RedRiver RESOURCES LIMITED

ACN 100 796 754

ASX Announcement **ASX Code: RVR**

29 January 2021

Quarterly Activities and Cash Flow Report for the period ending 31 December 2020

Quarter Highlights

- Transformational December quarter for Red River as it becomes a diversified, multi-asset mining company
- Production commenced at Hillgrove Gold Mine, NSW - first ore processed on 28 December 2020
- Stable base metal concentrate production continued at Thalanga Operations, QLD
- Cash balance increased by $2.8 million to $15.3 million.

Thalanga Operations

- Quarterly copper concentrate production of 3,564 DMT, zinc concentrate production of 7,430 DMT and lead concentrate production of 1,914 DMT

Hillgrove Gold Mine

- First ore processed through Hillgrove Mill on 28 December 2020
- Red River is processing ore from Bakers Creek stockpile in Stage 1 Operations
- Work underway to recommence Hillgrove's underground mining in Stage 2, restart expected CY21
- Initial drilling program at Curry's Lode target successfully completed; more exploration underway to grow 692,000oz Hillgrove gold resource.

Exploration & Development Activities

- Sampling and mapping at the Orient Silver-Indium Project confirmed the presence of extensive high-grade epithermal silver-lead-zinc mineralisation with associated large scale alteration systems
- Orient East confirmed as a high priority bulk tonnage silver mineralisation drill target

Corporate

- $32.5 million revenue generated from base metal concentrate sales
- $5.4 million invested in capital development, primarily at Far West
- $1.5 million invested in restart activities at Hillgrove
- $0.6 million invested in exploration activities at Thalanga and Hillgrove Operations
- C1 cost of US$ (0.09) per pound of payable zinc metal
- C2 cost of US$ 0.24 per pound of payable zinc metal
- C3 cost of US$ 0.50 per pound of payable zinc metal
- Thalanga Operations EBITDA of $11.3 million
- Cash balance of $15.3 million plus financial assets of $12.9 million (cash backed security bonds and deposits) as at 31 December 2020.

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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 153 people. There were 75 full-time Red River Resources employees and an additional 78 contractors working in exploration and mining, with a total 97,107 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 17.0 for year to date. There were two medical treated injury during the quarter, and one Lost Time Injury (LTIs).

1.2. Hillgrove Gold Mine Safety and Environmental Performance

The Hillgrove Gold Mines site headcount during the period was 29 people including contractors with 13,312 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 OPERATION (QUEENSLAND)

Red River's Thalanga Operation 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.

The Thalanga Operation is located 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 Operation 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 Liontown deposit to extend the operational life of Thalanga.

2.1. Operations Update

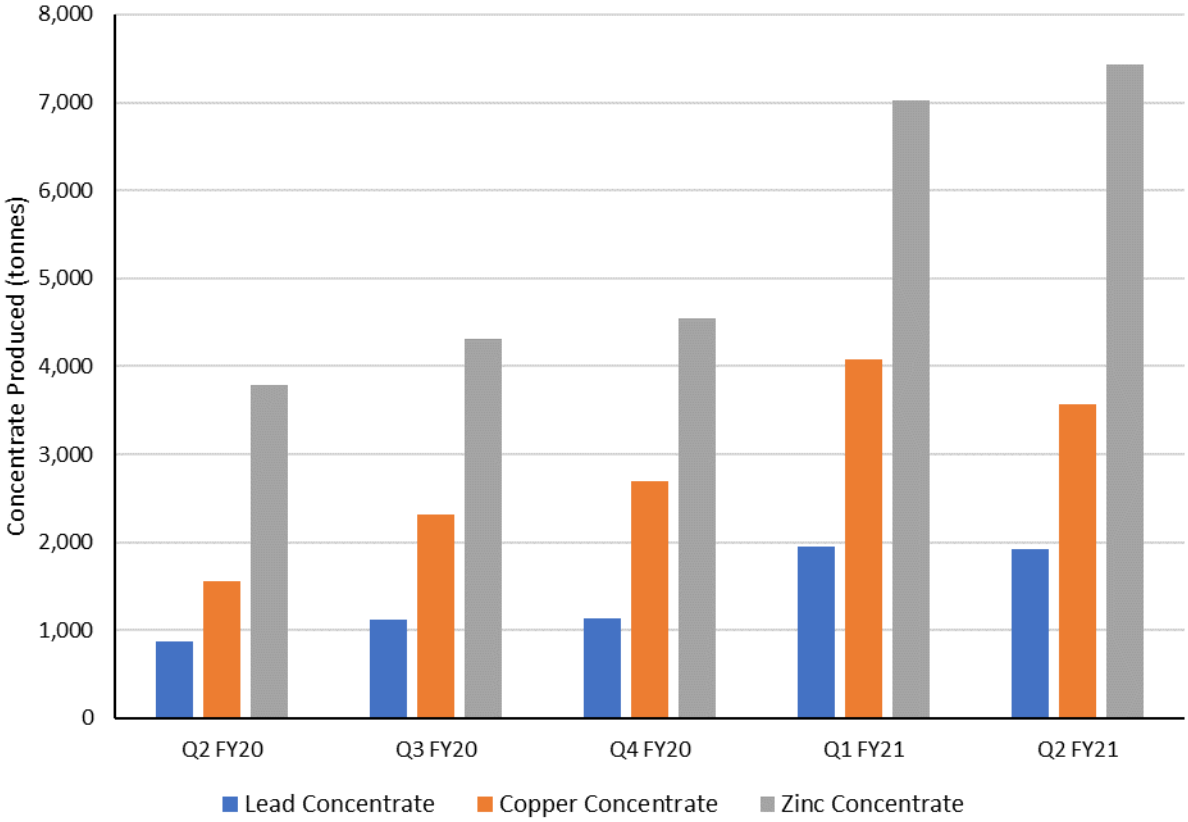
Thalanga Operations mined 92kt @ 1.2% Cu, 1.4% Pb, 4.0% Zn, 0.2 g/t Au & 44 g/t Ag (10.2% Zn Eq.), and processed 112kt of ore grading 1.1% Cu, 1.6% Pb, 3.9% Zn, 0.2 g/t Au & 42 g/t Ag (10.3% Zn Eq.).

