Preliminary Final Report

Name of Entity
Red River Resources Limited

ABN or equivalent company reference : 35 100 796 754

1. Reporting Period

Report for the financial year ended 30 June 2021
Previous corresponding period is the financial year ended 30 June 2020

2. Results for announcement to the market

(All amounts in this report are expressed in A$'000 unless otherwise stated)

Key information (extracted from interim financial report)	Change Up / (down) %	Year Ended 30 June 2021 $'000
Revenue from ordinary activities *(item 2.1)*	125	118,337
Net profit from ordinary activities after tax attributable to members *(item 2.2)*	186	5,899
Net profit for the period after tax attributable to members *(item 2.3)*	186	5,899

Dividends *(item 2.4)*

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

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income *(item 3)*

Refer to the attached financial accounts.

4. Consolidated Statement of Financial Position *(item 4)*

Refer to the attached financial accounts.

5. Consolidated Statement of Cash Flows *(item 5)*

Refer to the attached financial accounts.

6. Consolidated Statement of Changes in Equity *(item 6)*

Refer to the attached financial accounts.

7. Dividends *(item 7)*

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

8. Dividend or distribution reinvestment plan *(item 8)*

Not applicable.

9. Net tangible assets per security *(item 9)*

	30-Jun-21	30-Jun-20
Net tangible assets per share (cents per share)	10.95	8.86

Preliminary Final Report (continued)

10. Details of entities over which control has been gained or lost during the period *(item 10.1 - item 10.3)*

Control gained over entities: Not applicable.

Loss of control of entities: Not applicable.

11. Details of associates and joint venture entities *(item 11.1 - item 11.3)*

Not applicable.

12. Significant information relating to the entity's financial performance and financial position *(item 12)*

Refer to the attached financial accounts.

13. Set of Accounting Standards used to compile the report *(item 13)*

The financial information provided in this report (Appendix 4E) is based on Australian Accounting Standards.

The financial accounts (attached) were prepared in accordance with Australian Accounting Standards.

14. Commentary on the results for the period *(item 14)*

Refer to attached financial accounts.

15. Statement on whether the report is based on audited financial accounts *(item 15)*

This report (Appendix 4E) is based on financial accounts that have been audited.

16. Unaudited financial accounts *(item 16)*

Not applicable.

17. Financial accounts audit report *(item 17)*

The financial accounts have been audited and contain an independent audit report that is unqualified.

On behalf of the Board.
RED RIVER RESOURCES LIMITED

Mr. Melkon Palancian
Managing Director

26 August 2021

RedRiver
RESOURCES LIMITED

ACN 100 796 754

RED RIVER RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN: 35 100 796 754

ANNUAL FINANCIAL REPORT 30 JUNE 2021

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Corporate Directory

Directors

Mr. Brett Fletcher - Non-executive Chairman
Mr. Melkon Palancian - Managing Director
Mr. Donald Garner - Executive Director (resigned 22 April 2021)
Mr. Mark Hanlon - Non-executive Director
Mr. Ian Smith - Non-executive Director (commenced 22 April 2021)

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

Auditors

RSM Australia Partners
Level 21
55 Collins Street
MELBOURNE VIC 3000

Legal Advisors

Piper Alderman
Level 16
70 Franklin Street
ADELAIDE SA 5000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000

GPO Box 2975,
MELBOURNE VIC 3001

Enquiries:
(Within Australia) 1300 850 505
(Outside Australia) 61 3 9415 4000
Web.queries@computershare.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)

Chairman's Message

It gives me great pleasure to present Red River Resources Limited's (ASX: RVR) FY 2021 Annual Report, as we reflect on a year which saw us become a multi-asset, multi-commodity Australian mining company, continuing to grow our operations and deliver on our goals.

Red River commenced gold production at our Hillgrove Gold Mine in New South Wales in December 2020, just over a year after acquiring this project for $4 million in scrip. Bringing this project into production, adding to our existing Thalanga Operations in Queensland, was an amazing feat given the ongoing disruptions and uncertainty over the past 12-18 months due to the global COVID-19 pandemic. It was truly a testament to the hard work of our Hillgrove team and our management in achieving this.

We commenced gold production at Hillgrove via the processing of material from the Bakers Creek stockpile, producing a high-quality gold dore and gold concentrate. Production has provided us with a greater understanding as we continue to shape our strategy for Hillgrove. Drilling enabled us to increase the Hillgrove Mineral Resource estimate to 1 million ounces of gold, plus 90,000 tonnes of antimony, a critical mineral designated by the Australian Government . With this resource update, we confirmed Hillgrove as hosting the largest antimony resource in Australia and the ninth largest antimony resource in the world.

At the same time, our drilling has discovered halo-style mineralisation around the existing higher-grade deposits at Hillgrove which needs further examination and could deliver a multi-million-ounce gold project on top of Hillgrove's antimony resource. As we control the whole mineral field at Hillgrove, we see plenty of upside. We believe our work to date and historical production has only just scratched the surface, as deposits remain open and we have many targets yet to test. We are working hard to create a strategy that will help us achieve Hillgrove's full potential.

At our Thalanga Operations, we achieved consistent performance through the year, with our copper production and recoveries improving towards the end of FY21 and the project generating strong cash flow. We have continued to drill the Far West deposit in parallel with our mining and we are planning development of our third deposit, Liontown, to come online next year. Post year-end, we announced some outstanding high-grade polymetallic intercepts from Liontown and we are looking forward to growing this resource with ongoing drilling into next year.

While our Herberton silver-indium project in far north Queensland is still in the early stages of exploration, we are really excited by the potential there to date. Our Herberton tenements host the highest-grade known silver-indium deposits in Australia, with indium also designated as a critical mineral by Geoscience Australia , and Herberton also hosts an exciting bulk tonnage silver target. We've completed magnetic and Induced Polarisation surveys at Orient which have identified multiple large silver-indium targets, so our next priority is to complete ground truthing before we get to drilling there, which is expected in the next few months.

Red River's business continues to perform well, generating $119.5 million revenue for FY21, predominately from our Thalanga Operations with about $4 million generated by Hillgrove gold sales. This allowed us to finish the year with a strong cash balance of $19.1 million plus financial assets of $12.9 million including cash-backed security bonds and deposits. This strong cash flow allows us to continue to invest in and grow our business as we strive to create value for our shareholders.

On an underlying basis (ie., excluding the one-off cost provided for the settlement of the TCM royalty dispute) the consolidate entity achieved an underlying EBITDA of $42.7 million and underlying Net Profit after Tax of $21.0 million, or 4.1 cents per ordinary share. Further information on our underlying financial performance can be found on page 7 of the Directors' Report.

Late in FY21, we received ruling on a royalty dispute relating to Thalanga. We look forward to resolving this issue as quickly as possible with the best interests of the company in mind. We will provide an update on this once our appeal is decided.

Chairmans' Message (continued)

During the year, we welcomed high profile Australian business leader Ian Smith to our Board. Ian is a mining engineer with more than 40 years' experience in the mining and services sector, who has held some of the most senior positions in the Australian resources industry including his former role as Managing Director and CEO of Newcrest Mining. Ian has a wealth of experience and his appointment marked an important step in Red River's continued growth as a multi-asset mining business. His contribution so far has been invaluable. Long-term Executive Director Donald Garner departed Red River earlier this year to pursue new opportunities and we thank Donald for his important contribution to Red River's growth during his tenure and we wish him well in his future endeavours.

In addition, I take this opportunity to thank my fellow Board members for their guidance and support in FY21 and our management and staff for their stellar efforts throughout the year to help Red River continue to achieve its goals. I also thank our Shareholders for your continued confidence and belief in Red River to grow its multi-asset, multi-commodity production.

The year ahead looks to be another busy one as we continue to develop Red River and our projects to their full potential. We have the opportunity to expand our production profile and to grow our strong base metal and gold prospects over the next 12 months. I hope you will continue to share that journey with us.

Mr. Brett Fletcher
Non-executive Chairman

Directors' Report

Your Directors present their report together with the financial statements of the Group, being Red River Resources Limited (the 'Company') and its subsidiaries which together are referred to as the 'consolidated entity', for the financial year ended 30 June 2021.

The following persons were directors of the Company during the whole of the financial year, unless otherwise stated.

CHAIRMAN AND DIRECTORS

Name	Position
Current directors	
Mr. Brett Fletcher	Non-executive Chairman
Mr. Melkon Palancian	Managing Director
Mr. Donald Garner (Resigned 22 April 2021)	Executive Director
Mr. Mark Hanlon	Non-executive Director
Mr. Ian Smith (Appointed 22 April 2021)	Non-executive Director

Information on directors

MR BRETT FLETCHER
BEng MAICD
Non-executive Chairman
Mr. Fletcher, a qualified Mining Engineer (University of NSW, 1989), brings over 25 years experience in the metals and mining industry to Red River. His experience within the Australian base metal mining and smelting sector is without equal, where he has held multiple senior management and executive roles including Manager Underground Operations Broken Hill Zinc Lead Mine, General Manager Rosebery Copper Lead Zinc Mine, General Manager Century Zinc Mine and General Manager Hobart Zinc Smelter, Chief Operating Officer of Zinifex/OZ Minerals and then MMG and Executive General Manager PNG Operations at Newcrest where he was responsible for the Morobe Mining JV, Gosowong and Lihir Operations. Brett is currently Chief Executive Officer of Ravenswood Gold Pty Ltd.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	528,244 ordinary shares
Interest in options:	None
Contractual rights to shares:	None

MR. MELKON PALANCIAN
BEng MEng MAusIMM MIEAust
Managing Director
Mel has over 20 years experience in the mining industry and his most recent role was Deputy Operations Director at Newcrest's Gosowong operation in Indonesia. Prior to this, he held a range of senior positions including General Manager Technical Services for MMG, Manager Dugald River Development for OZ Minerals and Principal Adviser Mining for Zinifex. Mel holds a Bachelor of Engineering (Civil & Computing) from Monash and a Masters in Engineering from RMIT.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	2,225,690 ordinary shares
Performance Rights:	704,777 2019 Performance Rights
	1,066,983 2020 Performance Rights
	1,814,023 2021 Performance Rights
Interest in options:	None
Contractual rights to shares:	None

Directors' Report (continued)

MR. DONALD GARNER (Resigned 22 April 2021)
BSc (Hons) MSc FGS MSEG MAusIMM
Executive Director

Mr. Garner is a geologist with over 20 years experience in the resource industry, corporate finance and corporate development roles. He has a strong track record in the identification and acquisition of resource projects, recently being responsible for New Age Exploration's (ASX: NAE) Lochinvar coking coal project and Sirius Minerals Plc (LSE:SXX) York Potash project. Donald previously worked in a corporate development role at Zinifex, and prior to that worked in metals and mining corporate finance in the United Kingdom. He has also worked as a geologist in Western Australia in a number of roles, both as an exploration geologist and a mine geologist and also as an exploration geologist in Myanmar.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	None
Performance Rights:	None
Interest in options:	None
Contractual rights to shares:	None

MR. MARK HANLON
B.Bus. (Accounting & Finance), M. Bus. (Banking & Finance)
Non-executive director

Mr. Hanlon has over 15 years of experience in the resources and resource services sector as well as over ten years' experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the Finance Director of ENK plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited.

Current directorships:	Copper Strike Limited; Lotus Resources Limited
Former directorships (in last 3 years):	Echo Resources Limited
Interest in shares:	5,000,000 ordinary shares
Interest in options:	None
Contractual rights to shares:	None

MR. IAN SMITH (Appointed 22 April 2021)
B.Eng. Mining (Hons) UNSW, BFin Admin UNE, FAusIMM, FIE.
Non-executive director

Mr. Smith, a qualified Mining Engineer, has more than 40 years' experience in the mining and services sector. He has held some of the most senior positions in the Australian resources industry, including MD and CEO of Orica and MD and CEO of Newcrest. At Newcrest Ian grew the business to what has become Australia's biggest, and globally one of the largest, gold mining companies. In prior roles Ian was Global Head of Operational and Technical Excellence with Rio Tinto, London and Managing Director – Comalco Aluminium Smelting with Rio Tinto in Brisbane. He has technical, operational, financial and strategic expertise, having also held senior and executive positions with WMC Resources, Pasminco and CRA.

Current directorships:	Rex Minerals Limited
Former directorships (in last 3 years):	None
Interest in shares:	300,000 ordinary shares
Interest in options:	None
Contractual rights to shares:	None

Directors' Report (continued)

COMPANY SECRETARY

MR. CAMERON BODLEY
CA, B.Comm, MACID
Mr. Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 15 years.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the consolidated entity during the year was sustaining development, operation and production from the Far West Mine at the Thalanga Operation, located near Charters Towers in North Queensland and recommissioning operations at the Hillgrove Operation, located near Armidale in New South Wales. The consolidated entity also carried out exploration activities on it's tenements located near it's operations and near Herberton in North Queensland.

REVIEW OF FINANCIAL RESULTS

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

Operating results
The consolidated entity recorded a profit after income tax for the year ended 30 June 2021 of $5.9 million (FY20: loss $6.9 million).

Table 1 Consolidated Entity's Underlying Financial Metrics

	30 June 2021 $M	30 June 2020 $M	Variance %
Operating Revenue	**119.5**	54.0	121%
Underlying EBITDA[1,2,6,7]	**42.7**	(0.4)	9702%
Underlying Net Profit before tax (NPBT)[1,3,6,7]	**25.7**	(11.0)	332%
Underlying Net Profit after tax (NPAT)[1,4,6,7]	**21.0**	(4.9)	526%
Basic EPS based on underlying NPAT (EPSa)(cents)[5]	**4.1**	(1.0)	525%

[1] The Directors believe the information additional to IFRS measures included in the report is relevant and useful in measuring the financial performance of the consolidated entity. These include: EBITDA, NPBT, NPAT and EPSa

[2] EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation, amortisation and impairment charges

[3] NPBT is a non-IFRS term, defined as net profit before tax

[4] NPAT is a non-IFRS term, defined as net profit after tax

[5] EPSa is a non-IFRS term, defined as NPAT divided by weighted average number of ordinary shares on issue during the year

[6] Underlying EBITDA, underlying NPBT and underlying NPAT exclude a separately disclosed item, being the one-off cost of the provision for settlement of the TCM royalty dispute. Further details of the separately disclosed item are outlined in Note 6 and Note 39 to the Financial Report

[7] In Financial Year 2021 and Financial Year 2020, the consolidated entity accrued $15.1 million and $1.9 million respectively towards the one-off cost for the provision for settlement of the TCM royalty dispute, resulting in a reduction in EBITDA, NPBT and NPAT in the respective financial year.

Directors' Report (continued)

REVIEW OF FINANCIAL RESULTS (continued)

Operating results (continued)
The consolidated entity's underlying EBITDA increased by $43.1 million to $42.7 million and underlying net profit after tax for the year increased by $25.9 million to $21.0 million. The underlying result was impacted by a number of key factors including:

- Revenue from continuing operations amounted to $119.5 million (FY20: $54.0 million) with $3.8 million from the sale of Hillgrove gold dore and concentrate (FY20: nil), increased sales tonnes of zinc concentrate (up 47%), lead concentrate (up 25%) and copper concentrate (up 84%), higher realised AUD metal prices and reduced treatment charges per tonne of zinc and lead concentrate;
- Underlying sales realisation costs (adjusted for the cost accrued towards the provision for settlement of the TCM royalty dispute) of $10.3 million (FY20: $6.1 million) were driven by the higher sales volumes (and revenues);
- Employment benefits expense increased by $4.2 million to $15.3 million (FY20: $11.1 million). This was primarily due to the establishment of the operational workforce required to restart production at Hillgrove Operation, the insourcing of previously outsourced works and upward pressure on salaries of technical mining professionals;
- Production costs of $47.1 million were 39% higher than costs of $33.8 million in FY20. $1.6 million was incurred at Hillgrove Operations (2020: nil) with the restart of Hillgrove operations. Additional costs were incurred at Thalanga due to tonnes milled and concentrate produced increasing year on year by 23% and 53% respectively. Milling unit costs were 12% lower in FY21 due to improved efficiencies, while mining unit costs (increased by 20%) were impacted by the cost of operating development required to maintain and set up for continued stope ore production; and
- Depreciation and amortisation increased by $6.0 million to $15.5 million (FY20: $9.5 million) due to mine development costs capitalised during FY21 at the Far West Mine being amortised over the remaining Far West Mine Reserves.

Financial position
The net assets of the consolidated Group have increased from $53.9 million at 30 June 2020 to $59.9 million during the year ended 30 June 2021.

Operating cash flow for the year ended 30 June 2021 increased by $53.6 million to $45.0 million (FY20: loss $8.6 million). The sale of Hillgrove gold dore and concentrates for the first time, increased concentrate production at Thalanga Operation and lower treatment charges per tonne of zinc concentrate (year on year decrease of AUD 240 / tonne) contributed to a $67.9 million increase in sales receipts. The commencement of production at Hillgrove and increased production at Thalanga Operation were the key drivers of a $14.3 million increase in payments to suppliers and employees. Mining cash costs were further impacted by the cost operating development required to maintain and set up for increased stope ore production. Sales realisation cash cost increases due to increased sales volumes and revenues. Employment expense cash costs increased due to the establishment of the operational workforce required to restart production at Hillgrove Operation, the insourcing of previously outsourced works and upward salary pressure on technical mining professionals.

Cash outflow from investing activities for the year ended 30 June 2021 was $26.7 million (FY20: $16.1 million). Expenditure on property, plant and equipment increased by $4.7 million associated with installing new plant, refurbishing and recommissioning the Hillgrove Operation. Mine Development costs increased by $5.7 million due to additional capital development activities at Thalanga. Payments for exploration and evaluation expenditure were similar to the prior period.

Cash flow from financing activities for the year ended 30 June 2021 decreased by $14.2 million to an outflow of $7.3 million (FY20: $6.9 million inflow) primarily due to the Trafigura working capital facility being drawn down in the year ended 30 June 2020 and with repayment of the facility primarily occurring in the current year ended 30 June 2021.

Cash and cash equivalents increased $11.1 million during the year ended 30 June 2021 with cash and cash equivalent at the end of the period of $19.1 million (30 June 2020: $8.1 million) .

END OF REVIEW OF FINANCIAL RESULTS

Directors' Report (continued)

REVIEW OF OPERATIONS

1. Overview

Red River Resources is building a multi-asset operating business focused on base and precious metals with the objective of delivering prosperity through lean and clever resource development.

Red Rivers foundation asset is the Thalanga Base Metal Operation in Northern Queensland, which was acquired in 2014 and where RVR commenced copper, lead and zinc concentrate production in September 2017.

Red River has commenced production at the high-grade Hillgrove Gold Operation in New South Wales which was acquired in 2019. The Hillgrove Operation is a key part of RVR's strategy to build a multi-asset operating business focused on base and precious metals.

Red River has a number of high-grade silver-indium-lead zinc projects in the Herberton area in Northern Queensland.

Figure 1. RVR Key Assets and Projects

2. Safety & Environmental Performance

COVID-19 was actively managed by Red River throughout the year resulting in minimal impact to operations. Red River followed federal and state guidance measures and implemented 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.

2.1 Thalanga Base Metal Operation
The site headcount at period end was 180 people, and there were 75 full-time Red River Resources employees, with an additional 105 contractors working in exploration and mining. A total of 381,852 hours were worked during the period. The Total Recordable Injury Frequency Rate (TRIFR) was 20.91 for the year and there were eight recordable injuries for the year.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2. Safety & Environmental Performance (continued)

2.1 Thalanga Base Metal Operation (continued)

Recordable injuries include those that result in any days away from work (Lost Time Injuries), and those where an employee or contractor cannot perform all or any of their normal shift (Restricted Workday Injuries) plus any injury that requires the services that only a medical practitioner can provide (Medical Treatment Injuries).

2.2 Hillgrove Operation

The site headcount at period end was 54 people with 85,626 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) was zero for the period. There were zero medical treated injuries during the period, and zero Lost Time Injuries (LTIs).

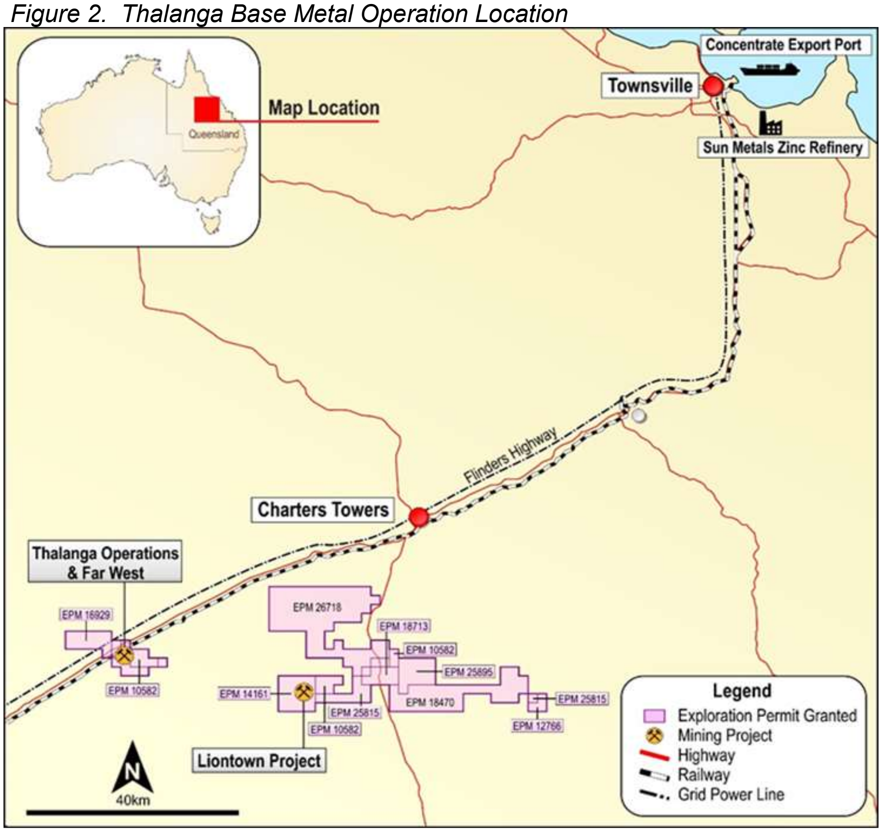
3. Thalanga Base Metal Operation

The Thalanga Operation is located 60km SW of Charters Towers in Central Queensland and consists of the following key assets:

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

Site access is by sealed road and the Thalanga Operation is run as a residential operation, with the workforce predominately living in Charters Towers. The Thalanga Operation is located 200km from the Port of Townsville (Australia's largest base metal concentrate export port) and Korea Zinc's Sun Metals zinc refinery.

