

## **Quarterly Activities and Cash Flow Report for the period ending 31 March 2021**

### **Quarter Highlights**

- First gold poured at Hillgrove Mine – total of 667 oz produced for the quarter
- Matt Breen commenced as General Manager of Hillgrove Operations
- Cash balance increased by \$0.3 million to \$15.6 million.

### **Thalanga Operations**

- Quarterly copper concentrate production of 3,068 DMT, zinc concentrate production of 6,959 DMT and lead concentrate production of 1,613 DMT
- Micro gravity survey completed at Thalanga Range and Coronation targets
- RC drilling completed at the Don (10 holes for 910m) and New Homestead (10 holes for 958m) gold targets.

### **Hillgrove Gold Mine**

- Stage 1 production continued to ramp up with 667oz gold produced (in doré and flotation concentrates)
- Four diamond drill holes (822.3m) completed at Elenora-Garibaldi as part of updating the JORC 2004 Mineral Resource to a JORC 2012 compliant Mineral Resource.

### **Corporate**

- \$26.0 million revenue generated for the quarter, with \$25.4 million from base metal concentrate sales at Thalanga Operations and \$0.6 million from Hillgrove Gold Mine.
- \$5.2 million invested in capital development, primarily at Far West
- \$2.6 million invested in restart activities at Hillgrove
- \$0.7 million invested in exploration activities at Thalanga and Hillgrove Operations
- Cash balance of \$15.6 million plus financial assets of \$12.9 million (cash backed security bonds and deposits) as at 31 March 2021.

## **1. SAFETY AND ENVIRONMENTAL PERFORMANCE**

### **1.1. Thalanga Base Metal Operations Safety and Environmental Performance**

Thalanga's site headcount during the period was 178 people. There were 78 full-time Red River Resources employees and an additional 100 contractors working in exploration and mining, with a total 95,135 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 15.6 for year to date. There was one medically treated injury during the quarter, and no Lost Time Injury (LTIs).

RVR stopped mining activities in the Far West mine from 27 March to 1 April for an investigation into a safety incident - there were no injuries or equipment damage; and the process plant drew down on ore stockpiles on the ROM pad to continue production during this period. The investigation was completed and mine production resumed on 1 April and has returned to normal.

### **1.2. Hillgrove Gold Mine Safety and Environmental Performance**

The Hillgrove Gold Mines site headcount during the period was 53 people including contractors with 33,392 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 Lontown deposit to extend the operational life of Thalanga.

### 2.1. Operations Update

Thalanga Operations mined 87kt @ 1.2% Cu, 1.4% Pb, 4.3% Zn, 0.2 g/t Au & 43 g/t Ag (10.8% Zn Eq.), and processed 95kt of ore grading 1.1% Cu, 1.7% Pb, 4.4% Zn, 0.2 g/t Au & 49 g/t Ag (10.9% Zn Eq.).

Zinc concentrate production decreased 6% from Q2 FY21, with 6,959 DMT zinc concentrate produced. Zinc recovery to zinc concentrate averaged 89.1% for the period and a high-quality zinc concentrate grading 53.4% zinc was produced.

Lead concentrate production decreased 16% from Q2 FY21, with 1,613 DMT lead concentrate produced. Lead recovery to lead concentrate was 69.2%, with an average concentrate grade of 67.1% Pb, 5.1 g/t Au & 1,541 g/t Ag produced during the period.

Copper concentrate production was down 14% from Q2 FY21, with 3,068 DMT of copper concentrate produced. Copper recovery to copper concentrate averaged 74.5% for the period, with an average copper concentrate grade of 25.7% Cu, 1.7 g/t Au and 318 g/t Ag.

### 2.2. Concentrate Sales & Marketing

Red River sold 6,700 DMT zinc concentrate, 1,484 DMT lead concentrate and 3,025 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).

