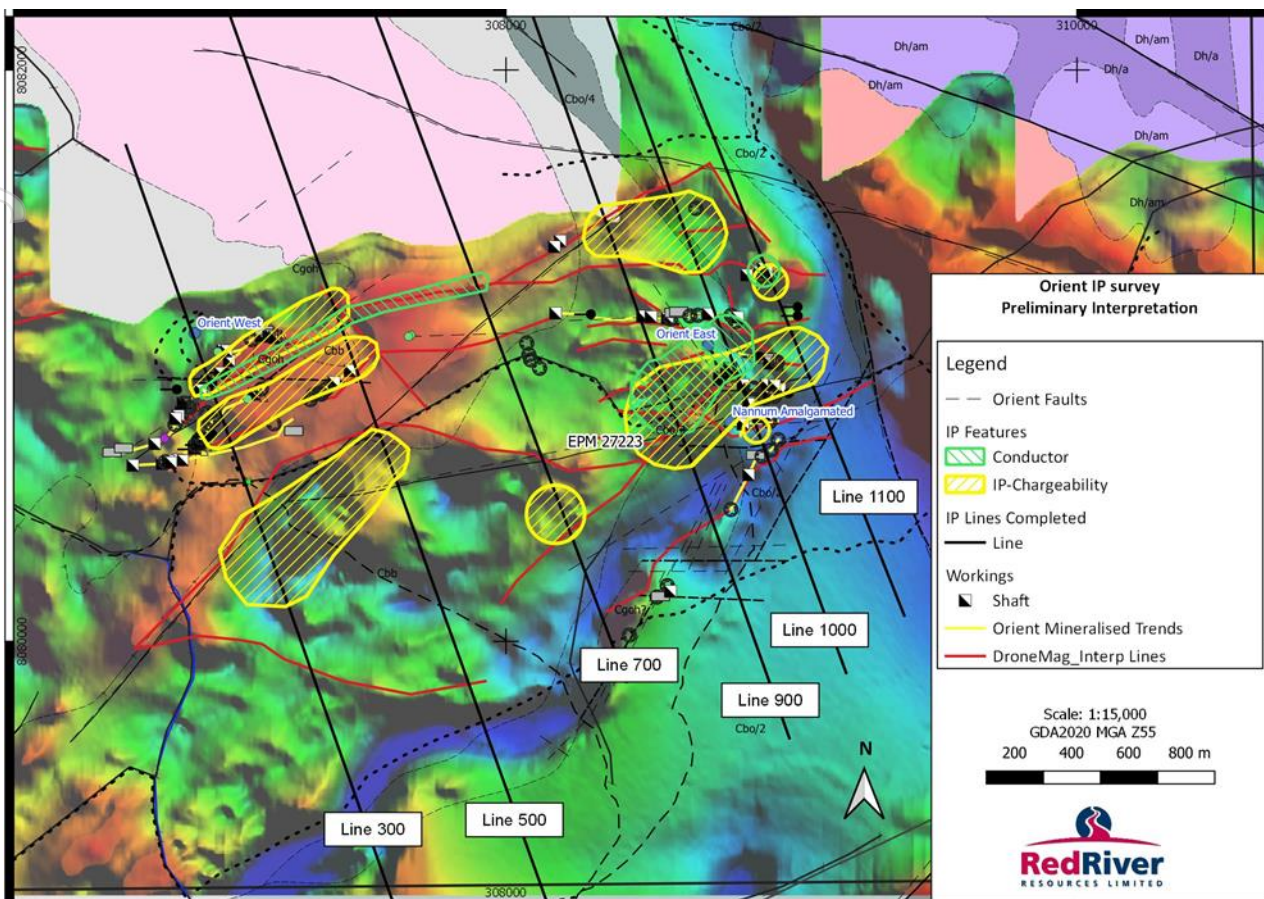


Figure 9: Preliminary interpretation of the Orient IP data

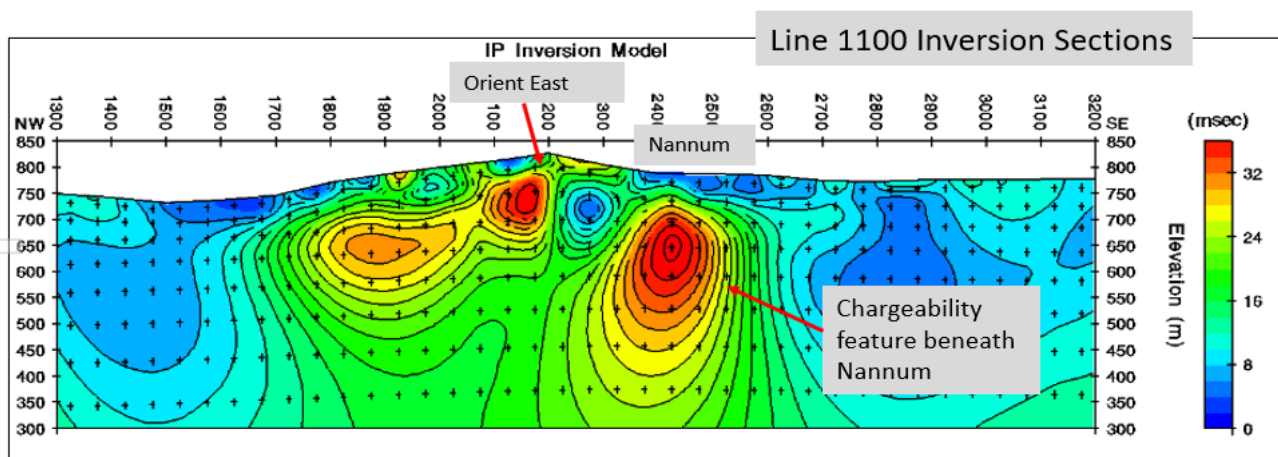


Figure 10: IP line 1100 inversion model sections

5. CORPORATE

- Revenue during the quarter was \$31.6 million, with Thalanga Operations contributing \$28.3 million and Hillgrove Gold Mine contributing \$3.2 million.
- Red River invested \$2.6 million in capital development, primarily at Far West, with \$0.8 million invested in restart activities at Hillgrove and \$0.8 million invested in exploration activities at Thalanga and Hillgrove.
- Cash at bank at the end of the quarter was \$19.1 million, an increase of \$3.6 million as compared to the prior quarter. This was after investing \$4.2 million in mine development, restart activities at Hillgrove Gold Mine and ongoing exploration activities.

The Queensland Department of Environment and Science has updated the Estimated Rehabilitation Cost (ERC) for the Thalanga Operations to \$13.6 million. Under the previous ERC, surety of \$8.3 million was lodged with Queensland Treasury. Increased surety of \$5.4 million will be lodged (using current cash reserves) in July 2021.

5.1. Thalanga Operations Financial Performance

Thalanga Operations financial performance is summarised in the table below:

Table 3: Thalanga Operations Financial Summary and Indicative Cash Costs for Q4 FY2021 (Quarter ended 30 June 2021) and FY21 YTD (unaudited)

	Units	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21
Revenue	\$m	15.6	35.6	32.5	25.4	28.3	121.9
EBITDA	\$m	3.5	13.8	11.3	6.8	(0.1)	31.8
Underlying EBITDA ²	\$m	3.5	15.1	12.5	7.7	11.7	47.0
Indicative Cash Costs							
