



ACN 100 796 754

ASX Announcement

ASX Code: RVR

6 November 2019

2019 AGM – Chairman's Address

Dear Fellow Shareholder,

I am pleased to open the 2019 Annual General Meeting for Red River Resources and to look back on a year where our Company built on the success of 2018 and laid the platform for continued growth and expansion in 2020.

The first full year of mine production from the Thalanga Operation (West 45 plus development ore from Far West) for the period was 383kt of ore @ 0.4% Cu, 2.5% Pb, 5.3% Zn, 0.2 g/t Au & 42 g/t Ag (10.2% Zinc Equivalent) and the Thalanga Mill processed 407kt of ore @ 0.5% Cu, 2.6% Pb, 5.1% Zn, 0.2 g/t Au & 47 g/t Ag (10.3% Zinc Equivalent) to produce 32,504 dry metric tonnes of zinc concentrate, 12,886 dry metric tonnes of lead concentrate and 4,642 dry metric tonnes of copper concentrate.

Thalanga Operations generated revenue of \$96.5 million during the period, with \$55.0 million from the sale of zinc metal in concentrate, \$20.6 million from the sale of lead metal in concentrate, \$9.7 million from the sale of copper metal in concentrate and \$11.2 million from the sale of payable precious metals (gold and silver) contained in copper and lead concentrates.

The Company produced \$23.0 million of cash from operations, fully funding the development of the new Far West Mine (\$12.7 million) and the investment in exploration across our tenements (\$4.3 million).

As at year end, total development at Far West was 2,568m including 1,240m of decline development. Far West development ore successfully treated through the Thalanga Mill during FY19 and the first production ore is expected to be produced and treated early in FY20. Once Far West is in full production, this will materially increase copper production from Thalanga Operations.

We completed over 15,000m of drilling across our exciting portfolio of projects in tenements at Thalanga, focusing on increasing Mineral Resources and Ore Reserves at our current projects and to find the next generation of deposits within the region.

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A maiden Mineral Resource of 1.5Mt @ 12.2% Zinc Equivalent at Liantown East was announced in July 2018, increasing the total Mineral Resource at the Liantown Project to 3.6Mt @ 10% Zinc Equivalent. The Liantown Project is the largest undeveloped Mineral

Resource at Thalanga Operations, and the Company has recently commenced development studies for this Project.

We also continued to seek opportunities to grow Red River beyond Thalanga, adding strength and reducing risk through the diversification of the Company to become a multiple asset operating company with increasing exposure to copper and precious metals.

To this end, we continue to seek high quality acquisition opportunities within the sector, which will meet and surpass our internal requirements and allow us to deliver material value for our shareholders. Subsequent to the year end, we announced the acquisition of the Hillgrove Gold-Antimony project located in NSW for AUD 4 million, payable in Red River shares.

Red River's balance sheet remains debt free, and as at year end we had a cash balance of \$25.9 million plus financial assets of \$8.5 million (cash backed security bond deposits) and also an undrawn working capital facility of USD 10 million.

The coming year will be an exciting one for Red River as we bring our second mine, Far West, into full production at Thalanga Operations and commence activities at Hillgrove. We plan to take a methodical approach at Hillgrove (undertake a thorough evaluation of the operation and assets prior to commencing a restart study) similar to the successful Thalanga Operations restart, where Red River acquired Thalanga Operations for \$6 million in late 2014 and restarted production in 2017.

With a solid year of production behind us and an exciting year of development ahead of us, I take this opportunity to thank Red River's staff and management for their continuing hard work and dedication through 2019. I thank my fellow Board members for their contribution over the year.

I would also like to thank our Shareholders for your continued support and belief in our Company as we work to deliver on Red River's potential.

The year ahead will be another busy period as we maintain our strong production levels and develop new opportunities, and I look forward to sharing our successes with you.

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