

ASX Announcement

ASX Code: RVR

19 May 2015

Red River to Drill the Outstanding Truncheon Prospect

Highlights

- Red River awarded \$75,000 in funding from the QLD Government's Collaborative Drilling Initiative (CDI) towards drilling at Red River's Truncheon Prospect
- Truncheon is located 3km NE of Highway-Reward deposit and within trucking distance of RVR's Thalanga Mill
- Truncheon has a gravity and induced polarisation chargeability anomaly of similar size and scale to Highway-Reward
- Highway-Reward was an outstanding deposit, with historic (1998-2005) production of 3.8Mt @ 6.2% Cu and 1g/t Au and was treated through RVR's Thalanga Mill
- Red River's reprocessing of historical geophysical data indicates that no previous drilling has tested this significant anomaly at Truncheon
- Drilling planned for 2H 2015

Zinc developer Red River Resources Limited (Red River or the Company) is pleased to announce that it has received \$75,000 in funding from Round 9 of the Queensland Government's Future Resources Program – Collaborative Drilling Initiative towards drilling Red River's Truncheon Prospect.

Red River has undertaken reprocessing of historical geophysical data (gravity and induced polarisation chargeability) which has indicated that the Truncheon Prospect anomaly (combined gravity, induced polarisation chargeability and geochemistry) is of similar size and scale to the historical anomaly at the Highway-Reward deposit.

Historical production from Highway-Reward was 3.8Mt @ 6.2% Cu and 1g/t Au⁽¹⁾ from open pit and underground mining operations between 1998 and 2005, and the ore produced from Highway-Reward was treated at Red River's Thalanga processing plant.

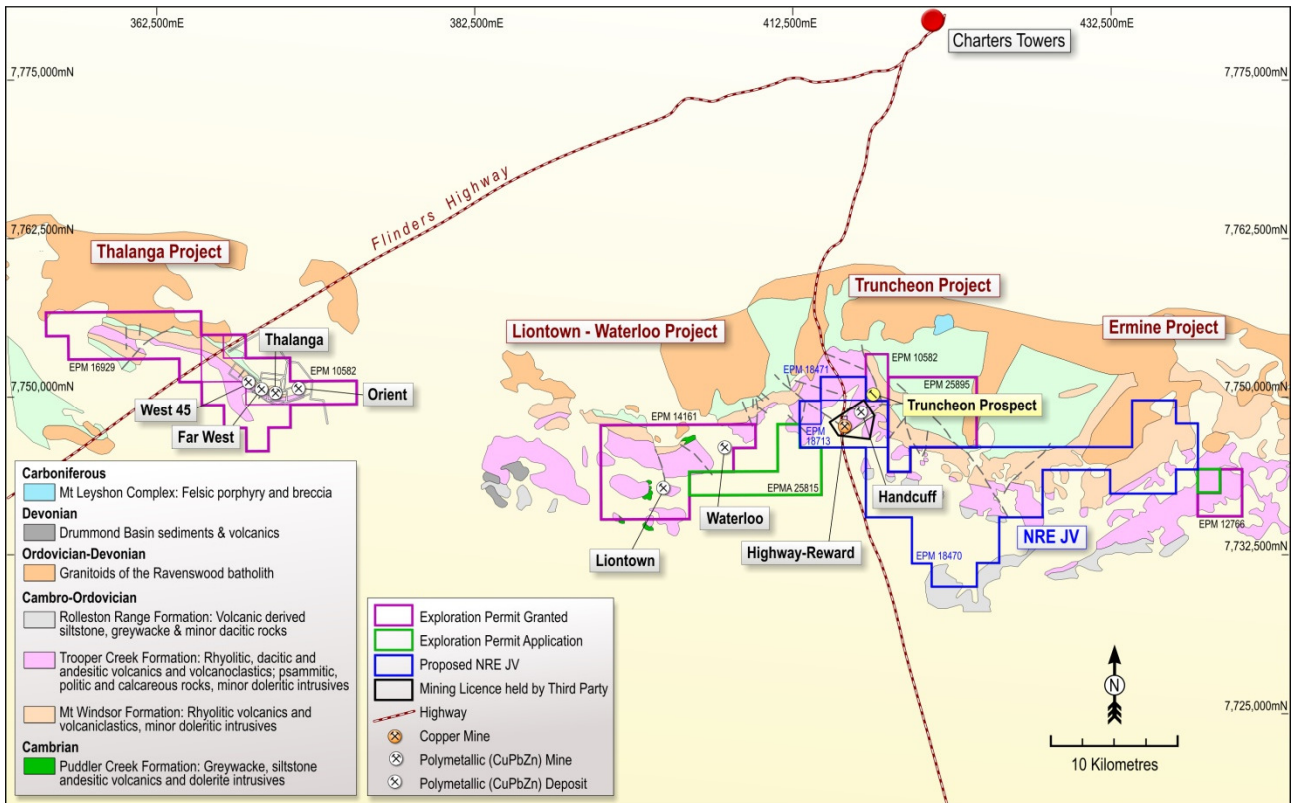
Red River proposes to drill 4 drill holes of approximately 500m depth each for a total of 2,000m to test the Truncheon Prospect for high grade copper mineralisation. The drill holes will consist of 150m reverse circulation pre-collars with diamond core tails. Drilling is planned to take place in the second half of 2015.

