



## Quarterly Activities and Cash Flow Report for the period ending 31 March 2016

Australian zinc developer Red River Resources Limited (ASX:RVR) ("Red River" or "the Company") is pleased to report its activities and corporate developments for the March 2016 Quarter.

### Highlights

#### Thalanga Zinc Project

- Far West Up Dip Extension drilling program successfully completed with all seven holes drilled by Red River (TH670 – TH676) in the Far West Up Dip Extension Zone intersecting high grade massive sulphide and semi-massive sulphide mineralisation.
- A series of highly successful site visits for shareholders, analysts and potential investors were run during the quarter.

Figure 1 Image from recent site tour



## Corporate

- 673,815 Share Purchase Plan (SPP) Options were issued to SPP Participants on 11 February 2016.
- Cash balance of A\$2.9m at 31 March 2016.

## Plans for Q2 2016

- Mining One consultants have commenced a Mineral Resource estimate for the Far West Up Dip Extension, expected to be completed in Q2 2016.
- Completion of access upgrades, drill site earthworks and installation of a pipeline to supply water for drilling activities at the high priority Truncheon target. Drilling activities are expected to commence early in Q2 2016.

### 1. Safety & Environmental Performance

A total of 4,860 man hours were worked for the period 1 January 2016 to 31 March 2016, and there were no reportable accidents or incidents during the quarter. The Third Party Audit was submitted at the start of the quarter, and actions from the pre-wet season inspection by the Department of Environmental and Heritage Protection were addressed. Rainfall during this quarter was substantially more than the corresponding period the previous year, and no exceedances were recorded. Infrastructure maintenance is still ongoing and the heavy vehicle wash bay was upgraded and repaired. The main focus for the team during the quarter was the completion of the Far West drilling programme. All associated earthworks were completed during the quarter and rehabilitation of the drill pads has commenced.

During the quarter Ergon disconnected the mains power to do planned maintenance of the substation, transformer and surrounding infrastructure for a total duration of 4 days. Several underground valves were replaced and water leaks fixed to reduce water consumption, with excellent results so far. Our focus on electricity savings are showing a major drop in consumption rates and will be continued into next quarter. Site and process plant clean up are still a major focus area.