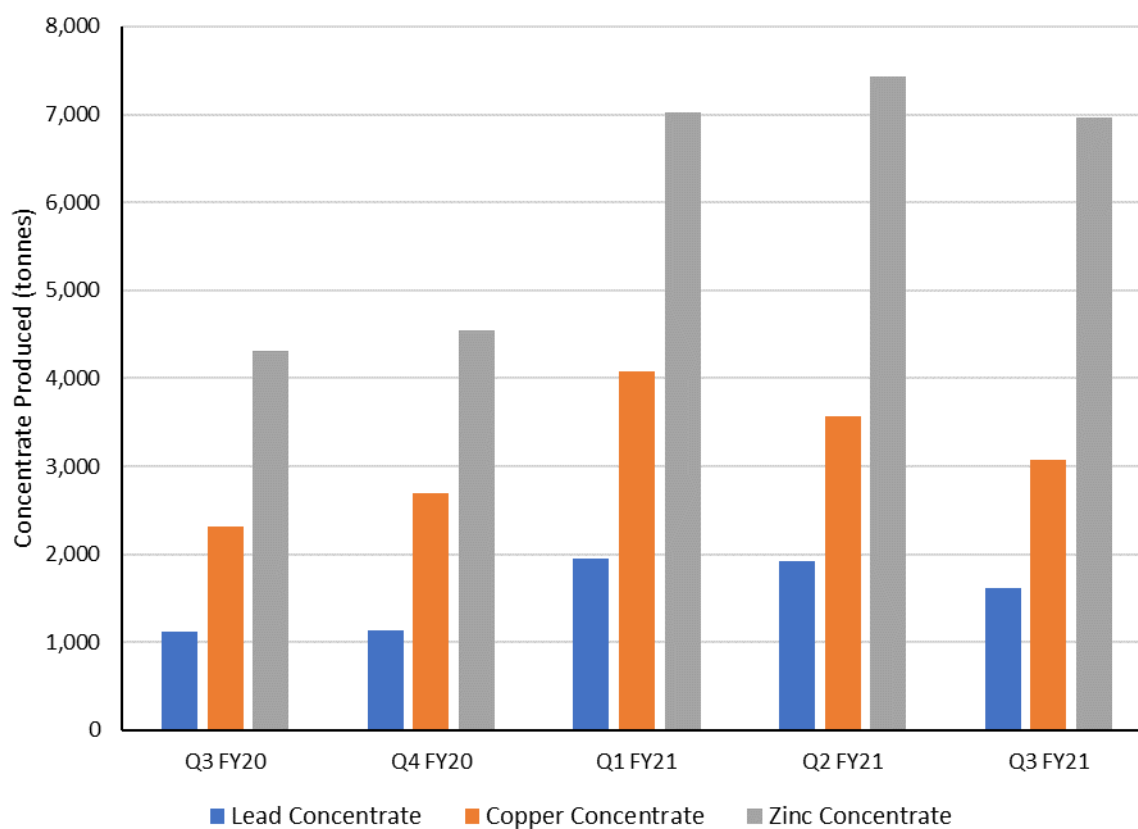
The Company continued to execute a short-term hedging program over the quotation period (QP) for sales of zinc and lead metal already produced. Typically, between 80 and 90% of the payable zinc and lead metal for each shipment of zinc and lead concentrates was hedged for the period from the issue of 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\$1.23 and US\$1.27 per pound of payable zinc metal, were US\$0.89 per pound of payable lead metal in lead concentrate and ranged between \$3.55 and US\$4.19 per pound of payable copper metal in copper concentrate.

Table 1 Thalanga Operations Summary for Q3 FY2021 (Quarter ended 31 March 2021)

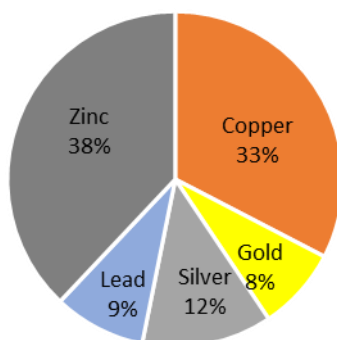
	Units	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	LTM
Total Tonnes Mined	kt	91	83	99	92	87	368
Copper grade	%	1.1	1.1	1.5	1.2	1.2	1.3
Lead grade	%	1.3	1.3	1.3	1.4	1.4	1.3
Zinc grade	%	3.5	3.7	4.2	4.0	4.3	4.1
Gold grade	g/t	0.3	0.2	0.1	0.2	0.2	0.1
Silver grade	g/t	44	42	47	44	43	45
Zinc equivalent grade	%	9.4	9.6	11.7	10.2	10.8	11.0
Ore Processed	kt	84	82	103	112	95	383
Copper grade	%	0.8	1	1.3	1.1	1.1	1.2
Lead grade	%	1.2	1.3	1.7	1.6	1.7	1.6
Zinc grade	%	3.3	3.4	4.2	3.9	4.4	4.1
Gold grade	g/t	0.2	0.2	0.3	0.2	0.2	0.3
Silver grade	g/t	48	44	55	42	49	51
Zinc equivalent grade	%	8.5	9.2	11.5	10.3	10.9	10.9
<b>Zinc Concentrate Produced</b>	<b>DMT</b>	<b>4,310</b>	<b>4,544</b>	<b>7,026</b>	<b>7,430</b>	<b>6,959</b>	<b>25,555</b>
Zinc grade	%	54.8	54	53.9	52.8	53.4	53.8
Zinc recovery	%	85.2	86.4	87.3	89.1	89.1	88.0
<b>Lead Concentrate Produced</b>	<b>DMT</b>	<b>1,117</b>	<b>1,133</b>	<b>1,947</b>	<b>1,914</b>	<b>1,613</b>	<b>6,640</b>
Lead grade	%	63.9	67.5	64.4	68.8	67.1	66.8
Copper grade	%	2.6	2.1	3.3	1.8	1.3	2.6
Gold grade	g/t	5.4	4.6	5.2	4.7	5.1	4.7
Silver grade	g/t	1,826	1,747	1,647	1,497	1,541	1,638
Lead recovery	%	68.1	69.7	72.7	74.4	69.2	71.6
Copper recovery	%	4.1	2.8	4.8	2.7	2.02	3.8
<b>Copper Concentrate Produced</b>	<b>DMT</b>	<b>2,310</b>	<b>2,697</b>	<b>4,073</b>	<b>3,564</b>	<b>3,068</b>	<b>13,911</b>
Copper grade	%	25.3	26.5	26.8	28.4	25.7	26.5
Gold grade	g/t	2.9	2.5	1.9	1.4	1.7	2.0
Silver grade	g/t	505	367	365	299	318	355
Copper recovery	%	83.9	84.7	81.4	79.4	74.5	80.9
<b>Zinc Concentrate Sold</b>	<b>DMT</b>	<b>4,452</b>	<b>4,151</b>	<b>6,630</b>	<b>8,286</b>	<b>6,700</b>	<b>25,767</b>
<b>Lead Concentrate Sold</b>	<b>DMT</b>	<b>1,232</b>	<b>1,003</b>	<b>1,953</b>	<b>2,024</b>	<b>1,484</b>	<b>6,464</b>
<b>Copper Concentrate Sold</b>	<b>DMT</b>	<b>2,623</b>	<b>2,326</b>	<b>4,233</b>	<b>3,735</b>	<b>3,025</b>	<b>13,319</b>