Payable zinc metal produced	Mlb	4.6	7.1	7.3	7.0	6.2	27.6
Indicative C1 Cash Cost	US\$/lb payable Zn	0.30	(0.10)	(0.09)	0.16	(0.07)	(0.03)
Indicative C2 Cost	US\$/lb payable Zn	0.64	0.23	0.24	0.57	0.51	0.38
Indicative C3 Cost	US\$/lb payable Zn	0.86	0.49	0.50	0.84	0.80	0.65
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 FY21: copper US\$4.40/lb, lead US\$0.97/lb, gold US\$1,803/oz and silver US\$26.59/oz) ² Underlying EBITDA for Q1 to Q4 and full year FY21 excludes the \$15.1 million royalty dispute provision provided in FY21							

Thalanga Operations revenue during the quarter was \$28.3 million, with \$11.0 million from sale of zinc in zinc concentrate, \$2.7 million from the sale of lead in lead concentrate, \$10.1 million from sale of copper in copper concentrate and \$4.5 million from sale of payable precious metals (gold and silver) contained in copper and lead concentrates.

Thalanga Operations accrued (predominantly in the current quarter) additional funds in the financial accounts for the royalty dispute judgement. If paid, this will be a once-off payment.

Thalanga Operations quarterly EBITDA (unaudited) was \$(0.1) million, a decrease of \$6.9 million over the prior quarter. Compared to the previous quarter:

- Additional costs accrued to provide for the royalty dispute were \$10.8 million
- Revenue was \$2.9 million higher due to increased metal sold (\$0.6 million) and higher realised price (\$2.3 million)
- Operating costs were \$0.8 million lower at the Far West mine.


C1 Cash costs were lower than the previous quarter due to the contribution of higher copper concentrate sales to increased by-product credits.