(1) *Grange Resources Limited Public Disclosure*

1. Truncheon Project

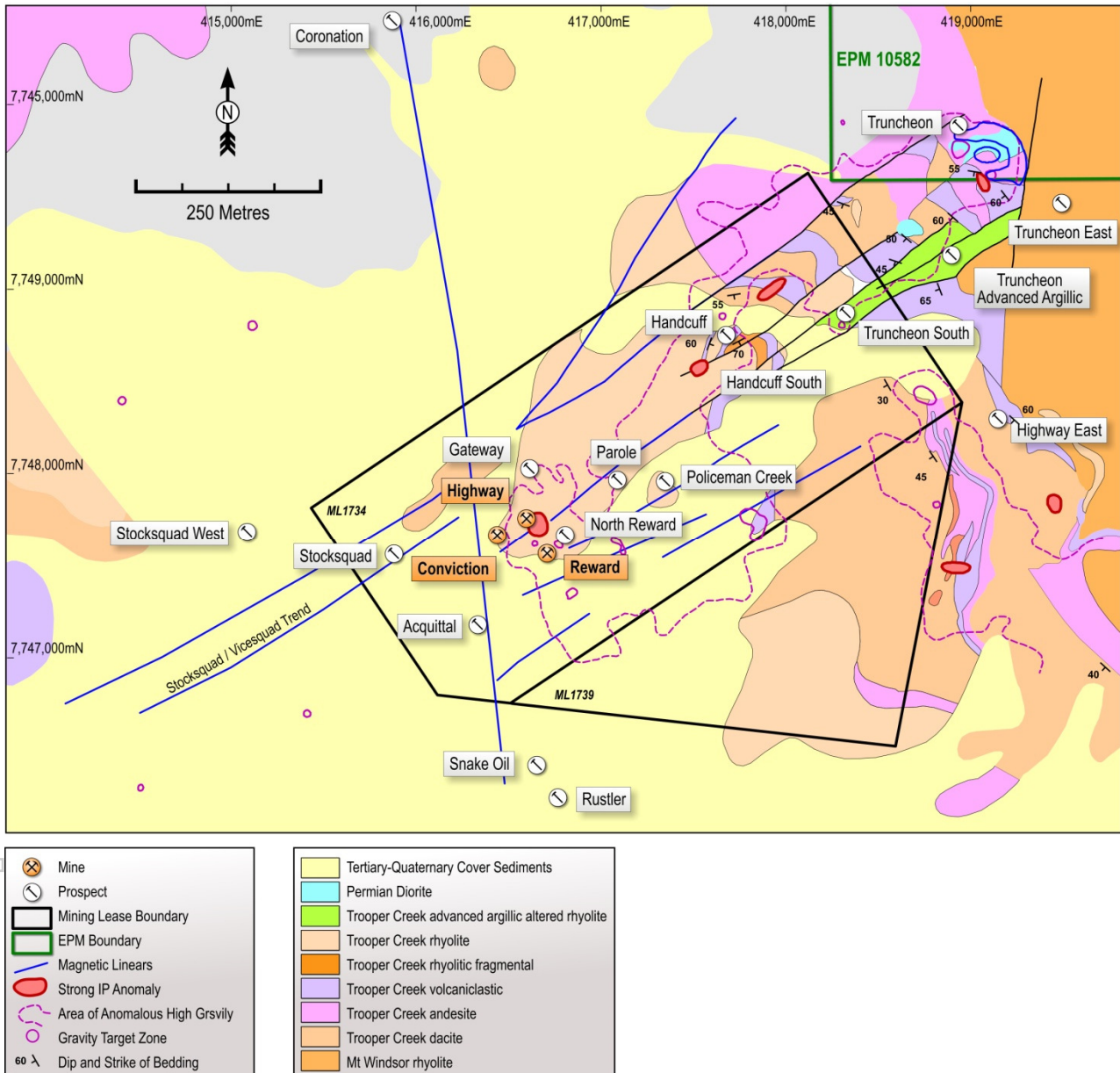
The Truncheon Prospect is located approximately 3kms NE of the Highway Reward deposit within the southern boundary of EPM 10582. The Truncheon Prospect is approximately 25km south of Charters Towers and 85km by road from the Thalanga Processing facility.

Figure 1 Truncheon Project Location



The Truncheon Prospect is located approximately 3km NE of the Highway-Reward deposit, which consisted of a cluster of pipe style volcanic hosted massive sulphide deposits and presents as a coincident Cu-Zn in soil, IP chargeability and Bouguer Gravity anomaly hosted within the Trooper Creek formation, close to the upper boundary of the Windsor formation, a location similar to the Thalanga group of deposits and flanked to the SE by a large area of strongly argillic altered outcrop.

Figure 2 IP and Gravity Anomalies and Aeromagnetic Features overlain on simplified interpreted geology