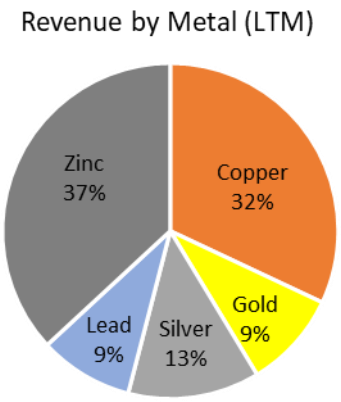
Zinc concentrate production increased 6% from Q1 FY21, with 7,430 DMT zinc concentrate produced. Zinc recovery to zinc concentrate averaged 89.1% for the period and a high-quality zinc concentrate grading 52.8% zinc was produced.

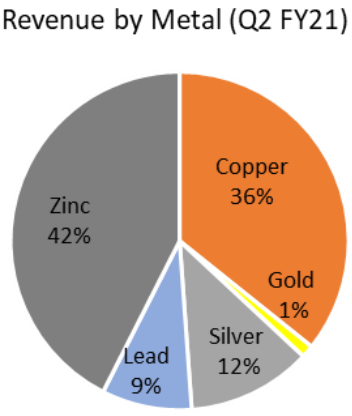
Lead concentrate production was in line with Q1 FY21, with 1,914 DMT lead concentrate produced. Lead recovery to lead concentrate was 74.4%, with an average concentrate grade of 68.8% Pb, 4.7 g/t Au & 1,497 g/t Ag produced during the period.

Copper concentrate production was down 12% after record production in Q1FY21, with 3,564 DMT of copper concentrate produced. Copper recovery to copper concentrate averaged 79.4% for the period, with an average copper concentrate grade of 28.4% Cu, 1.4 g/t Au and 299 g/t Ag.

Figure 1 Thalanga Operations base metal concentrate production by quarter



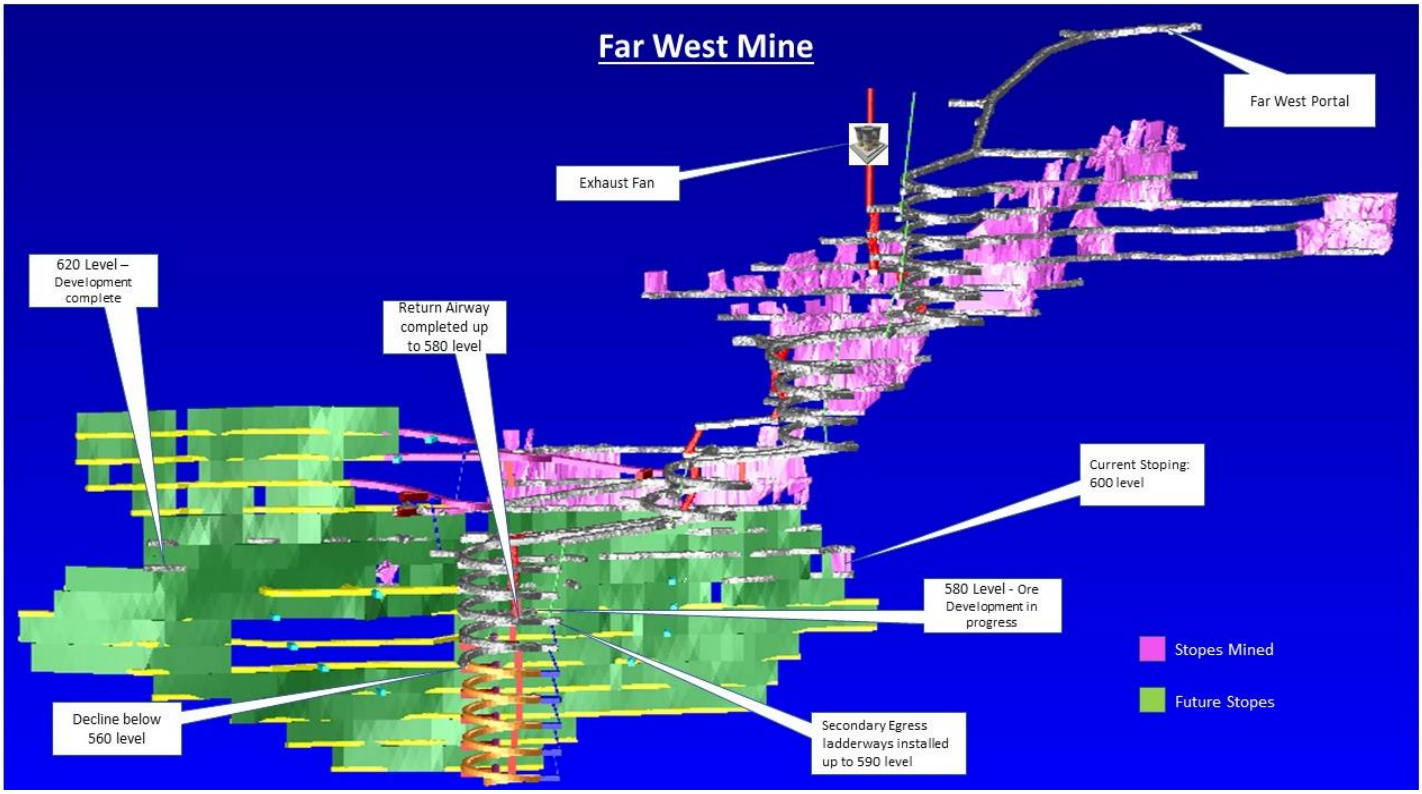




During the quarter, Red River continued to invest in the development of the Far West UG Mine:

- Capital development of 815.3m for the quarter (405.5m lateral capital development, 312.6m of decline development and 97.2m of vertical capital development)
- Operating Development of 860.6m
- Total development during the quarter was 1,675.9m.

