

# RED RIVER RESOURCES LIMITED

ABN: 35 100 796 754

## APPENDIX 4D

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET:

Reporting Period: Half-year ended 31 December 2020

Previous Corresponding Period: Half-year ended 31 December 2019

<i>Key information (extracted from interim financial report)</i>	Change Up / (Down) %	Half-Year Ended 31 December 2020 \$'000
Revenue and other income from ordinary activities	107.8	68,982
Net profit/(loss) from ordinary activities after tax attributable to members	310.1	10,996
Net profit/(loss) after tax attributable to members	310.1	10,996

#### DIVIDENDS

No dividends have been paid or declared during the current reporting period.

#### NET TANGIBLE ASSETS PER SHARE

	31 December 2020 cents	31 December 2019 cents
Net tangible assets per share	11.83	9.98

#### OTHER INFORMATION

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report, the consolidated financial statements and the notes to the financial statements for the half-year ended 31 December 2020. The information should be read in conjunction with Red River Resources Limited's 2020 Annual Report and the attached Half-Year Report. This report is based on the consolidated financial statements for the half-year ended 31 December 2020 which have been audited by RSM Australia Partners.

On behalf of the Board.

#### RED RIVER RESOURCES LIMITED



**Mr. Brett Fletcher**

Chairman

25 February 2021

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ACN 100 796 754

**RED RIVER RESOURCES LIMITED  
AND CONTROLLED ENTITIES**

**ABN: 35 100 796 754**

**HALF YEAR REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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## **Corporate Directory**

### **Directors**

Mr. Brett Fletcher - Non-executive Chairman  
Mr. Melkon Palancian - Managing Director  
Mr. Donald Garner - Executive Director  
Mr. Mark Hanlon - Non-executive Director

### **Company Secretary**

Mr. Cameron Bodley

### **Registered Office**

Level 6, 350 Collins Street  
MELBOURNE VICTORIA 3000

### **Principal Place of Business**

“Thalanga Mine”  
18144 Flinders Highway  
CHARTERS TOWERS QUEENSLAND 4820

### **Website Address**

[www.redriverresources.com.au](http://www.redriverresources.com.au)

### **Country of Incorporation**

Red River Resources Limited is domiciled and incorporated in Australia

### **Stock Exchange Listing**

Red River Resources Limited is listed on the Australian Securities Exchange (ASX code : RVR)

### **Auditors**

RSM Australia Partners  
Level 21  
55 Collins Street  
MELBOURNE VIC 3000

### **Legal Advisors**

Piper Alderman  
Level 26  
71 Eagle Street  
BRISBANE QLD 4000

### **Share Registry**

Computershare Investor Services Pty Ltd  
Level 11  
172 St Georges Terrace  
PERTH WA 6001

Postal:  
GPO Box 2975,  
MELBOURNE VIC 3001

## Directors' Report

Your Directors present their report together with the financial statements of the consolidated entity, being Red River Resources Limited (the 'Company') and its controlled entities, for the financial half year ended 31 December 2020.

### Chairman and Directors

The following persons were directors of Red River Resources Limited during the whole of the financial half year and up to the date of this report, unless otherwise stated:

Name	Position
Mr. Brett Fletcher	Non-executive Chairman
Mr. Melkon Palancian	Managing Director
Mr. Donald Garner	Executive Director
Mr. Mark Hanlon	Non-executive Director

### Dividends Paid or Declared

No dividends were paid or declared during the half year. No recommendation for payment of dividends has been made.

### Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated entity during the half year ended 31 December 2020 were the operation and development of the Thalanga Operation and exploration and evaluation of its tenements, and carrying out care and maintenance, and restart activities, at the Hillgrove Gold Mine and exploration and evaluation of its tenements. There were no significant changes in the nature of activities during the half year.

## REVIEW OF OPERATIONS

### Period Highlights

- Transformational period for Red River as it becomes a diversified, multi-asset mining company
- First ore processed at Hillgrove Gold Mine on 28 December 2020
- Record copper concentrate production for the period at Thalanga
- Red River granted key Herberton silver-indium project tenements in Northern Queensland

#### Thalanga Operation

- Record copper concentrate production of 7,637 DMT, zinc concentrate production of 14,456 DMT and lead concentrate production of 3,861 DMT for the period

#### 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
- Drilling programs undertaken at the Elenora and Curry's Lode targets
- Hillgrove Mineral Resource increased to 692,000 ounces contained gold

#### Exploration and 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

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 1. Safety & Environmental Performance

##### Thalanga Operations

The site headcount during the period was 154 people. There were 76 full-time Red River Resources employees and an additional 78 contractors working in exploration and mining, with a total 192,851 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 15.6 to 31 Dec 2020. There were three medical treated injuries and one Lost Time Injury (LTIs) during the period.

##### Hillgrove Gold Mine

The Hillgrove Gold Mines site headcount increased to 29 by period end as operational activities ramped up on site with a total 17,443 hours worked for the period. The Total Recordable Injury Frequency Rate (TRIFR) is zero for the year to 31 Dec 2020. There were zero medical treated injuries and zero Lost Time Injuries (LTIs) during the period.

##### Coronavirus (COVID) 19 Update

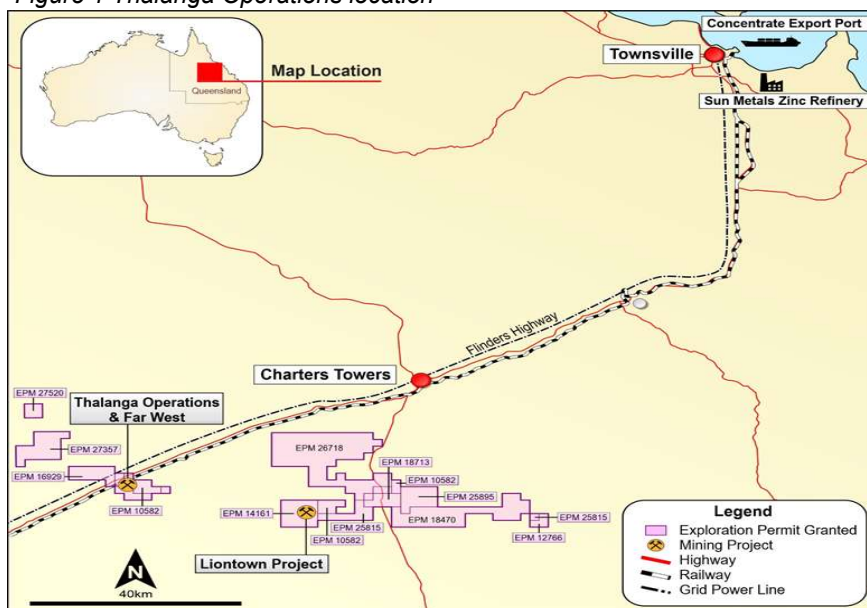
Red River continues to implement preventative measures to reduce risk to employees and operations at all sites. These preventative measures include increased hygiene practices, restrictions on non-essential travel, social distancing, limiting visitors to site and remote working where possible. Thalanga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

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

Red River acquired the Thalanga Operation in 2014 and commenced production from the West 45 deposit in 2017, with ore for the Thalanga Operation currently being sourced from the West 45 and Far West underground mines, with plans to develop the Liontown Project to extend the future Thalanga operational life.

Figure 1 Thalanga Operations location



## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 2.1. Thalanga Operations Summary

Ore mined for the period was 191kt @ 1.4% Cu, 1.3% Pb, 4.1% Zn, 0.1 g/t Au and 46 g/t Ag (11.0% Zn Eq.), and ore processed was 215kt @ 1.2% Cu, 1.6% Pb, 4.0% Zn, 0.2 g/t Au and 48 g/t Ag (10.9% Zn Eq.)

Zinc concentrate production increased 63% from H2 FY20, with 14,456 DMT zinc concentrate produced. Zinc recovery to zinc concentrate averaged 88.7% for the period and a high-quality zinc concentrate grading 53.3% zinc was produced.

Lead concentrate production increased 72% from H2 FY20, with 3,861 DMT lead concentrate produced. Lead recovery to lead concentrate was 72.6%, with an average concentrate grade of 66.6% Pb, 5.0 g/t Au & 1,573 g/t Ag produced during the period.