Figure 2. Thalanga Base Metal Operation Location



Directors' Report (continued)

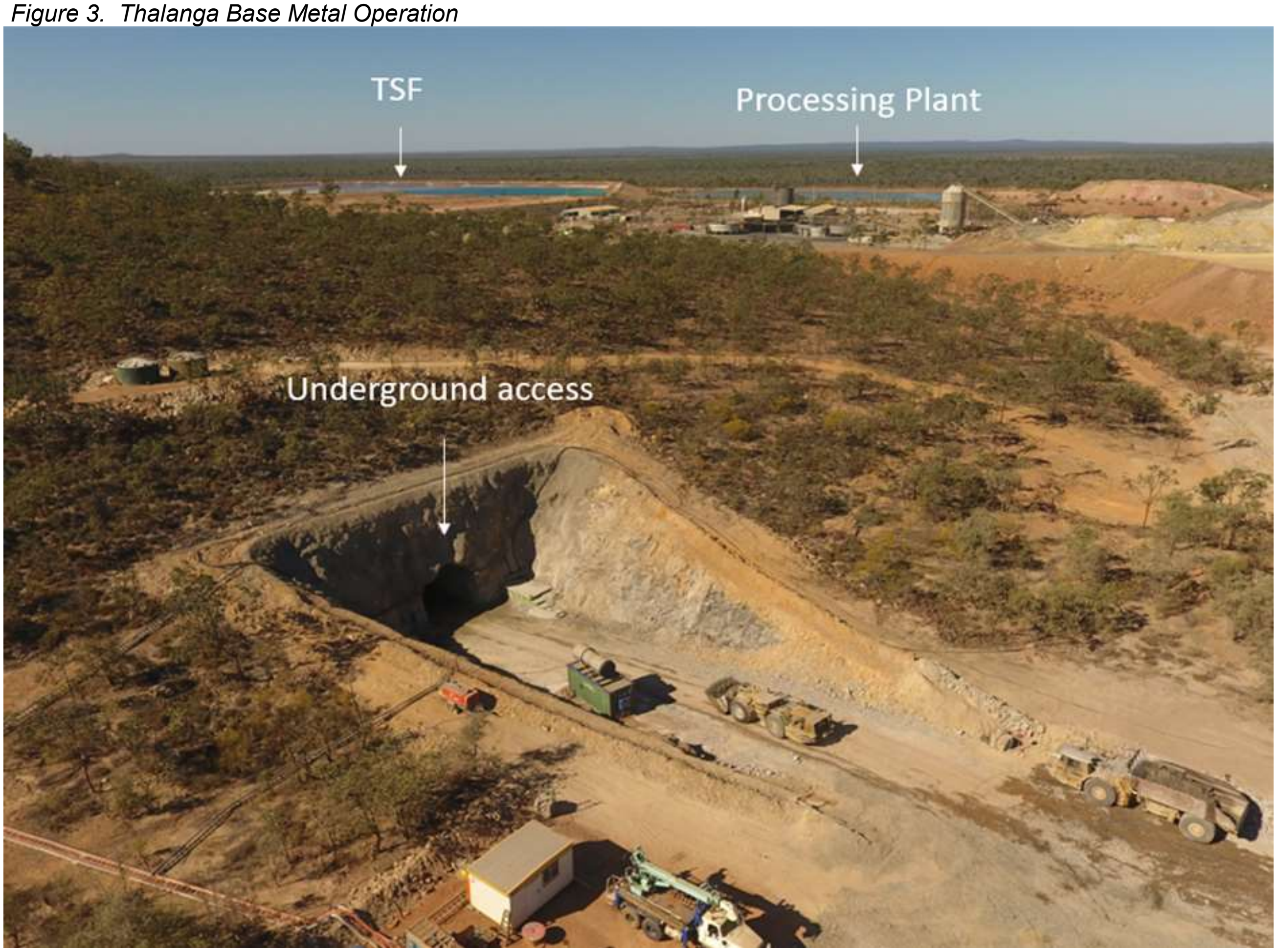
REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

The Thalanga Plant is designed for a nominal throughput of 650ktpa, using standard industry technology to produce saleable copper, lead and zinc concentrates via flotation. The plant flowsheet is summarised as:

- Crushing circuit (three-stage crushing circuit);
- Milling circuit (primary (x1) and secondary ball mill (x2) circuit);
- Concentrate flotation circuit (differential copper, lead and zinc flotation circuits);
- Concentrate thickening and filtration;
- Regrind circuit;
- Concentrate storage, blending and transport; and
- Sub-aqueous disposal of tailings to fully permitted Tailings Storage Facility (“TSF”) with sufficient existing capacity for currently planned operations.

Figure 3. Thalanga Base Metal Operation



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

3.1 Production

Ore produced from the Far West Underground mine was processed at the Thalanga Operation. Production highlights for the year ended June 30 3021 include:

- Total tonnes mined: 379kt @ 10.7% Zn Eq. (FY20: 334kt @ 9.0% Zn Eq.);
- Total tonnes processed: 407kt @ 10.7% Zn Eq. (FY20: 331kt @ 8.5% Zn Eq.);
- Zinc concentrate produced: 27,726 dry metric tonnes (DMT) (FY20: 18,834 DMT);
- Lead concentrate produced: 6,824 DMT (FY20: 5,142 DMT); and
- Copper concentrate produced: 14,270 DMT (FY20: 7,939 DMT).

Table 1. Thalanga Base Metal Operation FY21 Production Summary

	Units	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Total FY21
Ore mined	**'000 Tns**	**99**	**92**	**87**	**101**	**379**
Copper grade	%	1.5	1.2	1.2	1.2	1.3
Lead grade	%	1.3	1.4	1.4	1.3	1.4
Zinc grade	%	4.2	4.0	4.3	4.0	4.1
Gold grade	g/t	0.1	0.2	0.2	0.2	0.2
Silver grade	g/t	47	44	43	40	43
Zinc equivalent (1)	%	11.7	10.2	10.8	10.1	10.7
Ore processed	**'000 Tns**	**103**	**112**	**95**	**97**	**407**
Copper grade	%	1.3	1.1	1.1	1.1	1.2
Lead grade	%	1.7	1.6	1.7	1.4	1.6
Zinc grade	%	4.2	3.9	4.4	3.9	4.1
Gold grade	g/t	0.3	0.2	0.2	0.2	0.2
Silver grade	g/t	55	42	49	44	47
Zinc equivalent (1)	%	11.5	10.3	10.9	10.0	10.7
Zinc concentrate	**DMT(2)**	**7,026**	**7,430**	**6,959**	**6,311**	**27,726**
Zinc grade	%	53.9	52.8	53.4	52.7	53.2
Zinc recovery	%	87.3	89.1	89.1	89.1	88.6
Lead concentrate	**DMT(2)**	**1,947**	**1,914**	**1,613**	**1,350**	**6,824**
Lead grade	%	64.4	68.8	67.1	68.1	67.0
Copper grade	%	3.3	1.8	1.3	1.0	2.0
Gold grade	g/t	5.2	4.7	5.1	4.0	4.8
Silver grade	g/t	1,647	1,497	1,541	1,447	1,540
Lead recovery	%	72.7	74.4	69.2	66.1	71.1
Copper recovery	%	4.8	2.7	2.0	1.3	2.9
Copper concentrate	**DMT(2)**	**4,073**	**3,564**	**3,068**	**3,565**	**14,270**
Copper grade	%	26.8	28.4	25.7	24.0	26.3
Gold grade	g/t	1.9	1.4	1.7	1.8	1.7
Silver grade	g/t	365	299	318	351	335
Copper recovery	%	81.4	79.4	74.5	80.3	79.2
Zinc concentrate sold	**DMT(2)**	**6,630**	**8,286**	**6,700**	**6,261**	**27,877**
Lead concentrate	**DMT(2)**	**1,953**	**2,024**	**1,484**	**1,471**	**6,932**
Copper conc. sold	**DMT(2)**	**4,233**	**3,735**	**3,025**	**3,398**	**14,391**

(1) 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.

(2) Dry metric tonne.

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

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

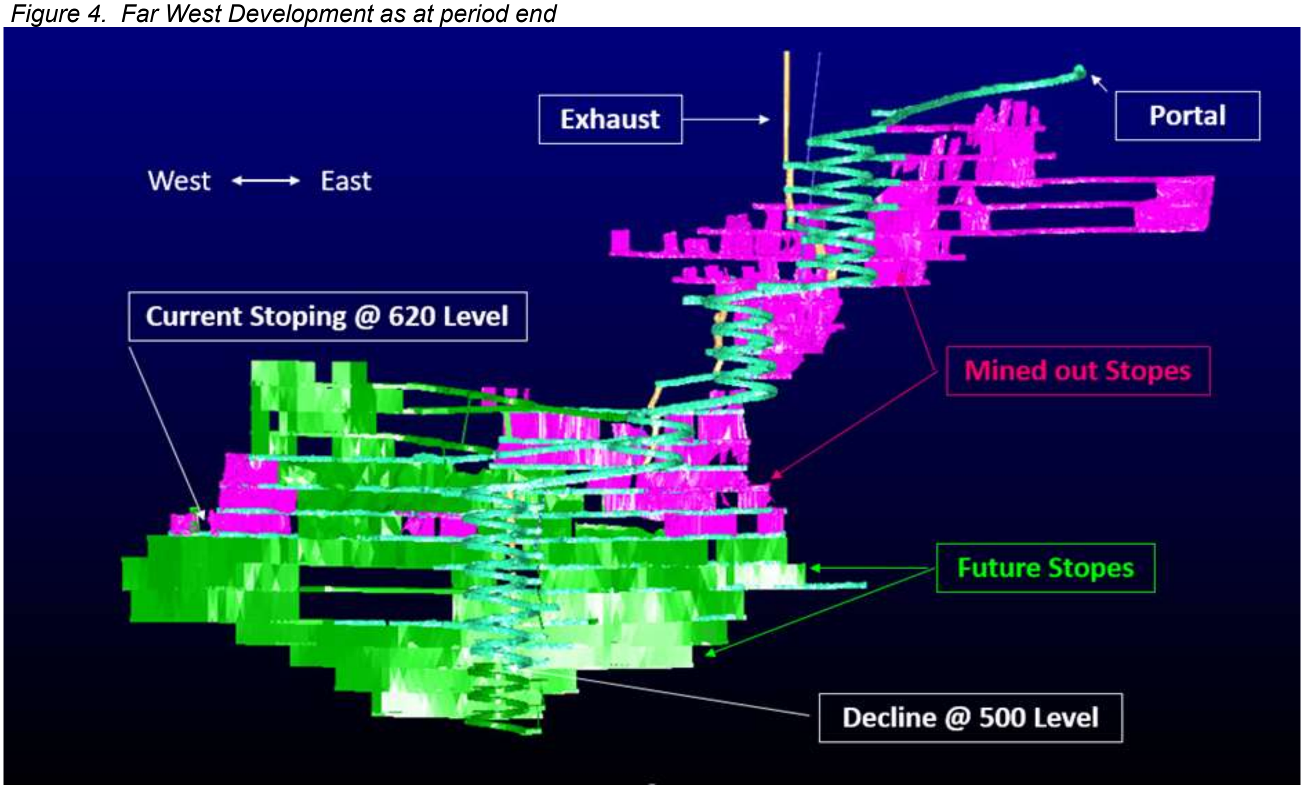
3. Thalanga Base Metal Operation (continued)

3.2. Concentrate Sales and Marketing
Thalanga Operation sold 27,877 DMT zinc concentrate, 6,932 DMT lead concentrate and 14,391 DMT copper concentrate during the period. Concentrate quality was excellent and was well received by Red River's offtake partners.

3.3. Project Development Activities
During the period, $16.4 million was invested in project development activities, with the continued focus being on developing the Far West underground mine.

Total Far West Underground capital development in FY21 was 2,745m for the period (1,388m lateral capital development, 1,173m decline development and 184m vertical capital development). Total development for the period was 6,149m (including operating development of 3,404m).

Figure 4. Far West Development as at period end



Project development activities continued at the Liontown Project during the period. The Liontown Project has a Mineral Resource of 4.1Mt @ 0.6% Cu, 1.9% Pb, 5.9% Zn, 1.1 g/t Au & 29 g/t Ag (12.7% Zn Eq.), with a material gold component (152koz Au contained).

Red River is focusing on an open pit / underground development for the Liontown Project with a conceptual mine life of 10+ years. During the period further optimisation was undertaken on the mine plan and further drilling commenced in Q4 FY21.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

3.3. Project Development Activities

Figure 5. Long Section of Mineralised zones at Liontown

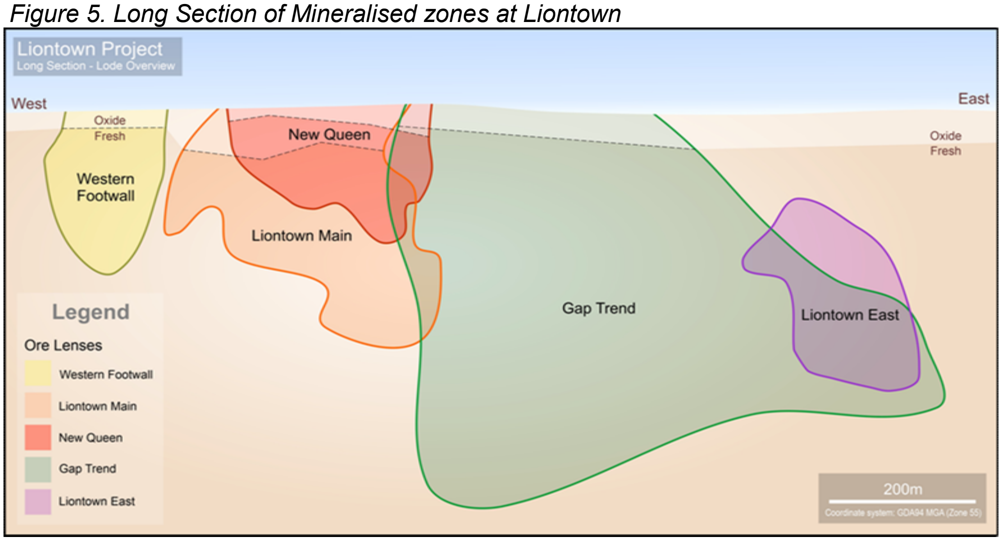
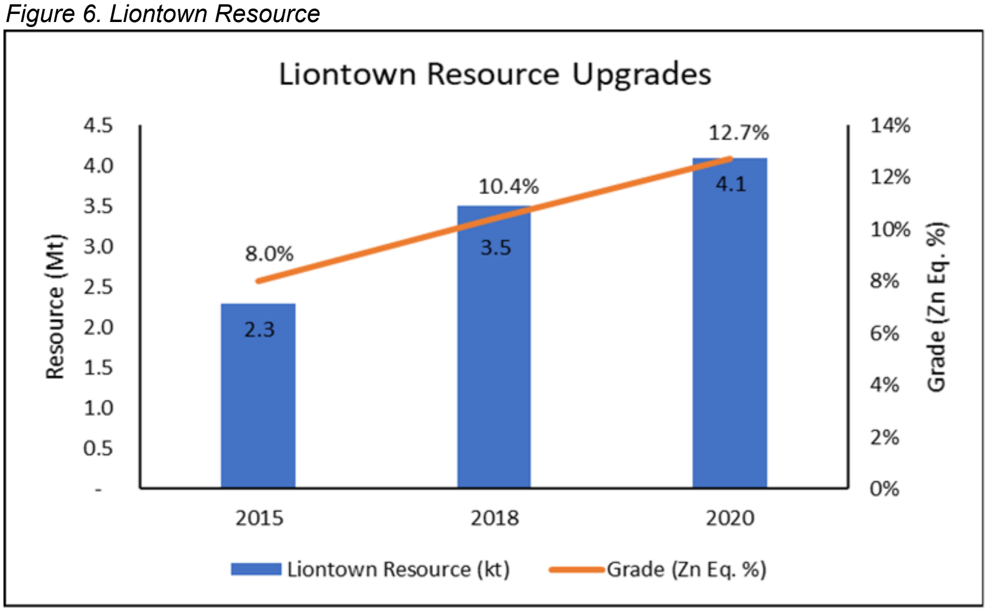


Figure 6. Liontown Resource



3.4. Thalanga Exploration Activities

The Thalanga Exploration team's main focus during the period was on:

- Drilling historic gold targets at Thalanga;
- Completion of microgravity surveys at Thalanga and Coronation;
- Completion of drone magnetics and induced polarisation survey of silver-indium-lead-zinc deposits in the Herberton region in Northern Queensland; and
- Further drilling of Liontown and extensional drilling of Far West.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

3.4. Thalanga Exploration Activities (continued)

Thalanga Gold Exploration Strategy
Red River completed an RC program focusing on 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. Material intersections include:

- 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 (See ASX announcement 26 April 2021).

Herberton Exploration Project (Orient)
Red River completed drone magnetics and induced polarisation survey at Orient prospect (Herberton, North Queensland). Surveying identified multiple large targets including one close to historic drillhole EO3 which intersected a wide zone of mineralisation; 75m @ 38g/t Ag from 15m downhole to EOH including 4m @ 154g/t Ag, 20g/t In, 3.3% Pb & 2.2% Zn from 36m downhole. Next steps include ground truthing then drill testing (See ASX announcement 28 June 2021).

Coronation and Thalanga Surveys
Red River completed microgravity survey at Coronation & Thalanga Range prospects near the Thalanga Operation in northern Queensland. The survey identified four high priority targets at Coronation for drilling. Targets indicate similar gravity and magnetic response to the historic Highway-Reward deposit which produced 3.8Mt @ 6.2% Cu & 1 g/t Au. Thalanga Range microgravity responses are subtle and require further interpretation to define targets (See ASX announcement 29 June 2021).

Liontown Project and Far West Drilling
The total Liontown Project Mineral Resource (Liontown & Liontown East) has a JORC 2012 resource of 4.1Mt @ 0.6% Cu, 1.9% Pb, 5.9% Zn, 1.1 g/t Au & 29 g/t Ag (12.7% Zn Eq.) and will be the next mine at Thalanga. During the year a total of 18 RC holes (1,624m) and one diamond drill hole was completed assays are expected to be returned in Q1 2022. Seven diamond drill holes (1,610m) were completed at Far West with no material results (See ASX Announcement 29 July 2021).

4. Hillgrove Operation

The Hillgrove Operation is located approximately 30km from Armidale in New South Wales and was acquired by Red River Resources in 2019. Historic mining activity commenced at the site in 1857 and ceased in 1921 and recommenced in 1969. To date, Hillgrove has produced more than 730,000 ounces of gold (in bullion and concentrates), over 50,000 tonnes of antimony (as metal and in concentrates) plus material amounts of by-product tungsten (in concentrates).

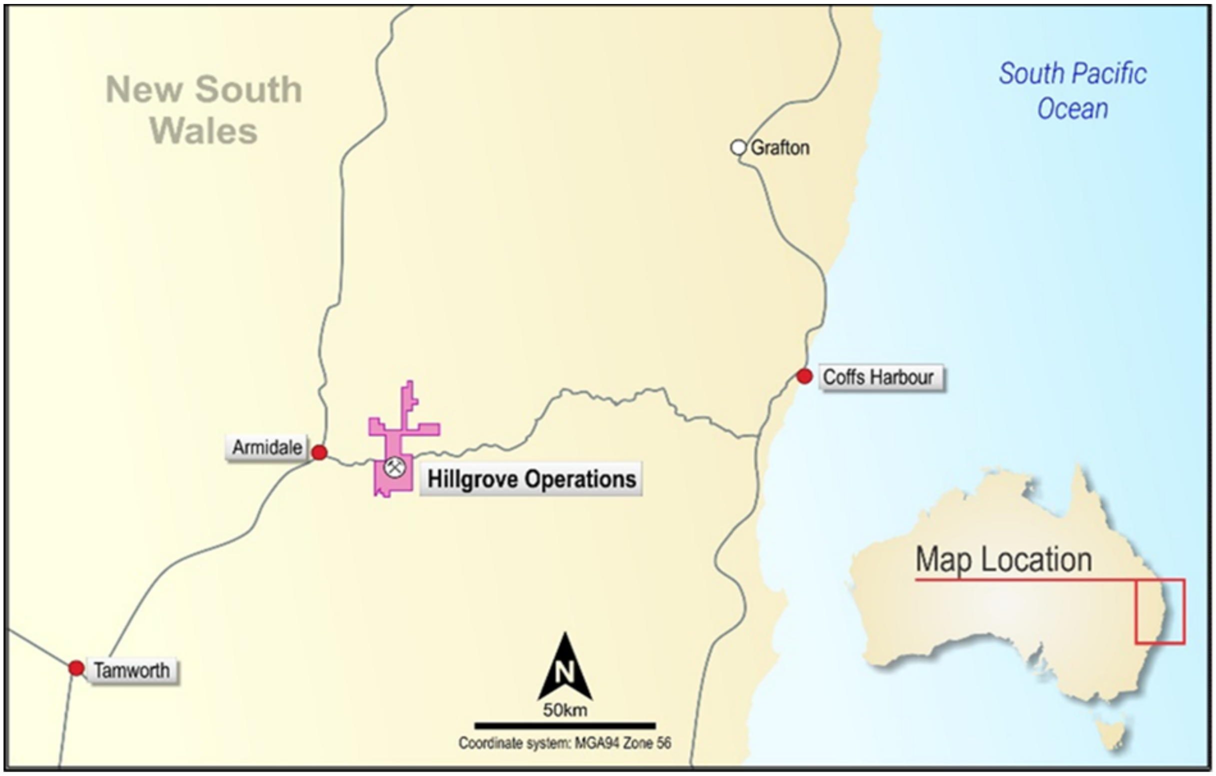
The Hillgrove Operation has a high-grade JORC 2012 resource of 7.23Mt @ 4.5g/t Au & 1.2% Sb containing 1.04 million ounces of gold and 90kt of antimony.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Operation (continued)

Figure 7. Hillgrove Operation



The Hillgrove site includes a 250ktpa capacity processing plant comprising a gravity gold circuit with intensive leach reactor, a selective flotation circuit (capable of producing antimony-gold and refractory gold concentrates), an antimony leach/EW/refining & casting plant, a gold cyanide leach circuit & gold room and a pressure oxidation circuit. A fully HDPE (high-density polyethylene) lined modern tailing storage facility, which was constructed in 2006, and has approximately 18 months of production storage capacity.