Figure 2 Far West UG Mine Long Section



2.2. Concentrate Sales & Marketing

Red River sold 8,286 DMT zinc concentrate, 2,024 DMT lead concentrate and 3,735 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$1.12 and US$1.27 per pound of payable zinc metal, between US$0.86 and US$0.90 per pound of payable lead metal in lead concentrate and at US$3.54 per pound of payable copper metal in copper concentrate.

Table 1 Thalanga Operations Summary for Q2 FY2021 (Quarter ended 31 December 2020)

	Units	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	LTM
Total Tonnes Mined	kt	60	91	83	99	92	365
Copper grade	%	1.0	1.1	1.1	1.5	1.2	1.2
Lead grade	%	1.2	1.3	1.3	1.3	1.4	1.3
Zinc grade	%	3.5	3.5	3.7	4.2	4.0	3.9
Gold grade	g/t	0.2	0.3	0.2	0.1	0.2	0.2
Silver grade	g/t	38	44	42	47	44	44
Zinc equivalent grade	%	9.0	9.4	9.6	11.7	10.2	10.3
Ore Processed	kt	66	84	82	103	112	381
Copper grade	%	0.8	0.8	1	1.3	1.1	1.1
Lead grade	%	1.3	1.2	1.3	1.7	1.6	1.5
Zinc grade	%	3.5	3.3	3.4	4.2	3.9	3.7
Gold grade	g/t	0.2	0.2	0.2	0.3	0.2	0.2
Silver grade	g/t	40	48	44	55	42	47
Zinc equivalent grade	%	8.4	8.5	9.2	11.5	10.3	10.0
Zinc Concentrate Produced	**DMT**	**3,781**	**4,310**	**4,544**	**7,026**	**7,430**	**23,310**
Zinc grade	%	52.5	54.8	54	53.9	52.8	53.7
Zinc recovery	%	85.8	85.2	86.4	87.3	89.1	87.7
Lead Concentrate Produced	**DMT**	**876**	**1,117**	**1,133**	**1,947**	**1,914**	**6,111**
Lead grade	%	56.5	63.9	67.5	64.4	68.8	66.2
Copper grade	%	6.1	2.6	2.1	3.3	1.8	2.5
Gold grade	g/t	4.9	5.4	4.6	5.2	4.7	4.2
Silver grade	g/t	1,413	1,826	1,747	1,647	1,497	1,651
Lead recovery	%	58.8	68.1	69.7	72.7	74.4	72.4
Copper recovery	%	9.8	4.1	2.8	4.8	2.7	3.7
Copper Concentrate Produced	**DMT**	**1,560**	**2,310**	**2,697**	**4,073**	**3,564**	**12,644**
Copper grade	%	24.8	25.3	26.5	26.8	28.4	26.9
Gold grade	g/t	2.2	2.9	2.5	1.9	1.4	2.1
Silver grade	g/t	423	505	367	365	299	372
Copper recovery	%	70.8	83.9	84.7	81.4	79.4	82.9
Zinc Concentrate Sold	**DMT**	**4,149**	**4,452**	**4,151**	**6,630**	**8,286**	**21,477**
Lead Concentrate Sold	**DMT**	**945**	**1,232**	**1,003**	**1,953**	**2,024**	**4,776**
Copper Concentrate Sold	**DMT**	**1,455**	**2,623**	**2,326**	**4,233**	**3,735**	**12,947**
Table may include rounding errors							

2.3. Project Development Activities

Red River continued 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, a high-grade, gold-rich polymetallic deposit, is set to be Red River's third deposit developed for mining as part of its Thalanga Operations.

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 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.

2.4. Exploration Activities

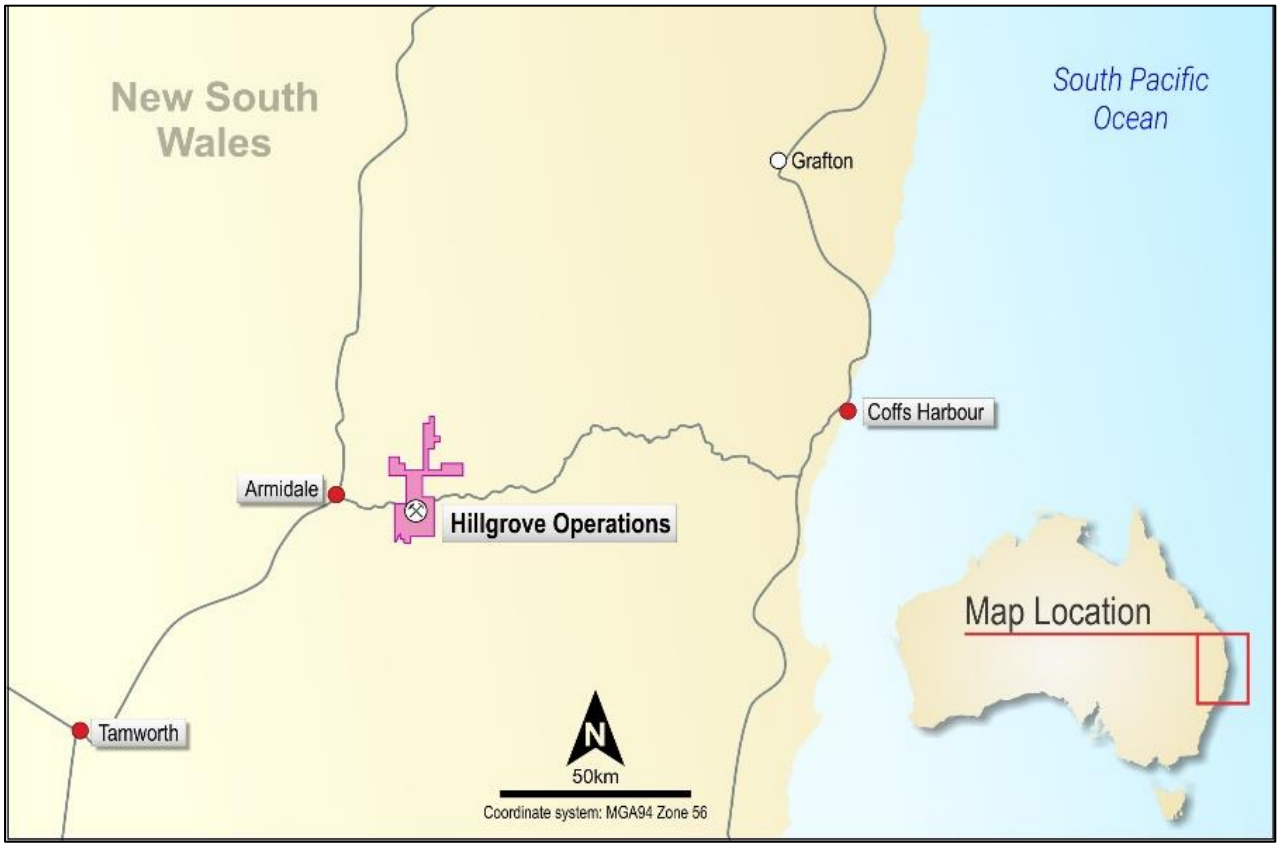
Red River holds an extensive portfolio of exploration tenements in the highly prospective Mt Windsor Volcanic Belt in the Charters Towers Region in Northern Queensland.