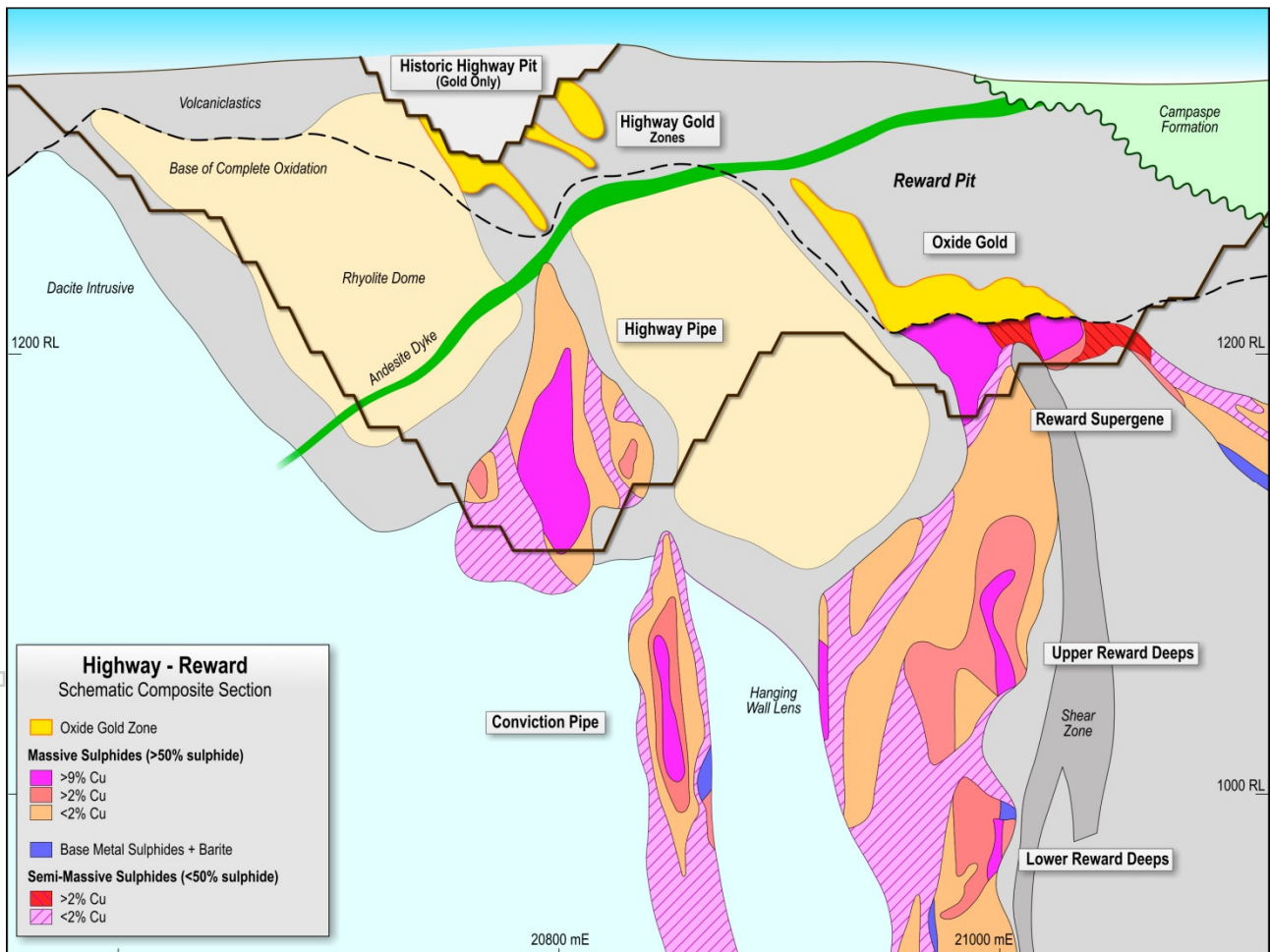
Source: Terra Search Pty Ltd (2006) Thalanga Copper Mines Pty Ltd, Annual Report, Mt Windsor #2 Project, EPM14537, March 11 2005 to March 10 2006

Red River holds EPM 10582 (which contains the Truncheon Prospect) and has recently announced a JV with Natural Resources Exploration (NRE) (please refer to “Red River enters into a Joint Venture with Natural Resources Exploration (NRE) on the highly prospective Mt Windsor Project” dated 28 April 2015) which allows Red River to earn into a majority position (up to 90%) on the ground which is contiguous with ML1734 and ML1739 (which are currently held by Thalanga Copper Mines Pty Ltd).

Historical production from Highway-Reward was 3.8Mt @ 6.2% Cu and 1g/t Au⁽¹⁾ from open pit and underground mining operations between 1998 and 2005, and the ore produced from Highway-Reward was treated at Red River’s Thalanga processing plant. The primary copper mineralisation at Highway-Reward was hosted in two main pyrite (FeS₂) - chalcopyrite (CuFeS₂) pipes (Highway and Reward) and overlaying the primary mineralisation was a high grade supergene chalcocite (Cu₂S) – covellite (CuS) rich zone. A third smaller pipe (Conviction) was also mined.

(1) Grange Resources Limited Public Disclosure

Figure 3 Schematic Composite Geological Section of Highway-Reward Deposit (looking grid north)