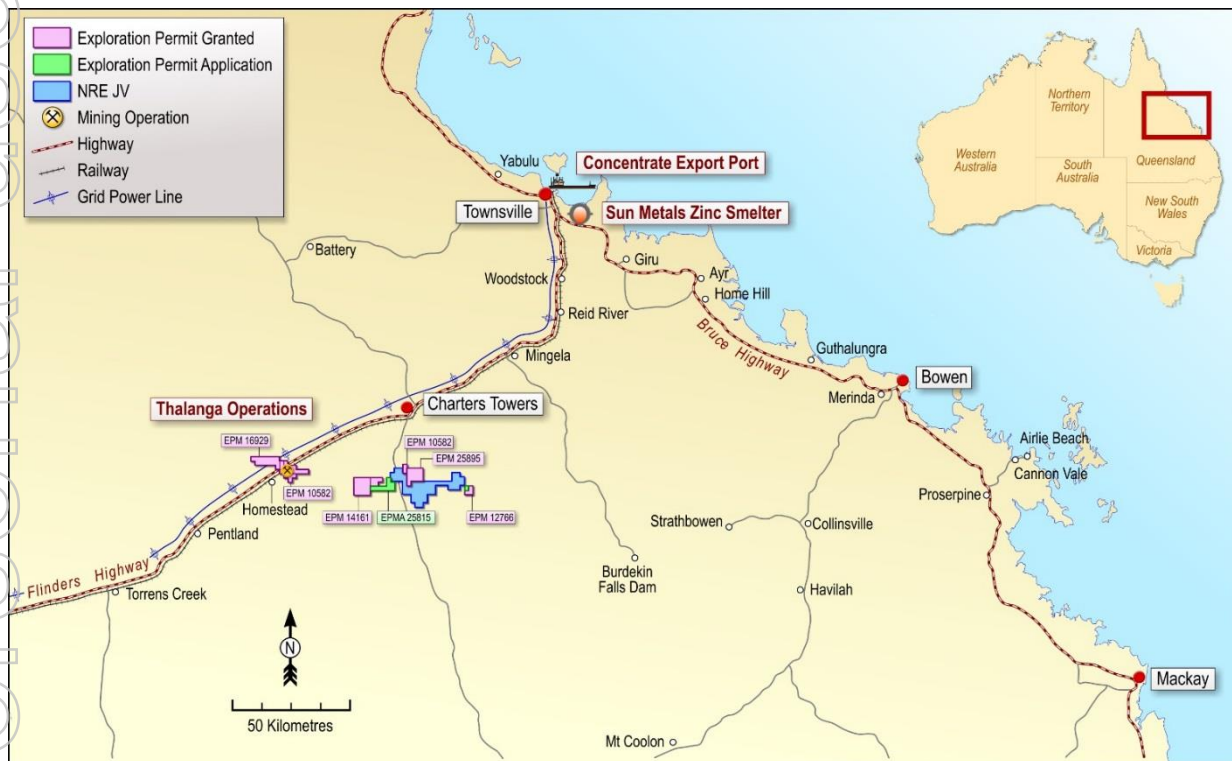
## 2. Thalanga Operations

The Thalanga Operations are located 65km SW of Charters Towers in Central Queensland (Figure 2) and consist of the following key assets:

- 650ktpa capacity polymetallic processing facility capable of producing separate copper, lead and zinc concentrates;
- Tailings storage facility; and
- Site offices, workshops and change facilities.

Site access is by sealed road, and historically, Thalanga was run as a residential operation, with the workforce predominately living in Charters Towers. The site has been kept on active care and maintenance since it was last operated in early 2012.

Figure 2 Thalanga Operations Location



## 2.1. Far West Up Dip Extension Drilling Program

A drilling program at the Company's Far West Up Dip Extension was successfully concluded during the quarter. All seven holes drilled (TH670 – TH676) in the Far West Up Dip Extension zone successfully intersected high grade massive sulphide and semi-massive sulphide mineralisation.

The drill results reported (refer to Table 1) represent high grade polymetallic sulphide mineralisation drilled on approximately 25m centres, located at shallow depths, approximately 50m from the designed Far West decline, up dip and along strike from the existing Far West Mineral Resource of 1.2Mt @ 14.3% Zn Eq (refer to ASX release dated 27 January 2015) (refer to Figure 3).