Copper concentrate production increased 53% from H2 FY20, with 7,637 DMT of copper concentrate produced. Copper recovery to copper concentrate averaged 81.8% for the period, with an average copper concentrate grade of 27.5% Cu, 1.7 g/t Au and 334 g/t Ag.

Table 1 Thalanga Operations Production Summary for the six months to 31 December 2020 (H1 FY21)

	Units	H1 FY20	H2 FY20	H1 FY21	CY20
<b>Ore mined</b>	<b>'000 Tns</b>	<b>160</b>	<b>174</b>	<b>191</b>	<b>365</b>
Copper grade	%	0.7	1.1	1.4	1.2
Lead grade	%	1.6	1.3	1.3	1.3
Zinc grade	%	3.7	3.6	4.1	3.9
Gold grade	g/t	0.3	0.3	0.1	0.2
Silver grade	g/t	37	43	46	44
Zinc equivalent <sup>(1)</sup>	%	8.4	9.5	11.0	10.3
<b>Ore processed</b>	<b>'000 Tns</b>	<b>166</b>	<b>166</b>	<b>215</b>	<b>381</b>
Copper grade	%	0.6	0.9	1.2	1.1
Lead grade	%	1.6	1.2	1.6	1.5
Zinc grade	%	3.6	3.3	4.0	3.7
Gold grade	g/t	0.2	0.2	0.2	0.2
Silver grade	g/t	39	46	48	47
Zinc equivalent <sup>(1)</sup>	%	8.1	8.8	10.9	10.0
<b>Zinc conc. produced</b>	<b>DMT<sup>(2)</sup></b>	<b>9,980</b>	<b>8,854</b>	<b>14,456</b>	<b>23,310</b>
Zinc grade	%	52.4	54.4	53.3	53.7
Zinc recovery	%	88.5	86.6	88.7	87.9
<b>Lead conc. produced</b>	<b>DMT<sup>(2)</sup></b>	<b>2,892</b>	<b>2,250</b>	<b>3,861</b>	<b>6,111</b>
Lead grade	%	63.9	65.7	66.6	66.3
Copper grade	%	3.1	2.3	2.6	2.5
Gold grade	g/t	4.2	5.0	5.0	5.0
Silver grade	g/t	1050	1786	1573	1651
Lead recovery	%	70.5	71.3	72.6	72.1
Copper recovery	%	8.9	3.5	3.8	3.7
<b>Copper conc. prod.</b>	<b>DMT<sup>(2)</sup></b>	<b>2,932</b>	<b>5,007</b>	<b>7,637</b>	<b>12,644</b>
Copper grade	%	24.7	25.9	27.5	26.9
Gold grade	g/t	3.3	2.7	1.7	2.1
Silver grade	g/t	608	431	334	372
Copper recovery	%	71.0	87.1	81.8	83.80



## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 2.1. Thalanga Operations Summary (continued)

Table 1 Thalanga Operations Production Summary for the six months to 31 December 2020 (H1 FY21) (continued)

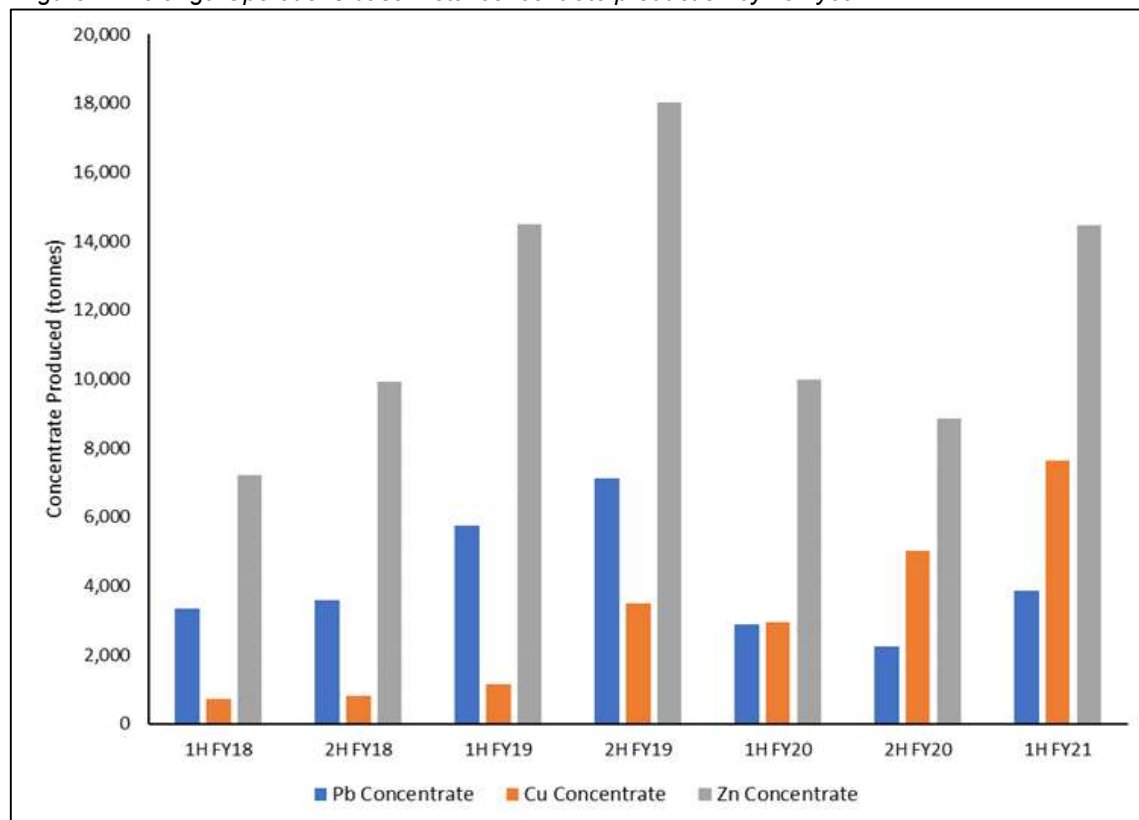
	Units	H1 FY20	H2 FY20	H1 FY21	CY20
Zinc conc. sold	DMT <sup>(2)</sup>	10,340	8,603	14,916	23,519
Lead conc. sold	DMT <sup>(2)</sup>	3,326	2,235	3,977	6,212
Copper conc. sold	DMT <sup>(2)</sup>	2,880	4,949	7,968	12,917

<sup>(1)</sup> Zinc equivalent (Zn Eq.) has been calculated using the metal selling prices, recoveries and other assumptions contained in Zinc Equivalent Calculation as part of Mineral Resource and Ore Reserve Statement. It is the Company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

<sup>(2)</sup> Dry metric tonne

Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.

Figure 2 Thalanga Operations base metal concentrate production by half year



Red River continued to invest in the development of the Far West mine during the period, and 3,564m of lateral development was completed:

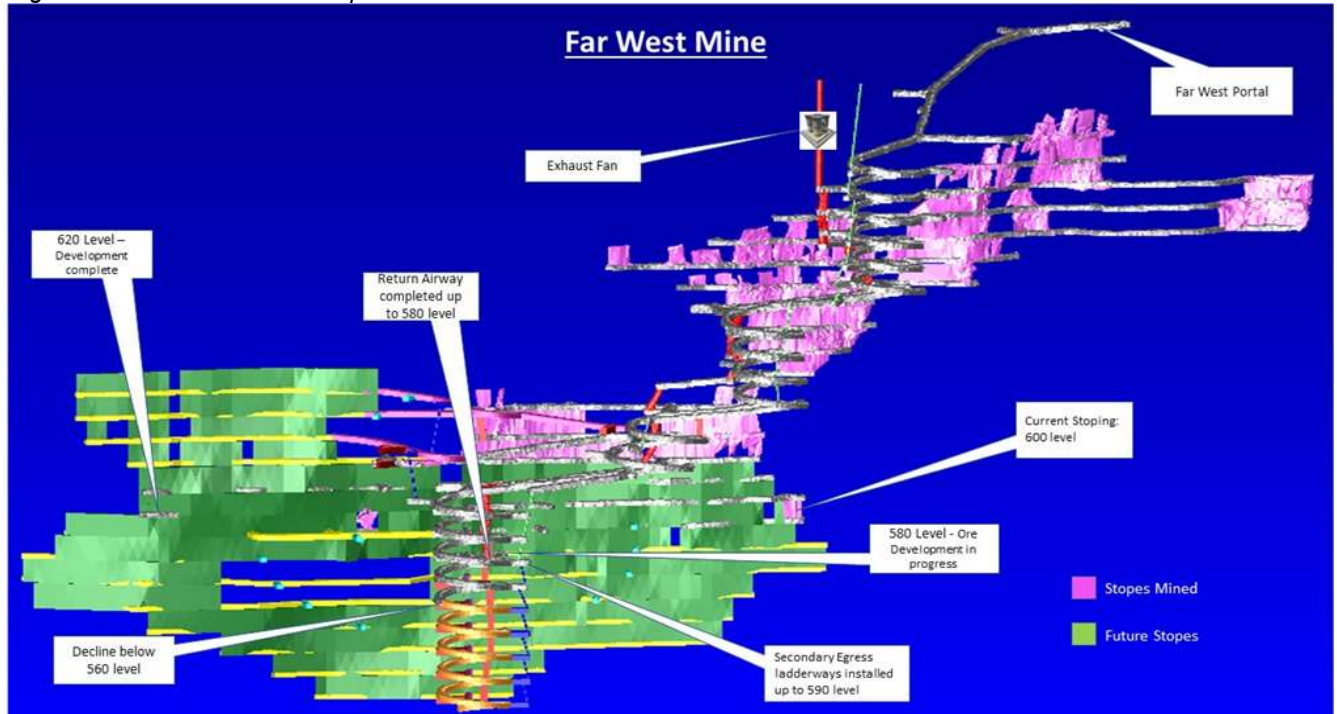
- Capital development of 1,788m for the period (928m lateral capital development, 708m of decline development and 153m of vertical capital development)
- Operating development of 1,776m
- Total development during the period was 3,564m

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 2.1. Thalanga Operations Summary (continued)

Figure 3 Far West Mine Development



#### 2.2. Thalanga 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.

#### 2.3. Thalanga 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.

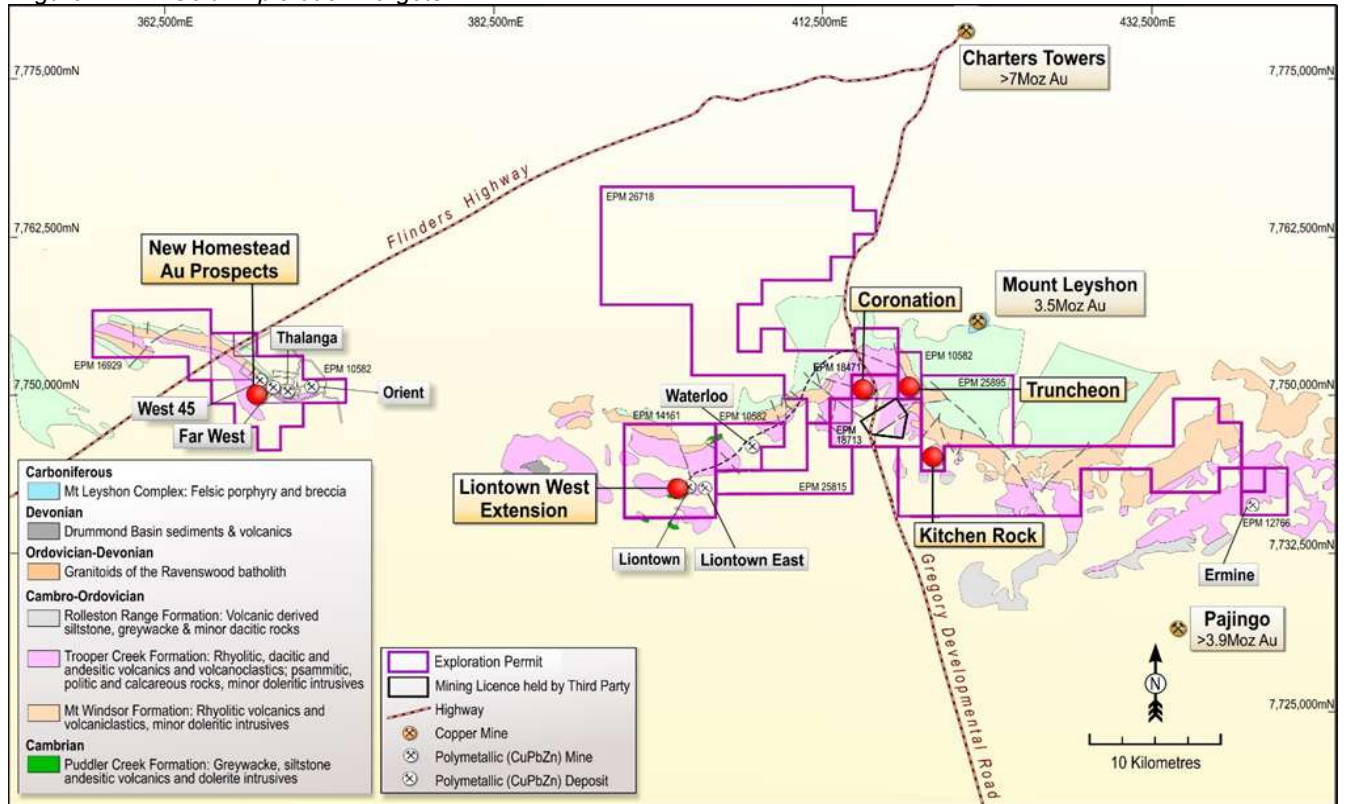
A proposed RC (reverse circulation) drilling program at the New Homestead, Toomba and Don gold targets was unable to commence as planned, as the drilling contractor was unable to mobilise the RC drill rig to site on schedule due to incompleteness of a prior unrelated contract following inclement weather. Red River now expects the drill program to commence in Q3 FY2021.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2.3. Thalanga Exploration Activities (continued)

Figure 4 RVR Gold Exploration Targets



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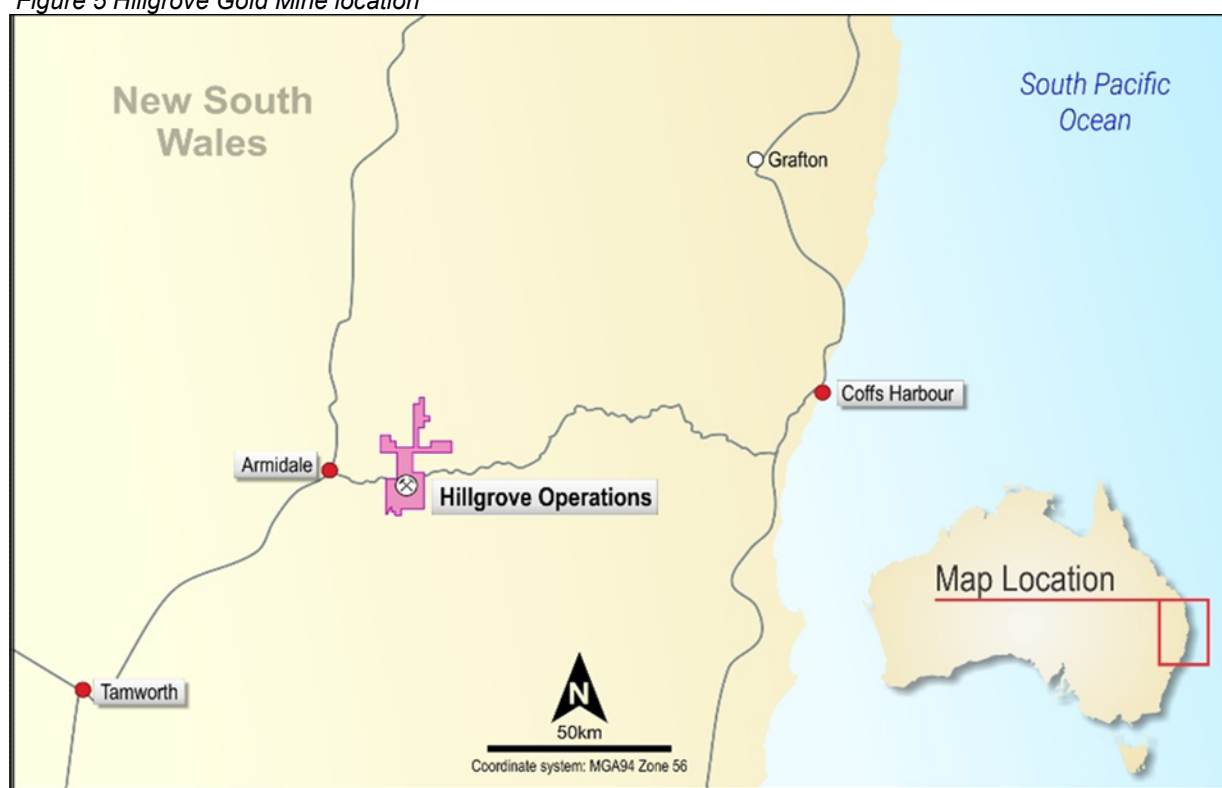
## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 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 5 Hillgrove Gold Mine 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.