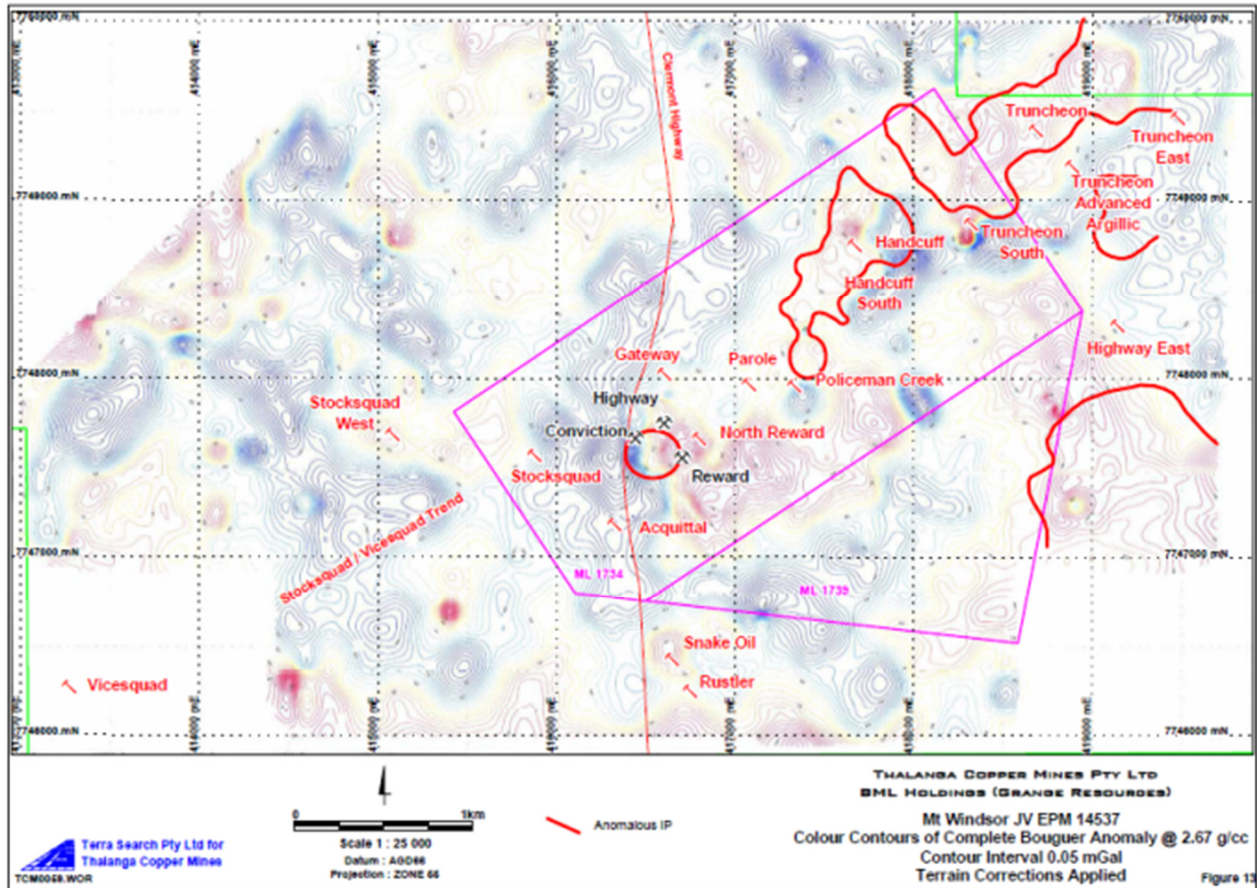


Source: Terra Search Pty Ltd (2006) Thalanga Copper Mines Pty Ltd, Annual Report, Mt Windsor #2 Project, EPM14537, March 11 2005 to March 10 2006

2. Recent Exploration by Red River

Red River recently engaged consultant geophysicist David McInnes of Montana GIS to re-process and reinterpret the historical geophysical data sets within the Mt Windsor VHMS Project, the results of which have highlighted the potential of the Truncheon prospect to host economic massive sulphide mineralisation.

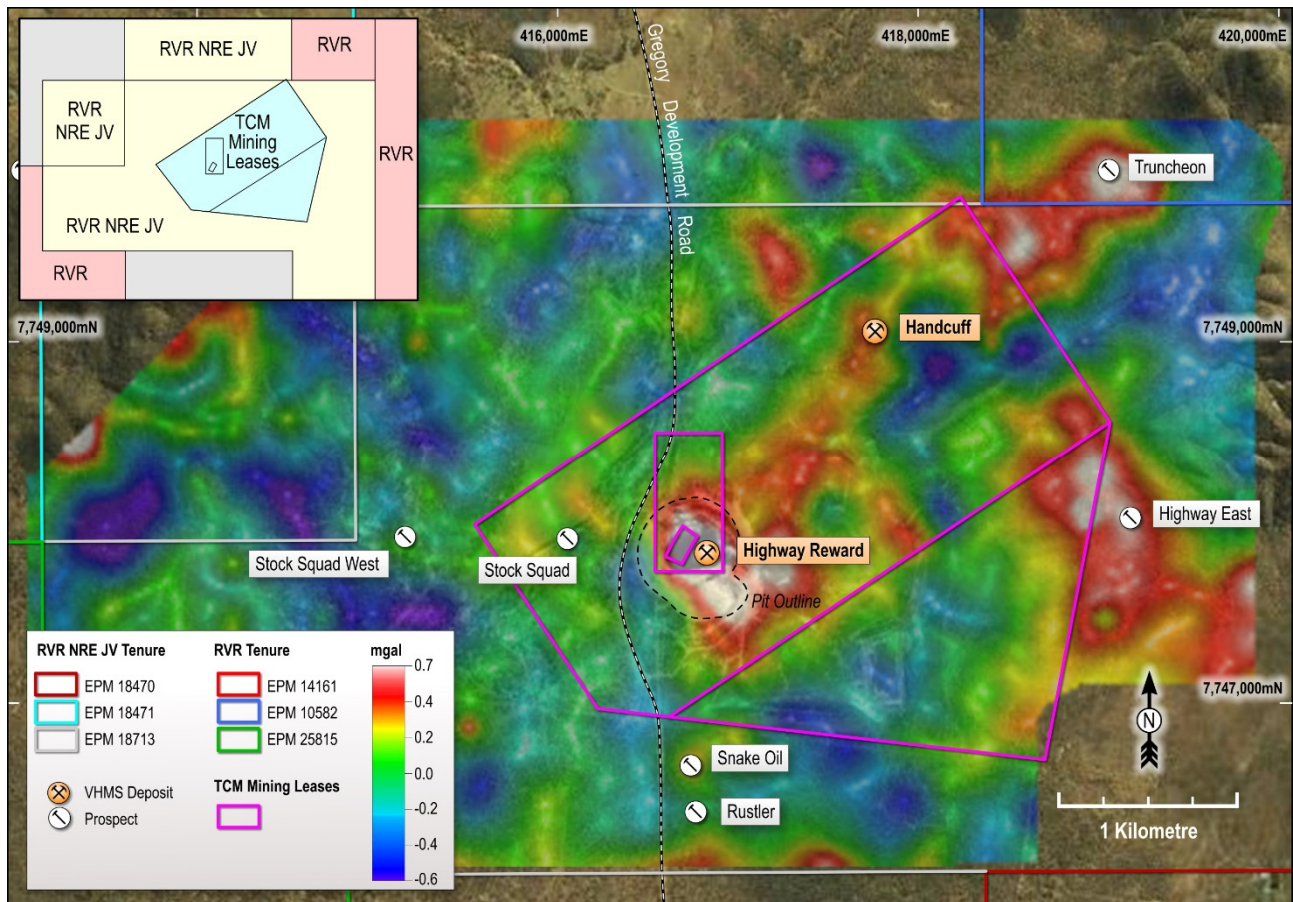
Figure 4 Historical Gravity Survey over the Highway Reward Area