5.2. Hillgrove Gold Mine Financial Performance

Red River invested \$0.8 million in restart activities included construction and commissioning costs. On an unaudited basis, Hillgrove Mine's EBITDA for the quarter was breakeven, with revenue increasing by \$2.7 million to \$3.2 million.

5.3. Royalty Update

Red River and its wholly-owned subsidiary, Cromarty Resources Pty Ltd, received judgement in the proceedings previously commenced by Thalanga Copper Mines Pty Ltd on 24 February 2019. Red River's current estimate of the potential amount payable for unpaid and future royalties is \$20 million. The final amount payable within the initial estimate and the timing of the payments has yet to be determined. Prior to these Proceedings, the royalties had no cap on the time period or dollar amounts that would have had to be paid by the Company from Thalanga. Once determined, a final amount for these royalties will crystallise and Red River will have no ongoing royalty obligations to TCM. Red River and Cromarty Resources have filed a notice of intention to appeal the decision with the Courts. (Further information see ASX Announcements 25 February 2019 and 7 June 2021).



CAMERON BODLEY

Company Secretary

Red River Resources Limited

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

Mel Palancian

Managing Director

mpalancian@redriverresources.com.au

D: +61 3 9017 5380

Nathan Ryan

NWR Communications

nathan.ryan@nwrcommunications.com.au

M: +61 420 582 887

COMPETENT PERSON STATEMENT

Exploration Results (Herberton)

The information in this report that relates to Exploration Results is based on information compiled by Mr Jon Rutter who is a member of The Australasian Institute of Geoscientists, 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 Rutter consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Exploration Results (Hillgrove)

The information in this report that relates to Exploration Results is based on information compiled by Mr Blake Larter 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 Larter consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Syndicate, Blacklode & Sunlight Mineral Resource

The information in this report that relates to the estimation and reporting of the Syndicate, Blacklode & Sunlight Mineral Resource are based on and fairly represents, information and supporting documentation compiled by Mr Peter Carolan who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Red River Resources Ltd.

Mr Carolan 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'.

Mr Carolan consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information in this report that relates to database compilation, geological interpretation and mineralisation wireframing, project parameters and costs and overall supervision and direction of the Syndicate, Blacklode & Sunlight estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Mr Carolan.

Appendix A – Tenement Interests

1. QUEENSLAND

As at 30 June 2021, Red River had an interest in the following exploration permit minerals (EPM) and mining leases (ML) in Queensland.

Table 5: RVR Exploration Permit Minerals (EPM) (Queensland)

Project	Location	Licence	Beneficial Interest
Thalanga Operations	Queensland	EPM 10582	100%
Thalanga Operations	Queensland	EPM 12766	100%
Thalanga Operations	Queensland	EPM 14161	100%
Thalanga Operations	Queensland	EPM 16929	100%
Thalanga Operations	Queensland	EPM 18470	100%
Thalanga Operations	Queensland	EPM 18471	100%
Thalanga Operations	Queensland	EPM 18713	100%
Thalanga Operations	Queensland	EPM 25815	100%
Thalanga Operations	Queensland	EPM 25895	100%
Thalanga Operations	Queensland	EPM 26718	100%
Herberton	Queensland	EPM 27168	100%
Herberton	Queensland	EPM 27221	100%
Herberton	Queensland	EPM 27223	100%
Thalanga Operations	Queensland	EPM 27357	100%
Thalanga Operations	Queensland	EPM 27520	100%

Table 6: RVR Mining Leases (ML) (Queensland)

Project	Location	Licence	Beneficial Interest
Thalanga Operations	Queensland	ML 1392	100%
Thalanga Operations	Queensland	ML 1531	100%
Thalanga Operations	Queensland	ML 10137	100%
Thalanga Operations	Queensland	ML 10185	100%
Thalanga Operations	Queensland	ML 10186	100%
Thalanga Operations	Queensland	ML 10277	100%

2. NEW SOUTH WALES

As at 30 June 2012, Red River had an interest in the following exploration licences (EL), gold leases (GL) mining leases (ML), mining purpose leases (MPL) and private land leases (PLL) in New South Wales (NSW).