Figure 8. Hillgrove Operation Site, showing processing infrastructure and layout

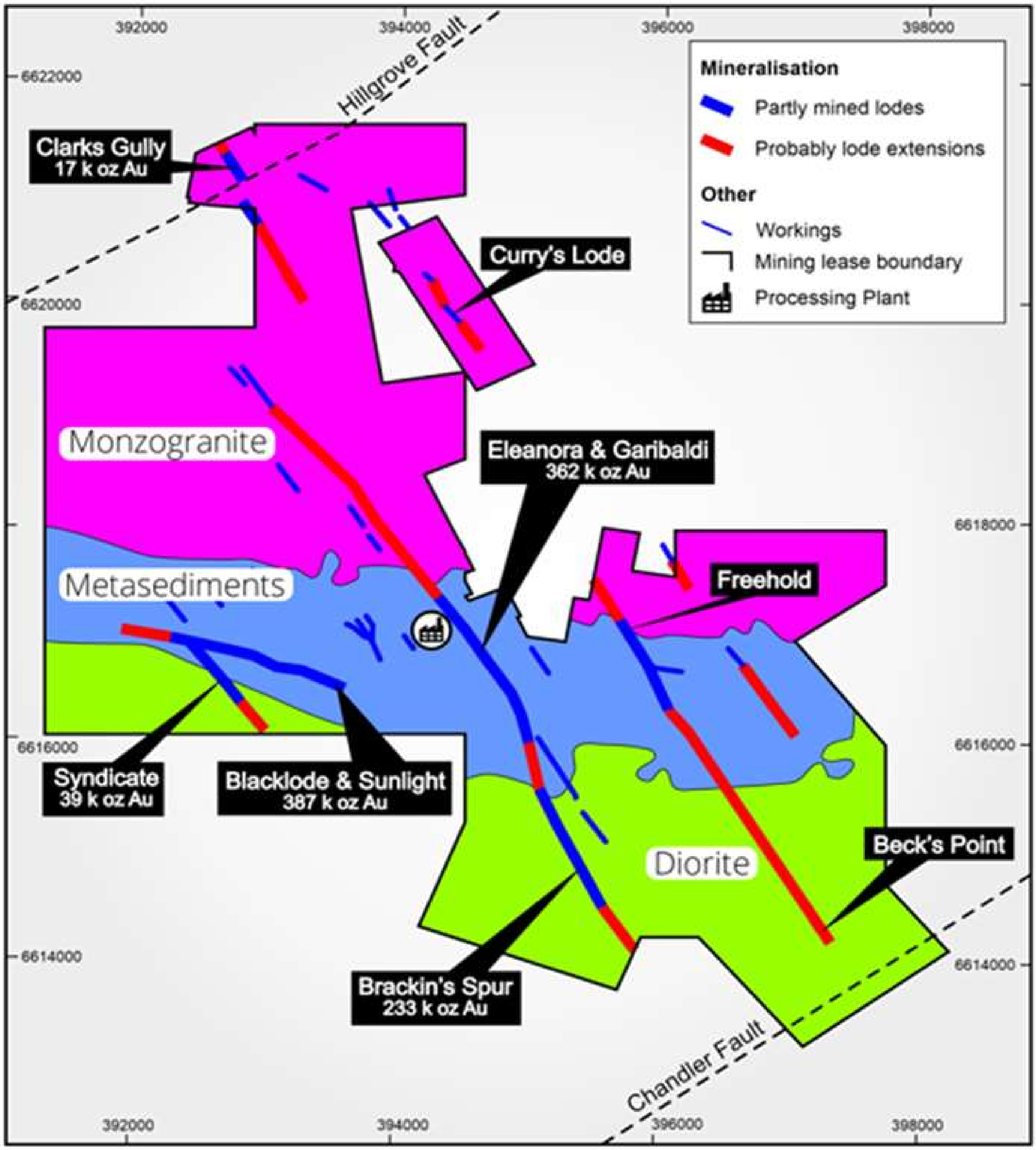
Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Operation (continued)

Orogenic gold-antimony-tungsten mineralisation at Hillgrove is hosted in multiple steeply dipping vein/shear systems contained within the Hillgrove Mineral Field. There is a strong zonation in the veins, transitioning from shallow antimony dominant mineralisation to gold dominant mineralisation at depth. All known veins are open at depth, with potential transition to high grade gold dominant mineralisation at depth.

Figure 9. Hillgrove Regional Geology Plan



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Operation (continued)

The Hillgrove Mineral Field covers approximately 9km x 6km, with more than 200 individual mineral occurrences identified in field. Red River controls the entirety of the Hillgrove Mineral Field and holds 225km2 of exploration leases and 17km2 of mining leases (or equivalent).

4.1 Hillgrove Operation Restart

Red River commenced processing material from the Bakers Creek stockpile in December 2020. During the year both a gold concentrate and dore' was produced and sold. First material was processed in December 2020 (See ASX Announcement 30 December 2020).

Table 2. Hillgrove Operation FY21 Production Summary

	Units	Q3 FY21	Q4 FY21	Total FY21
Ore processed	**'000 Tns**	**31**	**42**	**73**
Gold grade	g/t	1.6	1.4	1.5
Gravity gold concentrate produced	DMT[1]	12	18	30
Gold grade	g/t	1,314	1,494	1,424
Gold recovery to gravity concentrate	%	31.3	47.1	40.0
Gold recovered to gravity concentrate	Oz's	498	882	1,380
Flotation gold concentrate produced	DMT	225	255	480
Gold grade	g/t	56	57	57
Gold recovery to flotation concentrate	%	25.5	24.9	25.3
Gold recovered to flotation concentrate	Oz's	407	467	874
Gold (contained in gold dore)	Oz's	260	1,054	1,314
Total gold produced	Oz's	667	1,521	2,188
Total gold sold	Oz's	360	1,408	1,768

[1] Dry metric tonne.
Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.

4.2 Resource expansion at Hillgrove

Multiple successful drill programs were undertaken at Hillgrove during the year, these programs culminated in a resource upgrade of 54% of contained gold and 20% of contained antimony to a total of JORC 2012 resource of 7.23Mt @ 4.5g/t Au & 1.2% Sb containing 1.04 million ounces of gold and 90kt of antimony. Key programs were focused on Eleanora, Garibaldi and Curry's Block (See ASX Announcement 29 July 2021).

Eleanora and Garibaldi

Red River completed an eleven-hole follow-up Eleanora-Garibaldi drill program at Hillgrove. In addition to high-grade gold-antimony mineralisation, drilling identified broader halo zones of gold mineralisation (See ASX Announcement 8 July 2021). The following drill result illustrate the broader halo zone:

- ELG152 intersected 8.5m @ 2.34 g/t Au from 140.7m downhole including 4.20m @ 4.05 g/t Au & 2.7% Sb from 145.0m downhole;
- ELG155 intersected 4.2m @ 2.11 g/t Au & 6.5% Sb from 182.7m downhole;
- ELG157 intersected 5m @ 2.66 g/t Au & 2.2% Sb from 210.0m downhole including 1.8m @ 6.23 g/t Au & 5.8% Sb from 210.0m downhole; and
- ELG159 intersected 7m @ 2.43 g/t Au from 135.0m downhole including 4.0m @ 3.78 g/t Au from 135.0m downhole.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Operation (continued)

4.2 Resource expansion at Hillgrove (continued)

Table 3. Drill hole assay summary Eleanora-Garibaldi

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Sb (%)
ELG149 (0.35m	139.5	152.5	13.0	1.6	-
inc. (0.35m CL)	139.5	142.6	3.1	3.7	-
inc.	148.0	152.5	4.5	1.9	-
ELG150	157.0	158.0	1.0	4.6	0.6
ELG151	83.0	86.0	3.0	2.5	0.3
and (0.25m CL)	182.0	186.0	4.0	1.6	-
and	220.0	228.0	8.0	1.4	-
inc.	220.0	222.0	2.0	2.6	-
ELG152	29.0	30.0	1.0	3.5	-
and	39.0	41.0	2.0	2.0	-
and (0.1m CL)	140.7	149.2	8.5	2.3	1.4
inc.	140.7	141.6	0.9	3.0	0.1
inc. (0.1m CL)	145.0	149.2	4.2	4.1	2.7
ELG153	Awaiting				
ELG154	71.0	72.0	1.0	3.0	-
and (0.4m CL)	92.7	119.0	26.4	1.1	-
inc.	92.7	94.0	1.4	6.6	1.2
inc.	92.7	96.0	3.4	3.2	0.5
inc.	116.0	119.0	3.0	3.8	-
ELG155	90.0	97.0	7.0	1.0	-
and (0.1m CL)	168.0	189.0	21.0	1.4	1.7
inc (0.1m CL)	182.7	186.9	4.2	2.1	6.5
ELG156	181.0	181.3	0.3	3.7	21.6
and	197.5	199.4	1.9	2.0	-
and	220.0	222.0	2.0	2.7	-
ELG157	139.0	140.0	1.0	2.3	2.6
and (0.1m CL)	162.7	173.9	11.2	2.1	0.4
inc. (0.1m CL)	162.7	167.0	4.3	2.8	0.9
and	204.0	215.0	11.0	1.7	1
inc.	204.0	205.0	1.0	4.4	-
inc.	210.0	215.0	5.0	2.7	2.2
inc.	210.0	211.8	1.8	6.2	5.8
ELG158	180.0	182.0	2.0	1.3	-
ELG159 (0.7m CL)	135.0	142.0	7.0	2.4	0.1
inc. (0.2m CL)	135.0	139.0	4.0	3.8	0.2

Note: All intervals of core loss (CL) have been assigned zero grade

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Operation (continued)

4.2 Resource expansion at Hillgrove (continued)

Figure 10. Massive stibnite in core of ELG155

Curry's

Phase 1 and Phase 2 drill programs were undertaken at Curry’s which included 9 holes with assay results shown in Table 3 (See ASX Announcement 10 June 2021).

Table 4. Curry's Drill Results

Drilling Phase	Hole ID	From (m)	To (m)	Down Hole Intersection (m)	Au (g/t)	Sb (%)	WO3 (%)
Phase 1	CUY001	47.6	48.0	0.4	9.2	0	0.35
	CUY002	44.0	45.0	1.0	6.5	1.4	0.26
	CUY003	93.0	96.9	3.9	2.1	0	0.18
	CUY004*	34.9	38.0	3.2	5.8	0.1	0.12
	inc.*	35.6	36.9	1.3	12.2	0.1	0.23
	CUY005	34.6	36.5	1.9	5.9	0	0.35
	inc.	35.2	36.0	0.9	10.4	0	0.56
	CUY006	20.0	21.0	1.0	7.3	0	0.12
	CUY007	27.0	32.0	5.0	3	0.6	0.08
	inc.	27.6	28.1	0.5	19.7	5.8	0.30
	and	37.0	44.0	7.0	0.9	0	0.08
	and	109.0	112.8	3.8	1.3	0	0.13
Phase 2	CUY008A	26.0	26.7	0.7	2.9	0	0.30
	CUY009	144.0	149.0	5.0	9.2	0.6	0.38
	inc.	144.0	146.9	2.9	15.3	1.1	0.73
	Inc.	146.4	146.9	0.6	27.1	4.2	0.39

**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.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Operation (continued)

4.2 Resource expansion at Hillgrove (continued)

Figure 11. Visible gold (circled in blue) in CUY009

5. Mineral Resource and Ore Reserve Statement

The Mineral Resource and Ore Reserve for Red River Resources as at 26 August 2021 are as follows, and are reported in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code)' and Chapter 18 of the Listing Rules. Mineral Resources and Ore Reserve tables are provided below. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources that convert to Ore Reserves.

Zinc Equivalent (Zn Eq.) and Gold Equivalent (Au Eq.) are quoted in below tables refer to section 5.6 Metal Equivalent Calculations for the methodology.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.1. Mineral Resource and Ore Reserve Annual Comparison

The Mineral Resource and Ore Reserve (2021) for Red River Resources is summarised in the tables below along with the Mineral Resource and Ore Reserve (2020) for comparison.

Table 5. Mineral Resource and Ore Reserve Estimate Annual Comparison (Thalanga Operation)

Mineral Resource (2021)	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %[1]
Far West	848	1.5	2.0	6.1	0.3	59	14.4
Orient	540	0.9	1.8	7.9	0.2	44	13.6
Waterloo	707	1.9	1.6	11.0	0.9	50	19.1
Liontown	4,138	0.6	1.9	5.9	1.1	29	12.7
Total	**6,233**	**0.9**	**1.9**	**6.7**	**0.9**	**37**	**13.8**
Liontown oxide	113				1.9	24	
Mineral Resource (2020)	**Tonnage (kt)**	**Cu %**	**Pb %**	**Zn %**	**Au g/t**	**Ag (g/t)**	**Zn Eq %[1]**
Far West	1,344	1.6	2.2	6.5	0.2	60	15.3
Orient	540	0.9	1.8	7.9	0.2	44	13.6
Waterloo	707	1.9	1.6	11.0	0.9	50	19.1
Liontown	4,138	0.6	1.9	5.9	1.1	29	12.7
Total	**6,729**	**1.0**	**1.9**	**6.7**	**0.8**	**39**	**14.0**
Ore Reserve (2021)	**Tonnage (kt)**	**Cu %**	**Pb %**	**Zn %**	**Au g/t**	**Ag (g/t)**	**Zn Eq %[1]**
Far West	721	1.2	1.6	4.9	0.2	45	11.4
Total	**721**	**1.2**	**1.6**	**4.9**	**0.2**	**45**	**11.4**
Ore Reserve (2020)	**Tonnage (kt)**	**Cu %**	**Pb %**	**Zn %**	**Au g/t**	**Ag (g/t)**	**Zn Eq %[1]**
Far West	1,162	1.2	1.5	4.5	0.2	40	10.7
Total	**1,162**	**1.2**	**1.5**	**4.5**	**0.2**	**40**	**10.7**

[1] 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.
Errors may exist in the table due to rounding.

Table 6. Mineral Resource and Ore Reserve Estimate Annual Comparison (Hillgrove Operation)

Mineral Resource (2021)	Tonnage (kt)	Au g/t	Sb %	Au Eq. (g/t)[1]	Contain. Au (koz)	Contain. Sb (Kt)
Elanora & Garibaldi	2,411	4.7	0.6	5.5	362	15
Sunlight & Blacklode	2,647	4.5	1.1	6.2	387	30
Brackin's Spur	1,583	4.6	1.5	6.7	233	23
Clark's Gully	266	2.0	3.8	7.4	17	10
Syndicate	318	3.8	3.6	8.9	39	11
Total	**7,226**	**4.5**	**1.2**	**6.2**	**1037**	**90**
Mineral Resource (2020)	**Tonnage (kt)**	**Au g/t**	**Sb %**	**Au Eq. (g/t)[1]**	**Contain. Au (koz)**	**Contain. Sb (Kt)**
Sunlight & Blacklode	2,647	4.5	1.1	6.2	387	30
Brackin's Spur	1,600	4.5	1.5	6.6	233	20
Clark's Gully	270	2.0	3.8	8.4	17	10
Syndicate	230	4.5	4.5	11.8	33	10
Bakers Creek Stockpile	225	2.5	-	2.5	18	-
Total	**4,972**	**4.3**	**1.5**	**6.4**	**688**	**73**

[1] Gold equivalent (Au Eq.) has been calculated using the metal selling prices, recoveries and other assumptions contained in Gold 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.
Errors may exist in the table due to rounding.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.1. Mineral Resource and Ore Reserve Annual Comparison (continued)

Information in the table above was sourced from the following. Please refer to the appendices in the relevant release for the supporting information.

Table 7. Mineral Resource and Ore Reserve Estimate and Release Dates

Deposit	Resource / Reserve	Estimate Date	Release Date
Thalanga Operation			
Far West	Mineral Resource 2021	30-Jun-21	27-Aug-21
Orient	Mineral Resource 2021	9-Feb-15	11-Feb-15
Waterloo	Mineral Resource 2021	7-Feb-15	24-Apr-15
Liontown	Mineral Resource 2021	21-Feb-20	11-Mar-20
Far West	Mineral Resource 2020	25-Aug-20	27-Aug-20
Orient	Mineral Resource 2020	9-Feb-15	11-Feb-15
Waterloo	Mineral Resource 2020	7-Feb-15	24-Apr-15
Liontown	Mineral Resource 2020	21-Feb-20	11-Mar-20
Far West	Ore Reserve 2021	30-Jun-21	30-Aug-21
Far West	Ore Reserve 2020	25-Aug-20	27-Aug-20
Hillgrove Operation			
Elanora & Garibaldi	Mineral Resource 2021	29-Jul-21	29-Jul-21
Sunlight & Blacklode	Mineral Resource 2021	29-Jul-20	29-Jul-20
Brackin's Spur	Mineral Resource 2021	August 2017	August 2017
Clark's Gully	Mineral Resource 2021	August 2017	August 2017
Syndicate	Mineral Resource 2021	29-Sep-20	29-Sep-20
Bakers Creek Stockpile	Mineral Resource 2021	-	-
Elanora & Garibaldi	Mineral Resource 2020	-	-
Sunlight & Blacklode	Mineral Resource 2020	29-Jul-20	17-Aug-20
Brackin's Spur	Mineral Resource 2020	August 2017	August 2017
Clark's Gully	Mineral Resource 2020	August 2017	August 2017
Syndicate	Mineral Resource 2020	August 2017	August 2017
Bakers Creek Stockpile	Mineral Resource 2020	28-Feb-20	28-Feb-20

Mineral Resources and Ore Reserve information in this statement has been compiled by Competent Persons (as defined by the 2012 JORC Code). Each Competent Person consents to the inclusion of the information in this report that they have provided in the form and context in which it appears. Competent Persons are listed in 5.2, 5.3 and 5.4.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.2. Thalanga Operation Ore Reserve (2021)

Thalanga Operation Ore Reserve (2021) is 721kt @ 1.2% Cu, 1.6% Pb, 4.9% Zn, 0.2 g/t Au & 45 g/t Ag (11.4% Zinc Equivalent).

Table 8. Thalanga Operation Ore Reserve

	Classification	Tonnage	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %[1]
Far West	Proved	-	-	-	-	-	-	-
	Probable	721	1.2	1.6	4.9	0.2	45	11.4
	Total	**721**	**1.2**	**1.6**	**4.9**	**0.2**	**45**	**11.4**
Thalanga Operation	Proved	-	-	-	-	-	-	-
	Probable	721	1.2	1.6	4.9	0.2	45	11.4
	Total	**721**	**1.2**	**1.6**	**4.9**	**0.2**	**45**	**11.4**

[1] 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 Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. Table subject to rounding errors, please refer to Competent Persons Statements for appropriate Competent Persons

An explanation of any material changes in Ore Reserve per deposit:

Deposit	Reason
Far West	Mining depletion and re-interpretation of the orebody

Competent Persons Statement – Ore Reserves

The information in this report that relates to the estimation and reporting of the Far West Ore Reserve is based on and fairly represents, information and supporting documentation compiled by Mr Aurimas Karosas who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Red River Resources. Mr Karosas 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 market announcement 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 market announcement.

5.3. Thalanga Operation Mineral Resource (2021)

Thalanga Operation Mineral Resource (2021) is 6,233kt @ 0.9% Cu, 1.9% Pb, 6.7% Zn, 0.9 g/t Au & 37 g/t Ag (13.8% Zinc Equivalent).

Table 9. Thalanga Operation Mineral Resource

Deposit	Classi-fication	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %[1]
Far West	Measured	345	1.7	2.1	6.4	0.3	60	15.6
	Indicated	339	1.5	2.0	6.1	0.3	58	14.3
	Inferred	165	1.2	1.7	5.3	0.3	59	12.3
	Total	**848**	**1.5**	**2.0**	**6.1**	**0.3**	**59**	**14.4**
Orient	Measured	-	-	-	-	-	-	-
	Indicated	496	0.9	1.8	7.7	0.2	44	13.4
	Inferred	44	0.8	1.8	10.9	0.2	46	16.2
	Total	**540**	**0.9**	**1.8**	**7.9**	**0.2**	**44**	**13.6**

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.3. Thalanga Operation Mineral Resource (2020) (continued)

Table 9. Thalanga Operation Mineral Resource (continued)

Deposit	Classi-fication	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %[1]
Waterloo	Measured	-	-	-	-	-	-	-
	Indicated	406	2.7	2.1	13.4	1.4	68	24.6
	Inferred	301	0.9	0.9	7.9	0.4	27	11.8
	Total	**707**	**1.9**	**1.6**	**11.0**	**0.9**	**50**	**19.1**
Liontown	Measured	-	-	-	-	-	-	-
	Indicated	1,063	0.4	2.0	6.0	1.0	42	12.2
	Inferred	3,075	0.7	1.9	5.9	1.2	25	12.9
	Total	**4,138**	**0.6**	**1.9**	**5.9**	**1.1**	**29**	**12.7**
Total Thalanga Operation	Measured	345	1.7	2.1	6.4	0.3	60	15.6
	Indicated	2,303	1.1	2.0	7.7	0.8	49	14.9
	Inferred	3,585	0.7	1.8	6.1	1.1	27	12.8
	Total	**6,233**	**0.9**	**1.9**	**6.7**	**0.9**	**37**	**13.8**
Liontown Oxide	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	113	0.6	1.9	1.2	1.9	24	0.0
	Total	**113**	**0.6**	**1.9**	**1.2**	**1.9**	**24**	**0.0**

[1] 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.
Errors may exist in the table due to rounding.
Note that the Liontown Mineral Resources is reported inclusive of the Liontown East Mineral Resource.
Please refer to Competent Persons Statements for appropriate Competent Persons Statement.