## Directors' Report (continued)

## REVIEW OF OPERATIONS (continued)

## 3.1. Hillgrove Mineral Resource

The Hillgrove Mineral Resource increased during the period to a total JORC 2012 compliant Mineral Resource of 5.0Mt @ 4.3 g/t Au & 1.5% Sb (692koz contained Au & 75kt contained Sb). Hillgrove also has a substantial remaining JORC 2004 compliant Mineral Resource, which Red River is systematically converting to JORC 2012 compliance.

Table 2 Hillgrove Gold Project Mineral Resource

Deposit	Classification	Tonnage	Gold	Antimony	Gold Equivalent	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
	<b>Total</b>	<b>2,647</b>	<b>4.5</b>	<b>1.1</b>	<b>6.2</b>	<b>386</b>	<b>30</b>
Brackin's Spur	Measured	73	5.1	0.9	6.2	12	1
	Indicated	640	4.2	1.8	6.9	86	12
	Inferred	870	4.8	1.3	6.5	134	11
	<b>Total</b>	<b>1,583</b>	<b>4.6</b>	<b>1.5</b>	<b>6.6</b>	<b>232</b>	<b>24</b>
Clark's Gully	Measured	170	1.9	4.2	9.0	10	7
	Indicated	96	2.1	3.1	7.3	6	3
	Inferred	-	0.8	3.0	5.8	-	-
	<b>Total</b>	<b>266</b>	<b>2.0</b>	<b>3.8</b>	<b>8.4</b>	<b>16</b>	<b>10</b>
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	-
	<b>Total</b>	<b>318</b>	<b>3.8</b>	<b>3.6</b>	<b>8.9</b>	<b>39</b>	<b>11</b>
Bakers Creek Stockpile	Measured	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-
	Inferred	225	2.5	-	2.5	18	-
	<b>Total</b>	<b>225</b>	<b>2.5</b>	<b>-</b>	<b>2.5</b>	<b>18</b>	<b>-</b>
<b>Total</b>	Measured	442	3.6	3.8	9.4	51	17
	Indicated	2,343	4.7	1.6	7.0	355	37
	Inferred	2,255	4.0	1.0	5.3	286	21
	<b>Total</b>	<b>5,039</b>	<b>4.3</b>	<b>1.5</b>	<b>6.4</b>	<b>692</b>	<b>75</b>

Syndicate Mineral Resource Source: Red River Resources Limited 24 September 2020

Blacklode & Sunlight Mineral Resource is estimated at a cut-off grade of 3 g/t Au Eq.

Source: Red River Resources Limited 17th August 2020

Brackin's Spur & Clark's Gully Mineral Resources are estimated at a cut-off grade of 5 g/t Au Eq.

Source: AMC Consultants Pty. Ltd. Hillgrove Mineral Resource Estimate (August 2017)

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 the AMC Estimate and included this announcement.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 3.2. 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 28 December 2020 and the plant is forecast to ramp up to steady state production during the third quarter (Q3 FY2021).

Figure 6 Hillgrove ROM Pad



Figure 7 Feeding the primary crusher



Figure 8 Crushed ore being fed into ore bin



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## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 3.2. Hillgrove Gold Project Stage 1 (Bakers Creek Stockpile) Restart (continued)

Figure 9 Ore being fed into ball mill



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## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 3.3. 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<sub>4</sub>) 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 3 Metz Mining Centre Mineral Resource

Lode	Classification	Tonnage	Gold	Antimony	Gold Equivalent	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
	<b>Total</b>	<b>2,647</b>	<b>4.5</b>	<b>1.1</b>	<b>6.2</b>	<b>386</b>	<b>30</b>
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	-
	<b>Total</b>	<b>318</b>	<b>3.8</b>	<b>3.6</b>	<b>8.9</b>	<b>39</b>	<b>11</b>
<b>Total</b>	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
	<b>Total</b>	<b>2,965</b>	<b>4.5</b>	<b>1.4</b>	<b>6.5</b>	<b>426</b>	<b>41</b>

Source: Red River Resources Limited 24 September 2020 & 17 August 2020

Blacklode & Sunlight 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.



## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

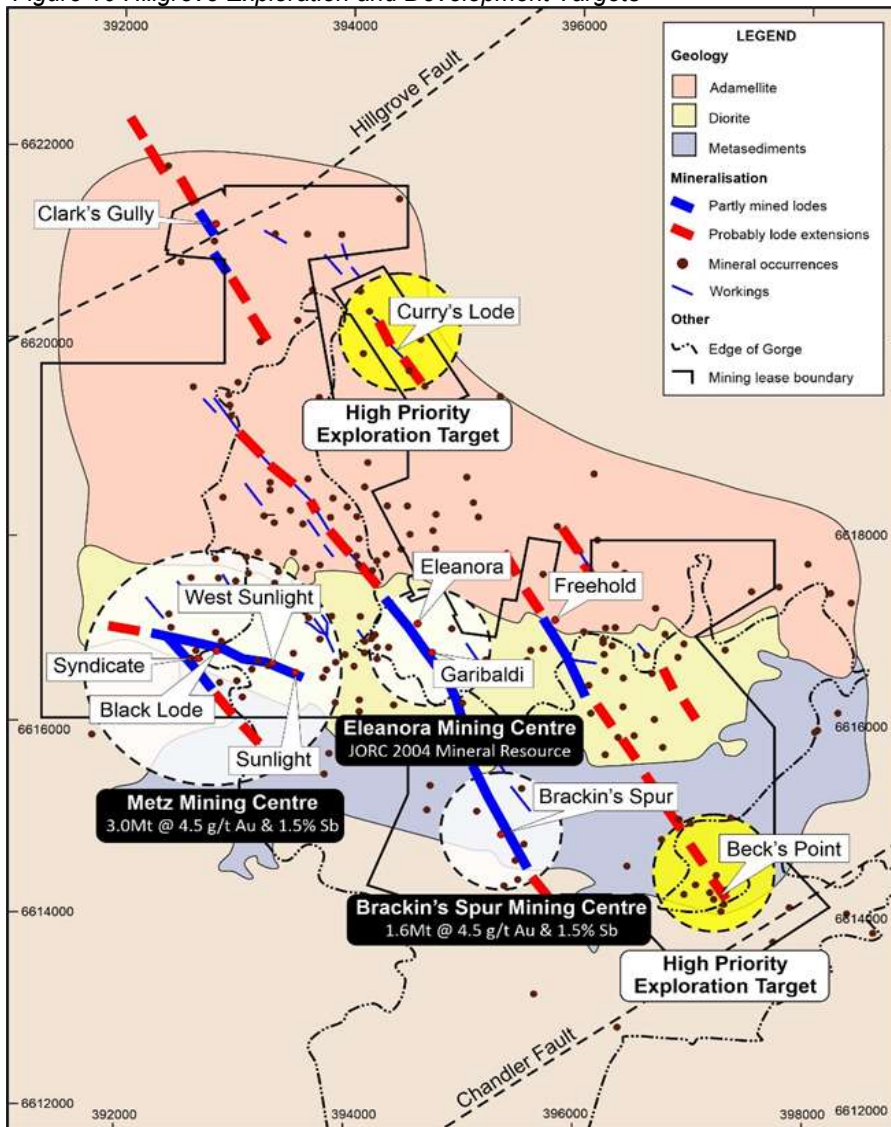
#### 3.4. Hillgrove Exploration Activities

Red River commenced drilling activities at Hillgrove during the period, with drilling programs successfully completed at the Eleanora Lode (9 diamond drill holes completed for 832.5m) and at Curry's Lode (7 diamond holes completed for 776.4m).