Figure 3 Far West Long Section

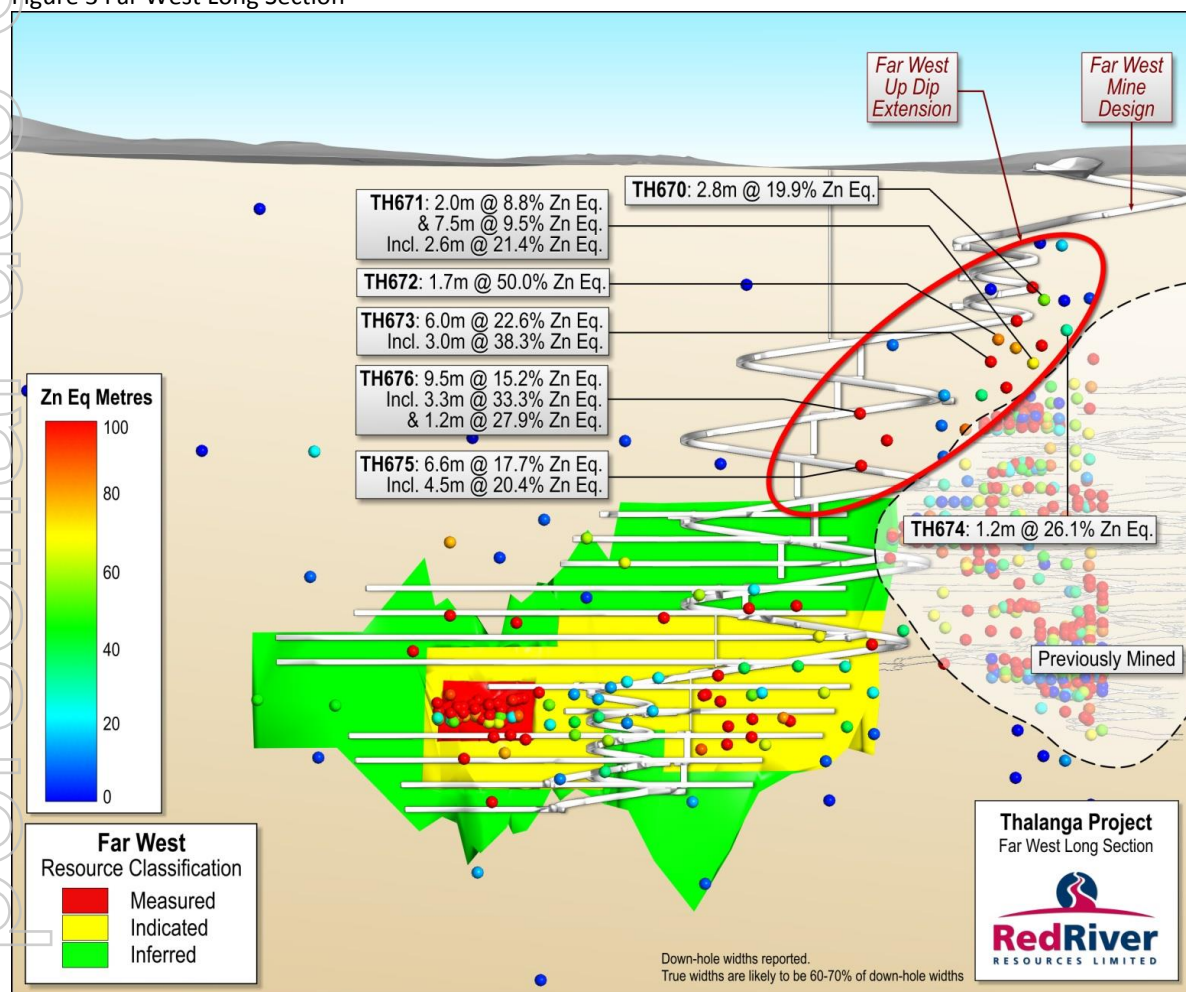


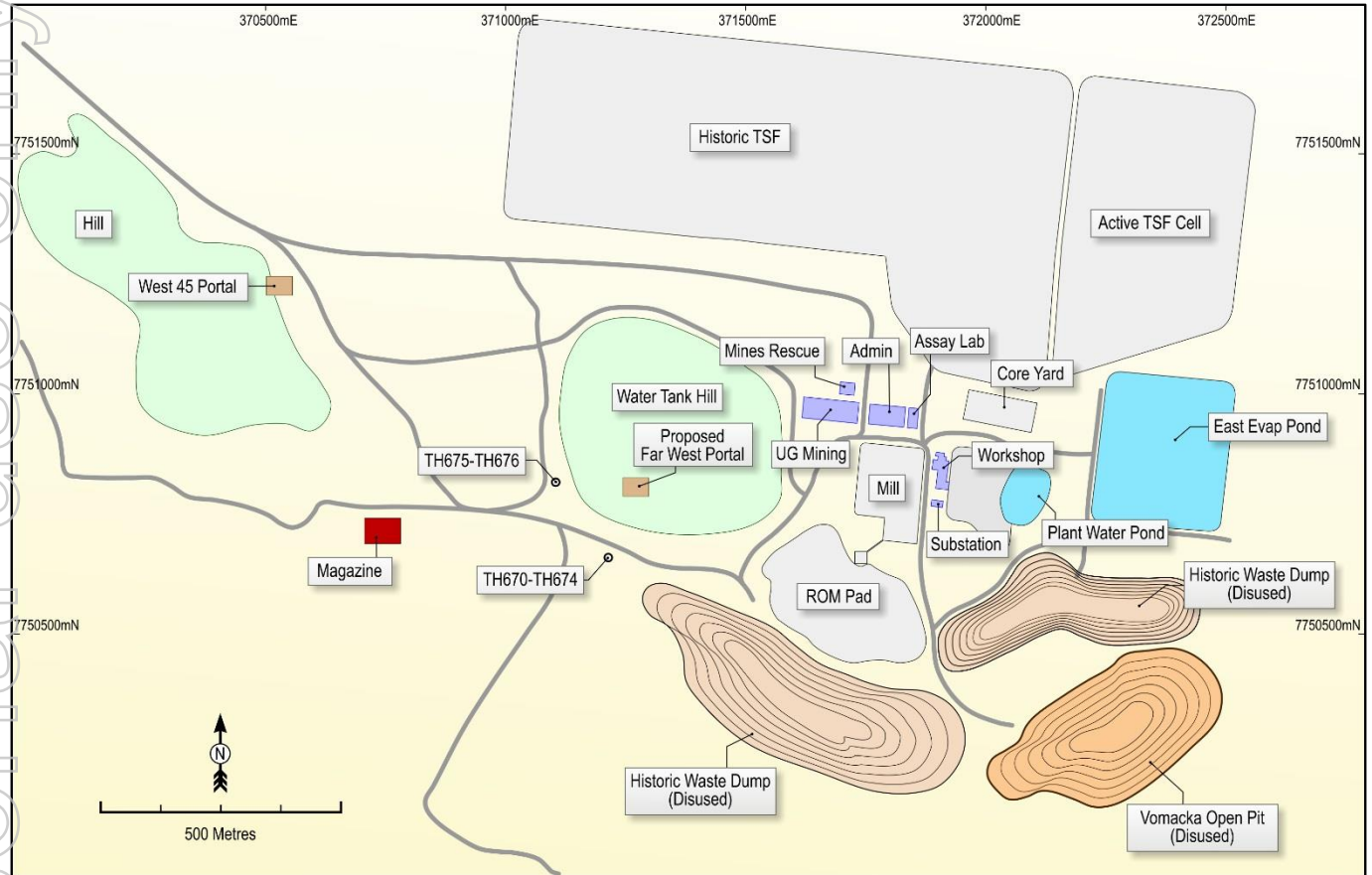
Table 1 Drill hole assay summary, Thalanga Zinc Project (Far West Up Dip Extension Target)