Table 7: RVR Exploration Licences (EL) (NSW)

Project	Location	Licence	Beneficial Interest
Hillgrove	NSW	EL 3326	100%
Hillgrove	NSW	EL 5973	100%
Hillgrove	NSW	EL 5997	100%
Hillgrove	NSW	EL 6419	100%
Hillgrove	NSW	EL 5831	100%

Table 8: RVR Mining Leases (ML) (NSW)

Project	Location	Licence	Beneficial Interest
Hillgrove	NSW	ML 205	100%
Hillgrove	NSW	ML 219	100%
Hillgrove	NSW	ML 231	100%
Hillgrove	NSW	ML 391	100%
Hillgrove	NSW	ML 392	100%
Hillgrove	NSW	ML 592	100%
Hillgrove	NSW	ML 600	100%
Hillgrove	NSW	ML 649	100%
Hillgrove	NSW	ML 655	100%
Hillgrove	NSW	ML 714	100%
Hillgrove	NSW	ML 749	100%
Hillgrove	NSW	ML 772	100%
Hillgrove	NSW	ML 810	100%
Hillgrove	NSW	ML 945	100%
Hillgrove	NSW	ML 961	100%
Hillgrove	NSW	ML 972	100%
Hillgrove	NSW	ML 1020	100%
Hillgrove	NSW	ML 1026	100%
Hillgrove	NSW	ML 1100	100%
Hillgrove	NSW	ML 1101	100%
Hillgrove	NSW	ML 1332	100%
Hillgrove	NSW	ML 1440	100%
Hillgrove	NSW	ML 1441	100%
Hillgrove	NSW	ML 1442	100%
Hillgrove	NSW	ML 1598	100%
Hillgrove	NSW	ML 1599	100%
Hillgrove	NSW	ML 1600	100%
Hillgrove	NSW	ML 1601	100%
Hillgrove	NSW	ML 1602	100%
Hillgrove	NSW	ML 1603	100%
Hillgrove	NSW	ML 1604	100%
Hillgrove	NSW	ML 5643	100%
Hillgrove	NSW	ML 6282	100%

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Table 9: RVR Gold Leases (GL) (NSW)

Project	Location	Licence	Beneficial Interest
Hillgrove	NSW	GL 3959	100%
Hillgrove	NSW	GL 3980	100%
Hillgrove	NSW	GL 5845	100%

Gold Lease (GL): GLs were a type of mining lease permitted under the *Mining Act 1906* (NSW). They are no longer granted under the *Mining Act 1992* (NSW).

Table 10: RVR Mining Purpose Leases (MPL) (NSW)

Project	Location	Licence	Beneficial Interest
Hillgrove	NSW	MPL 146	100%
Hillgrove	NSW	MPL 220	100%
Hillgrove	NSW	MPL 745	100%
Hillgrove	NSW	MPL 919	100%
Hillgrove	NSW	MPL 1427	100%

Mining Purposes Lease (MPL): MPLs are granted for areas in coal and minerals mining operations such as infrastructure purposes where resource extraction does not take place. Hence, they will appear as 'nil minerals'. MPLs were granted under the 1906 and 1973 Mining Acts. MPLs are no longer granted and leases for mining purposes are now categorised as MLs under the Mining Act 1992 (NSW). The term 'mining purpose(s)' is now referred to as Ancillary Mining Activities

Table 11: RVR Private Land Leases (PLL) (NSW)

Project	Location	Licence	Beneficial Interest
Hillgrove	NSW	PLL 350	100%
Hillgrove	NSW	PLL 416	100%
Hillgrove	NSW	PLL 661	100%
Hillgrove	NSW	PLL 804	100%
Hillgrove	NSW	PLL 1252	100%
Hillgrove	NSW	PLL 3827	100%

Private Lands Lease (PLL): A PLL was a type of Mining Lease to extract minerals or petroleum granted under the 1906, 1918, and 1924 Mining Acts. PLLs are no longer granted.

Thalanga 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 at the Liontown Project (Liontown and Liontown East) and from ongoing metallurgical data generated from operational activities at Thalanga (processing West 45 and Far West). The Liontown Project is related to and of a similar style of mineralisation to the Thalanga Deposit (West 45 and Far West) 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

Metal	Metallurgical Recoveries	Price
Copper	80%	US\$3.00/lb
Lead	70%	US\$0.90/lb
Zinc	88%	US\$1.00/lb
Gold	65%	US\$1,200/oz
Silver	65%	US\$17.00/oz
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 from the Liontown Project. 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:

$$\text{Zn Eq.} = (\text{Zn}\% \times 1.0) + (\text{Cu}\% \times 3.3) + (\text{Pb}\% \times 0.9) + (\text{Au ppm} \times 2.0) + (\text{Ag ppm} \times 0.025)$$

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

Metal	Copper	Lead	Zinc	Gold	Silver
Metal Equivalent Factor	3.3	0.9	1.0	2.0	0.025

Hillgrove Gold Equivalent Calculation

Syndicate, Blacklode, Sunlight, Eleanora and Garibaldi Mineral Resources

It is Hillgrove Mines Pty Ltd opinion that all the elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold, based on previous mill production and sales. The gold equivalent (Au Eq.) and the cut-off are based on the following:

Metallurgical test work (carried out in 2016 and 2017) and mill production data demonstrate that total gravity & float recoveries of 91% Au and 86% Sb are achievable. The antimony recovery is applicable where Sb head grades are 1% or greater. The majority of the Sunlight Resource contains an antimony grade of less than 0.5% and therefore antimony recovery is not expected from this material.