A proposed RC (reverse circulation) drilling program at the New Homestead, Toomba and Don gold targets was unable to commence as planned, as the drilling contractor was unable to mobilise the RC drill rig to site on schedule due to incompletion of a prior unrelated contract following inclement weather. Red River now expects the drill program to commence in February.

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 Compliant Mineral Resource of 5.0Mt @ 4.3 g/t Au & 1.5% Sb (6.4 g/t Au Eq.) (692koz gold & 75kt antimony).

Figure 3 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 Stage 1 (Bakers Creek Stockpile) Restart

Red River commenced production at the Hillgrove Gold Mine during the quarter after acquiring the project in 2019. Bakers Creek Stockpile mining and trucking activities started, and the first ore delivered to Hillgrove ROM Pad on 23 December 2020. First ore was processed through the Hillgrove Mill on 29 December 2020 and the plant is forecast to ramp up to steady state production during the third quarter (Q3 FY2021).

Figure 4 Hillgrove ROM Pad

Figure 5 Feeding the primary crusher

Figure 6 Crushed ore being fed into ore bin

Figure 7 Ore being fed into ball mill

3.2. Hillgrove Gold Project Stage 2 Restart

Work on the Stage 2 (underground production) restart continued during the quarter to support the planned commencement of UG production in mid to late CY2021. This will allow the Hillgrove Processing Plant to transition from Bakers Creek Stockpile feed to UG ore feed on depletion of the Bakers Creek Stockpile. The aim of the Stage 2 Restart is to deliver a project with the following key parameters:

- Initial mine life of at least 5 years
- Production of 30-50koz Au Eq. from the UG operations.

In Stage 2, the Hillgrove Processing Plant will produce a gold-antimony concentrate, a gold concentrate and a gold doré. Red River will also examine the potential to produce a saleable tungsten concentrate from the scheelite ($CaWO_4$) mineralisation in the Metz Mining Centre.

UG Operations will commence in the Metz Mining Centre, allowing Red River to take advantage of the existing UG development & infrastructure to target the high-grade Lode systems (Syndicate, Blacklode & Sunlight). The Metz Mining Centre Mineral Resource was recently upgraded to 3.0Mt @ 4.5 g/t Au & 1.4% Sb (6.5 g/t Au Eq.) (426koz Au & 41kt Sb contained).

The Metz Mining Centre is currently on active care & maintenance, with all infrastructure (ventilation, power, water) in place to support near term restart of mining. Previous owners invested significant capital in development the Metz Mining Centre, with approximately 3,950m of declines and capital development, 3,400m of ore drives in the Syndicate Lode, 500m of ore drives in Blacklode and 320m of ore drives in Cox's Lode.

Table 2 Metz Mining Centre Mineral Resource

Lode	Classification	Tonnes	Gold	Antimony	Gold Equivalent (Au Eq.)	Contained Gold	Contained Antimony
		(kt)	(g/t)	(%)	(g/t)	(koz Au)	(kt Sb)
Blacklode & Sunlight	Measured	-	-	-	-	-	-
	Indicated	1,511	5.3	1.3	7.1	255	20
	Inferred	1,136	3.6	0.9	4.9	131	10
	Total	**2,647**	**4.5**	**1.1**	**6.2**	**387**	**30**
Syndicate	Measured	199	4.5	4.5	10.9	29	9
	Indicated	96	2.5	2.4	5.9	8	2
	Inferred	23	3.6	0.4	4.1	3	0
	Total	**318**	**3.8**	**3.6**	**8.9**	**39**	**11**
Total	Measured	199	4.5	4.5	10.9	29	9
	Indicated	1,607	5.1	1.4	7.0	263	22
	Inferred	1,159	3.6	0.9	4.9	134	10
	Total	**2,965**	**4.5**	**1.4**	**6.5**	**426**	**41**

Source: Red River Resources Limited 24 September 2020 & 17 August 2020
Blacklode & Sunlight Lode Mineral Resource is estimated at a cut-off grade of 3 g/t Au Eq.
Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.
Gold equivalent (Au Eq.) has been calculated using the metal selling prices, recoveries and other assumptions contained in included this announcement.