Source: Terra Search Pty Ltd (2006) Thalanga Copper Mines Pty Ltd, Annual Report, Mt Windsor #2 Project, EPM14537, March 11 2005 to March 10 2006

The historic gravity data set recently re-processed, also covered the Highway-Reward deposit pre-mining and as such has provided important insights into the response of known mineralisation. Key outcomes of this study are that strong gravity responses are produced at both the Highway-Reward deposit and the Truncheon Prospect. Figure 5 illustrates this point with the gravity image being slightly transparent showing the location of the Highway Reward open pit in the south west coincident with a pronounced gravity high and a gravity high of similar size and tenor at the Truncheon prospect in the NE.

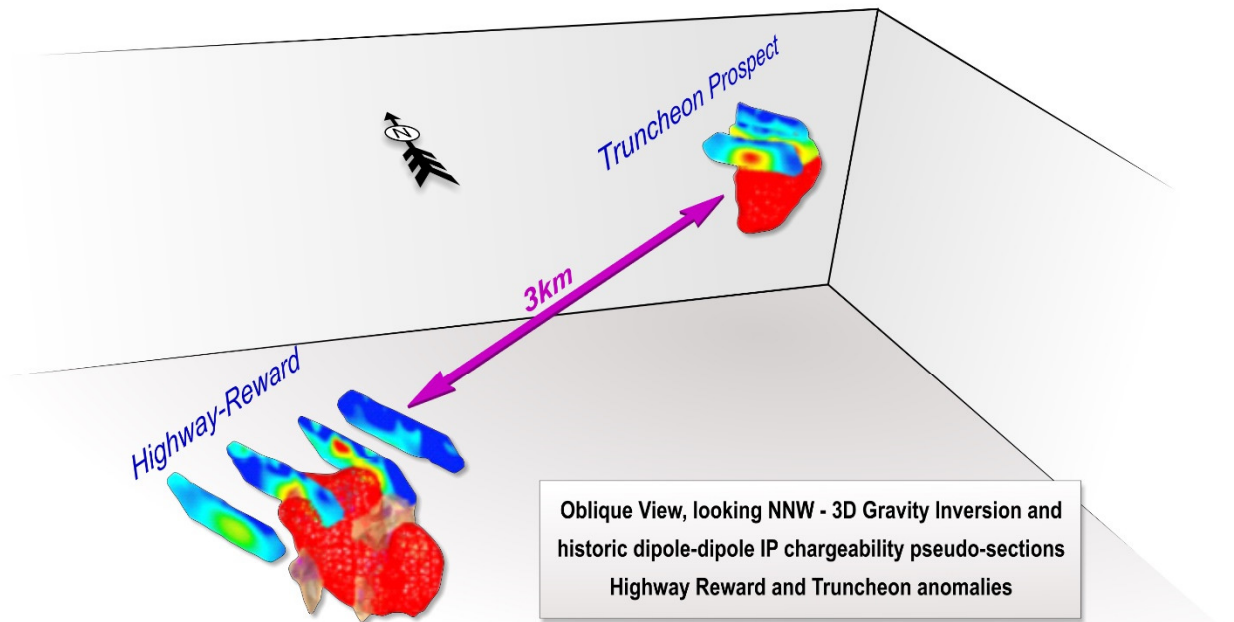
Figure 5 Plan View - Reprocessed historic gravity data Highway Reward to Truncheon (Second Order Residual Bouguer Gravity Image)



Note: TCM Mining Leases are held by Thalanga Copper Mines Pty Ltd.

A 3D inversion of the re-processed gravity data has determined that the Truncheon anomaly only reaches to within ~200m of surface and as such is poorly tested by sparse historic drilling. Re-processing of historic dipole-dipole IP surveys has confirmed that both the Highway Reward and Truncheon Prospects present as coincident gravity and chargeability anomalies.

Figure 6 Oblique View, looking NNW – 3D Gravity Inversion and historic dipole-dipole IP chargeability pseudo sections, Highway Reward and Truncheon anomalies



3. Historic Drilling

Analysis of historical drilling in 3D has determined that the current drilling has failed to test the bulk of the coincident gravity anomaly at Truncheon. Furthermore, the best results to date have occurred at depth or in proximity to the modelled gravity anomaly.