Table may include rounding errors

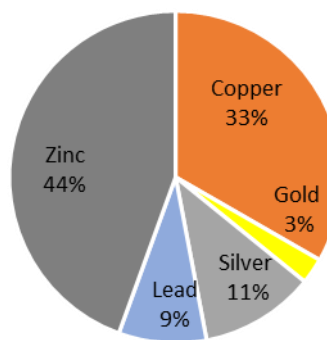
Figure 1 Thalanga Operations base metal concentrate production by quarter



Revenue by Metal (LTM)



Revenue by Metal (Q3 FY21)

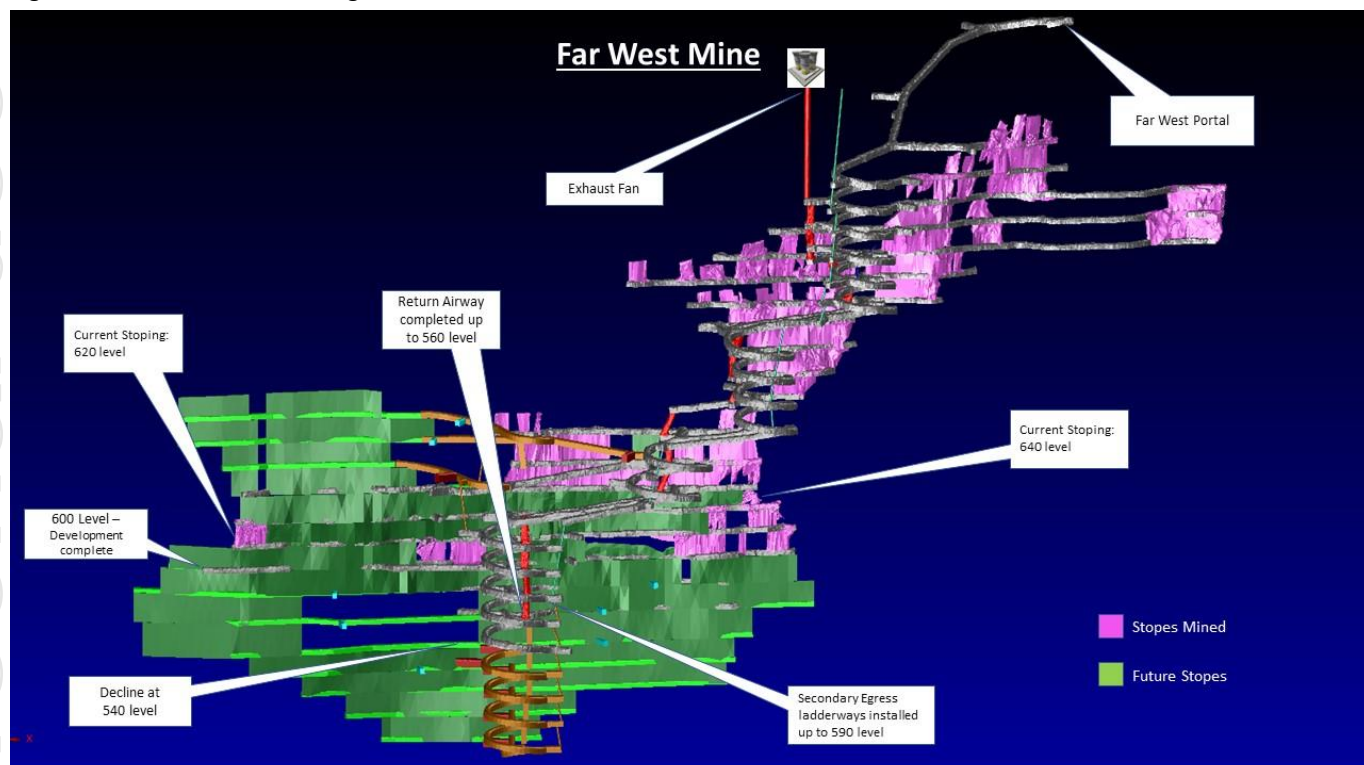


### 2.3. Project Development Activities

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

- Capital development of 465m for the quarter (229m lateral capital development, 205m of decline development and 31m of vertical capital development)
- Operating Development of 1,010m
- Total development during the quarter was 1,476m.

Figure 2 Far West UG Mine Long Section



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

The Lontown 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 Lontown 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.