An explanation of any material changes in Mineral Resource per deposit:

Deposit	Reason
Far West	Mining depletion and re-interpretation of the orebody
Waterloo	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Waterloo Mineral Resource estimate as at 7 February 2015.
Orient	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Orient Mineral Resource estimate as at 9 February 2015.
Liontown	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Liontown Mineral Resource estimate as at 21 February 2020.

Competent Person Statement - Mineral Resource

Orient and Waterloo Mineral Resource
The information in this report that relates to the estimation and reporting of the Orient and Waterloo Mineral Resources is based on and fairly represents, information and supporting documentation compiled by Mr Stuart Hutchin who is a Member of The Australasian Institute of Mining and Metallurgy, Member of the Australian Institute of Geoscientists and a full time employee of Mining One Consultants Pty Ltd. Mr Hutchin 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'.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.3. Thalanga Operation Mineral Resource (2020) (continued)

Competent Person Statement - Mineral Resource (continued)

Orient and Waterloo Mineral Resource (continued)
The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements 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 market announcements.

Far West and Liontown Mineral Resource
The information in this report that relates to the estimation and reporting of the Far West and Liontown Mineral Resources is 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'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements 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 market announcements.

5.4. Hillgrove Operation Mineral Resource (2021)
The Hillgrove Operation Mineral Resource (2021) is 7,226 kt @ 4.5 g/t Au & 1.2% Sb (6.2 g/t Gold Equivalent).

Table 10. Hillgrove Operation Mineral Resource

Deposit	Classification	Tonnage (kt)	Au g/t	Sb (%)	Au Eq. (g/t)[1]	Contain. Au (Koz)	Contain. SB (Kt)
Elanora & Garibaldi	Measured	-	-	-	-	-	-
	Indicated	1,424	4.9	0.8	6.1	226	11
	Inferred	987	4.3	0.3	4.8	136	3
	Total	**2,411**	**4.7**	**0.6**	**5.5**	**362**	**14**
Sunlight & Blacklode	Measured	-	-	-	-	-	-
	Indicated	1,511	5.3	1.3	7.1	255	20
	Inferred	1,136	3.6	0.9	4.9	131	10
	Total	**2,647**	**4.5**	**1.1**	**6.2**	**387**	**30**
Brackin's Spur	Measured	73	5.1	0.9	6.4	12	1
	Indicated	640	4.2	1.8	6.8	86	12
	Inferred	870	4.8	1.3	6.7	134	11
	Total	**1,583**	**4.6**	**1.5**	**6.7**	**233**	**23**
Clark's Gully	Measured	170	1.9	4.2	7.9	10	7
	Indicated	96	2.1	3.1	6.5	6	3
	Inferred	-	-	-	-	-	-
	Total	**266**	**2.0**	**3.8**	**7.4**	**17**	**10**

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.4. Hillgrove Operation Mineral Resource (2021) (continued)

Table 10. Hillgrove Operation Mineral Resource (continued)

Deposit	Classification	Tonnage (kt)	Au g/t	Sb (%)	Au Eq. (g/t)[1]	Contain. Au (Koz)	Contain. SB (Kt)
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	-
	Total	**318**	**3.8**	**3.6**	**8.9**	**39**	**11**
Total Hillgrove Operation	Measured	442	3.6	3.8	9.0	51	17
	Indicated	3,766	4.8	1.3	6.6	582	48
	Inferred	3,017	4.2	0.8	5.3	404	25
	Total	**7,226**	**4.5**	**1.2**	**6.2**	**1037**	**90**

[1] Gold equivalent (Au Eq.) has been calculated using the metal selling prices, recoveries and other assumptions contained in Gold 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.
Errors may exist in the table due to rounding.

An explanation of any material changes in Mineral Resource per deposit:

Deposit	Reason
Sunlight & Blacklode	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Sunlight and Blacklode Mineral Resource estimate as at 29 July 2020.
Brackin's Spur	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Brackin's Spur Mineral Resource estimate as at August 2017.
Clark's Gully	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Clark's Gully Mineral Resource estimate as at August 2017.
Syndicate	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Syndicate Mineral Resource estimate as at August 2017.
Bakers Creek Stockpile	Bakers Creek stockpile has been depleted due to mining and no current Mineral Resource exists.
Eleanora & Garibaldi	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Bakers Creek Mineral Resource estimate as at 29 July 2021.

Competent Person Statement - Mineral Resource

Sunlight and Blacklode, Syndicate, Eleanora & Garibaldi Mineral Resource
The information in this report that relates to the estimation and reporting of the Sunlight & Blacklode, Syndicate, Eleanora & Garibaldi Mineral Resource is 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 Sunlight & Blacklode, Syndicate, Eleanora & Garibaldi estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Mr Carolan.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.4. Hillgrove Operation Mineral Resource (2021) (continued)

Competent Person Statement - Mineral Resource (continued)

Brackin's Spur and Clark's Gully Mineral Resources
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.

5.5. Governance Arrangements
Updates to Mineral Resources and Ore Reserve estimates completed during the period, were completed in accordance with the guiding principles contained within the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). This included:

- Reporting in compliance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition);
- Suitably qualified and experienced Competent Persons;
- All Mineral Resources and Ore Reserve estimates being subject to internal review by suitably qualified practitioners, inclusive of Competent Persons; and
- Approval by the Board of Mineral Resources and Ore Reserve estimates prior to release to the market.

5.6. Metal Equivalent Calculations

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 respective deposits. The Metallurgical Recovery for each metal is shown below in Table11.
Metal Prices and Foreign Exchange assumptions are set as per internal Red River price forecasts and are shown below in Table 11.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.6. Metal Equivalent Calculations (continued)

Table 11 Metallurgical Recoveries and Metal Prices

Metallurgical Recoveries and Metal Prices					
			Thalanga Far West, Orient & Liontown Fresh Resource	Waterloo Fresh Resource	Waterloo Transition Resource
Metal	Price	Units	Recoveries	Recoveries	Recoveries
Copper	US$/lb	US$3.00	80%	80%	58%
Lead	US$/lb	US$0.90	70%	70%	0%
Zinc	US$/lb	US$1.00	88%	88%	76%
Gold	US$/oz	US$1,200	15%	50%	30%
Silver	US$/oz	US$17.00	65%	65%	58%
FX Rate: A$1.00: US$0.85					

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 at Thalanga. Payable metal factors are detailed below in Table 9.

Table 12 Payable Metal Factor

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

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

Zn Eq. = (Zn% *ZnMEF) + (Cu%*CuMEF) + (Pb%*PbMEF) + (Au ppm*AuMEF) + (Ag ppm*AgMEF)

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 13 Metal Equivalent Factor (MEF)

Metal Equivalent Factor (MEF)					
Project	Copper (CuMEF)	Lead (Pb MEF)	Zinc (ZnMEF)	Gold (AuMEF)	Silver (AgMEF)
Thalanga Far West	3.300	0.900	1.000	0.500	0.025
Orient (fresh)	3.300	0.900	1.000	0.050	0.025
Liontown (fresh)	3.300	0.900	1.000	2.000	0.025
Waterloo (Fresh)	3.400	0.750	1.000	0.500	0.025
Waterloo (Transition)	2.500	0.000	0.840	0.400	0.010

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.6. Metal Equivalent Calculations (continued)

Gold Equivalent
It is Hillgrove Mines Pty Ltd opinion, based on previous mill production and sales, that all elements included in the metal equivalent calculation have a reasonable potential to be recovered in part and sold. The gold equivalent allows for a basic level of assessment and comparison of the varying deposits and mineralisation styles seen at Hillgrove.

The reported gold equivalent (Au Eq.) (Table 10) is based a gold price of US$1,234 per oz and antinomy price of US$5,650 per tonne and is calculated as follows:

- Au Eq. (g/t) = (Au g/t) + (1.424 * Sb %)
  - where 1.424 = (US$5,650 /100)/(US$1,234/31.1035)

The gold equivalent was used as the cut off variable for the Eleanora / Garibaldi, Syndicate, Blacklode & Sunlight Mineral Resources. An earlier version of the gold equivalent was used as the cut off variable for the Brackin's Spur and Clarks Gully Mineral Resources as outlined in RVR release 3 July 2019. This earlier version was calculated as follows:

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

END OF OPERATIONS REVIEW

Directors' Report (continued)

Significant Changes in State of Affairs
During the course of the year ended 30 June 2021, the Company recommenced production of gold concentrate and gold dore through the reclamation and processing of the Baker's Creek stockpile at it's Hillgrove Operation.

Other than the above, there were no Significant Changes in State of Affairs.

Matters subsequent to the end of the financial year
The Queensland Department of Environment and Science has updated the Estimated Rehabilitation Cost (ERC) for the Thalanga Operations to $13.6 million. This increase in the ERC (environmental liability) has been reflected in the financial statements for the period ended June 30 2021. Under the previous ERC, surety of $8.3 million was lodged with Queensland Treasury. Increased surety of $5.4 million was lodged (using current cash reserves) in July 2021.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the consolidated entity up to 30 June 2021, 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.

Likely Developments and Expected Results
Information on likely developments in the operations of the Company and the expected results of those operations have not been included in this report as the directors believe it would be likely to result in unreasonable prejudice to the Company.

Shares Under Option and Performance Rights
Unissued ordinary shares of the Company under options and rights at the date of this report are as follows:

Instrument	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Number of Options / Rights at Date of Report
Options	1/9/2017	1/7/2020	30/6/2022	0.30	2,500,000
Rights	26/9/2018	28/10/2021	31/10/2021	Nil	1,177,372
Rights	25/10/2018	28/10/2021	31/10/2021	Nil	704,777
Rights	7/11/2019	28/10/2022	31/10/2022	Nil	2,849,441
Rights	30/11/2020	28/10/2023	31/10/2023	Nil	7,559,936

Option and performance rights holders do not have any rights, by virtue of the option or performance right held, to participate in any share issue of the Company. Options and performance rights will not give any right to participate in dividends or any voting rights until shares are issued upon the exercise of vested options or performance rights.

Shares Issued on the Exercise of Options
During the year ended 30 June 2021 and up to the date of this report no options have been exercised (2020: Nil).

Directors' Report (continued)

Directors' Meetings
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

Director	Directors' Meetings		Audit & Risk Committee		Nomination & Remuneration Committee	
	Number of meetings held[1]	Number attended	Number of meetings held[1]	Number attended	Number of meetings held[1]	Number attended
Mr. Brett Fletcher	13	13	4	3	1	1
Mr. Melkon Palancian	13	13	-	-	-	-
Mr. Donald Garner[2]	11	11	-	-	-	-
Mr. Mark Hanlon	13	13	4	4	1	1
Mr. Ian Smith[3]	3	3	1	1	-	-

[1] *Meetings held while each director was a director or member of a committee.*
[2] *Mr. Donald Garner resigned as a director effective 22 April 2021.*
[3] *Mr. Ian Smith commenced as a director effective 22 April 2021.*

Board Committees
As at the date of this report the Company had an Audit & Risk Committee and a Nomination & Remuneration Committee of the Board of Directors. The eligibility and attendance of each of the Directors is disclosed in the table above. The chairman of each committee was:

- Audit & Risk Committee - Mr. Mark Hanlon
- Nomination & Remuneration Committee - Mr. Brett Fletcher

AUDITED REMUNERATION REPORT

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key Management Personnel (KMP) of the consolidated entity are detailed in the table below and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director, whether executive or otherwise of the Company.

KMP covered in this report are :

Executive KMP		Non-Executive KMP	
Mr. Mel Palancian	Managing Director	Mr. Brett Fletcher	Non-Executive Chairman
Mr. Donald Garner[1]	Executive Director	Mr. Mark Hanlon	Non-Executive Director
Mr. Rod Lovelady	Chief Financial Officer	Mr. Ian Smith[3]	Non-Executive Director
Mr. Karl Spaleck	Operations Manager		
Mr. Matthew Breen[2]	General Manager - Hillgrove Operation		
Mr. Randy McMahon	General Manager - Thalanga Operation		

[1] *Mr. Donald Garner resigned as a director effective 22 April 2021.*
[2] *Mr Matthew Breen commenced as General Manager - Hillgrove Operations on the 29th of March 2021.*
[3] *Mr. Ian Smith commenced as a director effective 22 April 2021.*

Board Oversight - Nomination and Remuneration Committee
The Board is responsible for ensuring that the consolidated entity's remuneration structures are aligned with the long-term interests of the consolidated entity and its Shareholders. Accordingly, the Board has an established a Nomination and Remuneration Committee to assist it in making decisions in relation to KMP remuneration.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Board Oversight - Nomination and Remuneration Committee (continued)
The Committee currently comprises three Independent Non-Executive Directors:

- Mr. Brett Fletcher (Chair);
- Mr. Mark Hanlon; and
- Mr. Ian Smith.

The Committee's responsibilities include reviewing and making recommendations to the Board on:

- the consolidated entity's remuneration policy and framework (including determining short term incentives (STI's) key performance indicators and long term incentives (LTI's) performance hurdles, and vesting of STI's and LTI's);
- Senior executives' remuneration and incentives (including KMP and other senior management);
- Short term incentive strategy, performance targets and bonus payments;
- Senior management performance assessment process; and
- Non-executive Director individual remuneration, and the aggregate pool for approval by Shareholders (as required).

To ensure it is fully informed when making remuneration decisions the Committee undertakes a broad review of data derived from remuneration consultants and from industry recognised remuneration reports. The Committee did not utilise a remuneration consultant during the year ended 30 June 2021. However, the Committee did carry out its own benchmarking exercise against other similar resources companies.

Remuneration Principles and Overview
The consolidated entity's remuneration policy for executives is designed to promote superior performance and long term commitment to the company. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Company and its Shareholders to do so. The main principles of the policy are:

- The consolidated entity's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- Remuneration reflects the competitive market in which the consolidated entity operates;
- Structured short and long term incentives are challenging and linked to the creation of sustainable shareholder returns; and
- Individual reward should be linked to both financial and non-financial performance criteria.

The Board considers that executive remuneration must be sufficient to attract and retain a talented and successful executive team.

Executive Remuneration
Total remuneration for the year ended 30 June 2021 consisted of a mix of:

- Fixed remuneration that reflects the executives job size and responsibilities, professional competence, knowledge and experience; and
- "at risk" variable remuneration, comprising short-term and long-term incentives.

Fixed Remuneration
Fixed remuneration consists of base salary, superannuation and non-monetary benefits are reviewed annually and any adjustments are approved by the Board after recommendation by the Nomination and Remuneration Committee.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Executive Remuneration (continued)

Variable Remuneration - Short Term Incentive
The Committee has established a Short-Term Incentive Plan (STIP) structure and review process to strongly link executive remuneration to performance and to the creation of value for shareholders. The STIP is an "at risk" cash award program offering executives, depending on their role and individual performance, an opportunity to earn up to a maximum lump sum cash payment of between 40% and 60% of their base salary.

Award outcomes are determined through the Committee's assessment of an executive's progress against a range of goals and specific, measurable targets established by the Committee at the start of the performance year. Performance requirements will provide for 'stretch' achievement of safety, financial, production and cost outcomes in addition to achievement of Board approved budget objectives, works programmes and strategic plans.

The payment of all STI's is subject to Board approval. The Board has discretion to adjust remuneration outcomes higher or lower to prevent any inappropriate reward outcome, including reducing (down to zero, if appropriate) any STI outcome.

Variable Remuneration - Long Term Incentive
The Company's Long-Term Incentive Plan (LTIP) was approved by shareholders at the 2019 Annual General Meeting.

The objective of the LTIP is to incentivise and focus the executive and management team to achieve superior Total Shareholder Return (TSR) and growth in the business with longer term shareholder interests. Participants in the LTIP are provided with an "at risk" grant of performance rights, subject to the Boards discretion, on an annual basis. Performance rights are granted based on a percentage of the participants total fixed remuneration (between 40% and 60% for executives) and will potential vest after year 3 based on achievement against performance hurdles associated with TSR and growing the company's Ore Reserves and Mineral Resources. Performance rights for subsequent years will be allotted in a similar structure.

TSR will be measured against a comparator group of companies that are considered to be alternate investments for investors and are impacted by commodity prices and cyclic factors in a similar way to the Company. The Board retains the discretion to adjust the comparator group of companies over time to account for mergers, takeovers, new entrants and other changes. Increases in ore reserves and mineral resources are measured after including depletion of mined reserves and resources.

Performance hurdles for LTIP 2 - Offer date 1 July 2017, Vesting date 28 September 2020 :

Hurdle	Weighting	Outcome	Level of Vesting
Total Shareholder Return	50%	below 50th percentile of comparator group	0% vest
		50th to 75th percentile of comparator group	50% to 100% on pro-rata basis
		At or above 75th percentile	100%
Increase Mineral Resource	25%	No increase	0% Vest
		0 to 25% increase	0% to 100% on pro-rata basis
		greater than 25% increase	100% vest
Increase Ore Reserves	25%	No increase	0% Vest
		0 to 25% increase	0% to 100% on pro-rata basis
		greater than 25% increase	100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN),Mymanmar Metals (MYL), Ironbark Zinc (IBG), Consolidated Zinc (CZL), ROX Resources (ROX), PNX Metals (PNX), New Century Resources (NCZ)			

Directors' Report (continued)

REMUNERATION REPORT (continued)

Executive Remuneration (continued)

Performance hurdles for LTIP 3 - Offer date 1 July 2018, Vesting date 28 October 2021 :

Hurdle	Weighting	Outcome	Level of Vesting
Total Shareholder Return	50%	below 50th percentile of comparator group 50th to 75th percentile of comparator group At or above 75th percentile	0% vest 50% to 100% on pro-rata basis 100%
Increase Mineral Resource	25%	No increase 0 to 25% increase greater than 25% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Increase Ore Reserves	25%	No increase 0 to 25% increase greater than 25% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN),Mymanmar Metals (MYL), Ironbark Zinc (IBG), Consolidated Zinc (CZL), ROX Resources (ROX), PNX Metals (PNX), New Century Resources (NCZ)			

Performance hurdles for LTIP 4 - Offer date 1 July 2019, Vesting date 28 October 2022 ; and
Performance hurdles for LTIP 5 - Offer date 30 November 2020, Vesting date 28 October 2023:

Hurdle	Weighting	Outcome	Level of Vesting
Total Shareholder Return	50%	below 50th percentile of comparator group 50th to 75th percentile of comparator group At or above 75th percentile	0% vest 50% to 100% on pro-rata basis 100%
Increase Mineral Resource	25%	No increase 0 to 25% increase greater than 25% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Increase Ore Reserves	25%	No increase 0 to 25% increase greater than 25% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN),Mymanmar Metals (MYL), Ironbark Zinc (IBG), Consolidated Zinc (CZL), Aeris Resources (AIS), PNX Metals (PNX), New Century Resources (NCZ)			

Non-Executive Remuneration
The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination and Remuneration Committee reviews Non-executive directors remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The Board Chair is not present at any discussions relating to determination of their own remuneration.

The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting (currently $260,000). Fees for non executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in an employee option plan (none adopted to date).

Currently each Non-executive director is entitled to receive $55,000 per annum, with the Non-executive Chairman receiving $95,000. These entitlements were effective 1 January 2021 and include statutory superannuation entitlements.

Service Agreements and Remuneration Commitments
Remuneration and other terms of employment for key management personnel are formalised in service agreements. The major provisions of these service agreements are as follows:

Directors' Report (continued)

REMUNERATION REPORT (continued)

Service Agreements and Remuneration Commitments (continued)

Name	Position	Term of Agreement	Base Salary including Super-annuation	Notice Period and Termination Benefit [1]	Potential STI / LTI
Mr. Mel Palancian	Managing Director	No fixed term	380,000	3 months	60% / 60%
Mr. Donald Garner[2]	Executive Director	No fixed term	240,000	3 months	40% / 40%
Mr. Rod Lovelady	Chief Financial Officer	No fixed term	265,000	3 months	40% / 40%
Mr. Karl Spaleck	Operations Manager	No fixed term	280,000	3 months	40% / 40%
Mr. Randy McMahon	General Manager - Thalanga Operations	No fixed term	280,000	3 months	40% / 40%
Mr. Matthew Breen[3]	General Manager - Hillgrove Operations	No fixed term	280,000	3 months	40% / 40%

[1] *Termination by the Company will result in a payment to the executive equal to the number of months in the notice period.*
[2] *Mr. Donald Garner resigned as a director effective 22 April 2021.*
[3] *Mr Matthew Breen commenced as General Manager - Hillgrove Operations on the 29th of March 2021.*

Apart from the above described agreement there are no outstanding commitments payable to any of the key management personnel as at 30 June 2021.