Table 4 Eleanora and Curry's Lode drill programs

Target	Holes Completed	Metres Drilled	ASX Release
Eleanora Lode	ELG136 to ELG144	832.5	"Eleanora drilling returns up to 32.3 g/t Au" (25 September 2020)
Curry's Lode	CUY001 to CUY007	776.4	"Red River hits high grade gold at Curry's Lode" (19 November 2020)

Figure 10 Hillgrove Exploration and Development Targets



## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 3.4. Hillgrove Exploration Activities (continued)

All holes completed in the initial Curry's Lode drill program (CUY001 to CUY007) intersected high-grade gold and tungsten mineralisation. The mineralisation intersected 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 5 Curry's Lode material drill hole assay results summary (Hillgrove Gold Mine)

Hole ID	From (m)	To (m)	Down Hole Intersection (m)	Gold (g/t)	Antimony (%)	Tungsten (%)
CUY001	47.60	48.00	0.40	9.2	-	0.35
CUY002	44.00	45.00	1.00	6.5	1.4	0.26
CUY003	93.00	96.90	3.90	2.1	-	0.18
CUY004*	34.85	38.00	3.15	5.8	0.1	0.12
including*	35.60	36.90	1.30	12.2	0.1	0.23
CUY005	34.60	36.50	1.90	5.9	-	0.35
including	35.15	36.00	0.85	10.4	-	0.56
CUY006	20.00	21.00	1.00	7.3	-	0.12
CUY007	27.00	32.00	5.00	3.0	0.6	0.08
including	27.60	28.10	0.50	19.7	5.8	0.30
and	37.00	44.00	7.00	0.9	-	0.08
and	109.00	112.80	3.80	1.3	-	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

Results received from drilling to date from have confirmed the presence of high-grade gold-antimony within the Eleanora vein system and adjacent halos of low to medium-grade gold mineralisation. Some very high-grade intercepts of up to 32.3 g/t gold, including visible gold, demonstrates there is a significant remnant resource which Red River will continue to pursue, given Eleanora is 200m from the Hillgrove processing plant and on a mining lease.

Table 6 Eleanor Lode material drill hole assay results summary (Hillgrove Gold Mine)

Hole ID	From (m)	To (m)	Down Hole Intersection (m)	Gold (g/t)	Antimony (%)
ELG139	119.00	126.00	7.00	2.2	0.3
including	123.60	126.00	2.40	5.2	0.9
ELG140	88.00	97.10	9.10	1.7	0.1
including	93.30	97.10	3.80	2.8	-
ELG141	141.00	148.50	7.50	4.1	0.6
including	143.80	145.55	1.75	15.6	2.7
including	144.40	144.85	0.45	32.3	6.9
ELG142	31.80	40.20	8.40	2.9	-
ELG143	45.00	53.00	8.00	2.7	-
including	48.00	53.00	5.00	3.3	-
ELG144	60.00	72.80	12.80	1.5	-
including	65.00	68.60	3.60	2.8	-

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

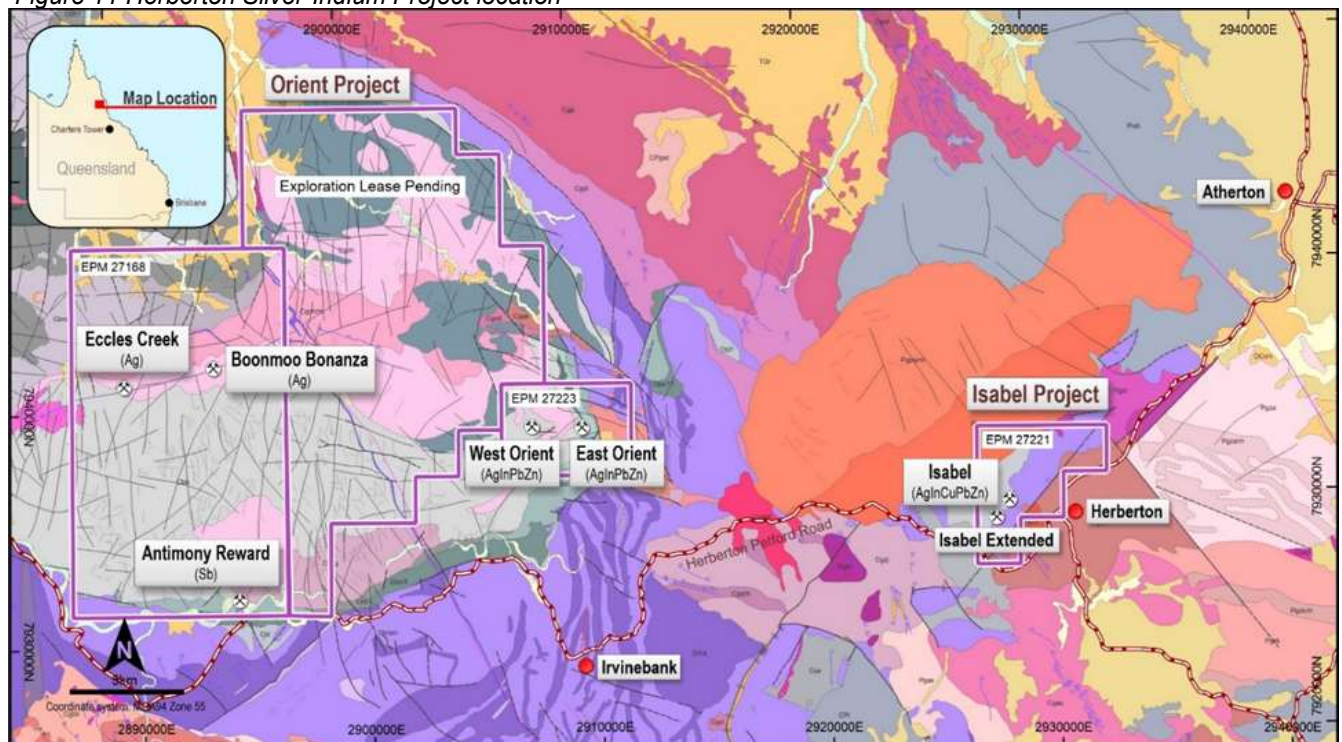
#### 4. Herberton Silver-Indium Project (Queensland)

Red River has been granted a number of tenements in the Herberton region of Northern Queensland. The applications were submitted on the basis that the tenements held known extensive high grade silver-indium and base metal mineralisation, multiple historical workings and two high-grade silver-indium-base metal deposits (West Orient and Isabel).

Table 7 Herberton Silver-Indium Project Tenement Overview

Tenement	Name	Key Targets	ASX Release
EPM 27221	Isabel	Isabel Deposit (AgInCuPbZn) Isabel Extended (Cu)	"RVR secures high-grade polymetallic silver-indium deposits in Queensland" (30 July 2020) "RVR's Isabel silver-indium project returns high-grade assays" (20 August 2020)
EPM 27223	Orient	West Orient Deposit (AgInPbZn) East Orient (AgInPbZn)	"RVR secures high-grade polymetallic silver-indium deposits in Queensland" (30 July 2020) "Red River's sampling returns high-grade silver at Orient" (10 August 2020) "RVR defines extensive high-grade silver-indium system at Orient" (11 November 2020)
EPM 27168	Eccles Creek	Eccles Creek (Ag) Boonmoo Bonanza (Ag) Antimony Reward (Sb)	

Figure 11 Herberton Silver-Indium Project location



## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 4. *Herberton Silver-Indium Project (Queensland)(continued)*

During the period, Red River undertook extensive mapping and sampling activities at Isabel, West Orient and East Orient which confirmed the presence of high grade silver-indium-base metal mineralisation at all targets.

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. *Competent Persons Statements*

##### *Competent Persons Statement Syndicate, Blacklode & Sunlight Mineral Resource (Hillgrove Gold Mine)*

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.

##### *Competent Persons Statement Brackin's Spur & Clark's Gully Mineral Resources (Hillgrove Gold Mine)*

The information in this report that relates to the reporting of the Brackin's Spur & Clark's Gully Mineral Resource Estimate reported in accordance with the JORC 2012 Code is based on and fairly represents, information and supporting documentation compiled by Rodney Webster who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Webster is independent of Hillgrove Mines Pty Ltd. and an employee of AMC Consultants Pty Ltd. Mr Webster 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'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original report and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original report.