The historical drilling data was sourced from the following reports:

Table 1 Truncheon Prospect Historical Drilling Data

Hole ID	Company	Report Title	Author
TNMW0201	Thalanga Copper Mines Pty Ltd	EPM 3380, Annual & Final Report for period ending 16th December 2002	Shepherd, A.M.
TNMW0202	Thalanga Copper Mines Pty Ltd	EPM 3380, Annual & Final Report for period ending 16th December 2002	Shepherd, A.M.
TNMW0203	Thalanga Copper Mines Pty Ltd	EPM 3380, Annual & Final Report for period ending 16th December 2002	Shepherd, A.M.
TNTCM0207	Thalanga Copper Mines Pty Ltd	EPM 10582 Annual Report, period ending 27th July, 2003	Beams S.D.
TNTCM0208	Thalanga Copper Mines Pty Ltd	EPM 3380, Annual & Final Report for period ending 16th December 2003	Beams S.D.
TNTCM0209	Thalanga Copper Mines Pty Ltd	EPM 10582 Annual Report, period ending 27th July, 2003	Beams S.D.
TNMW0210	Thalanga Copper Mines Pty Ltd	EPM 3380, Annual & Final Report for period ending 16th December 2003	Beams S.D.
TNTCM211	Thalanga Copper Mines Pty Ltd	EPM 10582 Annual Report, period ending 27th July, 2004	Beams, S.D. et al.
TNTCM212	Thalanga Copper Mines Pty Ltd	EPM 10582 Annual Report, period ending 27th July, 2004	Beams, S.D. et al.

Red River is not in possession of any new information or data related to the historical drilling data quoted below that materially impacts the reliability of the estimates or Red River's ability to verify the historical drilling data in accordance with the JORC Code.

Hole TNTCM0207 intersected plagioclase phyrlic chlorite-pyrite altered andesite from 172m which contained trace to 1% bornite and chalcopryite as ragged disseminated blebs with the best intersections of 3m @ 0.78% Cu from 188m and 36m @ 0.26% Cu from 208m. Zinc values recorded are up to 0.35%. Downhole EM revealed a weak in hole response just past the end of the hole, suggesting that the hole would have intersected more mineralisation if extended.

Hole TNTCM0208 targeted coincident IP and surface geochemical anomalism on the flank of the gravity high. The hole was completed at 286m and intersected variably pyrite-chlorite altered andesite and dacite with some minor chalcopryite, best assay of 3m @ 0.17% Cu from 116m.

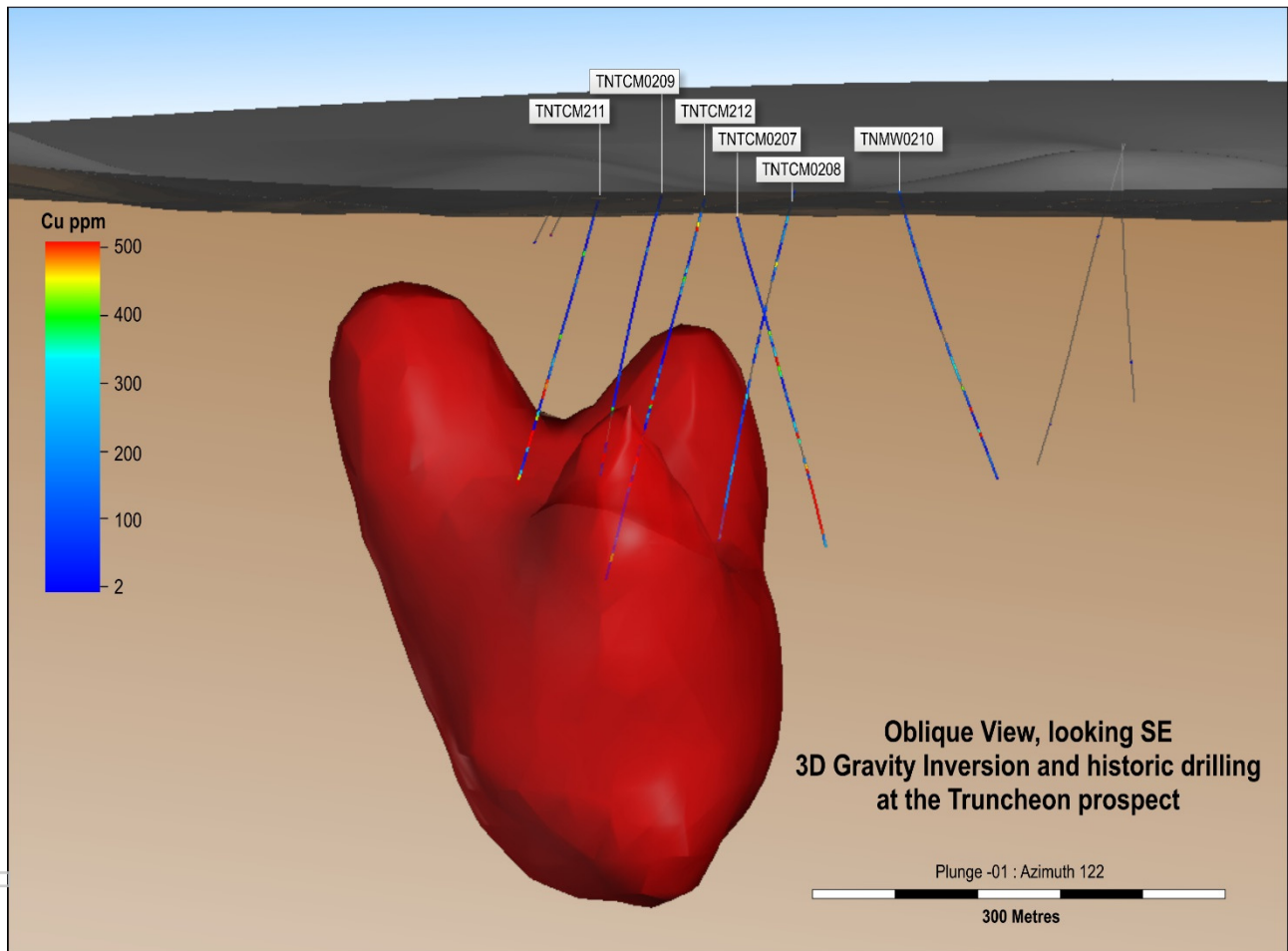
Hole TNTCM0209 targeted the perceived peak of the gravity high, coincident with IP and strong copper geochemistry. Ragged blebs of chalcopryite occurred in chlorite-pyrite altered andesite from 163m with best assays of 4m @ 0.46% Cu from 181m and 4m @ 0.18% Cu from 193m. A weak to moderate offhole EM conductor was detected at depth below 150m.