Details of Remuneration
During the 2021 financial year no options were granted (2020: nil); 1,814,023 performance rights were issued to Mr. Mel Palancian (FY20: 1,066,983) and 1,033,211 performance rights were issued to Mr. Donald Garner (FY20: 497,926) following Shareholder approval. 1,377,614 performance rights were issued to Mr. Karl Spaleck (FY20: 663,901), 1,107,012 performance rights were issued to Mr. Rod Lovelady (FY20: 533,492) and 1,377,614 performance rights were issued to Mr. Randy McMahon (FY20:nil) under the Company's Long-Term Incentive Plan.

Disclosures relating to directors and executive officers (key personnel) emoluments are outlined in the remainder of the Remuneration Report.

Equity Instrument Disclosure Relating to Key Management Personnel
At 30 June 2021 the relevant interest of each key management personnel who held office during the year in ordinary fully paid shares and options of the Company were:

Shares - 2021	Balance at beginning of year	Ordinary Shares		Become / (Cease) to be KMP	Balance at the end of the year
Director / KMP		Performance Rights Vested	Purchased / (Sold)		
D. Garner[1]	8,215,923	246,667	-	(8,462,590)	-
M. Palancian	1,697,118	528,572	-	-	2,225,690
B. Fletcher	528,244	-	-	-	528,244
M. Hanlon	4,850,000	-	150,000	-	5,000,000
I. Smith[2]	-	-	-	300,000	300,000
Total Director	15,291,285	775,239	150,000	(8,162,590)	8,053,934
R. Lovelady	50,000	264,286	-	-	314,286
K. Spaleck	825,166	328,889		-	1,154,055
M. Breen[3]	-	-	-	4,780	4,780
R. McMahon	-	-	-	-	-
Total KPM	875,166	593,175	-	4,780	1,473,121
Total Director/KMP	16,166,451	1,368,414	150,000	(8,157,810)	9,527,055

Directors' Report (continued)

REMUNERATION REPORT (continued)

Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Shares - 2021 Director / KMP	Balance at beginning of year	Ordinary Shares Performance Rights Vested	 Purchased / (Sold)	Become / (Cease) to be KMP	Balance at the end of the year

[1] Mr. Donald Garner resigned as a director effective 22 April 2021.
[2] Mr. Ian Smith commenced as a director effective 22 April 2021.
[3] Mr Matthew Breen commenced as General Manager - Hillgrove Operations on the 29th of March 2021.

Options - 2021 Director / KMP	Balance at beginning of year	Granted as compensation	Share Options Exercised	 Expired	Unvested Balance at the end of the year
D. Garner[1]	-	-	-	-	-
M. Palancian	-	-	-	-	-
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-		-	-
I. Smith[2]	-	-	-	-	-
Total Director	-	-	-	-	-
R. Lovelady	-	-	-	-	-
K. Spaleck	-	-	-	-	-
M. Breen[3]	-	-	-	-	-
R. McMahon	-	-	-	-	-
Total KPM	-	-	-	-	-
Total Director/KMP	-	-	-	-	-

[1] Mr. Donald Garner resigned as a director effective 22 April 2021.
[2] Mr. Ian Smith commenced as a director effective 22 April 2021.
[3] Mr Matthew Breen commenced as General Manager - Hillgrove Operations on the 29th of March 2021.

Performance Rights - 2021 Director / KMP	Balance at beginning of year	Granted as compensation	Performance Rights Vested	 Lapsed	Unvested Balance at the end of the year
D. Garner[1]	1,226,822	1,033,211	(246,667)	(2,013,366)	-
M. Palancian	2,628,903	1,814,023	(528,572)	(328,571)	3,585,783
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-	-	-	-
I. Smith[2]	-	-	-	-	-
Total Director	3,855,725	2,847,234	(775,239)	(2,341,937)	3,585,783
R. Lovelady	1,314,453	1,107,012	(264,286)	(164,286)	1,992,893
K. Spaleck	1,635,763	1,377,614	(328,889)	(204,445)	2,480,043
M. Breen[3]	-	-	-	-	-
R. McMahon	-	1,377,614	-	-	1,377,614
Total KMP	2,950,216	3,862,240	(593,175)	(368,731)	5,850,550
Total Director/KMP	6,805,941	6,709,474	(1,368,414)	(2,710,668)	9,436,333

[1] Mr. Donald Garner resigned as a director effective 22 April 2021.
[2] Mr. Ian Smith commenced as a director effective 22 April 2021.
[3] Mr Matthew Breen commenced as General Manager - Hillgrove Operations on the 29th of March 2021.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Shares - 2020 Director / KMP	Balance at beginning of year	Ordinary Shares Performance Rights Vested	Purchased / (Sold)	Become / (Cease) to be KMP	Balance at the end of the year
D. Garner	7,631,601	584,322	-	-	8,215,923
M. Palancian	445,000	1,252,118	-	-	1,697,118
B. Fletcher	528,244	-	-	-	528,244
M. Hanlon	3,100,000	-	1,750,000	-	4,850,000
Total Director	11,704,845	1,836,440	1,750,000	-	15,291,285
R. Lovelady	50,000	-	-	-	50,000
K. Spaleck	850,000	695,621	(720,455)	-	825,166
R. McMahon[1]	-	-	-	-	-
Total KPM	900,000	695,621	(720,455)	-	875,166
Total Director/KMP	12,604,845	2,532,061	1,029,545	-	16,166,451

[1] *Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.*

Options - 2020 Director / KMP	Balance at beginning of year	Granted as compensation	Share Options Exercised	Expired	Unvested Balance at the end of the year
D. Garner	-	-	-	-	-
M. Palancian	-	-	-	-	-
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-		-	-
Total Director	-	-	-	-	-
R. Lovelady	-	-	-	-	-
K. Spaleck	-	-	-		-
R. McMahon[1]	-	-	-	-	-
Total KMP	-	-	-	-	-
Total Director/KMP	-	-	-	-	-

[1] *Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.*

Performance Rights - 2020 Director / KMP	Balance at beginning of year	Granted as compensation	Performance Rights Vested	Lapsed	Unvested Balance at the end of the year
D. Garner	1,440,760	497,926	(584,322)	(127,542)	1,226,822
M. Palancian	3,087,343	1,066,983	(1,252,118)	(273,305)	2,628,903
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-	-	-	-
Total Director	4,528,103	1,564,909	(1,836,440)	(400,847)	3,855,725
R. Lovelady	780,961	533,492	-	-	1,314,453
K. Spaleck	1,819,319	663,901	(695,621)	(151,836)	1,635,763
R. McMahon[1]	-	-	-	-	-
Total KMP	2,600,280	1,197,393	(695,621)	(151,836)	2,950,216
Total Director/KMP	7,128,383	2,762,302	(2,532,061)	(552,683)	6,805,941

[1] *Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.*

Directors' Report (continued)

REMUNERATION REPORT (continued)

Share Based Compensation - Options
During the 2021 financial year, no options were granted to Directors and Key Management Personnel (2020: None).

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

During the 2021 financial year no Director or KMP Options were exercised or expired (2020:None)

Share Based Compensation - Performance Rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	No. of performance rights granted	Grant Date	Vesting Date	Expiry Date	Share Price at Grant Date (cents)	Fair value per right at grant date (cents)
M. Palancian	1,814,023	30/11/2020	28/10/2023	31/10/2023	27.0	23.1
D. Garner[1]	1,033,211	30/11/2020	28/10/2023	31/10/2023	27.0	23.1
R. Lovelady	1,107,012	30/11/2020	28/10/2023	31/10/2023	27.0	23.1
K. Spaleck	1,377,614	30/11/2020	28/10/2023	31/10/2023	27.0	23.1
R. McMahon	1,377,614	30/11/2020	28/10/2023	31/10/2023	27.0	23.1

[1] *Mr. Donald Garner resigned as a director effective 22 April 2021.*

Value of performance rights granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Perform. rights granted $	Perform. rights vested $	Perform. rights market cond. not met / forfeited $	Perform. rights as a % of total remuneration
M. Palancian	418,314	114,013	70,873	44.4%
D. Garner[1]	238,258	53,206	376,963	40.4%
R. Lovelady	255,277	57,006	35,436	40.8%
K. Spaleck	317,678	70,941	44,099	43.2%
R. McMahon	317,678	-	-	51.1%

[1] *Mr. Donald Garner resigned as a director effective 22 April 2021.*

Directors' Report (continued)

REMUNERATION REPORT (continued)

Long Term Incentive Plan (LTIP) 2 Evaluation
The vesting date of LTIP 2 occurred during the financial year ended 30 June 2021. The award of performance rights under the LTIP is dependent on meeting defined performance measures. The % of performance rights to vest is determined having regard to the satisfaction of performance hurdles and weightings as described above, in the section '*Variable Remuneration - Long Term Incentive*'. The evaluation of each LTIP is determined, once hurdle outcomes are known, by the Nomination and Remuneration Committee. The evaluation of each hurdle is set out below:

Hurdle Target	LTIP 2 Outcome Score (result)	% of Rights capable of vesting	% of Rights to Vest	% of Rights to Lapse
Total Shareholder Return - FY18	70%	16.7%	11.7%	88.3%
Total Shareholder Return - FY19	0%	16.7%	0.0%	100.0%
Total Shareholder Return - FY20	0%	16.7%	0.0%	100.0%
Grow Mineral Resources by 20%	100%	25.0%	25.0%	75.0%
Grow Ore Reserves by 20%	100%	25.0%	25.0%	75.0%
Total % of Rights to Vest / Lapse			61.7%	38.3%

Additional Information
The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
Sales Revenue	$118,337	$63,212	$96,508	$51,135	$0
EBITDA	$27,567	($2,365)	$19,422	$8,135	($2,564)
EBIT	$10,546	($12,963)	$6,055	($1,494)	($2,611)
Profit / (loss) after income tax	$5,899	($6,852)	$3,758	$266	($2,611)

The factors that are considered to affect total shareholder return ('TSR') are summarised below:

	2021	2020	2019	2018	2017
Quoted price of ordinary shares at year end	$0.200	$0.081	$0.170	$0.265	$0.225
Quoted price of options at period end	-	-	-	-	-
Profit/(Loss) per share ($'s)	$0.011	($0.013)	$0.008	$0.001	($0.007)
Dividends declared	-	-	-	-	-

Directors' Report (continued)

REMUNERATION REPORT (continued)

Key Management Personnel Remuneration

2021 Name	Salary and Fees	Annual & Long Serv. Leave	Super	FY19 & FY20 Short term incentive paid	Share Based Payments[1] Perform. Rights	Total	Share Based payments - % of total
	$	$	$	$	$	$	%
Executive Directors							
M. Palancian	297,348	35,564	43,553	147,945	418,314	942,724	44%
D. Garner[2]	236,210	18,708	22,991	73,059	238,258	589,226	40%
	533,558	**54,272**	**66,543**	**221,005**	**656,572**	**1,531,950**	
Non-executive Directors							
B. Fletcher	79,909	-	7,591	-	-	87,500	0%
M. Hanlon	44,835	-	4,121	-	-	48,956	0%
I. Smith[3]	9,703	-	922	-	-	10,625	0%
	134,447	**-**	**12,634**	**-**	**-**	**147,081**	
Total Directors	**668,005**	**54,272**	**79,177**	**221,005**	**656,572**	**1,679,031**	
Executives							
R. Lovelady	229,492	24,801	24,184	91,324	255,277	625,078	41%
K. Spaleck	266,548	26,205	33,055	92,237	317,678	735,723	43%
M. Breen [4]	66,059	6,533	6,269	-	-	78,861	0%
R. McMahon	238,240	26,205	25,594	13,699	317,678	621,415	51%
Total Executives	800,339	**83,745**	**89,101**	**197,260**	**890,633**	**2,061,078**	
Total	**1,468,344**	**138,018**	**168,279**	**418,265**	**1,547,205**	**3,740,109**	
2020							
Executive Directors							
M. Palancian	268,783	28,077	26,027	-	120,107	442,994	27%
D. Garner	187,421	19,676	18,219	-	56,050	281,367	20%
	456,204	**47,754**	**44,247**	**-**	**176,157**	**724,361**	
Non-executive Directors							
B. Fletcher	73,059	-	6,941	-	-	80,000	0%
M. Hanlon	36,530	-	3,470	-	-	40,000	0%
	109,589	**-**	**10,411**	**-**	**-**	**120,000**	
Total Directors	**565,793**	**47,754**	**54,658**	**-**	**176,157**	**844,361**	
Executives							
R. Lovelady	199,252	21,058	19,521	-	60,053	299,884	20%
K. Spaleck	241,051	26,205	24,292	-	74,733	366,281	20%
R. McMahon	65,442	6,677	6,204	-	-	78,322	0%
Total Executives	**505,745**	**53,940**	**50,016**	**-**	**134,787**	**744,488**	
Total	**1,071,538**	**101,694**	**104,674**	**-**	**310,943**	**1,588,849**	

[1] *Accounting and tax values are not the same.*
[2] *Mr. Donald Garner resigned as a director effective 22 April 2021.*
[3] *Mr. Ian Smith commenced as a director effective 22 April 2021.*
[4] *Mr Matthew Breen commenced as General Manager - Hillgrove Operations on the 29th of March 2021.*

Directors' Report (continued)

REMUNERATION REPORT (continued)

Securitisation Policy
Red River Resources Limited's security trading policy provides guidance on acceptable transactions in dealing in the company's various securities, including shares, debt notes and options. Red River Resources Limited's security trading policy defines dealing in company securities to include:

- Subscribing for, purchasing or selling company securities or entering into an agreement to do any of those things;
- Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in company securities; and
- Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in company securities.

The securities trading policy details acceptable and unacceptable times for trading in company securities including detailing potential civil and criminal penalties for misuse of 'inside information'. The directors must not deal in company securities without providing written notification to the Chairman. The Chairman must not deal in company securities without the prior approval of the Chief Executive Officer. The directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

Voting and comments made at the Company's 2020 Annual General Meeting
The Remuneration Report passed via a show of hands at the 2020 Annual General Meeting held in November 2020. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Environmental Regulation
The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

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.

Indemnity and Insurance of Officers
The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Directors' Report (continued)

Indemnity and Insurance of Auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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.

Non-audit Services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

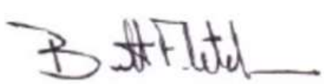
The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditors' Independence Declaration
A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 44 for the year ended 30 June 2021.

This declaration is made in accordance with a resolution of the Board of Directors:

On behalf of the Board.
RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher
Non-executive Chairman

26 August 2021
Melbourne, Victoria

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Red River Resources Limited and its controlled entities for the year ended 30 June 2021, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 26 August 2021
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
Revenue			
Revenue from contracts with customers[1]	5.	118,337	52,711
Other income	5.	1,159	1,315
Total revenue and other income[1]		119,496	54,026
Expenses			
Sales realisation expenses[1]	6.	(25,439)	(7,994)
Employment benefits expense	7.	(15,260)	(11,078)
Production costs	8.	(47,079)	(33,814)
Corporate costs	9.	(2,738)	(2,229)
General and administration costs	10.	(1,413)	(1,276)
Total expenses[1]		(91,930)	(56,391)
Profit / (loss) before interest, tax, depreciation and impairment		27,567	(2,365)
Depreciation and amortisation	17,18,19 & 20.	(15,508)	(9,497)
Impairment - exploration and evaluation costs	21.	(808)	(176)
Interest expense and other finance costs	11.	(704)	(924)
Profit / (loss) before income tax (expense) / benefit		10,546	(12,963)
Income tax benefit / (expense)	12.	(4,647)	6,111
Profit / (loss) after income tax (expense) / benefit for the year		5,899	(6,852)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		5,899	(6,852)

[1] Refer to Note 1 for detailed information on restatement of comparatives

Earnings per share			
Basic earnings per share for profit / (loss) ($'s)	35.	0.0114	(0.0134)
Diluted earnings per share for profit / (loss) ($'s)	35.	0.0114	(0.0134)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 49 to 84.

Consolidated Statement of Financial Position

As At 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
Current assets			
Cash and cash equivalents	13.	**19,145**	8,007
Financial assets at amortised cost	13.	**-**	74
Trade and other receivables	14.	**4,886**	3,312
Inventories	15.	**5,768**	6,444
Other	16.	**1,109**	684
Total current assets		**30,907**	18,522
Non-current assets			
Other	16.	**12,950**	13,225
Deferred tax	12.	**2,925**	7,572
Property, plant and equipment	17.	**13,346**	9,392
Right-of-use assets	20.	**1,248**	151
Mine properties and development	18.	**40,729**	33,905
Intangibles	19.	**328**	412
Exploration and evaluation	21.	**11,636**	9,693
Total non-current assets		**83,163**	74,349
Total assets		**114,070**	92,871
Current liabilities			
Trade and other payables[1]	22.	**14,256**	12,851
Borrowings	23.	**147**	7,368
Lease liabilities		**292**	75
Provisions[1]	24.	**21,254**	5,691
Total current liabilities		**35,948**	25,984
Non-current liabilities			
Lease liabilities		**923**	61
Provisions	24.	**17,260**	12,973
Total non-current liabilities		**18,183**	13,034
Total liabilities		**54,132**	39,018
Net assets		**59,938**	53,852
Equity			
Issue capital	25.	**67,767**	67,770
Reserves	26.	**5,863**	5,673
Accumulated losses	27.	**(13,691)**	(19,590)
Total equity		**59,938**	53,852

[1] Refer to Note 1 for detailed information on restatement of comparatives

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 49 to 84.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2020		**67,770**	**5,673**	**(19,590)**	**53,852**
Profit / (loss) after income tax expense for the year		**-**	**-**	**5,899**	**5,899**
Other comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income / (loss) for the year		**-**	**-**	**5,899**	**5,899**
Transactions with shareholders in their capacities as shareholders					
- Cost of issue of shares	**25.**	**(3)**	**-**	**-**	**(3)**
- Employee performance rights	**26.**	**-**	**189**	**-**	**189**
		(3)	**189**	**-**	**187**
Balance at 30 June 2021		**67,767**	**5,863**	**(13,691)**	**59,938**

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2019	63,788	5,287	(12,738)	56,336
Profit / (loss) after income tax expense for the year	-	-	(6,852)	(6,852)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	(6,852)	(6,852)
Transactions with shareholders in their capacities as shareholders				
- Issue of shares	4,000	-	-	4,000
- Cost of issue of shares	(18)	-	-	(18)
- Employee performance rights	-	345	-	345
- Employee share options	-	41	-	41
	3,982	387	-	4,368
Balance at 30 June 2020	67,770	5,673	(19,590)	53,852

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 49 to 84.

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
Cash flows from operating activities			
Receipts from customers (GST inclusive)		**123,279**	55,374
Receipts from government grants		**822**	561
Payments to suppliers and employees (GST inclusive)		**(78,765)**	(64,505)
Interest received / (paid)		**(294)**	(60)
Net cash from / (used in) operating activities	**34.**	**45,042**	(8,630)
Cash flows from investing activities			
Payment for property, plant and equipment		**(5,123)**	(405)
Payments in respect of security deposits		**(26)**	(98)
Payment for intangibles		**-**	(35)
Payment for mine properties		**(18,840)**	(13,130)
Payment for exploration and evaluation		**(2,677)**	(2,451)
Cash received on acquisition of Hillgrove Mines PL		**-**	9
Net cash used in investing activities		**(26,666)**	(16,110)
Cash flows from financing activities			
Share issue transaction costs		**(3)**	**(18)**
Proceeds from borrowings		**1,014**	**9,514**
Repayment of borrowings		**(8,235)**	**(2,280)**
Borrowing costs		**-**	**(245)**
Repayment of lease liabilities		**(89)**	**(69)**
Net cash flows from / (used in) financing activities		**(7,312)**	6,902
Net increase / (decrease) in cash and cash equivalents		**11,064**	(17,838)
Cash and cash equivalents at the beginning of the financial year		**8,080**	25,918
Cash and cash equivalents at the end of the financial year	**13.**	**19,145**	8,080

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 49 to 84.

1. General Information

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 subsidiaries which together are referred to as the 'consolidate entity' for the financial year ended 30 June 2021.

The financial statements were authorised for issue by the Directors of Red River Resources Limited (Directors) on 26 August 2021.

The financial statements are general purpose financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board;
- Have been prepared under the historical cost convention, except for where applicable the revaluation of financial assets and liabilities at fair value;
- Are presented in Australian dollars, which is the Company's functional and presentation currency, with all amounts in the financial report being rounded off in accordance with Corporations Instrument 2016/191 to the nearest thousand dollars, unless otherwise indicated;
- Required the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4; and
- In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 38.

Where necessary, comparative information has been restated to conform with changes in presentation in the current year. In the current year there have been two significant reclassifications:

1. During the current financial year management has reassessed the classification of treatment and refining charges and determined, in accordance with *AASB 15 Revenue from Contracts with Customers* and the consolidated entity's revenue accounting policy, these transactions should be recognised net with revenue from the sale of concentrate. Accordingly, revenues for the financial year ended 30 June 2020 are presented net of $10.5m in relation to treatment and refining charges, previously reported as realisation expenses. This reclassification has neither impacted the profit or loss of the year ended 30 June 2020, nor the financial position of the consolidated entity as at 30 June 2020. Therefore, extracts (being only those line items affected) are disclosed below:

Extract from Consolidated Statement of Profit or Loss and Other Comprehensive Income

	30 June 2020 Reported $'000	Adjustment	30 June 2020 Restated $'000
Revenue from contracts with customers	63,212	(10,501)	52,711
Total revenue and other income	**64,527**	**(10,501)**	**54,026**
Sales realisation expense	(18,496)	10,501	(7,994)
Total expense	**(66,892)**	**10,501**	**(56,391)**
Profit/(loss) before interest, tax and depreciation	**(2,365)**	**-**	**(2,365)**
Profit/(loss) before income tax (expense) benefit	**(12,963)**	**-**	**(12,963)**
Profit/(loss) after income tax (expense)/benefit for the year	**(6,852)**	**-**	**(6,852)**
Total comprehensive income/(loss) for the year	**(6,852)**	**-**	**(6,852)**

2. In relation to the Thalanga Copper Mines Pty Ltd (TCM) provision where by $4.9 million has been reclassified from trade and other payables to provisions. This reclassification does not affect current liabilities nor net assets of the company as at 30 June 2020.' Extracts (being only those line items affected) are disclosed below:

1. General Information (continued)

Extract from Consolidated Statement of Financial Position

	30 June 2020 Reported $'000	Adjustment	30 June 2020 Restated $'000
Total assets	**92,871**		**92,871**
Current liabilities			
Trade and other payables	17,737	(4,887)	12,851
Provision	804	4,887	5,691
Total current liabilities	**25,984**	-	**25,984**
Total liabilities	**39,018**	-	**39,018**
Net assets	**53,852**	-	**53,852**
Equity			
Total equity	**53,852**	-	**53,852**

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements have been outlined in the relevant note. The policies below are applied by the consolidated entity in addition to those policies. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of consolidation
The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries of Red River Resources Limited (the 'Company') as at 30 June 2021. Red River Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date control ceases.