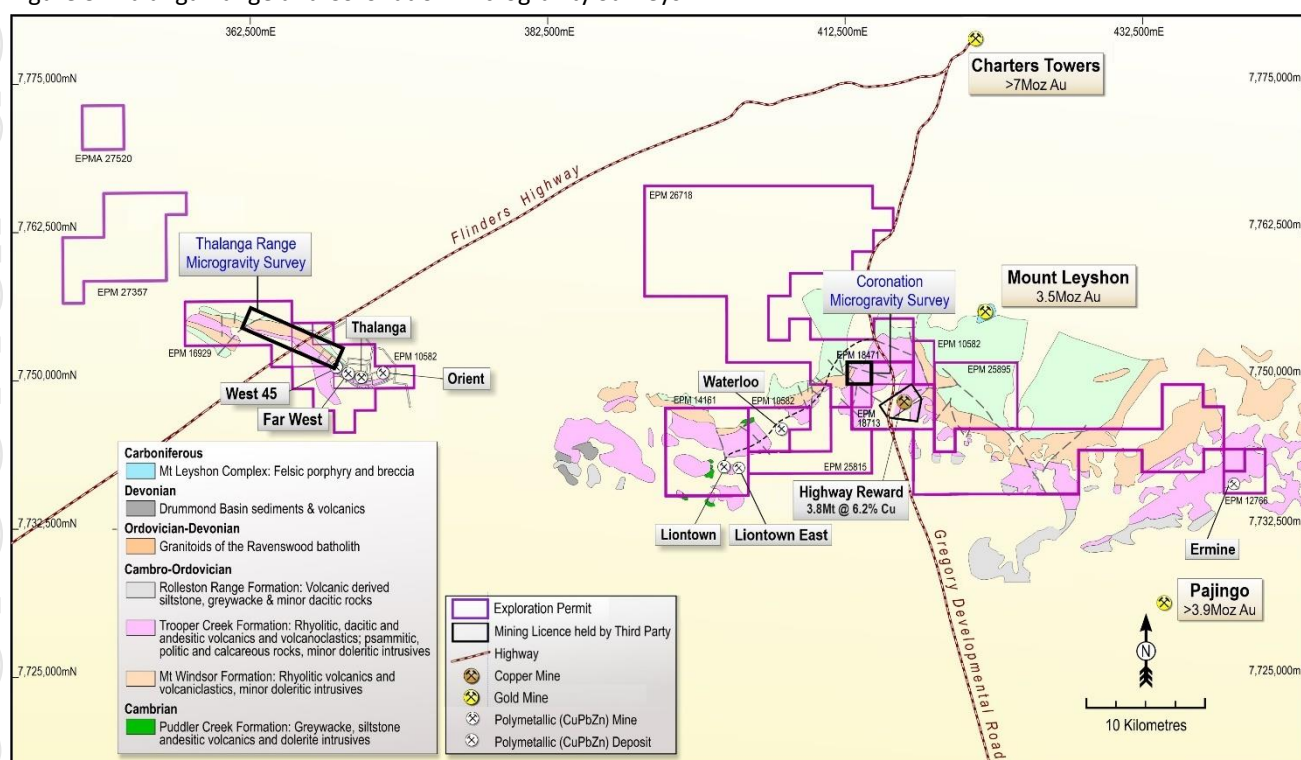


## 2.4. Exploration Activities

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. With the end of the wet season, Red River was able to recommence exploration activities within the region.

Red River's Thalanga Range micro gravity survey is targeting the favourable host horizon for Thalanga-style volcanic-hosted massive sulphide (VHMS) deposits along the southern side of the Thalanga Range to the west of the Thalanga mine. The Coronation micro gravity survey is targeting an area 4km NW of the Highway Reward deposit, which is highly prospective from similar copper-rich massive sulphide mineralisation (refer to Figure 3). Red River has commenced processing the data received, and on completion of this process, will review the data generated in conjunction with previous exploration data (IP and surface geochemistry) to determine priority targets for follow-up drilling.