In 2004, two reverse circulation percussion holes with diamond core tails were drilled; TNTCM211 & TNTCM212. TNTCM211 targeted a magnetic feature representing a possible intrusive alteration system, along strike from the sulphidic volcanics and intense argillic alteration previously identified. While no

intrusive was encountered, zones of chlorite-pyrite altered andesite with trace chalcopyrite was observed with best assays of 4m @ 0.13% Cu, 0.19% Zn & 2.4 g.t Ag from 168m and 8m @ 0.19% Cu from 208m.

Hole TNTCM212 targeted a downhole EM conductor, intersecting strongly chlorite-pyrite altered andesite with zones up to 50m of 10-20% pyrite with trace chalcopyrite, best intersections include 4m @ 0.18% Cu from 212m and 4m @ 0.2% Cu from 180m. Interestingly, the bottom of hole TNTCM212 intersected breccia zones containing angular clasts of chlorite-pyrite altered andesite and intense silica-sericite-pyrophyllite alteration, further evidence of a significant hydrothermal centre at Truncheon.

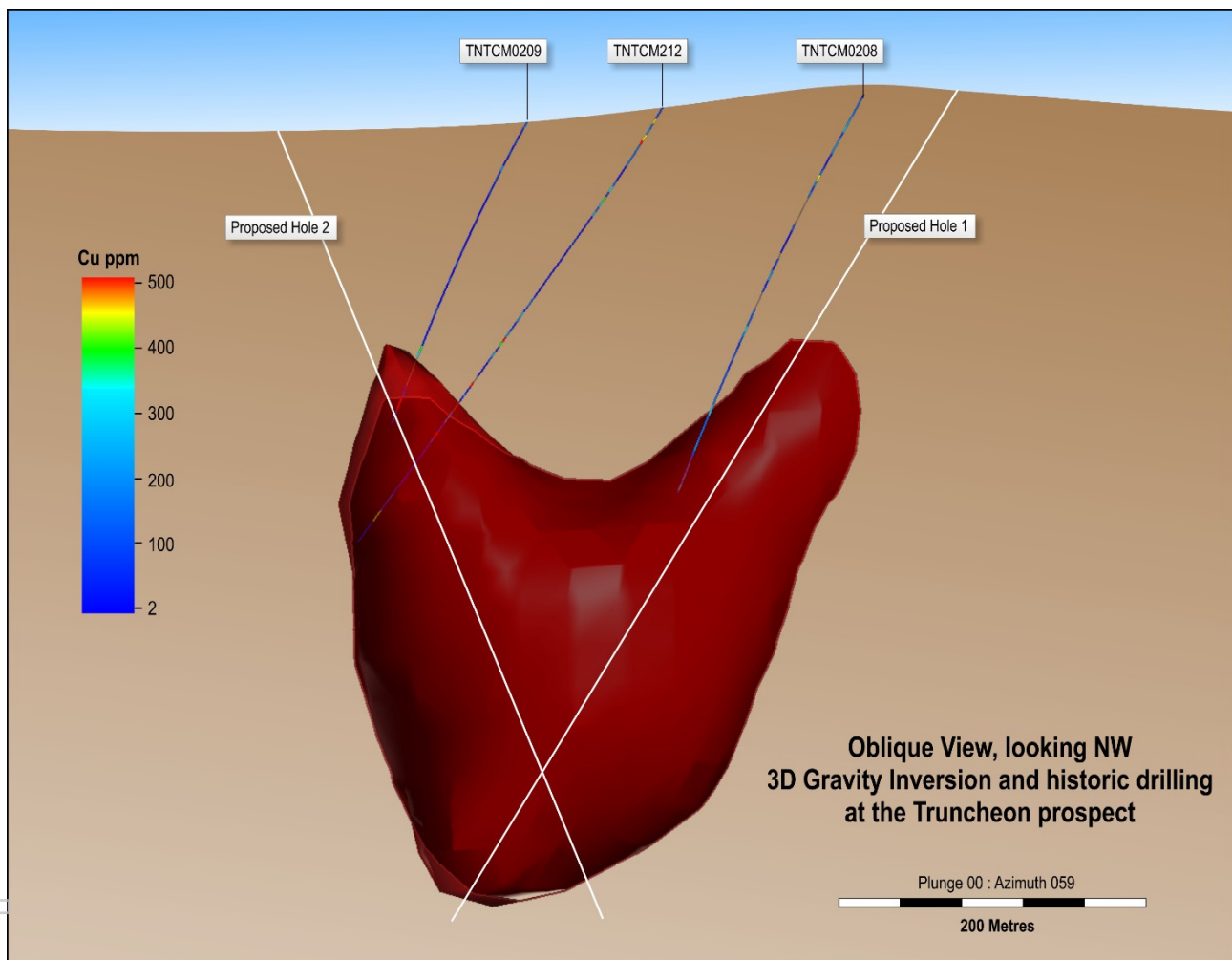
Figure 7 Historic drilling at the Truncheon Prospect



4. Proposed Drilling and Next Steps


Red River proposes to drill 4 drill holes of approximately 500m depth each for a total of 2,000m. The drill holes will consist of 150m reverse circulation pre-collars with diamond core tails. Three holes will target the bulk of the modelled gravity anomaly below ~300m depth from surface and one hole will be designed to test below the encouraging results interested in TNTCM0207.