##### *Herberton Silver-Indium Project Exploration Results*

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.

## Directors' Report (continued)

### REVIEW OF OPERATIONS (continued)

#### 6. Gold Equivalent Calculation

##### *Syndicate, Blacklode & Sunlight Mineral Resources (Hillgrove Gold Mine)*

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

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

##### *Brackin's Spur & Clark's Gully Mineral Resources (Hillgrove Gold Mine)*

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:

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

### END OF OPERATIONS REVIEW

## Directors' Report (continued)

### REVIEW OF FINANCIAL RESULTS

#### Profit

The consolidated entity recorded a profit after income tax for the 6 month period to 31 December 2020 of \$11.0 million (December 2019: loss \$5.23 million). The result was impacted by a number of key factors including:

- Revenue from continuing operations amounted to \$68.09 million, compared to \$32.98 million in the previous corresponding period, with increased sales of copper, zinc and lead concentrates and more favourable metal prices as compared to the previous corresponding period;
- Net realised and unrealised foreign exchange losses increased by \$1.05 million as compared to the previous corresponding period with foreign exchange losses of \$1.19 million in the current period as compared to foreign exchange losses of \$0.14 million realised in the prior corresponding period;
- Sales realisation costs increased from \$10.28 million at December 2019 to \$12.68 million at December 2020 with the increased cost of realising higher sales tonnage (up 62%) being substantially offset by decreased treatment charges per tonne of zinc concentrate (period on period decrease of AUD 270 / tonne); and
- Production costs (excluding movement in ore and concentrate stocks on hand) increased from \$17.47 million at December 2019 to \$21.49 million at December 2020 (refer note 4 of accounts), primarily due to higher tonnes being mined and processed at the Thalanga Operation.

#### Cash Flow

Operating cash flow for the period ended 31 December 2020 increased by \$33.52 million to \$27.42 million (31 December 2019: \$(6.10) million) with increased concentrate sales receipts being partially offset by higher sales realisation and operating cash costs. Sales realisation and operating cash costs were higher due to increased concentrate being produced and sold.

Cash outflow from investing activities for the period ended 31 December 2020 increased by \$5.54 million to \$13.81 million (31 December 2019: \$8.26 million). Payments for exploration and evaluation decreased by \$0.57 million, payments for mine property and development increased by \$4.86 million and payments for property, plant and equipment increased by \$1.32 million period on period. The increase in cash expenditure on mine property and development is due to higher levels of decline development at the Far West Mine and the increased payments for property, plant and equipment reflects the cost of restart activities at the Hillgrove Gold Mine.

Net cash outflow from financing activities of \$6.38 million for the period ended 31 December 2020 were \$6.73 million higher than the previous corresponding period (31 December 2019: \$0.35 million net inflow). This increase in cash outflow resulted mainly from the repayment of the working capital facility that was drawn down in March 2020.

Cash and cash equivalents increased in the period ended 31 December 2020 by \$7.23 million with cash and cash equivalent at the end of the period of \$15.31 million (30 June 2020: \$8.08 million)

### END OF FINANCIAL REVIEW

## Directors' Report (continued)

### Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity that occurred during the half year.

On 29th of September 2020 the Company issued 1,535,502 fully paid ordinary shares on conversion of 2018 performance rights.

### Events Subsequent to Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the consolidated entity up to the day of signing this financial report, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

### Environmental Regulation

So far as the directors are aware, there have been no significant breaches of environmental conditions of the Company's exploration or development licences.

#### *Greenhouse Gas and Energy data reporting requirements*

The company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 requires the company to report its annual greenhouse gas emissions and energy use.

For the year ended 30 June 2020 the company was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The company will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

### Proceedings on behalf of the Company

No person has applied for leave of Court under S.237 of the Corporations Act 2001 to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

### Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 16.

## Directors' Report (continued)

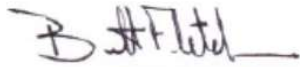
### Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to Section 306(3)(a) of the Corporations Act 2001:

On behalf of the Board

**RED RIVER RESOURCES LIMITED**



**Mr. Brett Fletcher**  
Non-executive Chairman

25 February 2021  
Melbourne, Victoria

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Red River Resources Limited and its controlled entities for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



**RSM AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**  
Partner

Dated: 25 February 2021  
Melbourne, Victoria

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AUDIT | TAX | CONSULTING

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half year ended 31 December 2020**

	Note	31 December 2020 \$'000	31 December 2019 \$'000
<b>Revenue from continuing operations</b>			
Revenue		68,087	32,981
Other income		895	210
<b>Total revenue and other income</b>	<b>3.</b>	<b>68,982</b>	<b>33,191</b>
<b>Expenses</b>			
Sales realisation expenses		(12,681)	(10,284)
Employment benefits expense		(6,979)	(5,482)
Production costs	4.	(23,870)	(17,173)
Corporate costs		(1,065)	(941)
General and administration costs		(749)	(475)
Realised and unrealised foreign exchange loss		(1,193)	(142)
<b>Total expenses</b>		<b>(46,536)</b>	<b>(34,497)</b>
<b>Earnings / (loss) before interest, tax and depreciation</b>		<b>22,446</b>	<b>(1,306)</b>
Depreciation and amortisation		(6,809)	(5,298)
Impairment - exploration and evaluation costs		-	(163)
Interest expense and other finance costs		(327)	(238)
<b>Profit / (loss) before income tax benefit / (expense)</b>		<b>15,310</b>	<b>(7,006)</b>
Income tax benefit / (expense)		(4,314)	1,772
<b>Profit / (loss) after income tax benefit / (expense) for the half-year</b>		<b>10,996</b>	<b>(5,234)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		<b>10,996</b>	<b>(5,234)</b>
<b>Earnings per share for continuing operations</b>			
Basic (loss) / earnings per share (cents)		2.13	(1.03)
Diluted (loss) / earnings per share (cents)		2.12	(1.03)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 27 to 33.

## Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 \$,000	30 June 2020 \$,000
<b>Current assets</b>			
Cash and cash equivalents	5.	15,314	8,007
Financial assets at amortised cost	5.	-	74
Trade and other receivables		3,261	3,312
Inventories	6.	4,299	6,444
Other	7.	1,556	684
<b>Total current assets</b>		<b>24,430</b>	<b>18,522</b>
<b>Non-current assets</b>			
Other	7.	13,210	13,225
Deferred tax		3,258	7,572
Property, plant and equipment		11,503	9,392
Right-of-use assets		108	151
Mine properties and development	8.	38,053	33,905
Intangibles		370	412
Exploration and evaluation	9.	10,913	9,693
<b>Total non-current assets</b>		<b>77,413</b>	<b>74,349</b>
<b>Total assets</b>		<b>101,843</b>	<b>92,871</b>
<b>Current liabilities</b>			
Trade and other payables		21,550	17,737
Borrowings	10.	1,028	7,368
Lease liabilities		79	75
Provisions	11.	1,100	804
<b>Total current liabilities</b>		<b>23,757</b>	<b>25,984</b>
<b>Non-current liabilities</b>			
Lease liabilities		21	61
Provisions	11.	13,146	12,973
<b>Total non-current liabilities</b>		<b>13,167</b>	<b>13,034</b>
<b>Total liabilities</b>		<b>36,924</b>	<b>39,018</b>
<b>Net assets</b>		<b>64,920</b>	<b>53,852</b>
<b>Equity</b>			
Issued capital	12.	67,767	67,770
Reserves		5,747	5,673
Accumulated losses		(8,595)	(19,590)
<b>Total equity</b>		<b>64,920</b>	<b>53,852</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 27 to 33.

## Consolidated Statement of Changes in Equity For the half year ended 31 December 2020

31 December 2020	Note	Issued capital \$,000	Reserves \$,000	Accumulated losses \$,000	Total equity \$,000
<b>Balance at 1 July 2020</b>		67,770	5,673	(19,590)	53,852
Profit / (loss) after income tax expense for the half-year		-	-	10,996	10,996
Other comprehensive income for the half-year, net of tax		-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	10,996	10,996
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		-	-	-	-
- Cost of issue of shares		(3)	-	-	(3)
- Employee share options		-	-	-	-
- Employee performance rights		-	74	-	74
		(3)	74	-	71
<b>Balance at 31 December 2020</b>		67,767	5,747	(8,595)	64,920

31 December 2019		Issued capital \$,000	Reserves \$,000	Accumulated losses \$,000	Total equity \$,000
<b>Balance at 1 July 2019</b>		63,788	5,287	(12,738)	56,336
Profit / (loss) after income tax expense for the half-year		-	-	(5,234)	(5,234)
Other comprehensive income for the half-year, net of tax		-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	(5,234)	(5,234)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		4,000	-	-	4,000
- Cost of issue of shares		(18)	-	-	(18)
- Employee share options		-	(16)	-	(16)
- Employee performance rights		-	117	-	117
		3,982	101	-	4,083
<b>Balance at 31 December 2019</b>		67,770	5,388	(17,972)	55,185

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 27 to 33.