The Au Eq. value was calculated using a gold price of US\$1,234 per oz and an antimony price of US\$ 5,650 per tonne where:

- $Au\ Eq.\ (g/t) = (Au\ g/t) + (1.424 * Sb\ \%)$

Brackin's Spur & Clark's Gully Mineral Resources

It is Hillgrove Mines Pty Ltd opinion that all the elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold, based on previous mill production and sales. The gold equivalent (Au Eq.) and the cut-off are based on the following:

- Metallurgical test work (carried out in 2016 and 2017) and mill production data demonstrates that total gravity/float recoveries of 91% gold (Au) and 86% antimony (Sb) are achievable.
- Net smelter return calculations for the deposits indicate that Au Eq. grades above 4.8 g/t are economic, based on site costs, mill recoveries, off-site transportation and royalty costs.

Au Eq. was calculated based on commodity prices as of 18 July 2017. The individual grades, the assumed commodity prices and metal recoveries, and the Au Eq. formula are as follows:

- $Au\ Eq.\ (g/t) = (Au\ g/t * 91\%) + (2.0 * Sb\ \% * 86\%)$
 - Where $2.0 = (US\$7,950/100) / (US\$1,234/31.1035)$
 - Gold price = US\$1,234/oz and gold recovery = 91%
- Antimony price = US\$7,950/tonne and antimony recovery = 86%

END

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Red River Resources Limited

ABN

35 100 796 754

Quarter ended ("current quarter")

June 2021

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*	30,822	124,726
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development*	(2,645)	(18,840)
	(c) production*	(14,358)	(44,416)
	(d) staff costs	(3,932)	(14,469)
	(e) administration and corporate costs*	(1,069)	(4,976)
	(f) sales realisation expenses	(3,866)	(16,840)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	23	109
1.5	Interest and other costs of finance paid	(45)	(367)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST/BAS)	778	1,261
1.9	Net cash from / (used in) operating activities	5,709	26,189
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(878)	(5,123)
	(d) exploration & evaluation (capitalised)*	(810)	(2,677)
	(e) investments	-	-
	(f) other non-current assets	(3)	(26)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (primarily increase in rehabilitation bonds)	-	-
2.6	Net cash from / (used in) investing activities	(1,690)	(7,826)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3)
3.5	Proceeds from borrowings	-	1,440
3.6	Repayment of borrowings	(441)	(8,235)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)*	(20)	(501)
3.10	Net cash from / (used in) financing activities	(460)	(7,299)

* Quarter / YTD includes repayment of lease liability (20)/(75); impact of movement in AUD:USD exchange rate on borrowings -(426).

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,587	8,080
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,709	26,189
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,690)	(7,826)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(460)	(7,299)

Mining exploration entity or oil and gas exploration entity quarterly cash flow 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	19,145	19,145

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	19,145	15,587
5.2	Call deposits	-	-
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)	19,145	15,587

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

274

0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments are director fees paid to NED and Executive Directors: \$230k

Provision of accounting, taxation and corporate secretarial services – Hanson Porter Curzon Pty Ltd: \$44k

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	20,010	-
7.2 Credit standby arrangements	40	1
7.3 Other (insurance premium funding)	147	147
7.4 Total financing facilities	20,197	148

7.5 **Unused financing facilities available at quarter end** 20,049

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1: USD15 million working capital facility. Lender: Trafigura Pte Ltd. Interest rate: Libor+margin. Secured.

7.2: This is the company credit card facility with the NAB. Credit cards are automatically direct debited every month thus ensuring no interest is charged. Secured by term deposit.

7.3: Insurance premium funding. Lender: IQumulate Premium Funding. Interest rate: 1.97% flat. Maturity date: 31 July 2021. Unsecured.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	5,709
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(810)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	4,899
8.4 Cash and cash equivalents at quarter end (Item 4.6)	19,145
8.5 Unused finance facilities available at quarter end (Item 7.5)	20,049
8.6 Total available funding (Item 8.4 + Item 8.5)	39,194
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	N/A

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date:

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.