Intercompany transactions and balances between entities in the consolidated entity are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit or loss.

2. Significant Accounting Policies (continued)

Foreign Currency Translation
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are recoverable from, or payable to the tax authority, are disclosed as operating cash flows.

Commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

New or amended Accounting Standards and Interpretations adopted

A number of new or amended Accounting Standards became applicable for the current reporting period, however, the consolidated entity did not have to make retrospective adjustments as a result of adopting these standards. The adoption of these standards did not have any significant impact on financial performance or position of the consolidated entity. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations have been applied and are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

3. Financial Risk Management

The Board has the overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Management Committee is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The Company's Audit and Risk Management Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity.

The consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk that could affect the consolidated entity's financial position and performance.

The consolidated entity holds the following financial instruments:

	30 June 2021 $'000	30 June 2020 $'000
Financial Assets		
Cash, cash equivalents and current financial assets at amortised cost	**19,145**	8,080
Other assets - restricted term and security deposits	**12,950**	12,929
Trade receivables	**4,843**	2,521
Other receivables	**-**	296
	36,938	23,827
Financial Liabilities		
Trade and other payables	**13,548**	17,737
Borrowings	**147**	7,368
Lease Liabilities	**1,215**	136
	14,910	25,241

Market Risk

(i) Foreign exchange risk

Sales revenues are recognised in Australian Dollar (AUD), however they are based on commodity price of base and precious metals which are denominated in United States dollars (USD). The borrowings are also denominated in USD. The majority of operating costs are denominated in Australian dollars (AUD), the consolidated entity's cash flow is significantly exposed to movements in the AUD:USD exchange rate.

The consolidated entity maintains a balance of USD to pay USD denominated expenses such as sea freight, reagents and assay charges. During the financial year the consolidated entity has not undertaken any foreign exchange hedging activities and as such remains exposed to fluctuations in the AUD:USD exchange rate.

Consolidated entity sensitivity

During the financial year the consolidated entity recognised revenue from the sale of dore, zinc, lead, copper and gold concentrate of AUD 118.3 million (USD 90.3 million) (2020: AUD 52.7 million / USD 36.1million). Based on this, had the Australian dollar weakened / strengthened by 10% against the actual foreign currency, with all other variables held constant, the consolidated entity's revenue would have been AUD 13.1 million higher / AUD 10.8 million lower (2020: AUD 5.8 million higher / 4.8 million lower).

During the financial year the consolidated entity repaid USD 5.0 million (FY20: USD 1.0 million) against it's debt facility. Based on this, had the Australian dollar weakened / strengthened by 10% against the actual foreign currency, with all other variables held constant, the consolidated entity's operating result would have been impacted by a foreign exchange loss / gain of AUD 0.7 million (2020: AUD 1.0 million).

3. Financial Risk Management (continued)

Market Risk (continued)

(ii) Commodity price risk

The consolidated entity's sales revenue are generated from the sale of zinc, lead, copper, gold and silver metal contained in its gold dore and zinc, lead, copper and gold concentrate. Accordingly the consolidated entity's revenues and trade receivables are exposed to commodity price risk fluctuations.

The consolidated entity has implemented a short term price fixing program over the quotation period (QP) for sales of zinc, lead, copper, gold and silver metal already produced. Typically between 80 and 90% of the payable zinc, lead, copper, gold and silver metal for each shipment of zinc, lead and copper concentrates will be fixed for the period from the issue of the first provisional sales invoice to the final settlement of the sale, which may occur between one and four months later.

During the financial year the consolidated entity has not undertaken any hedging activities on metal not already produced and as such remains exposed to fluctuations in commodity price on these metals beyond the QP.

The consolidated entity values its ore, gold dore and zinc, lead, copper and gold concentrate inventories at the lower of cost or net realisable value. The consolidated entity is exposed to commodity price risk as it would need to value these inventories at net realisable value if this was lower than their cost of production.

Consolidated entity sensitivity

The table below shows the revenue in AUD for each metal sold during the financial year. Based on these revenues, had commodity prices weakened / strengthened by 10% against the actual commodity prices realised, with all other variables held constant, the consolidated entity's operating result (after payment of revenue based royalties) would have been impacted as shown in the table below.

	Revenue (AUD)	Impact on operating result	
Metal	$'000	-10%	10%
Zinc	42,914	(4,077)	4,077
Lead	10,090	(959)	959
Copper	38,601	(3,667)	3,667
Gold	10,123	(962)	962
Silver	16,610	(1,578)	1,578

(iii) Interest rate risk

The consolidated entity's exposure to interest rate arises as a result of the interest bearing deposits held and interest paid on the advanced sales of zinc and lead concentrates under the respective concentrate sales agreements.

The exposure is affected by a number of factors including; interest rates (current and forward) and the currencies that the investments and borrowings are denominated in; level of cash, liquid investments and borrowings; maturity dates of investments and borrowings; and proportion of investments and borrowings that are fixed rate or floating rate.

As at the reporting date, the consolidated entity had the following variable rate funds on deposit:

	30 June 2021		**30 June 2020**	
Fund type	**Weighted Ave. Interest Rate %**	**Balance $'000**	**Weighted Ave. Interest Rate**	**Balance $'000**
Funds on deposit	**0.71**	**12,423**	1.42	12,487
Funds borrowed	**1.97**	**147**	5.45	7,368

3. Financial Risk Management (continued)

Market Risk (continued)

Consolidated entity sensitivity
The sensitivity analysis below determines the exposure to interest rates at the reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

Sensitivity of interest revenue and interest expense to interest rate movement	**Impact on pre-tax profit**	
	2021	**2020**
	$'000	**$'000**
Interest Revenue		
Increase 0.5% (2020: 0.5%)	**62**	72
Decrease 0.5% (2020: 0.5%)	**(62)**	(72)
Interest Expense		
Increase 0.5% (2020: 0.5%)	**(46)**	(34)
Decrease 0.5% (2020: 0.5%)	**46**	34

Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. Credit risk is managed on a consolidated entity basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to trade customers, including outstanding receivables and committed transactions.

The consolidated entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The consolidated entity is exposed to two large customers who have offtake agreements for the Thalanga zinc, lead and copper concentrate. The credit risk is considered low as the customers are perceived as reliable, and during the Coronavirus (COVID-19) pandemic, all payments continue to be received within the contractual payment terms.

The directors believe that there is negligible credit risk with the cash and cash equivalents, as cash and cash equivalents are held at call and short term deposit with a reputable Australian Banking institution with a long term S&P credit rating of AA-.

The consolidated entity's maximum exposure to credit risk at the reporting date was:

	30 June 2021 $'000	**30 June 2020 $'000**
Financial Assets		
Cash and cash equivalents	**19,145**	8,080
Other assets - restricted term and security deposits	**12,950**	12,929
Trade and other debtors	**4,886**	2,760
Other receivables	**-**	296
	36,981	24,065

3. Financial Risk Management (continued)

Liquidity risk

The consolidated entity manages liquidity risk by monitoring immediate and forecasted cash requirements and ensures adequate cash reserves are maintained to pay debts as and when due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the consolidated entity held deposits at call and restricted cash on deposit totalling $32.1million (2020: $21.0 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the consolidated entity maintains flexibility in funding by maintaining availability under a committed debt facility.

Management monitors rolling forecasts of the consolidated entity's available cash reserve (comprising the undrawn borrowing facilities below and cash and cash equivalents) on the basis of expected cash flows.

Financing arrangements

The consolidated entity maintains a USD 15 million debt facility with Trafigura Pte Ltd. During the financial year the consolidated entity did not draw down (FY20: USD 6.0 million) against this facility. As at 30 June 2020 USD 5.0 million remained drawn at an interest rate based on the 12 month LIBOR rate plus a margin, with a maturity date of 30 September 2020. This debt was repaid by 30 September 2020. The debt was secured by a charge over the consolidated entity's unsold ore, zinc and lead concentrate stocks. The consolidated entity's exposure to market risk is discussed in the '*foreign exchange risk*' section above.

Maturities of financial liabilities

The following table details the consolidated entity's contractual maturity for its financial liabilities:

	Weighted average interest rate %	Less than 6 months $'000	6 - 12 months $'000	From 1 to 5 years $'000	Total $'000	Carrying amount $'000
As at 30 June 2021						
Trade and other payables		**13,548**	-	-	**13,548**	**13,548**
Insurance premium funding	**1.97**	**147**	-	-	**147**	**147**
Working Capital facility	**-**	**-**	-	-	**-**	**-**
Lease Liabilities	**5.70**	**154**	**138**	**923**	**1,215**	**1,215**
		13,849	**138**	**923**	**14,910**	**14,910**
As at 30 June 2020						
Trade and other payables		17,737	-	-	17,737	17,737
Insurance premium funding	2.03	77			77	77
Working Capital facility	5.45	7,291			7,291	7,291
Lease Liabilities	5.70	31	45	61	136	136
		25,136	45	61	25,241	25,241

Fair Value Measurements

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

4. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas involving a higher degree of judgement complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

- Note 12 - Income Tax Expense
- Note 15 - Inventory
- Note 17 - Property, plant and equipment
- Note 18 - Mine properties and development
- Note 20 - Right-of-use assets
- Note 21 - Exploration and evaluation expenditure
- Note 24 - Provisions
- Note 36 - Share-based payments

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to customers, supply chain, staffing and geographic regions in which the consolidated entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

5. Revenue and Other Income

	30 June 2021 $'000	30 June 2020 $'000
Revenue from contracts with customers		
Contained zinc metal in concentrate	**42,914**	19,814
Contained lead metal in concentrate	**10,090**	7,927
Contained copper metal in concentrate	**38,601**	13,734
Contained precious metals in concentrate	**23,906**	11,236
Contained precious metals in dore	**2,827**	-
Total revenue	**118,337**	52,711
Other income		
Interest income	**104**	284
Realised and unrealised foreign exchange gain / (loss)	**(1,007)**	380
Diesel rebates	**96**	71
Government grants	**822**	561
Fair value gain on loan receivable	**1,072**	-
Rental and other income	**73**	20
	1,159	1,315
	119,496	54,026

The consolidated entity has disaggregated revenue into the metals contained in the dore and concentrates that we receive payment for from our customers, under our concentrate and dore sales agreements. All revenue is recognised at a point in time. Revenue from contracts with customers includes revenue from the provision of shipping and insurance services of $1.3 million (FY20: $1.2 million).

5. Revenue and Other Income (continued)

Accounting policy

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of concentrate

Revenue from the sale of concentrate is recognised when there is evidence indicating that there has been a transfer of the concentrate's control to the customer under a valid sales contract. Sales revenue comprises gross revenue earned, net of treatment and refining charges where applicable, from the provision of concentrate to customers. Sales are initially recognised at estimated sales value when the product is sold. Adjustments are made for variations in metals price, assay, weight and currency between the time of sale and the time of final settlement of sales proceeds.

Sale of dore

Revenue from the sale of dore is recognised when there is evidence indicating that there has been a transfer of the dore's control to the customer under a valid sales contract. Sales revenue comprises gross revenue earned, net of refining charges where applicable.

Revenue from services - shipping and insurance

Where sales of concentrate are on terms that include the consolidated entity being responsible for shipping and insurance costs, shipping and insurance is a separate performance obligation from the sale of the concentrate, and the revenue allocated to shipping and insurance is recognised over the period of transfer to the customer.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Revenue from Government Grants is recognised when it is received or when the conditions have been met that establish the right to receive payment.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Risk exposure

The consolidated entity's exposure to market risk is discussed in Note 3.

6. Sales Realisation Expenses

	Note	30 June 2021 $'000	30 June 2020 $'000
Queensland and New South Wales Government mineral royalty	(a)	**4,851**	2,552
Provision for settlement of TCM royalty dispute	(b)	**15,113**	1,921
Land and sea freight		**5,098**	3,205
Port and loading charges		**377**	316
		25,439	7,994

(a) Mineral and net smelter return royalty
Mineral royalty is payable to the New South Wales Government under the New South Wales Mining Regulations 2016 on dore and gold concentrate sales from the Hillgrove Operation. Mineral royalty is payable to the Queensland Government under the Queensland Mineral Resources Regulation 2013 on the sale of all concentrates from the Thalanga Operation.

(b) Provision for settlement of TCM royalty dispute
The consolidated entity has accrued for the royalty payable up to the termination of the agreement and provided for the estimated settlement of the dispute with TCM should the consolidated entity's appeal of the judgement made against it be unsuccessful. Refer to Note 39 for further details.

7. Employment Benefits Expense

	Note	30 June 2021 $'000	30 June 2020 $'000
Salary and fees	(a)	**12,958**	9,215
Defined contribution superannuation		**1,108**	806
Share based payments - Performance Rights	36.	**189**	345
Share based payments - Options	36.	**-**	41
Other employment costs	(b)	**1,005**	670
		15,260	11,078

(a) Salary and fees
During the financial year, a further $0.7 million (2020: $1.0 million) in salary and wages was incurred and capitalised to Exploration and Evaluation costs on the statement of financial position.

(b) Other employment costs
Other employment costs include: payroll tax $577,000 (FY20: $292,000); workers compensation insurance $274,000 (FY20: $230,000); and staff recruitment and relocation $154,000 (FY20: $144,000).

8. Production Costs

	Note	30 June 2021 $'000	30 June 2020 $'000
Ore mining cost		**32,034**	23,761
Ore processing cost		**11,097**	10,064
Shared operating cost	(a)	**2,939**	2,592
Movement in ore, concentrate and dore stocks on hand		**1,009**	(2,603)
		47,079	33,814

(a) Leases
During the financial year, short-term lease payments of $1,039,000 (2020: $839,000) and low-value lease payment of $46,000 (2020: $12,000) were made. These payments are included in shared operating costs.

9. Corporate Costs

	Note	30 June 2021 $'000	30 June 2020 $'000
Audit fees	29	**85**	82
Insurance		**1,331**	818
Legal and professional fees		**925**	770
Hillgrove acquisition costs		**-**	302
Other		**398**	256
		2,738	2,229

10. General and Administration Costs

	30 June 2021 $'000	30 June 2020 $'000
Bank fees and charges	**186**	142
Thalanga site	**470**	504
Hillgrove site	**742**	594
Other	**15**	35
	1,413	1,276

11. Interest and Other Finance Costs

	30 June 2021 $'000	30 June 2020 $'000
Interest paid on advanced concentrate sales	**237**	252
Interest and fees paid on debt and insurance premium funding	**111**	386
Unwind of right-of-use assets and non-current rehabilitation liability	**356**	287
	704	924

12. Income Tax

Income tax expense / (benefit)

	30 June 2021 $'000	30 June 2020 $'000
Deferred tax expense / (benefit)	**3,365**	(5,706)
Current tax expense / (benefit)	**1,282**	-
Adjustment recognised for prior year	**-**	(404)
Income tax expense / (benefit)	**4,647**	(6,111)

12. Income Tax (continued)

Numerical reconciliation on income tax benefit / (expense) to prima facie tax receivable / (payable)

	30 June 2021 $'000	30 June 2020 $'000
Profit / (loss) before income tax expense from continuing operations	**10,546**	(12,963)
Tax at the statutory rate of 30.0% (2020: 30.0%)	**3,164**	(3,889)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
- Non-deductible expenses (Share based payments, entertainment & fines)	**201**	203
- Adjustment recognised for prior year	**1,282**	(404)
- Formation of tax consolidated group	**-**	(2,021)
Current tax expense	**4,647**	(6,111)
Total tax expense/(benefit)	**4,647**	**(6,111)**
Deferred tax included in income tax expense comprises:		
(Increase) / decrease in deferred tax assets	**(2,385)**	(6,406)
Increase in deferred tax liabilities	**7,032**	296
	4,647	(6,111)
Tax assets not recognised		
Unused tax losses for which no deferred tax asset has been recognised	**-**	75
Temporary differences	**-**	(79)
Potential tax benefit not as yet recognised	**-**	(3)

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Deferred tax assets comprises temporary differences attributable to:

	30 June 2021 $'000	30 June 2020 $'000
Amounts recognised in profit or loss:		
Provisions	**500**	362
Accruals	**5,918**	1,408
Inventory	**25**	97
Unrealised foreign exchange losses	**-**	-
Mine Development	**-**	3,260
Leases (right-of-use asset)	**364**	19
Formation of tax consolidated group	**95**	83
Unused income tax losses	**8,189**	6,032
	15,092	11,261
Amounts recognised in equity:		
Transaction costs on share issue	**5**	152
	5	152
Deferred tax asset	**15,097**	11,414
Movements:		
Opening balance	**11,414**	5,007
Credit/(Charged) to profit or loss	**2,384**	6,406
Credit/(Charged) to equity	**-**	-
	13,798	11,414

12. Income Tax (continued)

	30 June 2021 $'000	30 June 2020 $'000
Deferred tax liabilities comprise temporary differences attributable to:		
Amounts recognised in profit or loss:		
Exploration and evaluation	**2,347**	1,397
Mine development	**5,705**	-
Prepayments	**61**	74
Receivables	**59**	114
Fixed Assets	**2,887**	-
Consumables	**749**	-
Other	**364**	-
Formation of tax consolidated group	**-**	2,256
Deferred tax liability	**12,172**	3,842
Movements:		
Opening balance	**3,842**	3,546
Charged/(Credit) to profit or loss	**7,031**	296
Charged/(Credit) to equity	**-**	-
	10,873	3,842
Net deferred tax asset / (liability)	**2,925**	**7,572**

Accounting policy

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Effective 1 August 2019, Red River Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

12. Income Tax (continued)

Accounting policy (continued)
In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Significant estimates and judgements
The consolidated entity is subject to income taxes in Australia and does not operate in any foreign jurisdictions.

Significant judgement is required in determining the provision for income taxes. The consolidated entity recognises liabilities of anticipated tax based on estimates of taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Significant judgement is required in determining deferred tax assets and liabilities. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment. The Company believes this amount to be recoverable based on taxable income projections.

13. Cash and Cash Equivalents

	Note	30 June 2021 $'000	30 June 2020 $'000
Cash and cash equivalents per Consolidated Statement of Financial Position	**34.**	**19,145**	**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		**19,145**	8,080

The Queensland Department of Environment and Science has updated the Estimated Rehabilitation Cost (ERC) for the Thalanga Operation to $13.6 million. This increase in the ERC (environmental liability) has been reflected in the financial statements for the period ended June 30 2021. Under the previous ERC, surety of $8.3 million was lodged with Queensland Treasury. Increased surety of $5.4 million was lodged (using current cash reserves) in July 2021.

Accounting policy
Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Risk exposure
The consolidated entity's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

14. Trade and Other Receivables

	30 June 2021 $'000	30 June 2020 $'000
Trade receivables	**4,843**	2,521
GST receivable	**-**	552
Other debtors	**43**	239
	4,886	3,312

The consolidated entity has not impaired any receivables in the 2021 year (2020: nil). Customers with balances past due by without provision for impairment of receivables were nil as at 30 June 2021 (2020: nil). The consolidated entity did not consider there is a significant credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

Accounting policy
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit loss. Trade receivables are generally due for settlement within 5 to 10 days and settlement of 5% retention is due within 3 to 4 months. Trade receivables are revalued by the marking-to-market of open sales using spot prices at the end of each period end for zinc, lead and copper concentrate.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any applicable allowance for expected credit losses.

Risk exposure
The consolidated entity's exposure to credit risk and liquidity risk is discussed in Note 3. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

15. Inventory

	30 June 2021 $'000	30 June 2020 $'000
Ore	**752**	831
Zinc, lead and copper concentrate's	**1,812**	2,520
Gold concentrate	**548**	963
Dore	**160**	-
Consumables	**2,496**	2,131
	5,768	6,444

Accounting policy
Ore and Concentrate Inventories
Inventories, comprising zinc, lead, copper and gold concentrate, dore and ore stockpiles, are physically measured or estimated and valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

Consumables
Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to specific stock items identified. A regular and on-going review is undertaken to establish the extent of surplus items and an allowance is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

15. Inventory (continued)

Significant estimates and judgements

The Company reviews the carrying value of inventories regularly to ensure that their cost does not exceed net realisable value. In determining net realisable value various factors are taken into account, including estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, zinc and lead concentrate produced is estimated at the time of production and then confirmed, usually within a week of being produced, by weighing for trucking to Townsville Port, usually within a week of being produced.

16. Other Assets

Current	Note	30 June 2021 $'000	30 June 2020 $'000
Prepayments		**1,100**	677
Residential housing tenancy bonds		**9**	8
		1,109	684
Non-current			
Security deposits		**527**	515
Term deposits - restricted cash	**(a)**	**12,423**	12,413
Other receivables		**-**	296
		12,950	13,225

(a) Term deposits - restricted cash

Restricted cash relates to cash held on deposits for security against bank guarantees and the consolidated entity's credit card facility.