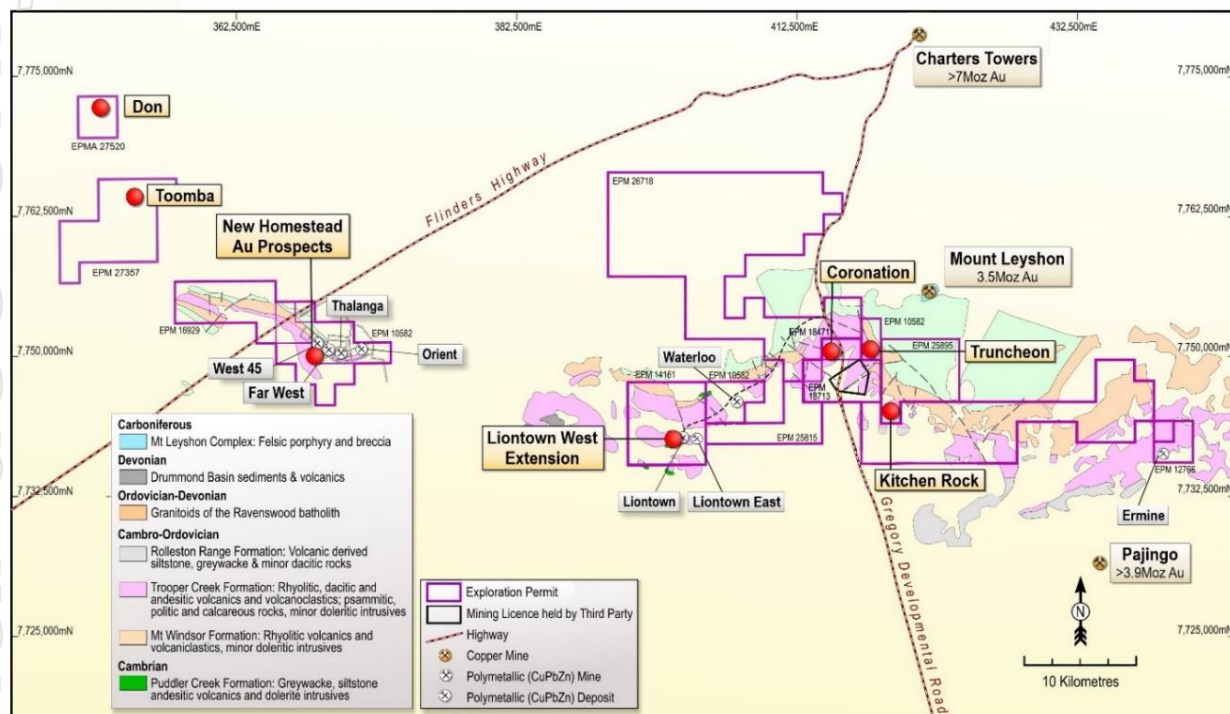
Figure 3 Thalanga Range and Coronation Microgravity Surveys



For further information please refer to the ASX release "Red River survey targets copper-rich mineralisation at Thalanga" dated 11 March 2021.

During the quarter, Red River completed RC drilling at the Don (10 holes for 910m) and New Homestead (10 holes for 958m) gold targets. Strong results were received from the Don prospect, with high-grade gold mineralisation intersected in Main Vein.

Figure 4 Thalanga Gold Targets



Material intersections at the Don target included:

- DNRC001 intersected 1.0m @ 28.0 g/t Au from 34.0m down hole
- DNRC002 intersected 6.0m @ 2.2 g/t Au from 77.0m down hole including 1.0m @ 6.4 g/t Au from 78.0m down hole; and
- DNRC003 intersected 4.0m @ 2.0 g/t Au from 40.0m down hole including 1.0m @ 4.7 g/t Au from 41.0m downhole.

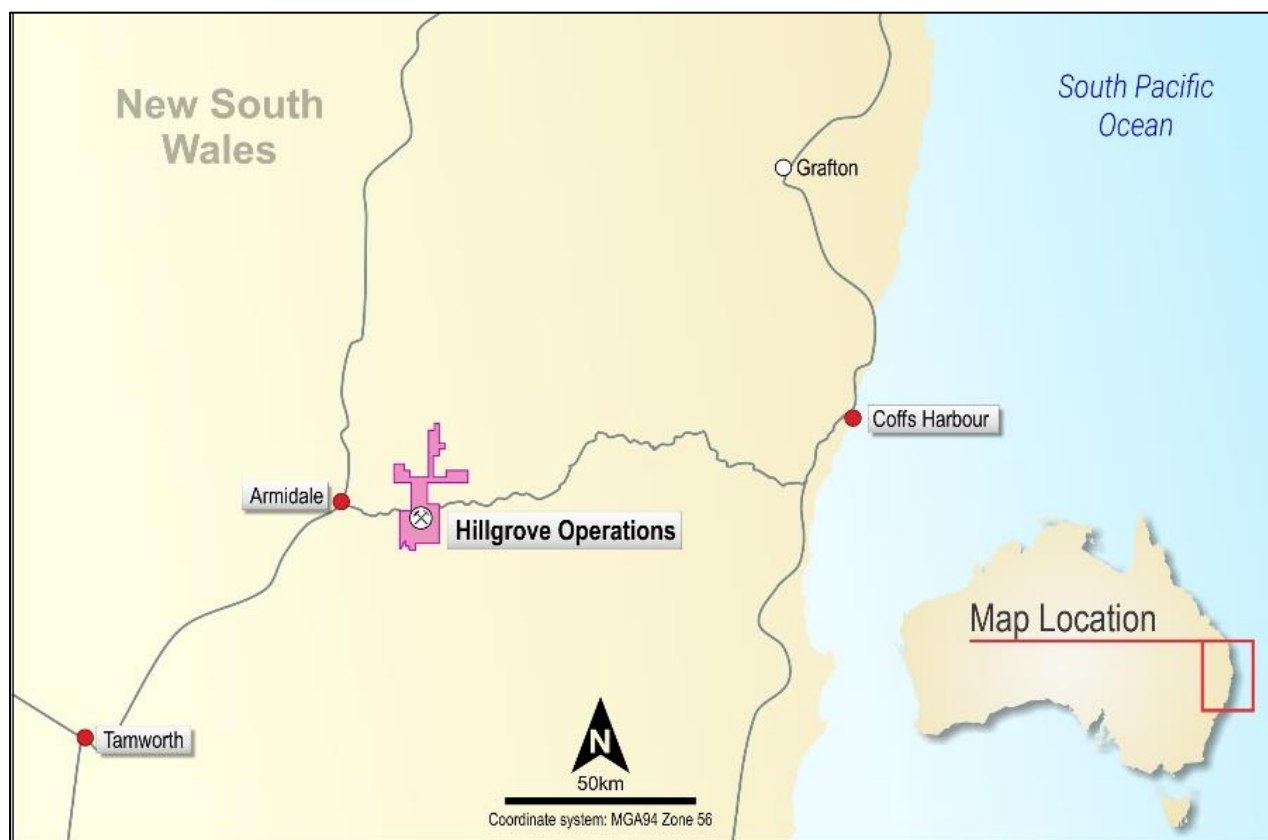
For further information please refer to the ASX release “Red River receives encouraging gold results from Thalanga drilling” dated 26 April 2021.