## Consolidated Statement of Cash Flows

### For the half year ended 31 December 2020

	Note	31 December 2020 \$'000	31 December 2019 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		70,600	35,408
Payments to suppliers and employees		(43,075)	(41,541)
Net interest received / (paid)		(105)	30
<b>Net cash from / (used in) operating activities</b>		<b>27,420</b>	<b>(6,103)</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(1,584)	(268)
Proceeds from release / (payments) in respect of security deposits		(24)	(96)
Payment for intangibles		-	-
Payment for mine properties		(10,990)	(6,131)
Payment for exploration and evaluation		(1,211)	(1,778)
Cash received on acquisition of Hillgrove Mines PL		-	9
<b>Net cash used in investing activities</b>		<b>(13,808)</b>	<b>(8,264)</b>
<b>Cash flows from financing activities</b>			
Share issue transaction costs		(3)	(18)
Proceeds from borrowings		1,014	767
Repayment of borrowings		(7,354)	(364)
Repayment of lease liabilities		(37)	(33)
<b>Net cash flows from / (used in) financing activities</b>		<b>(6,379)</b>	<b>352</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>7,233</b>	<b>(14,016)</b>
Cash and cash equivalents at the beginning of the half year		8,080	25,918
<b>Cash and cash equivalents at the end of the half year</b>	<b>5.</b>	<b>15,314</b>	<b>11,903</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 27 to 33.

**1. Basis of Preparation of the Half Year Report**

Red River Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing financial statements. The financial statements are for the consolidated entity consisting of Red River Resources Limited (the 'company') and its controlled entities which together are referred to as the 'consolidated entity'.

The financial statements were approved for issue by the Directors of Red River Resources Limited (Directors) on 26 February 2020.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding half year reporting period.

**2. New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations neither have any impact in the opening balances, nor resulted in any significant results for the period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**3. Revenue and Other Income**

	31 December 2020 \$'000	31 December 2019 \$'000
<b>Revenue</b>		
Contained zinc metal in concentrate	24,077	15,074
Contained lead metal in concentrate	5,869	6,293
Contained copper metal in concentrate	22,193	5,585
Contained precious metal in concentrate	15,948	6,029
<b>Total revenue</b>	<b>68,087</b>	<b>32,981</b>
<b>Other income</b>		
Interest income	71	169
Realised and unrealised foreign exchange gains	-	-
Diesel rebates	45	29
Government grants, rental and other	779	11
<b>Total other income</b>	<b>895</b>	<b>210</b>
<b>Total revenue and other income</b>	<b>68,982</b>	<b>33,191</b>

The consolidated entity has disaggregated revenue into the metals contained in the concentrates that we receive payment for from our customers, under our concentrate sales agreements.

**4. Production Costs**

	31 December 2020 \$'000	31 December 2019 \$'000
Ore mining cost	15,288	12,341
Ore processing cost	4,992	4,507
Shared operating cost	1,215	619
Movement in ore and concentrate stocks on hand	2,375	(294)
	<b>23,870</b>	<b>17,173</b>

**5. Cash and Cash Equivalents**

	31 December 2020 \$'000	30 June 2020 \$'000
Cash and cash equivalents per Consolidated Statement of Financial Position	15,314	8,007
Financial assets at amortised cost per Consolidated Statement of Financial Position	-	74
Cash and cash equivalents at the end of the period as per Consolidated Statement of Cash Flows	<b>15,314</b>	<b>8,080</b>

**6. Inventory**

	31 December 2020 \$'000	30 June 2020 \$'000
Ore	489	831
Zinc, lead and copper concentrate's	1,461	3,483
Consumables	2,349	2,131
	<b>4,299</b>	<b>6,444</b>

**7. Other Assets**

	31 December 2020 \$'000	30 June 2020 \$'000
	<b>Note</b>	
<b>Current</b>		
Prepayments	1,548	677
Residential housing tenancy bonds	8	8
	<b>1,556</b>	<b>684</b>
<b>Non-current</b>		
Security deposits	524	515
Term deposits - restricted cash	(a) 12,423	12,413
Other receivables	263	296
	<b>13,210</b>	<b>13,225</b>

**(a) Term deposits - restricted cash**

Restricted cash relates to cash held on deposits for security against bank guarantees and for credit facility.

## 8. Mine Properties and Development

	Mine properties in development \$'000	Mine properties in production \$'000	Total mine properties \$'000
<b>Period ending 31 December 2020</b>			
Cost	472	49,955	50,427
Accumulated amortisation	-	(12,374)	(12,374)
	<b>472</b>	<b>37,581</b>	<b>38,053</b>
<b>Movements</b>			
Balance at 1 July 2020	359	33,546	33,905
Transfers - exploration and evaluation	-	-	-
Transfer from in development to in production	-	-	-
Additions	113	9,979	10,092
Writeup on adjustment of provision for rehabilitation	-	121	121
Amortisation	-	(6,065)	(6,065)
Balance at 31 December 2020	<b>472</b>	<b>37,581</b>	<b>38,053</b>
<b>Year ended 30 June 2020</b>			
Cost	359	39,855	40,214
Accumulated amortisation	-	(6,309)	(6,309)
	<b>359</b>	<b>33,546</b>	<b>33,905</b>

## 9. Exploration and evaluation

	31 December 2020 \$'000	30 June 2020 \$'000
Exploration and evaluation at cost	12,741	11,522
Impairment	(1,828)	(1,828)
	<b>10,913</b>	<b>9,693</b>
<b>Movements</b>		
Opening balance at 1 July 2020	9,693	
Transfers - mine properties in production	-	
Additions - Thalanga Region and Hillgrove Mines	1,219	
Impairments - Thalanga Region	-	
Balance as at 31 December 2020	<b>10,913</b>	

## 10. Borrowings

	31 December 2020 \$'000	30 June 2020 \$'000
Premium Funding	1,028	77
Trafigura PTE. Working Capital Facility	-	7,291
	<b>1,028</b>	<b>7,368</b>

Interest on this facility has been expensed to the consolidated statement of profit or loss and other comprehensive income as incurred.



## 11. Provisions

		31 December 2020 \$'000	30 June 2020 \$'000
<b>Current</b>	<b>Note</b>		
Provision for employee entitlements		1,087	782
Provision for rehabilitation and restoration costs	(a)	13	22
		<b>1,100</b>	<b>804</b>
<b>Non-current</b>			
Provision for employee entitlements		53	122
Provision for rehabilitation and restoration costs	(b)	13,093	12,851
		<b>13,146</b>	<b>12,973</b>

### Movements

(a) Movement in current provision for rehabilitation and restoration costs for the half year is set out below:

	31 December 2020 \$'000
<b>Current</b>	
Opening balance at 1 July 2020	22
Expenditure on progressive rehabilitation works	(9)
Balance as at 31 December 2020	<b>13</b>

(b) Movement in non-current provision for rehabilitation and restoration costs for the half year is set out below:

	31 December 2020 \$'000
<b>Non-current</b>	
Opening balance at 1 July 2020	12,851
Increase in provision due to discount unwind	121
Increase in provision due to change in discount rate	121
Balance as at 31 December 2020	<b>13,093</b>

## 12. Issued Capital

		31 December 2020 \$'000	30 June 2020 \$'000
	<b>Note</b>		
Ordinary share capital - fully paid	(a)	67,767	67,770
		<b>67,767</b>	<b>67,770</b>

(a) Movement in ordinary share capital

	31 December 2020 \$'000	31 December 2020 No.
<i>Balance at the beginning of the reporting period</i>	67,770	516,238,865
Issue of shares on placement	-	-
Issue of shares on the exercise of options	-	-
Issue of shares on vesting of performance rights	-	1,535,502
Less transaction costs	(3)	-
Deferred tax adjustment	-	-
<i>Balance at the end of the financial year</i>	<b>67,767</b>	<b>517,774,367</b>