17. Property, Plant and Equipment

	Office furniture & equip't $'000	Motor vehicles $'000	Freehold Land $'000	Plant & equipment $'000	Total $'000
Year ended 30 June 2021					
Cost	**63**	**387**	**3,226**	**14,521**	**18,197**
Accumulated depreciation	**(62)**	**(237)**	**-**	**(4,552)**	**(4,851)**
	1	**150**	**3,226**	**9,969**	**13,346**
Movements					
Balance at 1 July 2020	**4**	**169**	**3,226**	**5,993**	**9,392**
Additions - Hillgrove restart and commissioning costs[1]	**-**	**-**	**-**	**4,666**	**4,666**
Additions (other)	**-**	**45**	**-**	**579**	**623**
Depreciation	**(3)**	**(64)**	**-**	**(1,269)**	**(1,336)**
Balance at 30 June 2021	**1**	**150**	**3,226**	**9,969**	**13,346**

[1] Hillgrove restart and commissioning costs were held as work in progress and had not incurred depreciation charges as at 30 June 2021.

	Office furniture & equip't $'000	Motor vehicles $'000	Freehold Land $'000	Plant & equipment $'000	Total $'000
Year ended 30 June 2020					
Cost	63	343	3,226	9,276	12,908
Accumulated depreciation	(59)	(174)	-	(3,283)	(3,515)
Net book value	4	169	3,226	5,993	9,392
Movements					
Balance at 1 July 2019	17	224	-	5,950	6,191
Hillgrove acquisition at fair value	-	-	3,226	865	4,091
Additions	-	14	-	391	405
Depreciation	(13)	(69)	-	(1,212)	(1,294)
Balance at 30 June 2020	4	169	3,226	5,993	9,392

As at 30 June 2021, no property, plant and equipment is pledged as security against any borrowings.

Accounting policy

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

- Office furniture and equipment 3 - 5 years
- Motor vehicles 3 - 5 years
- Leasehold improvements on a time basis over the life of the lease or improvement
- Plant & equipment 3 - 8 years

Assets are depreciated from the date the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date with the effect of any changes in estimate being accounted for on a prospective basis. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit and loss and other comprehensive income.

17. Property, Plant and Equipment (continued)

Significant estimates and judgements

Asset lives

The estimations of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. The useful lives could change significantly as a result of a change in mine life or some other event. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

Impairment of property, plant and equipment, mine properties and development

The consolidated entity assesses impairment of property, plant and equipment and mine properties in accordance with *AASB 136 Impairment of Assets*. Where indicators of impairment exists, the recoverable amount of these assets is determined based on the value in use. The value in use calculation is based on discounted cashflow analysis. This requires the use of estimates and judgements in relation to a range of inputs including: commodity prices; exchange rates; reserves and mine planning scheduling; production costs; and discount rates.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

The consolidated entity has regard to external forecasts of key assumptions where available (e.g. commodity price and exchange rates).The recoverable amount is particularly sensitive to fluctuations in the AUD commodity price.

No impairment to property, plant and equipment or mine properties occurred for the year ended 30 June 2021 (FY20: Nil). Deferred exploration was impaired for the year ended 30 June 2021 as outlined in Note 21.

18. Mine Properties and Development

	Mine properties in development $'000	Mine properties in production $'000	Total mine properties $'000
Year ended 30 June 2021			
Cost	**805**	**60,104**	**60,909**
Accumulated amortisation	**-**	**(20,181)**	**(20,181)**
	805	**39,924**	**40,729**
Movements			
Balance at 1 July 2020	**359**	**33,546**	**33,905**
Additions	**446**	**16,350**	**16,797**
Capitalisation of reassessment of provision for rehabilitation	**-**	**3,899**	**3,899**
Amortisation	**-**	**(13,871)**	**(13,871)**
Balance at 30 June 2021	**805**	**39,924**	**40,729**

18. Mines Properties and Development (continued)

	Mine properties in development $'000	Mine properties in production $'000	Total mine properties $'000
Year ended 30 June 2020			
Cost	359	39,855	40,214
Accumulated amortisation	-	(6,309)	(6,309)
	359	33,546	33,905
Movements			
Balance at 1 July 2019	14,410	7,543	21,952
Transfers	(20,419)	20,419	-
Transfers - exploration and evaluation	-	3,664	3,664
Additions	6,368	9,909	16,277
Disposals - West 45 Mine completed - reverse out costs	-	(20,810)	(20,810)
Disposals - West 45 Mine completed - reverse out amortisation	-	20,810	20,810
Capitalisation of reassessment of provision for rehabilitation	-	80	80
Amortisation	-	(8,068)	(8,068)
Balance at 30 June 2020	359	33,546	33,905

Accounting policy

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

The cost of mine properties in development is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mine properties in production represents expenditure in respect of exploration and evaluation, overburden removal based on underlying mining activities and related mining data and construction costs and development incurred or previously accumulated and carried forward in relation to properties in which mining has now commenced. Such expenditure comprises direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

The accounting policy adopted for Mine Properties and Development is consistent with that of the previous financial year.

The life of mine is reviewed regularly as additional information becomes known. The impact of any change in mine life on amortisation is accounted for on a prospective basis.

Mine properties are amortised on a units-of-production basis over the life of the mine.

18. Mines Properties and Development (continued)

Significant estimates and judgements

Ore Reserve Estimates

Ore Reserves are estimates of the amount of product that can be economically and legally extracted from the consolidated entity's properties. In order to calculate Ore Reserves, estimates and assumptions are required about a range of geological, technical and economic factors. Estimating the quality and/or grade of the Ore Reserves requires the size, shape and depth of ore bodies to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data. The consolidated entity is required to determine and report Ore Reserves in Australia under the principles incorporated in the 2012 Edition of the Australasian Code, known as the JORC Code. The JORC Code requires the use of reasonable investment assumptions to calculate Ore Reserves.

As the economic assumptions used to estimate Ore Reserves change from period to period, and as additional geological data is generated during the course of operations, estimates of Ore Reserves may change from period to period. Changes in reported Ore Reserves may affect the consolidated entity's financial results and financial position in a number of ways, including the following:

• recognition of deferred tax on mineral rights and exploration recognised on acquisitions;
• recoverable amount of deferred mining expenditure and capitalisation of development costs; and
• units of time method of depreciation and amortisation.

19. Intangibles

	Goodwill $'000	Software $'000	Website $'000	Total $'000
Year ended 30 June 2021				
Cost	**141**	**559**	**21**	**721**
Accumulated amortisation	**-**	**(373)**	**(20)**	**(392)**
	141	**187**	**1**	**328**
Movements				
Balance at 1 July 2020	**141**	**270**	**1**	**412**
Amortisation	**-**	**(83)**	**(1)**	**(84)**
Balance at 30 June 2021	**141**	**187**	**1**	**328**
Year ended 30 June 2020				
Cost	141	559	21	721
Accumulated amortisation	-	(290)	(19)	(309)
	141	270	1	412
Movements				
Balance at 1 July 2019	-	314	2	317
Additions	141	35	-	176
Amortisation	-	(80)	(1)	(81)
Balance at 30 June 2020	141	270	1	412

Accounting policy

The accounting policy used to account for intangibles is the same as the accounting policy for property, plant and equipment - refer to Note 17 for details. Intangibles, other than goodwill, are amortised over two to five years.

20. Right-of-use Assets

	30 June 2021 $'000	30 June 2020 $'000
Corporate office - right-of-use asset	**205**	205
Less: Accumulated depreciation	**(140)**	(54)
	65	151
Thalanga Operation - right-of-use asset	**1,315**	-
Less: Accumulated depreciation	**(131)**	-
	1,183	-
	1,248	151

Additions to the right-of-use assets during the year were $1,315,000.

The consolidated entity leases its Corporate office and containers used to transport concentrates from its Thalanga Operation to the Townsville Port Facility in preparation for export.

Accounting Policy
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

21. Exploration and evaluation

	30 June 2021 $'000	30 June 2020 $'000
Exploration and evaluation at cost	**14,273**	11,522
Impairment	**(2,637)**	(1,828)
	11,636	9,693
Movements		
Opening balance at 1 July	**9,693**	11,164
Transfers - mine properties in production	**-**	(3,664)
Hillgrove acquisition at fair value	**-**	2
Additions	**2,751**	2,367
Impairments	**(808)**	(176)
	11,636	9,693

Accounting policy
Exploration and evaluation expenditure is carried forward in the financial statements, in respect of areas of interest for which the rights of tenure are current and where:

21. Exploration and evaluation (continued)

Accounting policy (continued)

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(ii) exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable ore reserves and while active and significant operations in, or in relation to, the area are continuing.

Capitalised exploration and evaluation costs have been included in the statement of cash flows as an investing activity.

Exploration expenditure incurred that does not satisfy the policy stated above is expensed in the period in which it is incurred. Exploration expenditure that has been capitalised which no longer satisfies the policy stated above is written off in the period in which that decision is made.

Upon commencement of mining activities, exploration and evaluation expenditure is reclassified to mine properties and then amortised in accordance with the accounting policy for mine properties.

The net carrying value of each area of interest is reviewed regularly and where an indication of impairment exists management determine the recoverable amount of the particular area of interest. The difference between the recoverable amount and carrying value is written off to the statement of profit or loss in the year in which is determined. The assessment for impairment indicator is performed in accordance with the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources* .

Significant estimates and judgements

The consolidated entity reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

22. Trade and Other Payables

	30 June 2021 $'000	30 June 2020 $'000
Trade and other payables	**5,881**	1,954
GST payable	**708**	-
Accruals - Operating cost	**5,019**	5,689
Accruals - Development and capital cost	**1,110**	4,365
Accruals - Royalties	**1,159**	541
Employment liabilities	**379**	301
	14,256	12,851

Accounting policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

22. Trade and Other Payables (continued)

Risk exposure
The Company's exposure to liquidity risk is discussed in Note 3.

23. Borrowings

	30 June 2021 $'000	30 June 2020 $'000
Premium Funding	**147**	77
Trafigura PTE. Working Capital Facility	**-**	7,291
	147	7,368

Accounting policy
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest on borrowings has been expensed in the consolidated statement of profit or loss and other comprehensive income as incurred.

Risk exposure
The Company's exposure to interest rate and liquidity risk is discussed in Note 3.

The financing facilities available to the consolidated entity are outlined in Note 34.

24. Provisions

Current	**Note**	30 June 2021 $'000	30 June 2020 $'000
Provision for employee entitlements		**1,207**	782
Provision for settlement of TCM royalty dispute	(a)	**20,000**	4,887
Provision for rehabilitation and restoration costs		**47**	22
		21,254	5,691
Non-current			
Provision for employee entitlements		**82**	122
Provision for make good on right-of-use assets		**147**	-
Provision for rehabilitation and restoration costs		**17,032**	12,851
		17,260	12,973

Movements
Movement in provision for rehabilitation and restoration costs for the financial year is set out below:

Current	30 June 2021 $'000	30 June 2020 $'000
Opening balance at July 1	**22**	141
Progressive rehabilitation carried out	**(9)**	
Transfer (to) / from non-current provision	**34**	(119)
Closing balance at 30 June	**47**	22
Non-current		
Opening balance at July 1	**12,851**	7,788
Increase in provision due to discount unwind	**315**	277
Transfer (from) / to current provision	**(34)**	119
Other - increase in provision on acquisition of Hillgrove Mines Pty Ltd	**-**	4,587
Other - reassessment of rehabilitation plan	**3,899**	80
Closing balance at 30 June	**17,032**	12,851

24. Provisions (continued)

(a) Provision for settlement of TCM royalty Dispute

Red River and its wholly-owned subsidiary, Cromarty Resources Pty Ltd, received judgement in the proceedings previously commenced by Thalanga Copper Mines Pty Ltd on 24 February 2019. Red River's current estimate of the potential amount payable for unpaid and future royalties is $20 million. As at the time of signing these accounts the final amount payable and the timing of the payments had yet to be determined. Red River and Cromarty Resources have filed a notice of intention to appeal the decision with the Courts. Refer to Note 39 for further information on this matter.

Accounting policy

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Rehabilitation and restoration

Long-term environmental obligations are based on the consolidated entity's environmental management plans, in compliance with current environmental and regulatory requirements. These plans are audited and endorsed by an appropriate independent environmental rehabilitation expert.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. To the extent that future economic benefits are expected to arise, these costs are capitalised and amortised over the remaining lives of the mines.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

Employee benefits

The provision for employee benefits represents annual leave and long service leave entitlements accrued by employees.

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Where annual leave is not expected to be wholly settled within 12 months of the reporting date it is treated like a long-term employee benefit.

(ii) Other long-term employee benefit obligations

The liability for long service leave expected to be wholly settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the appropriate Group of 100 published discount rates, that match, as closely as possible, the estimated future cash outflows.

(iii) Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

24. Provisions (continued)

Significant estimates and judgements
Provision for rehabilitation and restoration
Provision for rehabilitation and dismantling property, plant and equipment is estimated taking into consideration facts and circumstances available at the reporting date. The consolidated entity's mining activities are subject to various laws and regulations governing the protection of the environment. This estimate is based on management's best estimate on the expenditure required to undertake the rehabilitation and dismantling of asset for retirement obligations and site rehabilitations in the period in which they are expected to be incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Long service leave
Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management requires judgement to determine key assumptions used in the calculation, including future increases in salaries and wages, future on-costs rates and future settlement dates of employees' departures.

25. Issued Capital

	Note	30 June 2021 $'000	30 June 2020 $'000
Ordinary share capital - fully paid	(a)	**67,767**	67,770
		67,767	67,770

Accounting policy
Ordinary shares are classified as equity. They entitle the holder to participate in dividends and have no par value.

Ordinary issued share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(a) Movement in ordinary share capital

	30 June 2021 $'000	30 June 2021 No.	30 June 2020 $'000	30 June 2020 No.
Balance at the beginning of the financial year	**67,770**	**516,238,865**	63,788	490,682,000
Issue of shares on vesting of performance rights	**-**	**1,535,502**	-	2,532,061
Issue of shares on acquisition of Hillgrove Mines Pty Ltd.	**-**	**-**	3,700	21,297,944
Issue of shares on accession of United States Antimony Loan	**-**	**-**	300	1,726,860
Less transaction costs, net of tax	**(3)**	**-**	(18)	-
Balance at the end of the financial year	**67,767**	**517,774,367**	67,770	516,238,865

Ordinary shares
The Company did not issue any ordinary shares under placement during the 2021 financial year (2020: Nil).

Option and Share Plan
Information relating to the Employee Option Plan, Employee Share Plan and LTI Incentive Plan including details of options issued, exercised and lapsed during the financial year, options outstanding at the end of the financial year and shares issued during the year, is set out in Note 26 and the Remuneration Report.

25. Issued Capital (continued)

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that the consolidate entity can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The consolidated entity monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing development operations. Where required the company will sell assets, issue new securities, raise debt or modify its exploration or mine development program to ensure the consolidated entity's working capital requirements are met.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

26. Reserves

	Note	30 June 2021 $'000	30 June 2020 $'000
Option reserve	(a)	**4,808**	4,808
Performance rights reserve	(b)	**1,054**	865
		5,863	5,673

Accounting policy

The option reserve is used to recognise the grant date fair value of options issued to employees and suppliers.

The performance rights reserve is used to recognise the grant date fair value of performance rights issued to employees.

(a) Movements in options reserve	30 June 2021 $,000	30 June 2021 No.	30 June 2020 $,000	30 June 2020 No.
Balance at the beginning of the financial year	**4,808**	**2,500,000**	4,767	3,300,000
Share - based payment expense	**-**	**-**	41	-
Options forfeited	**-**	**-**	-	(800,000)
Balance at the end of the financial year	**4,808**	**2,500,000**	4,808	2,500,000

See the Remuneration Report contained in the Director's Report for further information on options reserve.

26. Reserves (continued)

(b) Movements in performance rights reserve	30 June 2021 $'000	30 June 2021 No.	30 June 2020 $'000	30 June 2020 No.
Balance at the beginning of the financial year	**865**	**8,432,297**	520	8,229,907
Share-based payment expense - LTIP 1	**-**	**-**	30	-
Share-based payment expense - LTIP 2	**(47)**	**-**	178	-
Share-based payment expense - LTIP 3	**38**	**-**	89	-
Share-based payment expense - LTIP 4	**37**		49	3,705,993
Share-based payment expense - LTIP 5	**162**	**9,395,424**	-	-
Performance rights vested LTIP 1	**-**	**-**	-	(2,532,061)
Market conditions not met - LTIP 1	**-**	**-**	-	(552,683)
Performance rights vested LTIP 2		**(1,535,502)**	-	-
Market conditions not met - LTIP 2		**(954,500)**	-	-
Performance rights forfeited	**-**	**(3,046,193)**	-	(418,859)
Balance at the end of the financial year	**1,054**	**12,291,526**	865	8,432,297

See the Remuneration Report contained in the Director's Report for further information on the performance rights reserve.

27. Accumulated Losses

	30 June 2021 $'000	30 June 2020 $'000
Accumulated losses	**13,691**	19,590
	13,691	19,590

Movements

	30 June 2021 $'000	30 June 2020 $'000
Balance at the beginning of the financial year	**19,590**	12,738
Net (profit) / loss after income tax expense for the year	**(5,899)**	6,852
	13,691	19,590

28. Key Management Personnel Disclosures

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2021 $'000	30 June 2020 $'000
Short-term	**1,468**	1,072
Annual leave and long service leave	**138**	102
Superannuation	**168**	105
Short-term incentive (paid for FY19 and FY20 in FY21)	**418**	-
Share-based payment	**1,547**	311
	3,740	1,589

The remuneration dislosures are provided in the Remuneration Report on pages 32 to 42.

29 Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the consolidated entity, its related practices and non-related audit firms.

	30 June 2021 $'000	30 June 2020 $'000
Audit and review of financial statements of the entity by RSM Australia Partners	**85**	82
Other services by RSM Australia		
Tax services	**50**	16
	135	97

30. Events Subsequent to Balance Date

The Queensland Department of Environment and Science has updated the Estimated Rehabilitation Cost (ERC) for the Thalanga Operation to $13.6 million. This increase in the ERC (environmental liability) has been reflected in the financial statements for the period ended June 30 2021. Under the previous ERC, surety of $8.3 million was lodged with Queensland Treasury. Increased surety of $5.4 million was lodged (using current cash reserves) in July 2021.

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.

31. Segment Information

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

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 ('CODM')) in assessing performance and in determining the allocation of resources. The CODM reviews EBITDA (earnings before interest, tax, depreciation, amortisation and impairment).

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on a monthly basis.

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 (acquired 27 August 2019) 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. Intercompany loan accounts are maintained between the corporate entity and its subsidiaries. Interest on outstanding loan balances is charged at market rates. Intersegment transactions are eliminated on consolidation.

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 year ended 30 June 2021

Year ended 30 June 2021	Thalanga Operation $'000	Hillgrove Operation $'000	Other $'000	Total $'000
Revenue				
Contained zinc metal in concentrate	**42,914**	**-**	**-**	**42,914**
Contained lead metal in concentrate	**10,090**	**-**	**-**	**10,090**
Contained copper metal in concentrate	**38,601**	**-**	**-**	**38,601**
Contained precious metal in concentrate	**22,913**	**993**	**-**	**23,906**
Contained precious metal in dore	**-**	**2,827**	**-**	**2,827**
Total revenue	**114,517**	**3,820**	**-**	**118,337**
Other Income	**(125)**	**149**	**2,223**	**2,248**
Total segment revenue	**114,393**	**3,969**	**2,223**	**120,585**
Intersegment eliminations				**(1,088)**
Total revenue				**119,496**
Earnings / (loss) before interest, tax and depreciation	**31,751**	**(1,803)**	**(2,381)**	**27,567**
Reconciliation of profit / (loss) after income tax				
Depreciation and amortisation				**(15,508)**
Impairment - exploration and evaluation costs				**(808)**
Net interest income / (expense)				**(704)**
Profit / (loss) before income tax benefit				**10,546**
Income tax benefit / (expense)				**(4,647)**
Profit / (loss) after income tax benefit				**5,899**

31. Segment Information (continued)

Year ended 30 June 2021	Thalanga Operation $'000	Hillgrove Operation $'000	Other $'000	Total $'000
Total Assets	**96,345**	**16,312**	**1,413**	**114,070**
Total Liabilities	**(47,270)**	**(5,873)**	**(988)**	**(54,132)**

Operating Segment Information for year ended 30 June 2020

Profit / (Loss) of reportable segments

Year ended 30 June 2020	Thalanga Operation $'000	Hillgrove Operation $'000	Other $'000	Total $'000
Revenue				
Contained zinc metal in concentrate	19,814	-	-	19,814
Contained lead metal in concentrate	7,927	-	-	7,927
Contained copper metal in concentrate	13,734	-	-	13,734
Contained precious metal in concentrate	11,236	-	-	11,236
Total revenue	52,711	-	-	52,711
Other Income	1,187	51	1,802	3,041
Total segment revenue	53,898	51	1,802	55,752
Intersegment eliminations				(1,726)
Total revenue				**54,026**
Earnings / (loss) before interest, tax and depreciation	2,161	(1,346)	(3,181)	(2,365)
Reconciliation of profit / (loss) after income tax				
Depreciation and amortisation				(9,497)
Impairment - exploration and evaluation costs				(176)
Net interest income / (expense)				(924)
Profit / (loss) before income tax expense				**(12,963)**
Income tax benefit / (expense)				6,111
Profit / (loss) after income tax expense				**(6,852)**

Year ended 30 June 2020	Thalanga Operation $'000	Hillgrove Operation $'000	Other $'000	Total $'000
Total Assets	80,408	8,030	4,432	92,871
Total Liabilities	(32,559)	(4,938)	(1,521)	(39,018)

32. Related Party Transactions

Parent entity
Red River Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 37.

Key management personnel
Disclosures relating to key management personnel are set out in Note 28 and the Remuneration Report

Related party transaction during the year
No Director related entities were paid for expenses on behalf of Red River Resources Limited throughout the year (2020: Nil).

Loans to / from related parties
The consolidated entity did not have any related party loans during the 2021 or 2020 financial years.

