



Strong Production Continues at Thalanga

Red River Resources Limited (ASX: RVR) is pleased to report continued strong operating performance from its Thalanga Operations in Northern Queensland during the June quarter.

Highlights:

- Quarterly mine production at Thalanga of 90kt ore mined
- Quarterly tonnage of 104kt ore processed through the Thalanga Mill
- Quarterly concentrate production:
 - Quarterly zinc concentrate production of 9,057 tonnes (Q3 FY19: 8,952 tonnes)
 - Quarterly lead concentrate production of 3,369 tonnes (Q3 FY19: 3,763 tonnes)
 - Quarterly copper concentrate production of 1,806 tonnes (Q3 FY19: 1,694 tonnes)

Figure 1 Base metal concentrate being loaded at Thalanga



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Table 1 Thalanga Operations Summary for the June 2019 Quarter (Q4 FY19)

| | Units | Q4 FY18 | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 |
|------------------------------------|-------|---------|---------|---------|---------|---------|--------|
| Total Tonnes Mined | kt | 84 | 90 | 96 | 106 | 90 | 383 |
| Copper grade | % | 0.3 | 0.3 | 0.4 | 0.6 | 0.5 | 0.4 |
| Lead grade | % | 1.9 | 2.2 | 2.4 | 3.1 | 2.3 | 2.5 |
| Zinc grade | % | 4.3 | 5.0 | 5.4 | 5.8 | 5.0 | 5.3 |
| Gold grade | g/t | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 |
| Silver grade | g/t | 30 | 31 | 39 | 53 | 43 | 42 |
| Zinc equivalent grade | % | 8.1 | 8.8 | 9.9 | 11.9 | 9.8 | 10.2 |
| Ore Processed | kt | 70 | 98 | 95 | 109 | 104 | 407 |
| Copper grade | % | 0.4 | 0.3 | 0.4 | 0.5 | 0.6 | 0.5 |
| Lead grade | % | 2.2 | 2.2 | 2.6 | 2.9 | 2.6 | 2.6 |
| Zinc grade | % | 4.7 | 4.3 | 5.2 | 5.5 | 5.4 | 5.1 |
| Gold grade | g/t | 0.2 | 0.1 | 0.2 | 0.3 | 0.3 | 0.2 |
| Silver grade | g/t | 40 | 30 | 46 | 55 | 56 | 47 |
| Zinc equivalent grade | % | 9.1 | 8.2 | 10.1 | 11.4 | 11.2 | 10.3 |
| Zinc Concentrate Produced | DMT | 5,477 | 6,800 | 7,695 | 8,952 | 9,057 | 32,504 |
| Zinc grade | % | 56.0 | 55.0 | 56.8 | 59.3 | 55.4 | 56.7 |
| Zinc recovery | % | 88.0 | 89.2 | 87.8 | 88.6 | 88.7 | 88.6 |
| Lead Concentrate Produced | DMT | 2,065 | 2,747 | 3,007 | 3,763 | 3,369 | 12,886 |
| Lead grade | % | 58.2 | 62.2 | 65.7 | 69.3 | 64.5 | 65.7 |
| Copper grade | % | 4.5 | 4.3 | 2.9 | 1.6 | 1.6 | 2.5 |
| Gold grade | g/t | 3.9 | 3.6 | 2.6 | 2.6 | 2.7 | 2.8 |
| Silver grade | g/t | 984 | 787 | 786 | 831 | 822 | 809 |
| Lead recovery | % | 77.3 | 80.1 | 80.6 | 81.9 | 79.7 | 80.7 |
| Copper recovery | % | 34.2 | 36.0 | 22.6 | 10.3 | 9.0 | 16.8 |
| Copper Concentrate Produced | DMT | 330 | 417 | 725 | 1,694 | 1,806 | 4,642 |
| Copper grade | % | 28.2 | 27.9 | 28.6 | 25.4 | 23.8 | 25.5 |
| Gold grade | g/t | 2.8 | 2.3 | 7.6 | 6.7 | 6.8 | 6.5 |
| Silver grade | g/t | 540 | 225 | 1,311 | 956 | 1,116 | 1,008 |
| Copper recovery | % | 34.3 | 35.1 | 54.1 | 73.5 | 71.1 | 62.2 |

Table may include rounding errors

The Company will release the full June 2019 Quarterly Report before the end of July 2019.

On behalf of the Board,

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Managing Director

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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 West 45 and Far West deposits. The Metallurgical Recovery for each metal is shown below in Table 1.

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

Table 1 Metallurgical Recoveries and Metal Prices

| Metal | Metallurgical Recoveries | Price |
|------------------------|--------------------------|--------------|
| Copper | 80% | US\$3.00/lb |
| Lead | 70% | US\$0.90/lb |
| Zinc | 88% | US\$1.00/lb |
| Gold | 15% | US\$1,200/oz |
| Silver | 65% | US\$17.00/oz |
| FX Rate: A\$0.85:US\$1 | | |

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

Table 2 Payable Metal Factors

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

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

$$\text{Zn Eq.} = (\text{Zn}\% \times 1.0) + (\text{Cu}\% \times 3.3) + (\text{Pb}\% \times 0.9) + (\text{Au ppm} \times 0.5) + (\text{Ag ppm} \times 0.025)$$

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

Table 3 Metal Equivalent Factors

| Metal | Copper | Lead | Zinc | Gold | Silver |
|-------------------------|--------|------|------|------|--------|
| Metal Equivalent Factor | 3.3 | 0.9 | 1.0 | 0.5 | 0.025 |

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