### 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 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 ramped up gold production at the Hillgrove Gold Mine during the quarter after acquiring the project in 2019 and commencing gold production in December 2020. 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.

Figure 6 First Gold Poured at Hillgrove



During the quarter, Matt Breen commenced as General Manager at Hillgrove operations. Matt is a highly experienced mining engineer with more than 20 years' experience in operations and development projects in Australia and Mongolia, with a proven track record in underground mining operations, drill and blast optimisation, business improvement and implementation of best practise mine production processes.

Gravity gold concentrate leaching through the Acacia gold reactor to produce gold doré commenced at the end of February 2021. 260 ounces of gold (contained in doré) was sold during the quarter. Total gold produced was 667 ounces into doré and flotation concentrates.

The flotation concentrate produced contains a higher than expected proportion of refractory gold. Red River will commence selling the flotation concentrate in Q4, as selling the concentrate will generate a greater return than leaching the concentrate (which will only recover the leachable gold in concentrate) on site to produce gold doré.

Table 2 Hillgrove Gold Mine Summary for Q3 FY2021 (Quarter ended 31 March 2021)

	Units	Q3 FY21	LTM
Ore Milled	kt	31	31
Gold grade	g/t	1.6	1.6
<b>Gravity Gold Concentrate Produced</b>	<b>DMT</b>	<b>11.8</b>	<b>11.8</b>
Gold grade	g/t	1,314	1,314
Gold recovery to gravity concentrate	%	31.3	31.3
Gold recovered to gravity concentrate	ozs	498	498
<b>Flotation Gold Concentrate Produced</b>	<b>DMT</b>	<b>225</b>	<b>225</b>
Gold grade	g/t	56.2	56.2
Gold recovery to flotation concentrate	%	25.5	25.5
Gold recovered to flotation concentrate	ozs	407	407
<b>Gold (cont. in gold dore) sold</b>	<b>ozs</b>	<b>260</b>	<b>260</b>
<b>Flotation gold concentrate sold</b>	<b>DMT</b>	<b>-</b>	<b>-</b>

A significant proportion of the gold processed in Q3 is locked up in the mill, with the material areas of gold lockup in the plant being the ball mill liners, tanks and sumps. The ball mill was cleaned and relined before production commenced, and gold lock up was expected to occur (between backing plates which protect the mill shell and between backing plates and mill liners). Several sumps and tanks have also been identified and sampling shows high concentrations of free gold.

The scats (critical size particles removed during the milling process) stockpile (~1,500 tonnes of scats) contains gold that will be reprocessed once the secondary cone crusher is brought online in Q4, enabling the scats to be crushed below critical size and returned the mill for processing.

### 3.2. Hillgrove Gold Project Stage 2 Restart

Work on the Hillgrove 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. 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 ( $\text{CaWO}_4$ ) 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 3 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
	<b>Total</b>	<b>2,647</b>	<b>4.5</b>	<b>1.1</b>	<b>6.2</b>	<b>387</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	0
	<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 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

As part of the process of updating the Eleanora-Garibaldi JORC 2004 Mineral Resource to a JORC 2012 compliant Mineral Resource, one diamond drill hole was completed at Eleanora North (ELG151 – 236.8m) and three diamond drill holes were completed at Garibaldi (ELG152 – 228.8m, ELG153 – 218.4m and ELG154 – 138.3m) during the quarter, for a total drilled of 822.3m.