3.3. Exploration & Development Activities

Red River completed its initial Curry's Lode drill program during the quarter, completing seven diamond drill holes (CUY001 to CUY007) for a total of 776.4 metres drilled. The program was an outstanding success, with all holes intersecting gold-tungsten-antimony mineralisation. Results confirmed the presence of high-grade gold-tungsten mineralisation with associated antimony mineralisation at Curry's Lode. Tungsten is present as scheelite (calcium tungstate $CaW0_4$) and minor visible gold mineralisation was noted in a number of intercepts.

The mineralisation intersected at Curry's Lode is open in all directions (strike and dip) and it is pleasing to note that the drilling has intersected wide zones of mineralisation associated with high-grade veins.

Red River is undertaking a detailed review of the drilling to seek to target zones of higher grade mineralisation for a 2021 drilling program.

Table 3 Curry's Lode material drill hole assay summary (Hillgrove Gold Project)

Hole ID	From	To	Down Hole Intersection	Au	Sb	WO_3
	(m)	(m)	(m)	(g/t)	(%)	(%)
CUY001	47.60	48.00	0.40	9.2	0.0	0.35
CUY002	44.00	45.00	1.00	6.5	1.4	0.26
CUY003	93.00	96.90	3.90	2.1	0.0	0.18
CUY004*	34.85	38.00	3.15	5.8	0.1	0.12
inc.*	35.60	36.90	1.30	12.2	0.1	0.23
CUY005	34.60	36.50	1.90	5.9	0.0	0.35
inc.	35.15	36.00	0.85	10.4	0.0	0.56
CUY006	20.00	21.00	1.00	7.3	0.0	0.12
CUY007	27.00	32.00	5.00	3.0	0.6	0.08
inc.	27.60	28.10	0.50	19.7	5.8	0.30
and	37.00	44.00	7.00	0.9	0.0	0.08
and	109.00	112.80	3.80	1.3	0.0	0.13
*Includes 0.15m of core loss from 36.25m to 36.40m down hole which has been assigned zero grade. True width is approximately 70% of down hole width						

For further information refer to the Red River ASX release "Red River hits high-grade gold at Curry's Lode" dated 19 November 2020.

On completion of the Curry's Lode drilling program, the drill rig commenced a drill program designed to support the conversion of the Eleanora-Garibaldi JORC 2004 Mineral Resource to a JORC 2012 Compliant Mineral Resource, to accelerate mine planning activities at Sunlight and generate samples for metallurgical test work. This program is expected to take 3-4 months to complete.

Table 4 Hillgrove Gold Mine Planned Diamond Drilling

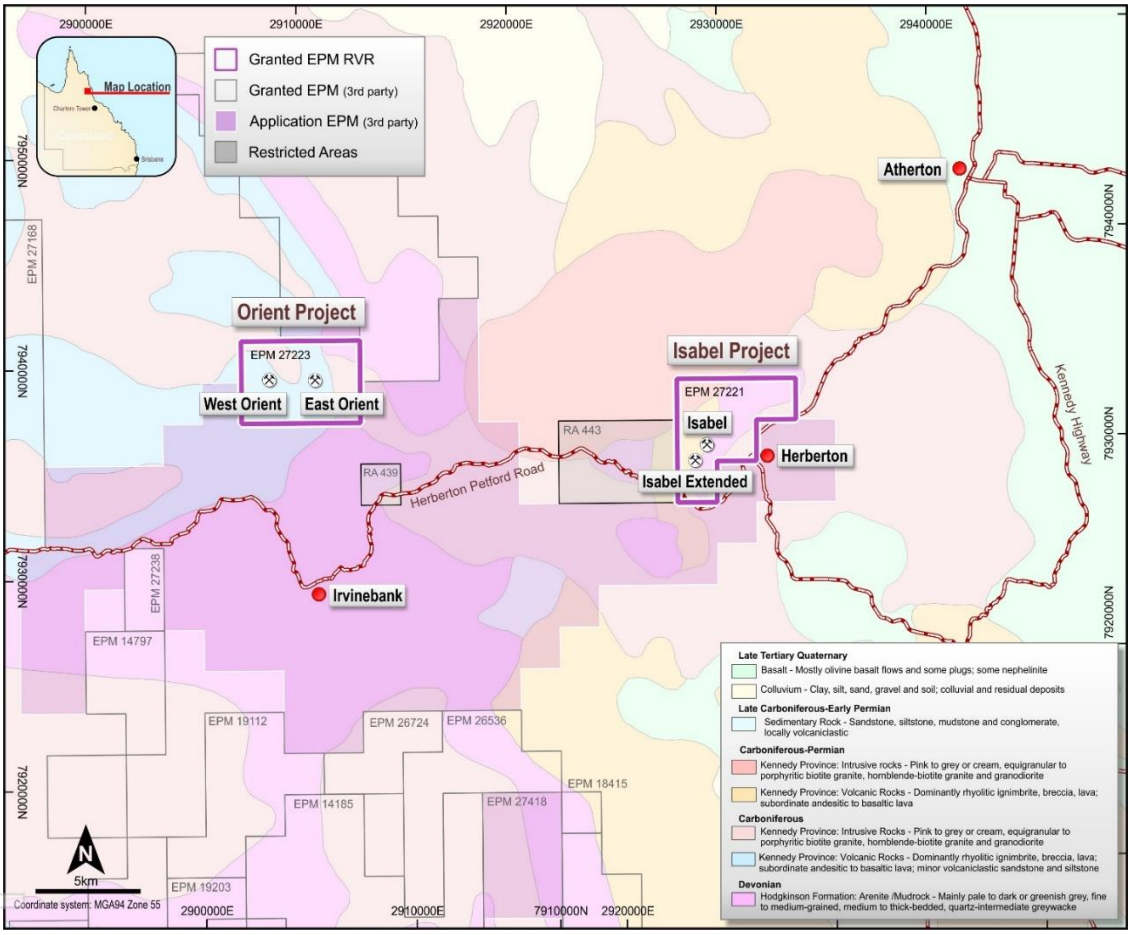
	Design Holes	Design Metres
Eleanora Uppers Phase 2	7	1,220
Garibaldi	4	790
Sunlight (Surface)	7	1,680
Sunlight (UG)	5	535
Total	23	4,225

4. HERBERTON SILVER-INDIUM PROJECT (QUEENSLAND)

Sampling and mapping at Red River's Orient Silver Project confirmed the presence of extensive high-grade epithermal silver-lead-zinc mineralisation with associated large-scale alteration systems. Red River collected 44 samples from Orient West and 37 samples from Orient East.