Receivables from and payables to related parties
The consolidated entity did not have any receivable from, or payable to, related parties during the 2021 or 2020 financial years.

33. Commitments

Operating commitments at the reporting date but not recognised as liabilities, payable:
The consolidated entity has certain obligations to perform minimum exploration work on exploration tenements held and to pay rental on all tenements. As at balance date, total commitments on tenements held by the consolidated entity have not been provided for in the financial statements, however the expenditure required to maintain the tenements over which the consolidated entity has an interest in at 30 June 2021 are listed in the table below:

	30 June 2021 $'000	**30 June 2020 $'000**
Within one year	**2,339**	1,301
Two to five years	**3,268**	5,719
	5,607	7,019

There are no other commitments for expenditure.

34. Reconciliation of Profit / (Loss) after tax to net cash from / (used in) operating activities

	30 June 2021 $'000	30 June 2020 $'000
Operating profit / (loss) after income tax	**5,899**	(6,852)
Adjustments to reconcile loss after income tax to net operating cash flows.		
Depreciation, amortisation and impairment	**16,317**	9,673
Share based payments expensed	**189**	387
Borrowing costs	**-**	245
Changes in Assets and Liabilities		
(Decrease)/increase in payables	**(1,679)**	(2,556)
(Decrease)/increase in provisions	**20,691**	462
(Increase)/decrease in prepayments	**(425)**	(208)
(Increase)/decrease in inventory	**676**	(2,588)
(Increase)/decrease in receivables	**(1,273)**	(1,081)
(Increase)/decrease in net deferred tax assets	**4,647**	(6,111)
Net cash from / (used) in operating activities	**45,042**	(8,630)

Financing Facilities Available	30 June 2021 $'000	30 June 2020 $'000
Total facilities at reporting date		
Bank guarantee facilities	**12,373**	12,383
Credit facilities	**50**	30
Macquarie premium funding (group insurance premium)	**147**	77
Working capital facility - USD 15 million	**20,010**	14,582
	32,580	27,072
Facilities used at reporting date		
Bank guarantee facilities	**12,373**	12,383
Credit facilities	**1**	12
Macquarie premium funding (group insurance premium)	**147**	77
Working capital facility - USD 10 million	**-**	7,291
	12,521	19,763
Facilities unused at reporting date		
Bank guarantee facilities	**-**	-
Credit facilities	**49**	18
Macquarie premium funding (group insurance premium)	**-**	-
Working capital facility - USD 10 million	**20,010**	7,291
	20,059	7,309

35. Earnings Per Share

	30 June 2021 $	30 June 2020 $
Earnings per share for profit / (loss)		
Profit / (loss) after income tax attributable to the owners of the Company	**5,899,000**	(6,852,000)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**517,394,710**	511,762,192
Adjustments for calculation of diluted earnings per share:		
Performance rights over ordinary shares that would have been issued had the current period been the assessment period of the LTIP	**1,888,623**	4,476,673
Weighted average number of ordinary shares used in calculating diluted earnings per share	**519,283,333**	516,238,865
	$	**$**
Basic earnings / (loss) per share	**0.0114**	(0.0134)
Diluted earnings / (loss) per share	**0.0114**	(0.0134)

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

36. Share-based Payments

The following share based payments existed at 30 June 2021:

Options

	30 June 2021		30 June 2020	
	Number of options	Weighted Ave. Exe. Price	Number of options	Weighted Ave. Exe. price
Outstanding at the beginning of the year	2,500,000	30 cents	3,300,000	25 cents
Forfeited	-	-	(800,000)	30 cents
Outstanding at the end of the year	2,500,000	30 cents	2,500,000	30 cents
Exercisable at the end of the year	2,500,000	30 cents	-	-

36. Share-based Payments (continued)

Employee long term incentive plan (LTIP)

Under the LTIP, participants are granted share rights which will only vest if certain performance conditions are met and the employees are still employed by the consolidated entity at the end of the vesting period. Participation in the LTIP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance Rights

Set out below are summaries of performance rights granted under the LTIP:

	30 June 2021		30 June 2020	
	Number of performance rights	Weighted average fair value (cents)	Number of performance rights	Weighted average fair value (cents)
Outstanding at the beginning of the year	**8,432,297**	**13.3**	8,229,907	13.9
Rights issued during the year	**9,395,424**	**23.1**	3,705,993	11.3
Performance rights vested - LTIP 1	**-**	**-**	(2,532,061)	11.9
Market conditions not met - LTIP 1	**-**	**-**	(552,683)	11.9
Performance rights vested - LTIP 2	**(1,535,502)**	**21.6**	-	-
Market conditions not met - LTIP 2	**(954,500)**	**21.6**	-	-
Rights forfeited during the year	**(3,046,193)**	**18.9**	(418,859)	17.1
Outstanding at the end of the year	**12,291,526**	**17.7**	8,432,297	13.3

The fair value of the performance rights granted during the 2021 financial year is calculated in accordance with AASB 2 Share Based payments, the values are determined using a monte carlo pricing model with the following inputs:

LTIP series	Granted 2021 LTIP 5
Grant date	30-Nov-20
Number of rights granted	9,395,424
Vesting date	28-Oct-23
Share price at grant date	$0.270
Fair value at grant date	$0.231
Expected share price volatility (%)	70.0%
Expected dividend yield (%)	0.00%
Expected risk-free rate (%)	0.12%

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the year were as follows:

	30 June 2021 $'000	30 June 2020 $'000
Options issued as employee compensation	**-**	41
Performance rights issued as employee compensation	**189**	345
	189	387

36. Share-based Payments (continued)

Accounting policy
The consolidated entity provides benefits to employees (including directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model for options and by an external valuation using a Monte Carlo fair value estimation model for performance rights. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Significant estimates and judgements
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes or Monte Carlo methodology.

The estimation of the achievement of vesting conditions, other than market conditions, used to adjust the number of equity instruments ultimately likely to eventually vest requires significant management judgement. These estimates are reviewed on a semi-annual basis to determine if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. All changes in the liability are recognised in profit or loss.

37. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Company's accounting policy as described in the Notes:

Name of entity	Country of incorporation	Equity Holding 30 June 2021	Equity Holding 30 June 2020
Parent Entity:			
Red River Resources Ltd	Australia		
Subsidiaries:			
Hillgrove Mines Pty Ltd	Australia	100%	100%
Forth Resources Pty Ltd	Australia	100%	100%
Cromarty Resources Pty Ltd	Australia	100%	100%
Hebrides Resources Pty Ltd	Australia	100%	100%

38. Parent Entity Information

Set out below is the supplementary information about the parent entity:

Statement of Profit or Loss and Other Comprehensive Income	**30 June 2021 $'000**	**30 June 2020 $'000**
Profit / (Loss) after income tax	**(1,439)**	(1,196)
Total Comprehensive Income	**(1,439)**	(1,196)

Statement of Financial Position	**30 June 2021 $'000**	**30 June 2020 $'000**
Current assets	**55,825**	57,191
Non-current assets	**3,807**	4,225
Total assets	**59,631**	61,417
Current liabilities	**913**	1,397
Non-current liabilities	**76**	125
Total liabilities	**989**	1,522
Net assets	**58,643**	59,895
Issued capital	**67,767**	67,770
Reserves	**5,863**	5,673
Accumulated losses	**(14,987)**	(13,548)
Total equity	**58,643**	59,895

Guarantees entered into by the parent entity in relation to the debts of its subsidiary

The parent entity has entered into a Parent Company Guarantee with Trafigura in relation to the facility agreement between Cromarty Pty Ltd and Trafigura (Refer to Note 3 for further information on this facility).

Significant accounting policies - parent entity

Significant accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2 except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment;
- Dividends received from subsidiaries are recognized as other income by the parent entity; and
- Equity settled awards by the parent to employees of subsidiaries are recognized as an increase in investment in the subsidiary with a corresponding credit to equity and not as a change to profit or loss. The investment in subsidiary is reduced by any contribution by the subsidiary.

39. Contingent Liabilities

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

Directors' Declaration

The directors of Red River Resources Limited ('the Company') declare that:

1. the financial statements and notes set out on pages 45 to 84 are in accordance with the Corporations Act 2001, including:

   a) complying with the Accounting Standards and the Corporations Act 2001 and other mandatory professional reporting requirments;

   b) giving a true and fair view of the consolidated entity's financial position at 30 June 2021 and of its performance for the year ended on that date; and

   c) complying with IFRS and interpretations adoped by the International Accounting Standards Board.

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The directors have been given the declaration by the Managing Director, Melkon Palancian, as required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors:

On behalf of the Board.
RED RIVER RESOURCES LIMITED

Mr. Brett Fletcher
Non-executive Chairman

26 August 2021
Melbourne, Victoria

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INDEPENDENT AUDITOR'S REPORT
To the Members of Red River Resources Limited

Opinion

We have audited the 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 30 June 2021, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of *the Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RSM

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Revenue Recognition Refer to Note 5 in the financial statements	
Revenue recognition was considered a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income, and because the Consolidated Entity's process of revenue recognition is complex and involves significant management judgements. These include: • Identification of the different performance obligations in the contracts. • determination of the timing of meeting the performance obligations under the different sales contracts. • the estimation of variation in the final sale prices.	Our audit procedures in relation to revenue included: • Assessing whether the Consolidated Entity's revenue recognition policies were in compliance with Australian Accounting Standards; • Reviewing the classification and allocation of treatment and refining charges to ensure accounting treatment is in line with the Australian Accounting Standards and the Consolidated Entity's accounting policy; • Evaluating and testing the operating effectiveness of the internal controls related to revenue recognition; • Reviewing customer contracts to understand terms and conditions of sale, the performance obligations involved and the timing of meeting the performance obligations; • Reviewing the effect of the variable consideration within the sales, including management estimates involving the sales revaluation calculation. We compared estimates to actual assay results (where available) and assessed the reasonableness of the estimate against the average change in the assay results; • Performing substantive analytics and test of details over a sample of revenue transactions; • Reviewing sales transactions before and after year-end to corroborate that revenue was recognised in the correct period; and • Reviewing large or unusual transactions during the financial year.
Provision for TCM royalty dispute Refer to Note 24 in the financial statements	
There is a provision of $20 million which relates to a specific royalty claim against the entity which is subject to ongoing legal action. We considered this area to be a key audit matter due to the size of the claim, and the inherent uncertainty in determining the amount, if any, to be provided for, given that the amount in question is disputed, and is subject to an ongoing legal process.	In relation to the provision for the TCM royalty dispute our audit approach included: • Holding discussions with management in order to obtain their views on the dispute and the range of likely outcomes; • Reviewing the related Judgements and Decisions on this matter and other relevant documentation and using this evidence to assess the appropriateness of the provision under the recognition and measurement criteria of the accounting standards; • Requesting and obtaining confirmation of in relation to the TCM royalty dispute litigation from the Consolidated Entity's external lawyers, and comparing the information obtained to that gathered from management and the directors in order to determine whether the facts and circumstances were consistent between the two; and • Assessing the appropriateness of disclosures made in the financial statements, by comparing them to the evidence gathered in the course of our audit.

Key Audit Matters (continued)

Provision for rehabilitation and restoration costs Refer to Note 24 in the financial statements	
As at 30 June 2021, the Consolidated Entity had a provision of $17 million relating to the estimated future cost of rehabilitation and restoration of areas disturbed as a result of the exploration and mining activities. The rehabilitation provision represents the present value of estimated future costs for restoration of areas explored and mined. The provision for rehabilitation and restoration cost was considered a key audit matter due to the materiality of the balance, the significant judgements and estimation uncertainty, and the complexity involved in the quantification of the liability.	Our audit procedures included, among others: • Obtaining an understanding of the process involved in the determination of the provision for rehabilitation and restoration costs; • Obtaining the rehabilitation plan developed by the independent experts and evaluated the objective, competence and independence of the expert; • Verifying that the methodology for the calculation for the provision for rehabilitation and restoration costs used is in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets;* • Reviewing the key assumptions used in the calculations and agreeing them to evidence supporting the assumptions used; and • Assessing the appropriateness of the disclosures included in the financial statements in relation to the provision for provision for rehabilitation and restoration costs.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

RSM

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Red River Resources Limited., for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 26 August 2021
Melbourne, Victoria

Corporate Governance Statement

The Board and management of Red River Resources Limited are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) (**Recommendations**) to the extent appropriate for the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

The Corporate Governance Statement is accurate and up to date as at 26 August 2021 has been approved by the Board.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4 the Corporate Governance Statement is available for review on the Company's website (www.redriverresources.com.au) and will be lodged together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.redriverresources.com.au).

Shareholder Information

ASX Information

The substantial Shareholders of the Company as at 20 August 2021 were:

Substantial Shareholder	Number Held	Percentage

Distribution of Shareholders as at 20 August 2021:

Range of Holding	Holders	Shares
1 - 1,000	134	24,517
1,001 - 5,000	896	3,032,683
5,000 - 10,000	785	6,710,896
10,001 - 100,000	2,124	81,690,757
100,000 - over	648	426,315,514
	4,587	517,774,367

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

Top twenty largest Shareholders as at 21 August 2021.

	Number of shares	% of capital held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,141,992	5.05%
3RD WAVE INVESTORS PTY LTD	22,000,000	4.25%
BRAHAM CONSOLIDATED PTY LTD	10,147,790	1.96%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	9,801,916	1.89%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,471,134	1.83%
MRS NARELLE FAY	8,754,658	1.69%
MR MATTHEW GLENN SHEERIN	7,000,000	1.35%
MR ANDREW FAY	6,750,000	1.30%
BNP PARIBAS NOMS PTY LTD <DRP>	6,641,904	1.28%
WYMOND INVESTMENTS PTY LTD <DEE WHY SALES P/L S/F A/C>	6,250,000	1.21%
MR DAVID ROTHWELL	5,869,112	1.13%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C	5,416,725	1.05%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,358,771	1.03%
R J MUFFET PTY LTD <R J MUFFET SUPER FUND A/C>	5,200,000	1.00%
BRAHAM INVESTMENTS PTY LTD <BRAHAM STAFF SUPER FUND A/C>	5,095,656	0.98%
MR ANDREW FAY + MRS NARELLE FAY <ANDREW FAY SUPER A/C>	5,080,000	0.98%
OMIGOTO PTY LTD	4,000,000	0.77%
WINCHESTER INVESTMENTS GROUP PTY LIMITED	4,000,000	0.77%
ZENITH PACIFIC LIMITED	4,000,000	0.77%
MR RICHARD THOMAS HAYWARD DALY + MRS SARAH KAY DALY <THE DALY FAMILY S/F RTH A/C>	3,786,695	0.73%
Total top twenty Shareholders	**160,766,353**	**31.05%**
Total other Shareholders	357,008,014	68.95%
Total Shareholders	**517,774,367**	**100.00%**

Unmarketable Parcel
Minimum parcel sixe of $500 equates to approx. 3,334 shares at $0.15 per share of which there are 590 holders with a total of 1,123,114 shares.

Interest in Mining Tenements

Interest in tenements held at 30 June 2021.

Tenement Name	Holder	Grant Date	Expiry Date	Beneficial Interest
QUEENSLAND				
Thalanga				
EPM 10582	Cromarty Resources Pty Ltd	28/07/1995	31/12/2025	100%
EPM 12766	Cromarty Resources Pty Ltd	22/04/2004	21/04/2026	100%
EPM 14161	Cromarty Resources Pty Ltd	15/06/2004	14/06/2022	100%
EPM 16929	Cromarty Resources Pty Ltd	23/02/2010	22/02/2023	100%
EPM 18470	Hebrides Resources Pty Ltd	19/04/2011	18/04/2026	100%
EPM 18471	Hebrides Resources Pty Ltd	19/04/2011	18/04/2026	100%
EPM 18713	Hebrides Resources Pty Ltd	2/07/2012	1/07/2022	100%
EPM 25815	Hebrides Resources Pty Ltd	30/06/2015	29/06/2025	100%
EPM 25895	Hebrides Resources Pty Ltd	7/09/2015	6/09/2025	100%
EPM 26718	Cromarty Resources Pty Ltd	9/08/2018	8/08/2023	100%
EPM 27357	Cromarty Resources Pty Ltd	29/04/2020	28/04/2025	100%
EPM 27520	Cromarty Resources Pty Ltd	6/07/2020	5/07/2025	100%
ML 1392	Cromarty Resources Pty Ltd	17/03/1977	30/06/2035	100%
ML 1531	Cromarty Resources Pty Ltd	29/01/1987	Renewal Pending	100%
ML 10137	Cromarty Resources Pty Ltd	14/12/1995	31/12/2027	100%
ML 10185	Cromarty Resources Pty Ltd	6/10/1994	Renewal Pending	100%
ML 10186	Cromarty Resources Pty Ltd	6/10/1994	Renewal Pending	100%
ML 10277	Cromarty Resources Pty Ltd	24/02/2005	28/02/2025	100%
Herberton				
EPM27168	Cromarty Resources Pty Ltd	20/02/2020	19/02/2025	100%
EPM27221	Cromarty Resources Pty Ltd	14/04/2020	13/04/2025	100%
EPM27223	Cromarty Resources Pty Ltd	31/03/2020	30/03/2025	100%
EPM27731	Cromarty Resources Pty Ltd	3/08/2021	3/08/2026	100%
NEW SOUTH WALES				
Hillgrove				
EL 3326	Hillgrove Mines Pty Ltd	23/08/1989	Renewal Pending	100%
EL 5973	Hillgrove Mines Pty Ltd	19/08/2002	19/08/2025	100%
EL 5997	Hillgrove Mines Pty Ltd	27/09/2002	27/09/2025	100%
EL 6419	Hillgrove Mines Pty Ltd	17/05/2005	17/05/2021	100%
EL 8914	Forth Resources Pty Ltd	8/11/2019	8/11/2025	100%
ML 205	Hillgrove Mines Pty Ltd	21/05/1976	Renewal Pending	100%
ML 219	Hillgrove Mines Pty Ltd	16/06/1976	Renewal Pending	100%
ML 231	Hillgrove Mines Pty Ltd	21/07/1976	Renewal Pending	100%
ML 391	Hillgrove Mines Pty Ltd	16/02/1977	Renewal Pending	100%
ML 392	Hillgrove Mines Pty Ltd	16/02/1977	Renewal Pending	100%
ML 592	Hillgrove Mines Pty Ltd	3/05/1978	Renewal Pending	100%
ML 600	Hillgrove Mines Pty Ltd	10/05/1978	Renewal Pending	100%
ML 649	Hillgrove Mines Pty Ltd	4/10/1978	Renewal Pending	100%
ML 655	Hillgrove Mines Pty Ltd	4/10/1978	Renewal Pending	100%
ML 714	Hillgrove Mines Pty Ltd	21/03/1979	Renewal Pending	100%

Interest in Mining Tenements (continued)

Interest in tenements held at 30 June 2021.

Tenement Name	Holder	Grant Date	Expiry Date	Beneficial Interest
NEW SOUTH WALES				
Hillgrove				
ML 749	Hillgrove Mines Pty Ltd	4/07/1979	Renewal Pending	100%
ML 772	Hillgrove Mines Pty Ltd	5/09/1979	Renewal Pending	100%
ML 810	Hillgrove Mines Pty Ltd	5/03/1980	Renewal Pending	100%
ML 945	Hillgrove Mines Pty Ltd	8/07/1981	Renewal Pending	100%
ML 961	Hillgrove Mines Pty Ltd	9/12/1981	Renewal Pending	100%
ML 972	Hillgrove Mines Pty Ltd	6/01/1982	Renewal Pending	100%
ML 1020	Hillgrove Mines Pty Ltd	3/11/1982	11/02/2041	100%
ML 1026	Hillgrove Mines Pty Ltd	8/12/1982	Renewal Pending	100%
ML 1100	Hillgrove Mines Pty Ltd	9/11/1983	Renewal Pending	100%
ML 1101	Hillgrove Mines Pty Ltd	9/11/1983	Renewal Pending	100%
ML 1332	Hillgrove Mines Pty Ltd	7/10/1993	11/02/2041	100%
ML 1440	Hillgrove Mines Pty Ltd	12/02/1999	Renewal Pending	100%
ML 1441	Hillgrove Mines Pty Ltd	12/02/1999	Renewal Pending	100%
ML 1442	Hillgrove Mines Pty Ltd	12/02/1999	Renewal Pending	100%
ML 1598	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1599	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1600	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1601	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1602	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1603	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1604	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 5643	Hillgrove Mines Pty Ltd	14/11/1958	Renewal Pending	100%
ML 6282	Hillgrove Mines Pty Ltd	12/03/1971	Renewal Pending	100%
GL 3959	Hillgrove Mines Pty Ltd	8/02/1933	Renewal Pending	100%
GL 3980	Hillgrove Mines Pty Ltd	29/03/1933	Renewal Pending	100%
GL 5845	Hillgrove Mines Pty Ltd	16/02/1968	16/02/2030	100%
MPL 146	Hillgrove Mines Pty Ltd	9/08/1978	Renewal Pending	100%
MPL 220	Hillgrove Mines Pty Ltd	7/12/1983	Renewal Pending	100%
MPL 745	Hillgrove Mines Pty Ltd	29/03/1933	Renewal Pending	100%
MPL 919	Hillgrove Mines Pty Ltd	31/08/1938	Renewal Pending	100%
MPL 1427	Hillgrove Mines Pty Ltd	6/07/1973	Renewal Pending	100%
PLL 350	Hillgrove Mines Pty Ltd	28/05/1932	Renewal Pending	100%
PLL 416	Hillgrove Mines Pty Ltd	20/12/1935	Renewal Pending	100%
PLL 661	Hillgrove Mines Pty Ltd	27/07/1943	Renewal Pending	100%
PLL 804	Hillgrove Mines Pty Ltd	22/07/1949	22/07/2032	100%
PLL 1252	Hillgrove Mines Pty Ltd	23/12/1969	Renewal Pending	100%
PLL 3827	Hillgrove Mines Pty Ltd	21/08/1973	Renewal Pending	100%