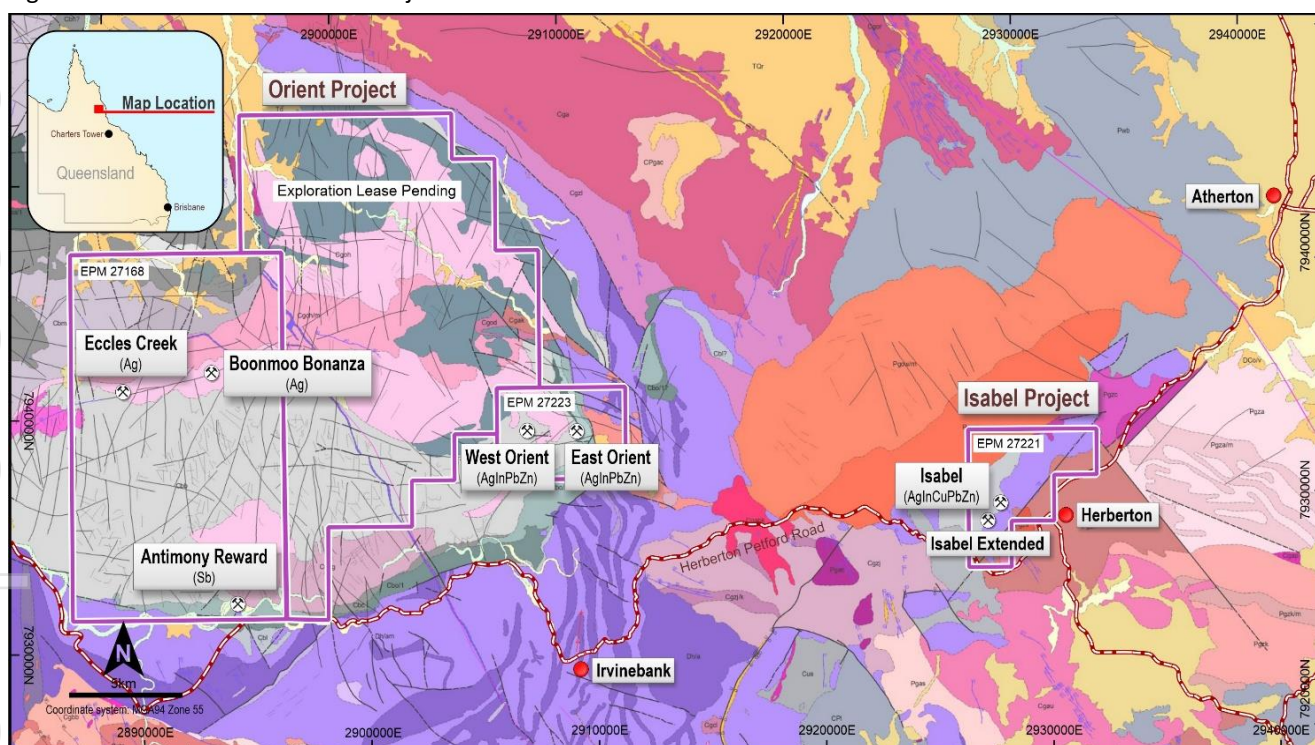
On completion of this drilling, the diamond drill rig was then moved to Curry's Lode where a further two diamond drill holes were completed.

## 4. HERBERTON SILVER-INDIUM PROJECT (QUEENSLAND)

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

With the end of wet season, Red River re-established access to the project areas. Subsequent to the end of the quarter, Red River commenced an induced polarisation (IP) geophysical survey at the Orient project as part of the drill targeting activities. The IP survey will target vein and disseminated silver-lead-zinc mineralisation and data generated will be used to confirm drill targets prior to the commencement of drilling.

Figure 7 Herberton Silver-Indium Project



## 5. CORPORATE

- Revenue during the quarter was \$26.0 million, with Thalanga Operations contributing \$25.4 million and Hillgrove Gold Mine contributing \$0.6 million.
- Red River invested \$5.2 million in capital development, primarily at Far West, with \$2.6 million invested in restart activities at Hillgrove and \$0.7 million was invested in exploration activities at Thalanga and Hillgrove.
- Cash at bank at the end of the quarter was \$15.6 million, an increase of \$0.3 million as compared to the prior quarter. This was after investing \$8.5 million in mine development, restart activities at Hillgrove Gold Mine and ongoing exploration activities.

### 5.1. Thalanga Operation Financial Performance

Thalanga Operation's financial performance is summarised in the table below:

Table 4 Thalanga Operations Financial Summary and Indicative Cash Costs for Q3 FY2021 (Quarter ended 31 March 2021) and FY21 YTD (unaudited)

	Units	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	FY21 YTD
Revenue	\$m	14.5	15.6	35.6	32.5	25.4	93.5
EBITDA	\$m	(2.6)	3.5	13.8	11.3	6.8	31.9
<b>Indicative Cash Costs</b>							
Payable zinc metal produced	MTb	4.4	4.6	7.1	7.3	7.0	21.4
Indicative C1 Cash Cost	US\$/lb payable Zn	0.73	0.30	(0.10)	(0.09)	0.16	(0.01)
Indicative C2 Cost	US\$/lb payable Zn	0.99	0.64	0.23	0.24	0.57	0.35
Indicative C3 Cost	US\$/lb payable Zn	1.21	0.86	0.49	0.50	0.84	0.61
<p>All numbers and data are rounded. Discrepancies in totals may exist due to rounding.</p> <p>Payable metal is derived from concentrate offtake agreements.</p> <p>C1 cash cost includes actual cash costs plus notional costs (concentrate logistics and realisation costs)</p> <p>C1 cash cost includes credits for copper, lead, gold and silver notionally priced at for the period (Q3 FY21: copper US\$3.92/lb, lead US\$0.91/lb, gold US\$1,764/oz and silver US\$26.14/oz)</p>							

Thalanga Operations revenue during the quarter was \$25.4 million, with \$11.3 million from sale of zinc in zinc concentrate, \$2.2 million from the sale of lead in lead concentrate, \$8.5 million from sale of copper in copper concentrate and \$3.4 million from sale of payable precious metals (gold and silver) contained in copper and lead concentrates.