## 12. Issued Capital (continued)

### Weighted average number of ordinary shares

	31 December 2020	31 December 2019
Weighted average number of ordinary shares used in calculating basic earnings per share	517,019,202	507,503,692
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	2,500,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	519,519,202	507,503,692

## 13. Earnings per Share

	31 December 2020	31 December 2019
Profit / (loss) after income tax benefit / (expense) for the half-year (\$'000)	10,996	(5,234)
Basic (loss) / earnings per share (cents)	2.13	(1.03)
Diluted (loss) / earnings per share (cents)	2.12	(1.03)

## 14. Contingent Liability

The Company and its wholly owned subsidiary, Cromarty Resources Pty Ltd (Cromarty), have had legal proceedings commenced against them in relation to the payment of royalties with Thalanga Copper Mines Pty Ltd (TCM), a wholly owned subsidiary of Vedanta Resources Limited, following the purported termination of the relevant agreement. The consolidated entity has made several requests to TCM for a tax invoice to enable it to pay the royalty due prior to the date of termination. TCM has refused to issue a tax invoice. TCM has alleged that the consolidated entity is liable for non-payment of royalties and related damages, including loss and damage for the royalties payable prior to the date of termination and in respect of future royalty payments that TCM would have received pursuant to the royalty arrangements with TCM. The consolidated entity is confident that TCM's claim in respect of future royalty payments after the date of termination will be unsuccessful and intends to defend the Claim. Royalties payable prior to the date of termination have been fully accrued in sales realisation expenses in the audited Consolidated Statement of Profit or Loss and Other Comprehensive Income and under trade and other payables in the Consolidated Statement of Financial Position. Due to the commercial in confidence nature of this dispute, and the current stage of the legal proceedings, the Company has not disclosed the potential financial impact of the contingent liability. The consolidated entity continues to vigorously defend the proceedings.

## 15. Events Subsequent to Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the consolidated entity up to the day of signing this financial report, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

## 16. Segment Information

The consolidated entity operates entirely in the industry of exploration for and development of minerals in Australia only.

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on their geographical location. An operating segment may include both exploration and operating activities. The reportable segments are split between the Thalanga Operation, Hillgrove Gold Mines and Other (representing other tenements and corporate activities).

Corporate office activities are not allocated to operating segments for assessing performance of each operating segment.

### *Intersegment transactions*

Intersegment transactions were made at market rates.

### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### Operating Segment Information for half year ended 31 December 2020

#### *Profit / (Loss) of reportable segments*

Half - year to 31 December 2020	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
<b>Revenue</b>				
Contained zinc metal in concentrate	24,077	-	-	24,077
Contained lead metal in concentrate	5,869	-	-	5,869
Contained copper metal in concentrate	22,193	-	-	22,193
Contained precious metal in concentrate	15,948	-	-	15,948
<b>Total revenue</b>	<b>68,087</b>			<b>68,087</b>
Other Income	795	40	670	1,505
<b>Total segment revenue</b>	<b>68,882</b>	<b>40</b>	<b>670</b>	<b>69,592</b>
Intersegment eliminations				(611)
<b>Total revenue</b>				<b>68,982</b>
<b>Earnings / (loss) before interest, tax and depreciation</b>	<b>25,142</b>	<b>(1,187)</b>	<b>(1,510)</b>	<b>22,446</b>
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(6,809)
Impairment - exploration and evaluation costs				-
Net interest income / (expense)				(327)
<b>Profit / (loss) before income tax benefit</b>				<b>15,310</b>
Income tax benefit / (expense)				(4,314)
<b>Profit / (loss) after income tax benefit</b>				<b>10,996</b>

16. Segment Information (continued)

Total assets and total liabilities of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Segment assets at 31 December 2020				
Total Assets	82,377	11,742	7,725	101,843
Total Liabilities	(28,749)	(6,322)	(1,852)	(36,924)

Operating Segment Information for half year ended 31 December 2019

Profit / (Loss) of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Half - year to 31 December 2019				
<b>Revenue</b>				
Contained zinc metal in concentrate	15,074	-	-	15,074
Contained lead metal in concentrate	6,293	-	-	6,293
Contained copper metal in concentrate	5,585	-	-	5,585
Contained precious metal in concentrate	6,029	-	-	6,029
<b>Total revenue</b>	32,981			32,981
Other Income	153	10	962	1,125
<b>Total segment revenue</b>	33,134	10	962	34,106
Intersegment eliminations				(915)
<b>Total revenue</b>				<b>33,191</b>
<b>Earnings / (loss) before interest, tax and depreciation</b>	567	(462)	(1,412)	(1,306)
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(5,298)
Impairment - exploration and evaluation costs				(163)
Net interest income / (expense)				(238)
<b>Profit / (loss) before income tax expense</b>				<b>(7,006)</b>
Income tax benefit / (expense)				1,772
<b>Profit / (loss) after income tax expense</b>				<b>(5,234)</b>

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## Directors' Declaration

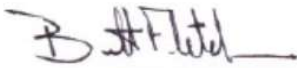
In the director's opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

**RED RIVER RESOURCES LIMITED**



**Mr. Brett Fletcher**

Non-executive Chairman

25 February 2021  
Melbourne, Victoria

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
RED RIVER RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Red River Resources Limited (the 'Company') and its controlled entities (the 'Consolidated entity'), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Red River Resources Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Red River Resources Limited and its controlled entities would be in the same terms if given to the directors as at the time of this auditor's report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Red River Resources Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that reads 'R J Morillo Maldonado'.

**R J MORILLO MALDONADO**  
Partner

Dated: 25 February 2021  
Melbourne, Victoria

## Shareholder Information

### ASX Information

The substantial Shareholders of the Company as at 23 February 2021 were:

Substantial Shareholder	Number Held	Percentage
-------------------------	-------------	------------

Distribution of Shareholders as at 23 February 2021

Range of Holding	Holders	Shares
1 - 1,000	127	21,738
1,001 - 5,000	787	2,656,291
5,000 - 10,000	767	6,538,176
10,001 - 100,000	2,061	79,604,945
100,000 - over	654	428,953,217
	4,396	517,774,367

### Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

### Top twenty largest Shareholders as at 23 February 2021.

	Number of shares	% of capital held
HSBC Custody Nominees (Australia) Limited	24,602,345	4.75%
3RD Wave Inestors Pty Ltd	15,500,000	2.99%
Braham Consolidated Pty Ltd	10,147,790	1.96%
Mrs Narelle Fay	9,829,658	1.90%
Bell Potter Nominees Ltd <BB Nominees A/C>	9,801,916	1.89%
Mr Donald Garner	8,462,590	1.63%
BNP Paribas Nominees Pty Ltd <DRP>	7,585,904	1.47%
Mr Andrew Fay	6,750,000	1.30%
Wymond Investments Pty Ltd <Dee Why Sales P/L S/F A/C>	6,250,000	1.21%
CS Third Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	6,130,206	1.18%
Mr David Rothwell	5,869,112	1.13%
CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	5,820,240	1.12%
Braham Investments Pty Ltd <Braham Staff Super Fund A/C>	5,095,656	0.98%
Mr Andrew Fay <Andrew Fay Super A/C>	5,080,000	0.98%
RJ Muffet Pty Ltd <R J Muffet Super Fund A/C>	5,000,000	0.97%
Mr Matthew Glenn Sheerin	5,000,000	0.97%
Zenith Pacific Limited	5,000,000	0.97%
Gurravembi Investments Pty Ltd	4,500,000	0.87%
Mr Richard Thomas Hayward Daly + Mrs Sarah Kay Daly <The Daly Family S	3,786,681	0.73%
Loddy Pty Ltd <Hall Family Super Fund A/C>	3,720,000	0.72%
<b>Total top twenty Shareholders</b>	<b>153,932,098</b>	<b>29.73%</b>
Total other Shareholders	363,842,269	70.27%
<b>Total Shareholders</b>	<b>517,774,367</b>	<b>100.00%</b>

### Unmarketable Parcel

Minimum parcel size of \$500 equates to approx. 1,961 shares at \$0.255 per share of which there are 209 holders with a total of 158,622 shares.

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