Sampling at Orient West returned an average grade of 357 g/t Ag, 241 g/t In, 8.2% Pb & 5.8% Zn, with peak assays of 1,730 g/t Ag, 1,289 g/t In, 39.1% Pb & 32.1% Zn, and sampling at Orient East returned an average grade of 240 g/t Ag, 88 g/t In, 5.9% Pb & 0.9% Zn, with peak assays of 1,365 g/t Ag, 444 g/t In, 25.8% Pb & 18.7% Zn.

Figure 8 Herberton Silver-Indium Project location



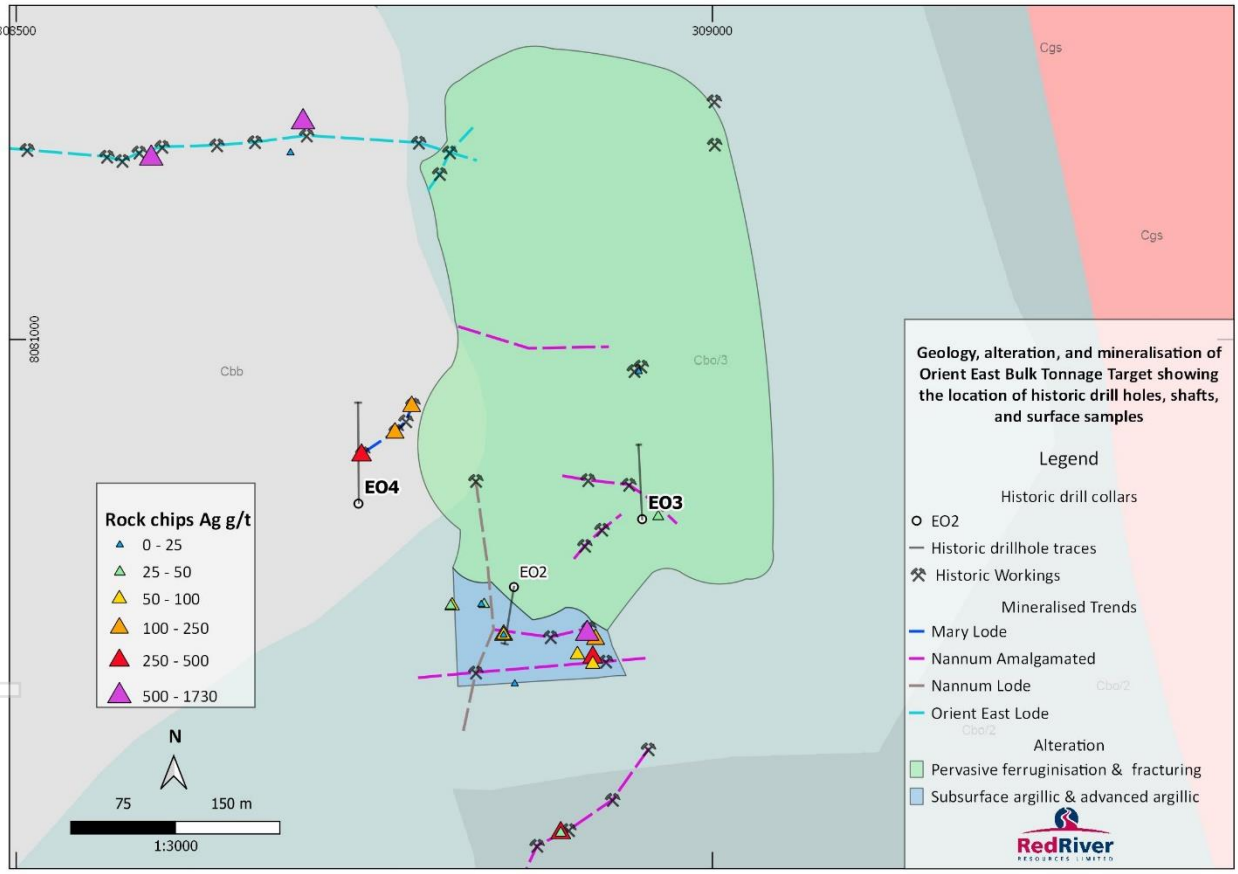
Orient East Bulk Tonnage Silver Target

Red River identified a large (450m by 200m) alteration zone associated with pervasive ferruginisation and fracturing at Orient East. The alteration zone is associated with a number of higher-grade silver-indium-lead-zinc vein systems. Great Northern Mining Corporation (GNMC) drilled four holes (EO2 to EO5) to test various targets in the East Orient area in January 1988. Of these, EO3 and E04 intersected high grade silver-indium-lead-zinc mineralisation and associated with wider zones of lower grade mineralisation over a potential 200m plus strike length.