Hole ID	Intersection (m)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Zn Eq (%)
TH670	2.8m	2.4%	2.8%	6.9%	0.4 g/t	95 g/t	19.9%
TH671	2.6m	1.6%	3.5%	10.6%	0.4 g/t	91 g/t	21.4%
TH672	1.7m	6.2%	6.1%	17.7%	1.0 g/t	239 g/t	50.0%
TH673	6.0m	2.4%	2.7%	9.6%	0.4 g/t	93 g/t	22.6%
TH674	1.2m	3.5%	2.7%	8.5%	0.4 g/t	130 g/t	26.1%
TH675	6.6m	2.9%	1.0%	5.8%	0.3 g/t	53 g/t	17.7%
TH676	9.5m	2.3%	1.6%	4.7%	0.3 g/t	61 g/t	15.2%



All holes are located within Mining Leases ML 1392 & ML 1531 (held by Cromarty Resources Pty Ltd, a wholly-owned subsidiary of Red River Resources Ltd) on the southwest flank of Water Tank Hill (refer to Figure 4), approximately 800m west of Red River's Thalanga Processing Plant. The Thalanga Processing Plant is a fully permitted 650ktpa polymetallic concentrator facility which is currently on care and maintenance.

Figure 4 Far West Up Dip Extension Drilling Collar Locations (TH670-TH676)



Details and coordinates of the recent seven hole program completed by Red River at the Thalanga Zinc Project (Far West Up Dip Extension Target) are provided below:

Table 2 Drill hole information summary, Thalanga Zinc Project (Far West Up Dip Extension Target)

Hole ID	Depth	Dip	Azimuth (MGA)	East (MGA)	North (MGA)	RL (MGA)	Lease ID
TH670	150.4m	-59.8°	200.3°	371210	7750667	331.5	ML1392
TH671	198.1m	-70.0°	208.0°	371210	7750667	331.5	ML1392
TH672	180m	-61.0°	228.5°	371210	7750667	331.5	ML1392
TH673	198m	-63.5°	233.5°	371210	7750667	331.5	ML1392
TH674	163.1m	-68.5°	176.5°	371210	7750667	331.5	ML1392
TH675	318m	-60.0°	198.5°	371109	7750818	335.1	ML1531
TH676	299.9m	-54.5°	202.5°	371109	7750818	335.1	ML1531

### 3. Thalanga Regional Exploration & Project Development

During the quarter, the focus was on advancing the high impact exploration program, with preparations completed to allow drilling to commence at the Truncheon target in Q2 2016, and preparations starting for the next phase of drilling at the Lioneaton Project.

#### 3.1. Truncheon

During Q1 2016 Red River completed planning of a drill program designed to test the high calibre Truncheon target. Land holder negotiations were finalised, drilling sites and access tracks identified and cultural heritage clearances conducted.

The required access upgrades, drill site earthworks and installation of a water supply for drilling activities were completed after the end of the quarter and drilling of the Truncheon target is expected to commence in Q2 2016.

#### 3.2. Lioneaton

Work continued on the Lioneaton Project, with a view to finalising access agreements and start of the next phase of drilling at the Lioneaton Project.

#### 3.3. Ermine

Work completed on the Ermine Project during the quarter consisted of reprocessing of historical geophysical data sets.

#### 3.4. West 45 Deposit

During the quarter a detailed geological mapping program of the West 45 underground mine was commenced. The program is designed to assess the current geological model for the West 45 deposit and identify potential resource extensions.

#### 3.5. Thalanga Range

A comprehensive review of historical geophysical and geochemical data sets collected over the Thalanga Range was completed. The Thalanga Range represents the outcropping westerly strike extension of the stratigraphic units that host the Thalanga deposits. The review identified multiple anomalies that require follow up exploration work.