Thalanga Operations quarterly EBITDA (unaudited) was \$6.8 million, a decrease of \$4.5 million over the prior quarter. Compared to the previous quarter:

- Revenue was \$7.1 million lower due to lower metal sold (\$7.5 million), partially offset by higher realised price (\$0.4 million)
- Foreign exchange losses were \$1.0 million lower as the A\$:US\$ exchange rate remained stable over the quarter, as compared to the impact of the increasing exchange rate in the prior quarter
- Sales realisation expenses were \$1.4 million lower due to lower sales volumes. Zinc concentrate treatment charges eased slightly over the quarter, however this was offset by an increase in sea freight charges towards quarter's end
- Operating costs were \$0.3 million lower.

C1 Cash costs were higher than the previous quarter with less zinc metal produced and reduced by-product credits derived from lower lead and copper concentrates produced.



## 5.2. Hillgrove Gold Mine Financial Performance

Red River invested \$2.6 million in restart activities included construction and commissioning costs. More detailed financial data will be reported after the declaration of commercial production.

## 5.3. 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

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For further information please visit Red River's website [www.redriverresources.com.au](http://www.redriverresources.com.au) or contact us:

Mel Palancian

Managing Director

[mpalancian@redriverresources.com.au](mailto:mpalancian@redriverresources.com.au)

D: +61 3 9017 5380

Nathan Ryan

NWR Communications

[nathan.ryan@nwrcommunications.com.au](mailto:nathan.ryan@nwrcommunications.com.au)

M: +61 420 582 887

## COMPETENT PERSON STATEMENT

### Exploration Results (Herberton)

The information in this report that relates to Exploration Results is based on information compiled by Mr 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 March 2021, Red River had an interest in the following exploration permit minerals (EPM) and mining leases (ML) in Queensland.

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

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

Table 6 RVR Mining Leases (ML) (Queensland)

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

## 2. NEW SOUTH WALES

As at 31 March 2021, Red River had an interest in the following exploration licences (EL), gold leases (GL) mining leases (ML), mining purpose leases (MPL) and private land leases (PLL) in New South Wales (NSW).

Table 7 RVR Exploration Licences (EL) (NSW)

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

Table 8 RVR Mining Leases (ML) (NSW)

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

Table 9 RVR Gold Leases (GL) (NSW)

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

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

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

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

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

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

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

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

## Thalanga Zinc Equivalent Calculation

The net smelter return zinc equivalent (Zn Eq.) calculation adjusts individual grades for all metals included in the metal equivalent calculation applying the following modifying factors: metallurgical recoveries, payability factors (concentrate treatment charges, refining charges, metal payment terms, net smelter return royalties and logistic costs) and metal prices in generating a zinc equivalent value for copper (Cu), lead (Pb), zinc (Zn), gold (Au) and silver (Ag).

Red River has selected to report on a zinc equivalent basis, as zinc is the metal that contributes the most to the net smelter return zinc equivalent (Zn Eq.) calculation. It is the view of Red River Resources that all the metals used in the Zn Eq. formula are expected to be recovered and sold.

Where:

**Metallurgical Recoveries** are derived from historical metallurgical recoveries from test work carried out at the Liontown Project (Liontown and Liontown East) and from ongoing metallurgical data generated from operational activities at Thalanga (processing West 45 and Far West). The Liontown Project is related to and of a similar style of mineralisation to the Thalanga Deposit (West 45 and Far West) and it is appropriate to apply similar recoveries. The Metallurgical Recovery for each metal is shown below in Table 1.

**Metal Prices and Foreign Exchange** assumptions are set as per internal Red River price forecasts and are shown below in Table 1.

Table 1 Metallurgical Recoveries and Metal Prices

Metal	Metallurgical Recoveries	Price
Copper	80%	US\$3.00/lb
Lead	70%	US\$0.90/lb
Zinc	88%	US\$1.00/lb
Gold	65%	US\$1,200/oz
Silver	65%	US\$17.00/oz
FX Rate: A\$0.85:US\$1		

**Payable Metal Factors** are calculated for each metal and make allowance for concentrate treatment charges, transport losses, refining charges, metal payment terms and logistic costs. It is the view of Red River that three separate saleable base metal concentrates will be produced from the Liontown Project. Payable metal factors are detailed below in Table 2.



Table 2 Payable Metal Factors

Metal	Payable Metal Factor
Copper	Copper concentrate treatment charges, copper metal refining charges copper metal payment terms (in copper concentrate), logistic costs and net smelter return royalties
Lead	Lead concentrate treatment charges, lead metal payment terms (in lead concentrate), logistic costs and net smelter return royalties
Zinc	Zinc concentrate treatment charges, zinc metal payment terms (in zinc concentrate), logistic costs and net smelter return royalties
Gold	Gold metal payment terms (in copper and lead concentrates), gold refining charges and net smelter return royalties
Silver	Silver metal payment terms (in copper, lead and zinc concentrates), silver refining charges and net smelter return royalties

The zinc equivalent grade is calculated as per the following formula:

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

The following metal equivalent factors used in the zinc equivalent grade calculation has been derived from metal price x Metallurgical Recovery x Payable Metal Factor and have then been adjusted relative to zinc (where zinc metal equivalent factor = 1).

Table 3 Metal Equivalent Factors

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

## Hillgrove Gold Equivalent Calculation

### Syndicate, Blacklode & Sunlight 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:

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

### 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:

- $\text{Au Eq. (g/t)} = (\text{Au g/t} * 91\%) + (2.0 * \text{Sb \%} * 86\%)$ 
  - 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%