Table 5 Material drill hole assay summary (EO3), Herberton Silver Indium Project

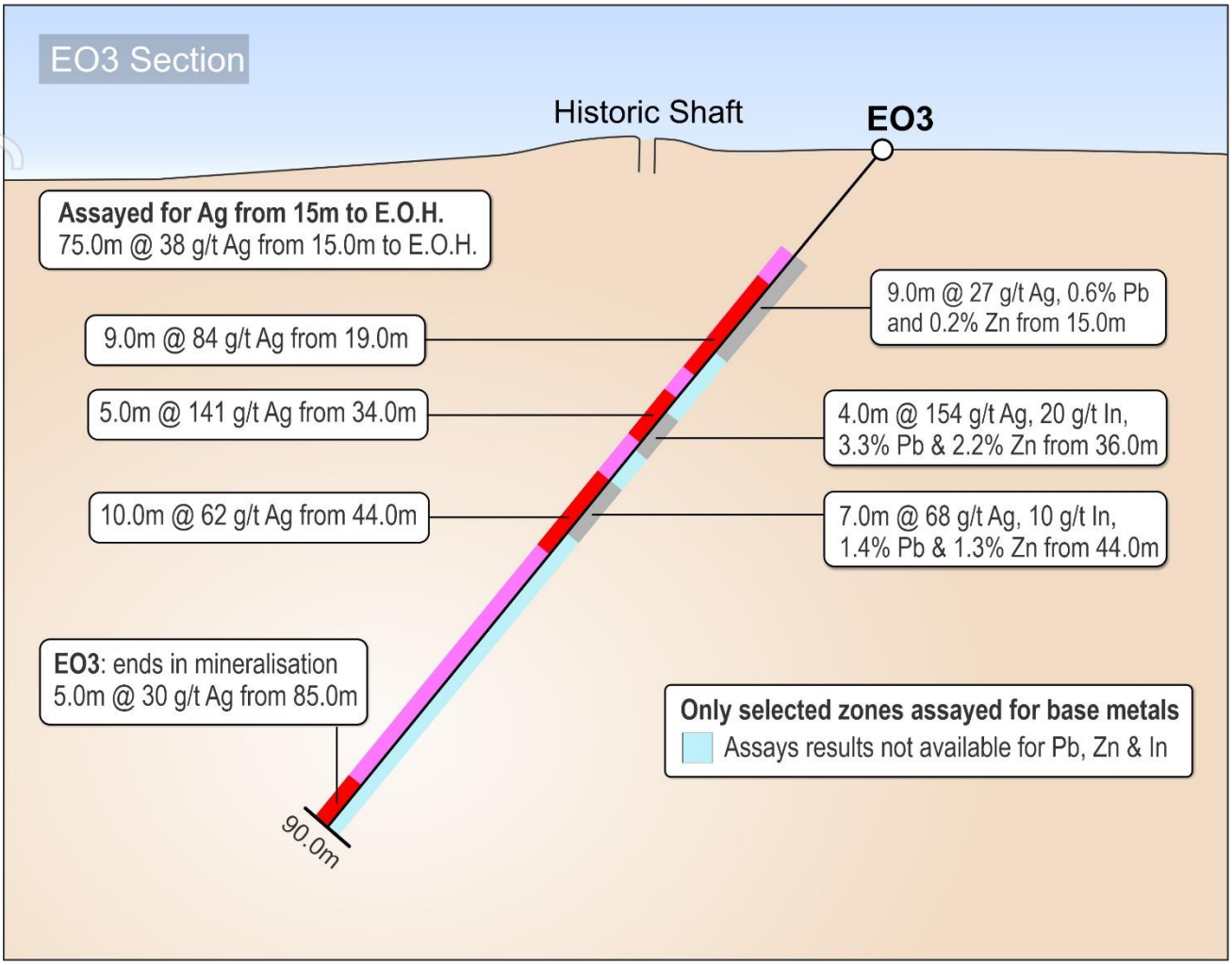
Hole ID	From	To	Down Hole Intersection	Ag	In	Pb	Zn
	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(%)
EO3	15.0	24.0	9.0	27	na	0.6	0.2
	36.0	40.0	4.0	154	20	3.3	2.0
	44.0	51.0	7.0	68	10	1.4	1.3
EO3 (Ag only)	15.0	90.0	75.0	38	na	na	na
inc.	19.0	28.0	9.0	84	na	na	na
inc.	34.0	39.0	5.0	141	na	na	na
inc.	44.0	54.0	10.0	62	na	na	na
inc.	85.0	90.0	5.0	30	na	na	na
EO4	65.0	68.0	3.0	146	na	3.8	9.7
EO4 (Ag only)	87.0	95.0	8.0	41	na	na	na
na – assays not available							

Figure 9 Orient East



EO3 was sampled from 15.0m to 90.0m (End of Hole) and assays results show that EO3 intersected extensive zones of silver-indium-lead-zinc mineralisation from 15.0m down hole. All samples taken were assayed for silver and only partial base metal and indium assays were carried out.

Figure 10 Drillhole EO3 Cross Section (Orient East Bulk Tonnage Target)



Drillhole EO3 intersected extensive zones of epithermal silver-indium-lead-zinc mineralisation from a shallow depth. The mineralisation intersected in EO3 has not been followed up (open in all directions) and EO3 was ended in a zone of low grade silver mineralisation. Red River believes that mineralisation intersected in EO3 and EO4 represents a bulk tonnage epithermal silver-lead-zinc target, of similar style to Silver Mines (ASX:SVL) Bowdens Silver Project in NSW, and as such represents a high priority drilling target.

For further information please refer to the Red River ASX release “Red River defined extensive high-grade silver-indium system at Orient” dated 11 November 2020.

Red River has commenced drill targeting activities (negotiating access agreements with landowners and drill design activities), with the objective of commencing drilling after the forecast wet season has finished.

5. CORPORATE

5.1. Financial Performance

Financial performance of the Thalanga Operation is summarised in the table below.