Figure 8 Planned drill holes (1 & 2) to test the Truncheon target



Drilling is planned to commence in 2H 2015. Red River continues to reprocess the historical exploration data for the NRE JV, and views the area around Truncheon as a high priority.

On behalf of the Board



Donald Garner
Managing Director
Red River Resources Limited

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

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COMPETENT PERSON STATEMENT

Exploration Targets and Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr. Tav Bates who is a member of the Australasian Institute of Mining and Metallurgy, and a full time employee of Terra Search Pty. Ltd., and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Bates consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

APPENDIX A – JORC 2012 EDITION TABLE 1

RE-PROCESSING OF HISTORICAL GEOPHYSICS (GRAVITY & INDUCED POLARISATION)

The following information meets the requirements of the JORC 2012 Table 1 Section 1 and 2 and as applicable for ASX release related to the results of the re-processing of historical geophysics conducted at the Truncheon Project.

Section 1: Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<p>This report relates to the results of the reprocessing of two historical geophysical data sets.</p> <p>Gravity: The gravity survey was conducted in phases from 1987 to 1997. Data collection varied between 50 and 100m station spacings. The total survey consisted of 2722 stations.</p> <p>Induced Polarisation: The seven lines of IP were conducted in 1982. The technique used consisted of Dipole-Dipole Zonge Complex Resistivity Induced Polarisation (CRIP). The survey utilised 50m dipole spacings.</p>
Drilling techniques	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant. The drilling techniques utilised consisted of both Reverse Circulation and Diamond Core.
Drill sample recovery	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant. Sample loss is assumed to be negligible
Logging	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant. Geological logging was conducted by trained company geologists.
Sub-sampling techniques and sample separation	<p>Gravity: The data set consisted of 2722 station points taken on between 50 and 100m spacings. Importantly, the region over the Highway-Reward deposit was collected pre-mining.</p> <p>Induced Polarisation: Surveys consisted of seven separate survey lines of 500m length utilising a 50m dipole spacing</p>
Quality of assay data and laboratory tests	Validation of the historical geophysical data sets was conducted by David McInnes of Montana GIS, Geophysics Consultant.
Verification of sampling and assaying	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant. Assaying and sampling was however conducted by trained company geologists and assaying conducted by an independent assay laboratory.
Location of data points	<p>Refer to Figures 4, 5 & 6 for location of geophysical surveys.</p> <p>Accuracy of points is assumed to be +/-5m (Handheld GPS).</p> <p>Coordinate system used during collection was the Highway Mine Grid. Coordinate system for presentation of results is GDA, MGA94 zone 55.</p>

Data spacing and distribution	Gravity: Variable station spacings form 50 to 100m Induced Polarisation: Dipole spacings of 50m. Survey line lengths of 500m
Orientation in relation to geological structure	Gravity: No set orientation Induced Polarisation: Survey lines designed perpendicular to strike of stratigraphy
Sample security	Data was provided direct from the contractor to a consultant geophysicist
Audits or reviews	Data validation was undertaken by David McInnes of Montana GIS, geophysical consultant

Section 2: Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<p>The surveys were conducted on Exploration Permits; EPM 10582 & historic EPM 3380. These exploration permits form part of the Thalanga project acquired by Red River Resources from the previous operator Kagara Copper Pty Ltd in October 2014 and or part of the recently executed JV with Natural Resources Exploration.</p> <p>The surveys also encompass ML 1739, ML 1734, ML 1571 and ML 10028. These mining Leases are held by Thalanga Copper Mines Pty Ltd. Red River Resources Ltd do not have exploration access or mineral rights within the boundaries of these mining leases.</p>
Exploration done by other parties	<p>The historical gravity and IP data was collected by Esso Exploration Pty Ltd and Thalanga Copper Mines Pty Ltd over the period 1982 -1997.</p> <p>Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant.</p>
Geology	<p>The exploration model is for Volcanic Hosted Massive Sulphide (VHMS) base metal mineralisation</p> <p>The regional geological setting is the Mt Windsor Volcanic Sub-province, consisting of Cambro-Ordovician marine volcanic and volcano-sedimentary sequences</p>
Drill hole	Reference is made within the text to historic drilling intercepts; the location of these intercepts is illustrated within the figures. This information has been outlined as non-JORC 2012 compliant.
Information	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant.
Data aggregation methods	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant and as such no data aggregation methods reported
Relationship between mineralisation widths and intercept lengths	Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant.

Diagrams	<p>Fig 1 presents a scaled, gridded illustration of the regional geological setting and the location of the Truncheon prospect</p> <p>Fig 2 presents a scaled, gridded illustration of the local geology, prospects and mineral deposits within the Truncheon area</p> <p>Fig 3 presents schematic cross section of the geology and mineralisation of the mined Highway-Reward deposit.</p> <p>Fig 4 presents the results of the historic gravity survey before re-processing</p> <p>Fig 5 presents the results of the re-processed gravity data</p> <p>Fig 6 presents an oblique long section of the inverted gravity anomalies with the re-processed IP chargeability sections.</p> <p>Fig 7 presents an oblique long section of the Truncheon gravity inversion results and historic drilling</p> <p>Fig 8 presents an oblique long section of the Truncheon gravity inversion results and the proposed drilling</p>
Balanced reporting	<p>The complete inversion models for all IP lines completed are included within the release.</p> <p>The complete re-processed gravity image is also presented</p>
Other substantive exploration data	<p>Reference is made within the text to historic drilling intercepts however this information has been outlined as non-JORC 2012 compliant.</p>
Further work	<p>The next phase of exploration includes finalising land access with the aim of drill testing the targets identified.</p>