#### 3.6. Highway Reward

During the quarter, the Company continued work on the collation, review and assessment of historical geophysical, geochemical and drill data over the Highway-Reward project area.

## **4. Other Exploration and Project Development Activities**

### **4.1. Stella Range Project (Western Australia)**

No activity took place on the Stella Range Project during the quarter. The Stella Range tenements and licences were relinquished after the end of the quarter.

## **5. Corporate**

### **5.1. Share Purchase Plan**

673,815 Share Purchase Plan (SPP) Options were issued to SPP Participants on 11 February 2016, in accordance with the Supplementary Prospectus dated 8 January 2016, the Prospectus dated 13 November 2015 and pursuant to the resolutions approved by shareholders at the General Meeting held on 14 December 2015.

On behalf of the Board.



**Company Secretary**  
Red River Resources Limited

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For further information please visit Red River's website or contact us:

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## COMPETENT PERSON STATEMENT

### Exploration Results

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



## Appendix A – Tenement Interests

As at 31 March 2016, Red River had an interest in the following tenements and projects

Project	Location	Licence	Status	Beneficial Interest
<b>1. Thalanga Zinc Project</b>				
Thalanga	Queensland	EPM 10582	Granted	100%
Thalanga	Queensland	EPM 12766	Granted	100%
Thalanga	Queensland	EPM 14161	Granted	100%
Thalanga	Queensland	EPM 16929	Granted	100%
Thalanga	Queensland	EPM 25815	Granted	100%
Thalanga	Queensland	EPM 25895	Granted	100%
Thalanga	Queensland	ML 1392	Granted	100%
Thalanga	Queensland	ML 1531	Granted	100%
Thalanga	Queensland	ML 10137	Granted	100%
Thalanga	Queensland	ML 10185	Granted	100%
Thalanga	Queensland	ML 10186	Granted	100%
Thalanga	Queensland	ML 10277	Granted	100%
<b>2. Stella Range Project</b>				
Stella Range	Western Australia	E39/1797	Granted	100%
Stella Range	Western Australia	E38/2937	Granted	100%
Stella Range	Western Australia	P38/4128	Granted	100%
Stella Range	Western Australia	P38/4129	Granted	100%

## 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, 01/05/2013

Name of entity

Red River Resources Limited

ABN

35 100 796 754

Quarter ended ("current quarter")

March 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 Months) \$A'000
1.1	Receipts from product sales and related debtors	-	9,087
1.2	Payments for (a) exploration & evaluation	(137)	(608)
	(b) development	(53)	(701)
	(c) production		
	(d) administration	(637)	(2,166)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	46	97
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Stamp Duty, Net GST & Exclusivity payments)	265	408
		(516)	6,117
<b>Net Operating Cash Flows</b>			
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects/mine		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (Security deposits)	38	(9,068)
		38	(9,068)
<b>Net investing cash flows</b>			
1.13	Total operating and investing cash flows (carried forward)	(478)	(2,951)

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(478)	(2,951)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	4,168
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Payments for raising capital		
	<b>Net financing cash flows</b>	-	4,168
	<b>Net increase (decrease) in cash held</b>	(478)	1,217
1.20	Cash at beginning of quarter/year to date	3,373	1,678
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,895	2,895

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	127
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	<b>Explanation necessary for an understanding of the transactions</b> 1.23 Directors fees and salaries paid to directors	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	256
4.2 Development	520
4.3 Production	-
4.4 Administration	373
<b>Total</b>	<b>1,150</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	283	277
5.2 Deposits at call	2,612	3,096
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,895</b>	<b>3,373</b>





**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL	NIL	NIL	NIL
7.5	<b>*Convertible debt securities</b> (description)	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL			
7.7	<b>Options</b> (description and conversion factor)	2,000,000 - - 4,500,000 7,500,000 1,000,000 1,000,000 18,497,563 6,000,000	NIL NIL NIL NIL NIL NIL NIL NIL	<i>Exercise price</i> \$0.10 \$0.10 \$0.10 \$0.15 \$0.10 \$0.30 \$0.30 \$0.15 \$0.15	<i>Expiry date</i> 28/11/2017 31/12/2015 31/12/2015 31/12/2016 10/10/2016 17/10/2016 10/10/2016 16/12/2017 16/12/2017
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	NIL			
7.12	<b>Unsecured notes</b> (totals only)	NIL			

## Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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Sign here:

(Company secretary)

Date: 28 April 2016

Print name:

Cameron Bodley

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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