Table 6 Thalanga Operations Financial Summary and Indicative Cash Costs for the December 2020 Quarter (Q2 FY21) and FY21 YTD (unaudited)

	Units	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	FY21 YTD
Revenue	$m	12.2	14.5	15.6	35.6	32.5	68.1
Thalanga Operations EBITDA	$m	(2.4)	(2.6)	3.5	13.8	11.3	25.1
Indicative Cash Costs							
Payable zinc metal produced	Mlb	3.7	4.4	4.6	7.1	7.3	14.4
Indicative C1 Cash Cost	US$/lb payable Zn	1.13	0.73	0.30	(0.10)	(0.09)	(0.10)
Indicative C2 Cost	US$/lb payable Zn	1.51	0.99	0.64	0.23	0.24	0.24
Indicative C3 Cost	US$/lb payable Zn	1.74	1.21	0.86	0.49	0.50	0.49

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 (Q1 FY21: copper US$3.18/lb, lead US$0.85/lb, gold US$1,882/oz and silver US$24.25/oz)

Revenue during the quarter was $32.5 million, with $13.8 million from sale of zinc in zinc concentrate, $2.8 million from the sale of lead in lead concentrate, $11.6 million from sale of copper in copper concentrate and $4.3 million from sale of payable precious metals (gold and silver) contained in copper and lead concentrates.

Thalanga Operations quarterly EBITDA (unaudited) was $11.3 million, a decrease of $2.5 million over the prior quarter. Compared to the previous quarter:

- Revenue was $3.1 million lower due to gold concentrate sales having added $2.3 million in revenue to the prior quarter, other sales volume variances ($0.4 million) and variance due to metal price fluctuations ($0.4 million).
- Foreign exchange losses were $1.0 million higher due to the impact of the strengthening A$:US$ exchange rate.
- Other income was $0.6 million lower as the Company did not receive government/Job Keeper assistance this quarter.
- Sales realisation expenses were $1.5 million lower with the realisation costs of overall increased concentrate sales tonnage more than offset by the favourable impact on these costs of the higher A$:US$ exchange rate, and a continued easing in concentrate treatment charges.
- Operating costs were $0.6 million lower.

C1 Cash costs remained constant for the quarter. The favourable impact of higher metal prices and increased payable zinc metal produced was offset by lower by-products credits derived from lower lead and copper concentrates produced.

Working Capital Facility & Concentrate Offtake Agreements

Red River renewed the lead and zinc concentrate offtake agreements with Trafigura Pte Ltd ("Trafigura") and Trafigura provided a new working capital facility of up to US$15 million which is available to the Company for general working capital, corporate and other purposes.

The lead and zinc offtake agreements commence in January 2021 and run for 3 years. Under the terms of the offtake agreements, zinc and lead concentrates will be trucked approximately 200km to the Port of Townsville, for onward delivery to customers.

Cash at bank at the end of the quarter was $15.3 million, an increase of $2.8 million as compared to the prior quarter. This was after investing $5.4 million in mine development, (primarily the Far West underground mine), $1.5 million in restart activities at Hillgrove Gold Mine and $0.6 million in exploration.

5.2. Royalty Update

Red River and its wholly-owned subsidiary, Cromarty Resources Pty Ltd, have filed their defence and cross claim in the proceedings commenced by Thalanga Copper Mines Pty Ltd on 24 February 2019 and continue to defend the proceedings vigorously. Red River will continue to update the market on these proceedings.

CAMERON BODLEY
Company Secretary
Red River Resources Limited

End.

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

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COMPETENT PERSON STATEMENT

Exploration Results (Herberton)

The information in this report that relates to Exploration Results is based on information compiled by Mr Steven Harper 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 Harper 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 31 December 2020, Red River had an interest in the following exploration permit minerals (EPM) and mining leases (ML) in Queensland.

Table 7 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 8 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 September 2020, 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 9 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 10 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%

Table 11 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 12 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 13 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:

Zn Eq. = (Zn%*1.0) + (Cu%*3.3) + (Pb%*0.9) + (Au ppm*2.0) + (Ag ppm*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 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%

Appendix 5B

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

Name of entity	
Red River Resources Limited	
ABN	**Quarter ended ("current quarter")**
35 100 796 754	December 2020

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers*	31,764	67,672
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development*	(5,368)	(10,990)
	(c) production*	(12,051)	(21,176)
	(d) staff costs	(3,444)	(6,407)
	(e) administration and corporate costs*	(2,196)	(3,352)
	(f) sales realisation expenses	(4,497)	(9,214)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	47	77
1.5	Interest and other costs of finance paid	(56)	(181)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST/BAS)	(239)	2
1.9	**Net cash from / (used in) operating activities**	**3,961**	**16,431**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,521)	(1,584)
	(d) exploration & evaluation (capitalised)*	(607)	(1,211)
	(e) investments	-	-
	(f) other non-current assets	(11)	(24)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(2,138)**	**(2,818)**

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	1,440
3.6	Repayment of borrowings	(412)	(7,354)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)*	(19)	(463)
3.10	**Net cash from / (used in) financing activities**	**1,009**	**(6,379)**

* Quarter / YTD includes repayment of lease liability (19)/(37); 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	12,482	8,080
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,961	16,431
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,138)	(2,818)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,009	(6,379)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**15,314**	**15,314**

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	15,314	12,482
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)**	**15,314**	**12,482**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	440
6.2	Aggregate amount of payments to related parties and their associates included in item 2	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: $400k

Provision of accounting, taxation and corporate secretarial services – Hanson Porter Curzon Pty Ltd: $40k

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	19,412	-
7.2	Credit standby arrangements	30	4
7.3	Other (insurance premium funding)	1,028	1,028
7.4	**Total financing facilities**	20,470	1,032

7.5	**Unused financing facilities available at quarter end**	19,438

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)	3,961
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(607)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	3,354
8.4	Cash and cash equivalents at quarter end (Item 4.6)	15,314
8.5	Unused finance facilities available at quarter end (Item 7.5)	19,438
8.6	Total available funding (Item 8.4 + Item 8.5)	34,752
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.

29/01/2021

Date: .....

Mel Palancian

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.